

SCHOOL DISTRICT

OF

SPRINGFIELD



**SPRINGFIELD BOARD OF EDUCATION
SPRINGFIELD, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

OF THE

SPRINGFIELD BOARD OF EDUCATION

SPRINGFIELD, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY

**SPRINGFIELD BOARD OF EDUCATION
FINANCE DEPARTMENT**

SPRINGFIELD SCHOOL DISTRICT

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*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

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INTRODUCTORY SECTION

**THE TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION
P.O. BOX 210
SPRINGFIELD, NEW JERSEY 07081**

**(973) 376-1025 TEL
(973) 912-9229 FAX**

**Michelle Calas
School Business Administrator/
Board Secretary**

January 15, 2024

Honorable President and
Members of the Board of Education
The Township of Springfield School District
County of Union, New Jersey

Dear Board Members:

We are pleased to present to you the Annual Comprehensive Financial Report (ACFR), of the Township of Springfield School District for the fiscal year ended June 30, 2023. This ACFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. The District has adopted this financial reporting model as required by the State of New Jersey. This reporting model will provide all users of this document with much more useful financial and statistical information. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Amendment of 1996 and the provisions of the Uniform Guidance and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Township of Springfield School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and account groups of the District are included in this report. The Township of Springfield Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, as well as, special education for handicapped youngsters. The District completed the 2022-2023 fiscal year with an average daily enrollment of 2,185.1 students. The following details the changes in the student enrollment of the District over the last ten years, based on the October 15th count.

| Fiscal Year | Average Daily Enrollment Student Enrollment | Percent Change |
|-------------|---|----------------|
| 2022-23 | 2,231 | 1.80% |
| 2021-22 | 2,191.5 | (.50%) |
| 2020-21 | 2,202.5 | (2.00%) |
| 2019-20 | 2,247.5 | (.47)% |
| 2018-19 | 2,258 | (1.07)% |
| 2017-18 | 2,282.5 | 1.56% |
| 2016-17 | 2,247.5 | (2.24)% |
| 2015-16 | 2,299 | (.48)% |
| 2014-15 | 2,310 | (2.47)% |
| 2013-14 | 2,368.5 | |

2) ECONOMIC CONDITION AND OUTLOOK: Springfield Township School District and the community have enjoyed a relatively stable economic condition and financial outlook over the past decade, however with the two variables of state aid and revenue generation declining, and enrollment stable, the financial impact has begun to negatively impact the school tax levy pushing it to a higher proportion of the total tax levy. This fiscal year saw an increase of state formula aid and it is expected to increase based on senate bill S-2 for the next year. While state formula aid is expected to grow, this assumes that enrollment will remain flat or growing during this time span. We monitor enrollment annually with in-house reports. This practice will continue to best estimate future state formula aid.

3) MAJOR INITIATIVES: Springfield Public Schools continues to work towards its mission to challenge every student through meaningful, engaging experiences with the goal of empowering all students to flourish and contribute in an evolving world. During the 2022-2023 school year, the district continued critical initiatives to support student learning including, providing personalized instruction period for grades 3-5, expanding special education programming for students in ASD programs and in resource classrooms. In addition, the district piloted new math learning programs and updated critical curriculum. In our middle school, a new schedule resulted in increased learning time in classrooms and exposure to interest-based electives. The district was able to expand its preschool program to a full day program through the addition of state aid, resulting in new classrooms and staff to support early childhood education. Throughout the district, professional development opportunities were aligned with students' academic needs. In addition to the academic programs, the district supports a robust extracurricular and athletic program. Other initiatives included ongoing facility projects to improve our efficiencies and support the maintenance of our buildings.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets

of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2023.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance in property and contents, and fidelity bonds.

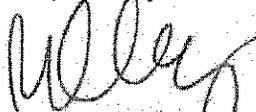
9) OTHER INFORMATION:

A) INDEPENDENT AUDIT - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company, CPAs, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Township of Springfield School Board for their desire to provide fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Rachel Goldberg
Superintendent



Michelle Calas
School Business Administrator/
Board Secretary

**THE TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION
SPRINGFIELD, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2023**

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|---|----------------------------|
| Paula Saha, President | 2024 |
| Meredith Murphy, Vice President | 2025 |
| Jerome Fernandez | 2025 |
| Laura Gamarekian | 2023 |
| Marc Miller | 2023 |
| Hector Munoz | 2024 |
| Kristy Rubin | 2023 |
| Hilary Turnbull | 2025 |
| Yelena Zolotarsky | 2024 |

Other Officials

Rachel Goldberg, Superintendent

Michelle Calas, School Business Administrator/Board Secretary

Manuel Vieira, Treasurer

THE TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION
SPRINGFIELD, NEW JERSEY

CONSULTANTS AND ADVISORS
June 30, 2022

Architect

Design Idea (DI) Group
15 Bethany Street
New Brunswick, NJ 08901

Audit Firm

Robert A. Hulsart and Company
2807 Hurley Pond Road
Wall, NJ 07719

Attorneys

Porzio, Bromberg, and Newman
100 Southgate Parkway
P.O. Box 1997
Morristown, NJ 07962-1997

Cornell, Merlino, McKeever & Osborne, LLC.
238 St. Paul Street
Westfield, NJ 07090

Engineers

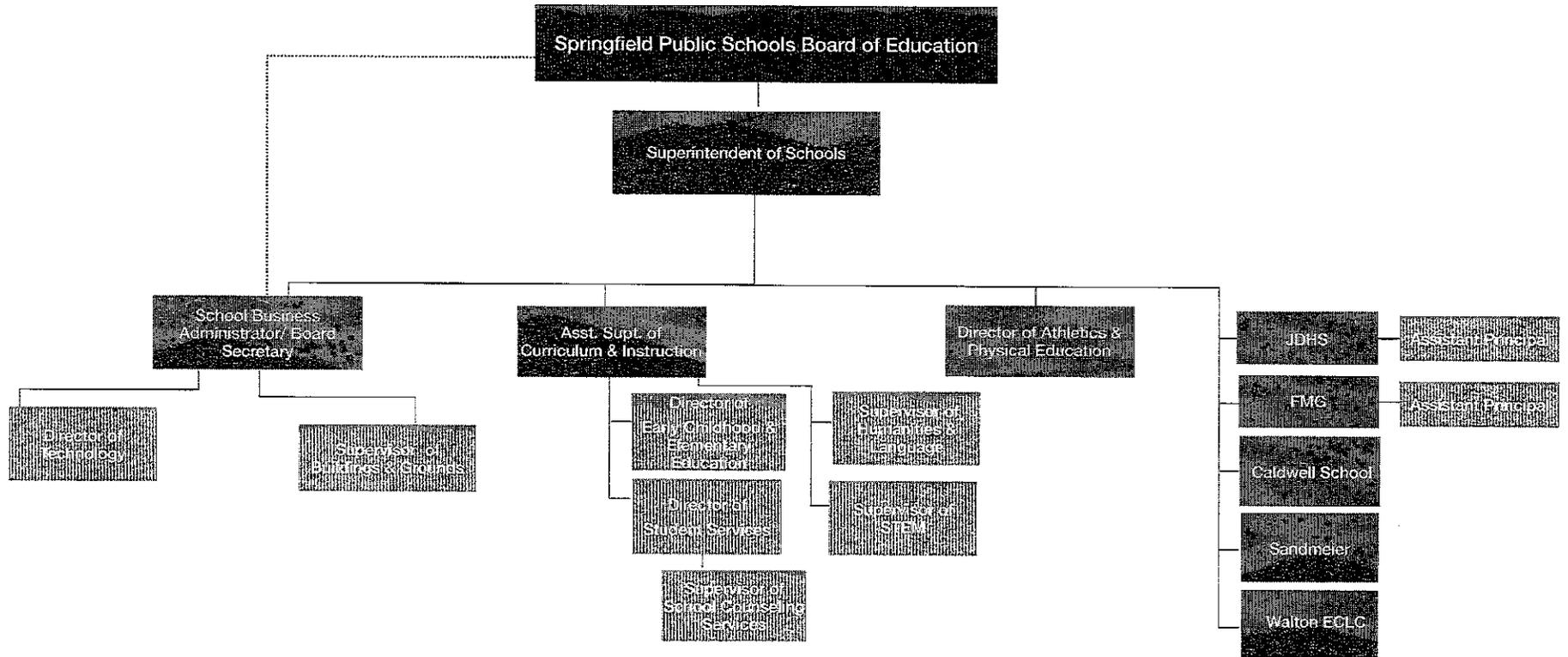
Pennonni Associates, Inc.
105 Fieldcrest Avenue Suite 502
Edison, NJ 08837

LAN Associates
445 Godwin Avenue
Midland Park, NJ 07432

Official Depository

Investor Savings Bank
State of New Jersey - Cash Management Fund

Springfield Public Schools Organization Chart



January 3, 2023

FINANCIAL SECTION

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Springfield School District
County of Union
Springfield, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Springfield Board of Education, as of and for the year ended June 30, 2023, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Springfield Board of Education, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in our report. We are required to be independent of the Springfield Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error; a fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis, budgetary comparison information and pension and post-employment benefit trend information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Springfield Board of Education's basic financial statements. The combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

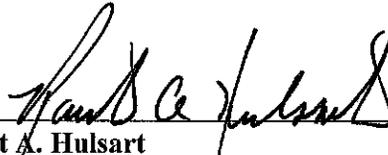
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists; we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated January 15, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

A handwritten signature in black ink, appearing to read "Robert A. Hulsart", written over a horizontal line.

**Robert A. Hulsart
Licensed Public School Accountant
No. 322**

**Robert A. Hulsart and Company
Wall Township, New Jersey**

January 15, 2024

REQUIRED SUPPLEMENTARY INFORMATION
PART I

SPRINGFIELD PUBLIC SCHOOL DISTRICT
TOWNSHIP OF SPRINGFIELD
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The discussion and analysis of Springfield Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Annual Comprehensive Financial Report's (ACFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

Financial Highlights

Key Financial highlights for the 2022-2023 fiscal year are as follows:

- General revenues accounted for \$60,872,558 in revenue or 93% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,512,708 or 7% percent to total revenues of \$65,405,266.
- The School District had \$57,081,565 in expenses; only \$4,512,708 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$60,872,558 were adequate to provide for these programs.
- The General Fund had \$55,781,011 in revenues, \$53,224,118 in expenditures. The General Fund's balance increased \$1,806,895 from 2022. This increase was anticipated by the Board of Education.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Springfield Public School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Springfield Public School District, the General Fund is the most significant fund, with the Special Revenue Fund and Capital Project's Fund also having significance.

Using this Annual Comprehensive Financial Report (ACFR)

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the 2022-2023 fiscal year?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in that position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- **Governmental activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental Fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The School District as a Whole

Table 1 provides a summary of the School District's net position comparisons of fiscal year 2023 with 2022.

Table 1
Net Position

| | <u>2023</u> | <u>2022</u> |
|---|----------------------|--------------------|
| <u>Assets</u> | | |
| Current and Other Assets | \$ 52,831,753 | 15,816,894 |
| Capital Assets, Net | <u>13,259,076</u> | <u>9,654,106</u> |
| Total Assets | <u>\$ 66,090,829</u> | <u>25,471,000</u> |
| <u>Deferred Outflow of Resources</u> | | |
| Contribution to Pension Plan | <u>\$ 1,288,384</u> | <u>1,123,845</u> |
| <u>Deferred Inflow of Resources</u> | | |
| Pension Deferrals | <u>\$ 1,571,694</u> | <u>4,303,844</u> |
| <u>Liabilities</u> | | |
| Current Liabilities | \$ 3,136,113 | 2,896,015 |
| Long Term Liabilities | <u>44,733,256</u> | <u>9,760,537</u> |
| Total Liabilities | <u>\$ 47,869,369</u> | <u>12,656,552</u> |
| <u>Net Position</u> | | |
| Invested in Capital Assets, Net of Debt | \$ (22,761,834) | 5,825,986 |
| Restricted | 12,151,652 | 12,068,686 |
| Unrestricted | <u>28,548,332</u> | <u>(8,260,223)</u> |
| Total Net Position | <u>\$ 17,938,150</u> | <u>9,634,449</u> |

Table 2 shows the changes in net position for fiscal year 2023. Revenue and expense comparisons to fiscal year 2022.

Table 2
Changes in Net Position

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| <u>Revenues</u> | | |
| Program Revenues | | |
| Charges for Services | \$ 1,905,005 | 772,014 |
| Operating Grants and Contributions | 2,607,703 | 3,132,962 |
| General Revenues | | |
| Property Taxes | 42,976,066 | 42,168,775 |
| Grants and Entitlements | 12,457,087 | 11,820,132 |
| Other | <u>1,267,693</u> | <u>869,120</u> |
| Total Revenues | <u>61,213,554</u> | <u>58,763,003</u> |
| <u>Program Expenses</u> | | |
| Instruction | 17,532,625 | 18,151,387 |
| Support Services | | |
| Pupils and Instructional Staff | 9,927,800 | 9,277,509 |
| General Administration, School Administration, Business | 18,017,610 | 16,241,531 |
| Operations and Maintenance of Facilities | 4,354,441 | 4,385,642 |
| Pupil Transportation | 2,115,226 | 2,424,839 |
| Interest on Debt | 206,380 | 51,700 |
| Unallocated Depreciation | 386,292 | 186,265 |
| Capital Outlay Not Capitalized | 2,685,629 | 1,236,132 |
| Special Schools | 63,118 | 33,188 |
| Enterprise | <u>1,792,444</u> | <u>1,838,669</u> |
| Total Expenses | <u>57,081,565</u> | <u>53,826,862</u> |
| Prior Year Adjustments | <u>4,171,712</u> | <u>(38,890,661)</u> |
| Increase/Decrease in Net Position | <u>\$ 8,303,701</u> | <u>(33,954,520)</u> |

Governmental Activities

Property taxes made up 70% percent of revenues for governmental activities for the Springfield Public School District for fiscal year 2023. The District's total revenues were \$61,213,554 for the fiscal year ended June 30, 2023. Federal, state and local grants and miscellaneous revenues accounted for another 30%.

Business-Type Activities

Revenues for the District's business-type activities (food service program and after care program) were comprised of charges for services and federal and state reimbursements.

- Food service expenses exceeded revenues by \$15,391.
- Aftercare revenues exceeded expenses by \$571,124.
- Charges for services represent \$1,887,540 of revenue. This represents amount paid by patrons for daily services.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$460,637.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

The School Board's Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Township of Springfield's taxpayer's and other entities, including the State of New Jersey and the Federal Government. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2023, it reported a combined net position balance of \$17,938,150. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net assets.

The School Board's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the ACFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

Capital Assets

At June 30, 2023, the School Board had approximately \$13,259,076 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2023 fiscal year.

| | <u>Governmental Activities</u> | <u>Business Type Activities</u> |
|---------------------------------|------------------------------------|-------------------------------------|
| Table II | | |
| Capital Assets at June 30, 2023 | | |
| Land | \$ 4,436 | |
| Sites | 818,371 | |
| Buildings | 11,145,791 | |
| Machinery and Equipment | <u>1,106,055</u> | <u>184,423</u> |
| Total | <u>\$ 13,074,653</u> | <u>184,423</u> |

Debt Administration

At June 30, 2023, the School District had \$44,733,256 as outstanding debt. Of this amount \$2,209,273 is for compensated absences, \$7,503,073 is for pension liability, \$32,872,000 is for bonds for school construction; \$1,728,931 is for lease purchase agreements; and \$419,979 is for capital leases.

Economic Factors and Next Year's Budget

The Springfield Public School District is in very good financial condition presently. Future finances are not without challenges as the community continues to grow and state funding is decreased.

The Township of Springfield is primarily a residential community, with very few ratables. The majority of revenues needed to operate the District are derived from homeowners through property tax assessments and collections.

The \$16,617,789 in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities such as compensated absences, the School Board would have a balance of \$16,617,789.

In conclusion, the Springfield Public School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Michelle Calas, School Business Administrator/Board Secretary at the Springfield Board of Education, P.O. Box 210, Springfield, New Jersey 07081.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

SPRINGFIELD SCHOOL DISTRICT**STATEMENT OF NET POSITION**

Exhibit A-1

JUNE 30, 2023

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|---|--|---------------------|
| <u>Assets</u> | | | |
| Cash and Cash Equivalents | \$ 37,991,462 | 1,156,191 | 39,147,653 |
| Receivables, Net | 1,456,942 | 57,339 | 1,514,281 |
| Inventory | | 18,167 | 18,167 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | 3,144,744 | | 3,144,744 |
| Capital Reserve Account - Cash | 9,006,908 | | 9,006,908 |
| Capital Assets Not Depreciated | 4,436 | | 4,436 |
| Capital Assets, Net | 13,070,217 | 184,423 | 13,254,640 |
| Total Assets | <u>64,674,709</u> | <u>1,416,120</u> | <u>66,090,829</u> |
| <u>Deferred Outflow of Resources</u> | | | |
| Contribution to Pension Plan | <u>1,288,384</u> | | <u>1,288,384</u> |
| <u>Deferred Inflow of Resources</u> | | | |
| Pension Deferrals | <u>1,571,694</u> | | <u>1,571,694</u> |
| <u>Liabilities</u> | | | |
| Deferred Revenue | 435,127 | | 435,127 |
| Accounts Payable | 2,422,032 | 95,759 | 2,517,791 |
| Accrued Interest | 183,195 | | 183,195 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 516,548 | | 516,548 |
| Due Beyond One Year | 44,216,708 | | 44,216,708 |
| Total Liabilities | <u>47,773,610</u> | <u>95,759</u> | <u>47,869,369</u> |
| <u>Net Position</u> | | | |
| Invested in Capital Assets, Net of Related Debt | (22,946,257) | 184,423 | (22,761,834) |
| Restricted For: | | | |
| Other Purposes | 12,151,652 | | 12,151,652 |
| Unrestricted | <u>27,412,394</u> | <u>1,135,938</u> | <u>28,548,332</u> |
| Total Net Position | <u>\$ 16,617,789</u> | <u>1,320,361</u> | <u>17,938,150</u> |

The accompanying notes to financial statements are an integral part of this statement.

SPRINGFIELD SCHOOL DISTRICT

Exhibit A-2
Sheet 1 of 2

STATEMENT OF ACTIVITIES

JUNE 30, 2023

| <u>Functions/Programs</u> | <u>Program Revenues</u> | | | <u>Net (Expense) Revenue and Changes in Net Position</u> | | |
|--|--------------------------------|--|--|---|--|---------------------|
| | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 11,508,613 | | | (11,508,613) | | (11,508,613) |
| Special Education | 4,644,243 | | 1,043,231 | (3,601,012) | | (3,601,012) |
| Other Instruction | 1,379,769 | | | (1,379,769) | | (1,379,769) |
| Support Services: | | | | | | |
| Tuition | 4,145,401 | 17,465 | | (4,127,936) | | (4,127,936) |
| Student & Instruction Related Services | 5,782,399 | | 968,137 | (4,814,262) | | (4,814,262) |
| School Administrative Services | 1,345,538 | | | (1,345,538) | | (1,345,538) |
| General and Business Administrative Services | 1,243,070 | | | (1,243,070) | | (1,243,070) |
| Plant Operations and Maintenance | 4,354,441 | | | (4,354,441) | | (4,354,441) |
| Pupil Transportation | 2,115,226 | | | (2,115,226) | | (2,115,226) |
| Unallocated Benefits | 15,429,002 | | | (15,429,002) | | (15,429,002) |
| Special Schools | 63,118 | | | (63,118) | | (63,118) |
| Capital Outlay | 2,685,629 | | 135,698 | (2,549,931) | | (2,549,931) |
| Interest on Long-Term Debt | 206,380 | | | (206,380) | | (206,380) |
| Unallocated Depreciation | 386,292 | | | (386,292) | | (386,292) |
| Total Government Activities | 55,289,121 | 17,465 | 2,147,066 | (53,124,590) | - | (53,124,590) |
| Business-Type Activities: | | | | | | |
| Enterprise Funds | 1,792,444 | 1,887,540 | 460,637 | | 555,733 | 555,733 |
| Total Business-Type Activities | 1,792,444 | 1,887,540 | 460,637 | - | 555,733 | 555,733 |
| Total Primary Government | 57,081,565 | 1,905,005 | 2,607,703 | (53,124,590) | 555,733 | (52,568,857) |

The accompanying Notes to Financial Statements are an integral part of this statement.

SPRINGFIELD SCHOOL DISTRICT

**Exhibit A-2
Sheet 2 of 2**

STATEMENT OF ACTIVITIES

JUNE 30, 2023

| | Net (Expense) Revenue and Changes in Net Position | | |
|--|--|--|---------------------|
| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
| General Revenues: | | | |
| Taxes: | | | |
| Property Taxes, Levied for General Purpose, Net | 42,038,766 | | 42,038,766 |
| Taxes Levied for Debt Service | 937,300 | | 937,300 |
| Federal and State Aid Not Restricted | 12,457,087 | | 12,457,087 |
| Miscellaneous Income | 1,267,693 | | 1,267,693 |
| Prior Year Adjustment and Transfers | 4,083,334 | 88,378 | 4,171,712 |
| Total General Revenues | <u>60,784,180</u> | <u>88,378</u> | <u>60,872,558</u> |
| Change in Net Position | 7,659,590 | 644,111 | 8,303,701 |
| Net Position - Beginning | <u>8,958,199</u> | <u>676,250</u> | <u>9,634,449</u> |
| Net Position - Ending | <u>\$ 16,617,789</u> | <u>1,320,361</u> | <u>17,938,150</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS – B

SPRINGFIELD SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2023

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|---|
| <u>Assets</u> | | | | |
| Cash and Cash Equivalents | \$ 16,309,159 | 258,465 | 33,575,490 | 50,143,114 |
| Interfund Receivable | 45,321 | | | 45,321 |
| Receivables from Other Governments | <u>1,123,945</u> | <u>332,997</u> | | <u>1,456,942</u> |
| Total Assets | <u>\$ 17,478,425</u> | <u>591,462</u> | <u>33,575,490</u> | <u>51,645,377</u> |
| <u>Liabilities and Fund Balance</u> | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 1,841,645 | | 497,837 | 2,339,482 |
| Payroll Deductions and Withholdings | 82,550 | | | 82,550 |
| Interfund Payable | | 45,321 | | 45,321 |
| Deferred Revenue | | <u>435,127</u> | | <u>435,127</u> |
| Total Liabilities | <u>1,924,195</u> | <u>480,448</u> | <u>497,837</u> | <u>2,902,480</u> |
| Fund Balance: | | | | |
| Restricted for: | | | | |
| Maintenance Reserve | 2,350,000 | | | 2,350,000 |
| Emergency Reserve | 250,000 | | | 250,000 |
| Capital Reserve Account | 8,181,908 | | | 8,181,908 |
| Designated for Subsequent Year's Expenditures - Capital Reserve | 825,000 | | | 825,000 |
| Designated for Subsequent Year's Expenditures - Maintenance Reserve | 150,000 | | | 150,000 |
| Designated for Subsequent Year's Expenditures - Excess Surplus | 67,933 | | | 67,933 |
| Excess Surplus - Current Year | 38,357 | | | 38,357 |
| Unemployment | 29,989 | | | 29,989 |
| Student Activity Funds | | 258,465 | | 258,465 |
| Committed To: | | | | |
| Other Purposes | 1,713,958 | | 1,488,500 | 3,202,458 |
| Assigned To: | | | | |
| Designated by the BOE for Subsequent Year's Expenditures | 532,067 | | | 532,067 |
| Unassigned: | | | | |
| Debt Service Fund | | | | - |
| Capital Projects Fund | | | 31,589,153 | 31,589,153 |
| Special Revenue Fund | | (147,451) | | (147,451) |
| General Fund | <u>1,415,018</u> | | | <u>1,415,018</u> |
| Total Fund Balances | <u>15,554,230</u> | <u>111,014</u> | <u>33,077,653</u> | <u>48,742,897</u> |
| Total Liabilities and Fund Balance | <u>\$ 17,478,425</u> | <u>591,462</u> | <u>33,575,490</u> | |

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,130,745 and the accumulated depreciation is \$12,056,092.

13,074,653

Deferred outflow of resources - contributions to the pension plan

1,288,384

Deferred inflow of resources - acquisition of assets applicable to future reporting periods

(1,571,694)

Accrued Interest

(183,195)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds

(44,733,256)

Net position of governmental activities

\$ 16,617,789

The accompanying Notes to Financial Statements are an integral part of this statement.

SPRINGFIELD SCHOOL DISTRICT

Exhibit B-2
Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Project Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|-------------------------------------|-------------------------------------|----------------------------------|---|
| <u>Revenues</u> | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 42,038,766 | | | 937,300 | 42,976,066 |
| Tuition Charges | 17,465 | | | | 17,465 |
| Transportation Fees | 8,500 | | | | 8,500 |
| Miscellaneous | <u>1,017,249</u> | <u>241,944</u> | | | <u>1,259,193</u> |
| Total Local Sources | 43,081,980 | 241,944 | - | 937,300 | 44,261,224 |
| State Sources | 12,669,358 | 864,011 | | | 13,533,369 |
| Federal Sources | <u>29,673</u> | <u>1,041,111</u> | | | <u>1,070,784</u> |
| Total Revenues | <u>55,781,011</u> | <u>2,147,066</u> | <u>-</u> | <u>937,300</u> | <u>58,865,377</u> |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| Regular Instruction | 11,508,613 | | | | 11,508,613 |
| Special Education Instruction | 3,473,182 | 1,171,061 | | | 4,644,243 |
| Other Instruction | 1,379,769 | | | | 1,379,769 |
| Support Services and Undistributed Costs: | | | | | |
| Tuition | 4,145,401 | | | | 4,145,401 |
| Student and Instruction Related Services | 4,814,262 | 968,137 | | | 5,782,399 |
| School Administrative Services | 1,345,538 | | | | 1,345,538 |
| Other Administrative Services | 1,042,667 | | | | 1,042,667 |
| Technology Information Services | 200,403 | | | | 200,403 |
| Plant Operations and Maintenance | 4,354,441 | | | | 4,354,441 |
| Pupil Transportation | 2,115,226 | | | | 2,115,226 |
| Unallocated Benefits | 16,224,972 | | | | 16,224,972 |
| Special Schools | 63,118 | | | | 63,118 |
| Capital Outlay | 2,556,526 | 135,698 | 601,070 | | 3,293,294 |
| Debt Service: | | | | | |
| Principal | | | | 910,000 | 910,000 |
| Interest and Other Charges | | | | 27,300 | 27,300 |
| Total Expenditures | <u>53,224,118</u> | <u>2,274,896</u> | <u>601,070</u> | <u>937,300</u> | <u>57,037,384</u> |

SPRINGFIELD SCHOOL DISTRICT

Exhibit B-2

Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Project Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|-------------------------------------|-------------------------------------|----------------------------------|---|
| Excess (Deficiency) of Revenues Over Expenditures | <u>2,556,893</u> | <u>(127,830)</u> | <u>(601,070)</u> | <u>-</u> | <u>1,827,993</u> |
| Other Financing Sources (Uses): | | | | | |
| Transfer to Capital Projects Fund from General Fund | (750,000) | | 750,000 | | - |
| Transfer to General Fund from Debt Service | 2 | | | (2) | - |
| Bond Issue Proceeds | | | <u>32,872,000</u> | | <u>32,872,000</u> |
| | <u>(749,998)</u> | <u>-</u> | <u>33,622,000</u> | <u>(2)</u> | <u>32,872,000</u> |
| Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses) | <u>1,806,895</u> | <u>(127,830)</u> | <u>33,020,930</u> | <u>(2)</u> | <u>34,699,993</u> |
| Net Change in Fund Balances | 1,806,895 | (127,830) | 33,020,930 | (2) | 34,699,993 |
| Fund Balance - July 1 | <u>13,747,335</u> | <u>238,844</u> | <u>56,723</u> | <u>2</u> | <u>14,042,904</u> |
| Fund Balance - June 30 | <u>\$ 15,554,230</u> | <u>111,014</u> | <u>33,077,653</u> | <u>-</u> | <u>48,742,897</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

SPRINGFIELD SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESJUNE 30, 2023

| | |
|--|---------------------|
| Total Net Change in Fund Balances - Governmental Funds (From B-2) | \$ 34,699,993 |
| Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because: | |
| Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period. | |
| Depreciation Expense | (386,292) |
| Fixed Assets Additions\Adjustments | 3,921,789 |
| Repayment of bond principal and leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. | |
| | 1,679,210 |
| Bond Proceeds | (32,872,000) |
| In the statement of activities certain operating activities are measured by the amount earned while in the government funds. Expenses are reported in the amount of financial resources used. | |
| Compensated Absences | (494,564) |
| Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position | |
| | 164,539 |
| Pension related deferrals | 2,732,150 |
| Change in net pension liability | (1,606,155) |
| In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due. | |
| | <u>(179,080)</u> |
| Change in Net Position of Governmental Activities | <u>\$ 7,659,590</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

SPRINGFIELD SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDSJUNE 30, 2023

| | <u>Enterprise Funds</u> |
|------------------------------|-----------------------------|
| <u>Assets:</u> | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 1,156,191 |
| Accounts Receivable: | |
| State | 2,987 |
| Federal | 54,352 |
| Inventory | 18,167 |
| Total Current Assets | <u>1,231,697</u> |
| Noncurrent Assets: | |
| Equipment | 392,679 |
| Accumulated Depreciation | (208,256) |
| Total Fixed Assets | <u>184,423</u> |
| Total Assets | <u>\$ 1,416,120</u> |
| <u>Liabilities:</u> | |
| Accounts Payable | <u>\$ 95,759</u> |
| Total Liabilities | <u>\$ 95,759</u> |
| <u>Net Position:</u> | |
| Investment in Capital Assets | \$ 184,423 |
| Unrestricted | <u>1,135,938</u> |
| Total Net Position | <u>\$ 1,320,361</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

SPRINGFIELD SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Exhibit B-5

PROPRIETARY FUNDSJUNE 30, 2023

| | <u>Enterprise Fund</u> |
|---|----------------------------|
| Operating Revenues: | |
| Daily Sales - Reimbursable Programs | \$ 546,793 |
| Daily Sales - Non-Reimbursable Programs | 272,015 |
| Fees | 1,068,732 |
| Total Operating Revenues | <u>1,887,540</u> |
| Operating Expenses: | |
| Salaries and Benefits | 866,771 |
| Cost of Sales - Reimbursable Programs | 376,067 |
| Cost of Sales - Non-Reimbursable Programs | 168,958 |
| Supplies and Materials | 143,358 |
| Management Fee | 55,684 |
| Contracted Services | 15,377 |
| Depreciation | 18,905 |
| Insurance | 52,217 |
| Miscellaneous | 95,107 |
| Operating Expenses | <u>1,792,444</u> |
| Operating Gain/(Loss) | 95,096 |
| Non-Operating Revenues: | |
| State Sources: | |
| State School Lunch Program | 15,090 |
| State Breakfast Program | 401 |
| Federal Sources: | |
| National School Lunch Program | 249,866 |
| HHFKA Lunch Program | 13,945 |
| Federal Breakfast Program | 14,897 |
| PEBT Program | 628 |
| Supply Chain Grant | 106,434 |
| Food Distribution Program | 59,376 |
| Total Non-Operating Revenues | <u>460,637</u> |
| Change in Net Position | 555,733 |
| Adjustment for Fixed Assets | 88,378 |
| Net Position, July 1 | <u>676,250</u> |
| Net Position, June 30 | <u>\$ 1,320,361</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

SPRINGFIELD SCHOOL DISTRICT**STATEMENT OF CASH FLOWS**

Exhibit B-6

PROPRIETARY FUNDS**JUNE 30, 2023**

| | <u>Enterprise Fund</u> |
|---|-----------------------------------|
| Cash Flows from Operating Activities: | |
| Receipts from Customers | \$ 1,887,540 |
| Payments to Employees | (866,771) |
| Payments to Suppliers | (795,086) |
| Net Cash Provided (Used) by Operating Activities | <u>225,683</u> |
| Cash Flows from Noncapital Financing Activities: | |
| State Sources | 15,491 |
| Federal Sources | 385,770 |
| Net Cash Provided by Noncapital Financing Activities | <u>401,261</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 626,944 |
| Cash and Cash Equivalents, July 1 | <u>529,247</u> |
| Cash and Cash Equivalents, June 30 | <u>\$ 1,156,191</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | |
| Operating Income (Loss) | \$ 95,096 |
| Depreciation | 18,905 |
| Federal Commodities Consumed | 59,376 |
| Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities | |
| Decrease/(Increase) in Accounts Receivables | 1,571 |
| (Decrease)/Increase in Accounts Payable | 33,391 |
| Decrease/(Increase) in Inventory | 17,344 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 225,683</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
SPRINGFIELD SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: Summary of Significant Accounting Policies

The financial statements of the Board of Education (Board) of the Springfield School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Springfield School District is a Type II district located in the County of Union, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades PreK-12. The Springfield School District had an approximate enrollment at June 30, 2023 of 2,231 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is whether:

- The organization is legally separate (can sue or be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial/benefit/burden on the District
- There is a fiscal dependency by the organization on the District

B. Government-Wide Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transaction related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

NOTE 1: Summary of Significant Accounting Policies (Continued)**D. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Proprietary Fund Type

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund Types

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types (Continued)

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2023 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

G. Short-Term Interfund Receivables/Payables:

Short-Term interfund receivables/payables represents amounts that are owed, other than charges for good or services rendered to/from a particular fund in the District and that are due within one year.

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

I. Capital Assets and Depreciation

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

NOTE 1: Summary of Significant Accounting Policies (Continued)**I. Capital Assets and Depreciation (Continued)**

The District contracted with an outside service company during the 2021-22 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report was updated to include capital assets purchased during the 2022-2023 fiscal year and prior with a historical cost of \$2,000 or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

| | |
|----------------------------|---------|
| Buildings and Improvements | 20 – 50 |
| Equipment and Vehicles | 5 – 20 |
| Furniture and Fixtures | 5 – 20 |

Capital asset activity for the year ended June 30, 2023 was as follows:

| | Balance July 1, 2022 | Additions | Adjustments | Balance June 30, 2023 |
|---|---------------------------------------|------------------|--------------------|--|
| Governmental Activities: | | | | |
| Land | \$ 4,436 | | | 4,436 |
| Construction in Progress | <u>7,366,737</u> | _____ | <u>(7,366,737)</u> | _____ |
| Total | <u>7,371,173</u> | _____ | <u>(7,366,737)</u> | <u>4,436</u> |
| Depreciable Assets: | | | | |
| Site Improvements | 1,562,828 | | | 1,562,828 |
| Buildings | 10,626,215 | 3,348,791 | 7,366,737 | 21,341,743 |
| Equipment | <u>1,487,195</u> | <u>734,543</u> | _____ | <u>2,221,738</u> |
| Total | <u>13,676,238</u> | <u>4,083,334</u> | <u>7,366,737</u> | <u>25,126,309</u> |
| Less: Accumulated Depreciation: | | | | |
| Sites Improvements | (670,955) | (73,502) | | (744,457) |
| Buildings | (9,837,650) | (183,946) | (174,356) | (10,195,952) |
| Equipment | <u>(999,650)</u> | <u>(128,844)</u> | <u>12,811</u> | <u>(1,115,683)</u> |
| Total Accumulated Depreciation | <u>(11,508,255)</u> | <u>(386,292)</u> | <u>(161,545)</u> | <u>(12,056,092)</u> |
| Net Depreciable Assets | <u>2,167,983</u> | <u>3,697,042</u> | <u>7,205,192</u> | <u>13,070,217</u> |
| Governmental Activities Capital Assets (Net) | <u>\$ 9,539,156</u> | <u>3,697,042</u> | <u>(161,545)</u> | <u>13,074,653</u> |

NOTE 1: Summary of Significant Accounting Policies (Continued)**I. Capital Assets and Depreciation (Continued)**

| | <u>Balance</u> <u>July 1, 2022</u> | <u>Additions</u> | <u>Adjustments</u> | <u>Balance</u> <u>June 30, 2023</u> |
|---------------------------------------|---------------------------------------|------------------|--------------------|--|
| Business-Type Activities: | | | | |
| Buildings & Equipment | \$ | | | |
| Equipment | <u>304,301</u> | <u>88,378</u> | _____ | <u>392,679</u> |
| | <u>304,301</u> | <u>88,378</u> | _____ | <u>392,679</u> |
| Less: Accumulated Depreciation: | | | | |
| Equipment | <u>(189,351)</u> | <u>(18,905)</u> | _____ | <u>(208,256)</u> |
| Business-Type Capital Assets (Net) | <u>\$ 114,950</u> | <u>69,473</u> | _____ | <u>184,423</u> |

Depreciation expense was charged to governmental functions as follow:

| | |
|-------------|-------------------|
| Unallocated | <u>\$ 386,292</u> |
|-------------|-------------------|

J. Compensated Absences

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable

K. Deferred Revenue

Deferred revenue in the special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

L. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 10).

NOTE 1: Summary of Significant Accounting Policies (Continued)

M. Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted – Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted – The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) if employed to previously commit those amounts.

NOTE 1: Summary of Significant Accounting Policies (Continued)

M. Net Position (Continued)

Assigned – The assigned fund balance classification includes amounts that are constrained by the School District’s *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order; committed, assigned, then unassigned.

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

NOTE 2: Cash and Cash Equivalents and Investments (Continued)**Deposits (Continued)**

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

New Jersey statutes permit the District to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2023, cash and cash equivalents and investments of the District consisted of the following:

| | |
|------------------------------------|-----------------------------|
| | Cash and Cash |
| | <u>Equivalents</u> |
| Checking and Money Market Accounts | <u>\$ 51,299,305</u> |

The carrying amount of the District's cash and cash equivalents at June 30, 2023 was \$51,299,305 and the bank balance was \$53,241,306. Of the bank balance, \$250,000 was covered by federal depository insurance; \$20,176,687 was covered by a collateral pool maintained by the banks as required by New Jersey statutes; and \$32,814,619 was uninsured.

NOTE 2: Cash and Cash Equivalents and Investments (Continued)**Credit Risk Categories**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

| <u>Depository Account</u> | <u>Bank Balance</u> | |
|---------------------------|----------------------|----------------------|
| | <u>June 30, 2023</u> | <u>June 30, 2023</u> |
| Insured: | | |
| FDIC | \$ 250,000 | 250,000 |
| GUDPA | 20,176,687 | 16,254,275 |
| Uninsured | 32,814,619 | 25,574 |

As of June 30, 2023, the District did not hold any long-term investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the general long-term debt account group:

| | <u>Balance</u> | | | <u>Balance</u> | <u>Long-Term</u> | <u>Amount</u> |
|------------------------------|----------------------|-------------------|--------------------|----------------------|--------------------|----------------|
| | <u>June 30, 2022</u> | <u>Additions</u> | <u>Deletions</u> | <u>June 30, 2023</u> | <u>Portion</u> | <u>Due</u> |
| | | | | | <u>In one Year</u> | |
| Pension Liability | \$ 5,896,918 | 1,606,155 | | 7,503,073 | 7,503,073 | |
| Compensated Absences Payable | 1,714,709 | 494,564 | | 2,209,273 | 2,209,273 | |
| Lease Purchase Agreements | 2,078,162 | | (349,231) | 1,728,931 | 1,632,362 | 96,569 |
| Capital Lease Payable | 839,958 | | (419,979) | 419,979 | | 419,979 |
| Bonds Payable | <u>910,000</u> | <u>32,872,000</u> | <u>(910,000)</u> | <u>32,872,000</u> | <u>32,872,000</u> | |
| | <u>\$ 11,439,747</u> | <u>34,972,719</u> | <u>(1,679,210)</u> | <u>44,733,256</u> | <u>44,216,708</u> | <u>516,548</u> |

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are of general obligation bonds.

NOTE 3: General Long-Term Debt (Continued)**A. Bonds Payable (Continued)**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are of general obligation bonds.

Principal and interest due on serial bonds outstanding is as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|----------------------|-------------------|-------------------|
| 2023-2024 | \$ | 1,088,539 | 1,088,539 |
| 2024-2025 | 1,817,000 | 1,113,278 | 2,930,278 |
| 2025-2026 | 1,195,000 | 1,065,581 | 2,260,581 |
| 2026-2027 | 1,230,000 | 1,029,731 | 2,259,731 |
| 2027-2028 | 1,285,000 | 992,831 | 2,277,831 |
| 2029-2033 | 7,300,000 | 4,351,856 | 11,651,856 |
| 2034-2038 | 8,995,000 | 3,136,875 | 12,131,875 |
| 2039-2043 | <u>11,050,000</u> | <u>1,362,600</u> | <u>12,412,600</u> |
| | <u>\$ 32,872,000</u> | <u>14,141,291</u> | <u>47,013,291</u> |

B. Lease Purchase Agreements Payable

The District is leasing energy conservation measures equipment under a purchase agreement. The purchase agreement is for a term of fifteen years. The following is a schedule of the future minimum lease payments under the purchase agreement, and the present value of the net minimum lease payments at June 30, 2023:

2014 Energy Savings Improvement Program lease @ 2.84% interest for 20 years maturing on 6/17/2035 with a balance of \$1,728,931 at June 30, 2023.

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|---------------------|-----------------|------------------|
| 2023-2024 | \$ 96,568 | 48,403 | 144,971 |
| 2024-2025 | 104,771 | 45,604 | 150,375 |
| 2025-2026 | 111,743 | 42,580 | 154,323 |
| 2026-2027 | 119,858 | 39,351 | 159,209 |
| 2027-2028 | 128,356 | 35,889 | 164,245 |
| 2028-2032 | 783,742 | 118,736 | 902,478 |
| 2032-2034 | <u>383,893</u> | <u>12,350</u> | <u>396,243</u> |
| | <u>\$ 1,728,931</u> | <u>342,913</u> | <u>2,071,844</u> |

NOTE 3: General Long-Term Debt (Continued)**C. Capital Leases Payable**

This capital lease is for a term of five years. The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2023:

| | |
|---|-------------------|
| <u>Year Ended June 30,</u> | |
| 2024 | \$ 419,979 |
| Less: Amount Representing Interest | <u>0</u> |
| Present Value of Net Minimum Lease Payments | <u>\$ 419,979</u> |

NOTE 4: Pension Plans

Description of Plans – All required employees of the District are covered by either the Public Employees’ Retirement System or the Teachers’ Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teacher’s Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers’ Pension and Annuity Fund (TPAF) – The Teachers’ Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers’ Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system’s other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees’ Retirement System (PERS) – The Public Employees’ Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

NOTE 4: Pension Plans (Continued)

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Funding Policy – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

NOTE 4: Pension Plans (Continued)

During the year ended June 30, 2023, the State of New Jersey contributed \$7,477,390 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,227,019 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

Three-Year Trend Information for PERS

| Year | Annual | Percentage | Net |
|-----------------------|--------------------------|---------------------------|--------------------------|
| <u>Funding</u> | <u>Pension</u> | <u>of APC</u> | <u>Pension</u> |
| | <u>Cost (APC)</u> | <u>Contributed</u> | <u>Obligation</u> |
| 6/30/23 | \$ 667,817 | 100% | 0 |
| 6/30/22 | 652,236 | 100% | 0 |
| 6/30/21 | 605,824 | 100% | 0 |

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

| Year | Annual | Percentage | Net |
|-----------------------|--------------------------|---------------------------|--------------------------|
| <u>Funding</u> | <u>Pension</u> | <u>of APC</u> | <u>Pension</u> |
| | <u>Cost (APC)</u> | <u>Contributed</u> | <u>Obligation</u> |
| 6/30/23 | \$ 7,477,390 | 100% | 0 |
| 6/30/22 | 7,294,230 | 100% | 0 |
| 6/30/21 | 5,663,883 | 100% | 0 |

Public Employees' Retirement System (PERS)**Plan Description**

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:15A, PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

| <u>Tier</u> | <u>Definition</u> |
|--------------------|--|
| 1 | Members who were enrolled prior to July 1, 2007 |
| 2 | Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008 |
| 3 | Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010 |
| 4 | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 5 | Members who were eligible to enroll on or after June 28, 2011 |

NOTE 4: Pension Plans (Continued)

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation

The schedule of employer allocations and the schedule of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2021 through June 30, 2022. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan.

NOTE 4: Pension Plans (Continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2022 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022.

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The Chapter 366, P.L. 2001 legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of prosecutors in the Prosecutors Part. The June 30, 2022 State special funding situation net pension liability amount of \$127.8 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$50.2 million, for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

NOTE 4: Pension Plans (Continued)

For the year ended June 30, 2023, the District recognized pension expense of \$667,817. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|--|---|
| Difference Between Expected and Actual Experience | \$ 54,154 | 47,756 |
| Changes of Assumptions | 23,247 | 1,123,507 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 310,545 | |
| Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions | 232,621 | 400,431 |
| District Contributions Subsequent to the Measurement Date | <u>667,817</u> | <u> </u> |
| Total | <u>\$ 1,288,384</u> | <u>1,571,694</u> |

\$667,817 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ending
June 30,**

| | |
|------|---------------------|
| 2023 | \$ (638,201) |
| 2024 | (325,142) |
| 2025 | (158,566) |
| 2026 | 345,930 |
| 2027 | <u>(760)</u> |
| | <u>\$ (776,739)</u> |

Additional Information

Collective balances at December 31, 2022 and 2021 are as follows:

| | <u>Dec. 31, 2022</u> | <u>Dec. 31, 2021</u> |
|---|-----------------------------|-----------------------------|
| Collective Deferred Outflows of Resources | \$ 1,288,384 | 1,123,845 |
| Collective Deferred Inflows of Resources | 1,571,694 | 4,303,844 |
| Collective Net Pension Liability | 7,503,073 | 5,896,918 |
| District's Proportion | 0.04930% | 0.04925% |

NOTE 4: Pension Plans (Continued)**Components of Net Pension Liability**

The components of the collective net pension liability of the participating employers as of June 30, 2022 were as follows:

| | 2022 | | |
|--|--------------------------|-----------------------|-----------------------|
| | <u>State</u> | <u>Local</u> | <u>Total</u> |
| Total Pension Liability | \$ 29,144,869,310 | 41,029,268,965 | 70,174,138,275 |
| Plan Fiduciary Net Position | <u>6,758,038,264</u> | <u>25,810,084,045</u> | <u>32,568,122,309</u> |
| Net Pension Liability | <u>\$ 22,386,831,046</u> | <u>15,219,184,920</u> | <u>37,606,015,966</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 23.19% | 62.91% | 46.41% |

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

| | |
|---------------------------|---------------------------|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | 2.75% - 6.55% |
| | Based on years of service |
| Investment Rate of Return | 7.00% |

Pre-retirement mortality rates were based on the Pub-2010 General Below-Medial Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 4: Pension Plans (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| U.S. Equity | 27.00% | 8.12% |
| Non-U.S. Developed Market Equity | 13.50% | 8.38% |
| Emerging Market Equity | 5.50% | 10.33% |
| Private Equity | 13.00% | 11.80% |
| Real Assets | 3.00% | 7.60% |
| Real Estate | 8.00% | 11.19% |
| High Yield | 4.00% | 4.95% |
| Private Credit | 8.00% | 8.10% |
| Investment Grade Credit | 7.00% | 3.38% |
| Cash Equivalents | 4.00% | 1.75% |
| U.S. Treasuries | 4.00% | 1.75% |
| Risk Mitigation Strategies | 3.00% | 4.91% |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 4: Pension Plans (Continued)**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | <u>2022</u> | | |
|---|-----------------------------------|---|-----------------------------------|
| | <u>At 1% Decrease (6.00%)</u> | <u>At Current Discount Rate (7.00%)</u> | <u>At 1% Increase (8.00%)</u> |
| School District's Proportionate Share Of the Net Pension Liability | <u>\$ 9,639,251</u> | <u>7,503,073</u> | <u>5,685,100</u> |

Teachers Pensions and Annuity Fund (TPAF)**Plan Description**

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, member's beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

| <u>Tier</u> | <u>Definition</u> |
|-------------|--|
| 1 | Members who were enrolled prior to July 1, 2007 |
| 2 | Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008 |
| 3 | Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010 |
| 4 | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 5 | Members who were eligible to enroll on or after June 28, 2011 |

NOTE 4: Pension Plans (Continued)

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation

The Schedule of employers and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, State's pension contribution was less than the actuarial determined amount.

NOTE 4: Pension Plans (Continued)**Special Funding Situation**

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Components of Net Pension Liability

The components of the net pension liability of the State as of June 30, 2022 and 2021 are as follows:

| | | |
|--|--------------------------|-----------------------|
| | <u>2022</u> | <u>2021</u> |
| Total Pension Liability | \$ 76,317,117,835 | 74,699,133,697 |
| Plan Fiduciary Net Position | <u>24,640,530,532</u> | <u>26,533,142,515</u> |
| Net Pension Liability | <u>\$ 51,676,587,303</u> | <u>48,165,991,182</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 32.29% | 35.52% |

State Proportionate Share of Net Pension Liability Attributable to District

| | | |
|-----------------------|----------------------|-------------------|
| | <u>2022</u> | <u>2021</u> |
| District's Liability | <u>\$ 73,052,085</u> | <u>69,958,280</u> |
| District's Proportion | .14136% | .14524% |

NOTE 4: Pension Plans (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense (benefit) as follows:

| | |
|----------------------|------------------------|
| Year Ending June 30: | |
| 2023 | \$ (3,758,622) |
| 2024 | (5,405,424) |
| 2025 | (4,737,251) |
| 2026 | (2,133,713) |
| 2027 | (2,329,294) |
| Thereafter | <u>(2,385,831)</u> |
| Total | <u>\$ (20,750,135)</u> |

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | |
|---------------------------|---------------------------|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | 2.75% - 5.65% |
| | Based on years of service |
| Investment Rate of Return | 7.00% |

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 4: Pension Plans (Continued)**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| U.S. Equity | 27.00% | 8.12% |
| Non-U.S. Developed Market Equity | 13.50% | 8.38% |
| Emerging Market Equity | 5.50% | 10.33% |
| Private Equity | 13.00% | 11.80% |
| Real Assets | 3.00% | 7.60% |
| Real Estate | 8.00% | 11.19% |
| High Yield | 4.00% | 4.95% |
| Private Credit | 8.00% | 8.10% |
| Investment Grade Credit | 7.00% | 3.38% |
| Cash Equivalents | 4.00% | 1.75% |
| U.S. Treasuries | 4.00% | 1.75% |
| Risk Mitigation Strategies | 3.00% | 4.91% |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 4: Pension Plans (Continued)**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | <u>2022</u> | | |
|---|-----------------------------------|---|-----------------------------------|
| | <u>At 1% Decrease (6.00%)</u> | <u>At Current Discount Rate (7.00%)</u> | <u>At 1% Increase (8.00%)</u> |
| School District's Proportionate Share Of the Net Pension Liability | \$ 0 | 0 | 0 |
| State of New Jersey's Proportionate Share Of the District's Net Pension Liability | <u>85,655,122</u> | <u>73,052,085</u> | <u>62,435,610</u> |
| | <u>\$ 85,655,122</u> | <u>73,052,085</u> | <u>62,435,610</u> |

NOTE 5: Post-Retirement Benefits**General Information about the OPEB Plan****Plan description and benefits provided**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pension*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

NOTE 5: Post-Retirement Benefits (Continued)

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Total OPEB Liability

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 20, 2021, with was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total OPEB Liability \$50,646,462,966

| | <u>TPAF/ABP</u> | <u>PERS</u> | <u>PFRS</u> |
|------------------|------------------------------|------------------------------|------------------------------|
| Salary Increases | 2.75% – 4.25% | 2.75% - 6.55% | 3.25% - 16.25% |
| | based on years of service | based on years of service | based on years of service |

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

NOTE 5: Post-Retirement Benefits (Continued)***(a) Health Care Trend Assumptions***

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the total OPEB Liability reported by the State of New Jersey:

| | Total <u>OPEB Liability</u> |
|---|--|
| Balances at June 30, 2021 | \$ 60,007,650,970 |
| Changes for the Year: | |
| Service Cost | 2,770,618,025 |
| Interest | 1,342,187,139 |
| Change of Benefit Terms | |
| Difference Between Expected and Actual Experience | 1,399,200,736 |
| Changes in Assumptions or Other Inputs | (13,586,368,097) |
| Member Contributions | 42,650,252 |
| Benefit Payments | <u>(1,329,476,059)</u> |
| Balance at June 30, 2022 | <u>\$ 50,646,462,966</u> |

There were no changes in benefit terms between the June 30, 2021 measurement date and the June 30, 2022 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% percent in 2021 to 3.54% percent in 2022.

NOTE 5: Post-Retirement Benefits (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

| | 1% Decrease <u>(2.54%)</u> | Discount Rate <u>(3.54%)</u> | 1% Increase <u>(4.54%)</u> |
|--|---|---|---|
| State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District | <u>\$ 59,529,589,697</u> | <u>50,646,462,966</u> | <u>43,527,080,995</u> |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | 1% Decrease | Healthcare Cost Trend Rates | 1% Increase |
|--|--------------------------|--|-----------------------|
| State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District | <u>\$ 41,862,397,291</u> | <u>50,646,462,966</u> | <u>62,184,866,635</u> |

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2022, the Board of Education recognized OPEB expense of \$2,465,737 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Board of Education's proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference Between Expected and Actual Experience Changes in Proportion | <u>\$ 9,042,402,619</u> | <u>(15,462,950,679)</u> |
| | <u>8,765,620,577</u> | <u>(17,237,289,230)</u> |
| Total | <u>\$ 17,808,023,196</u> | <u>(32,700,239,909)</u> |

NOTE 5: Post-Retirement Benefits (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

| | |
|---------------------|----------------------------|
| Year Ended June 30: | |
| 2023 | \$ (2,517,151,602) |
| 2024 | (2,517,151,602) |
| 2025 | (2,517,151,602) |
| 2026 | (2,175,449,761) |
| 2027 | (1,243,951,140) |
| Thereafter | <u>(3,921,361,006)</u> |
| | <u>\$ (14,892,216,713)</u> |

NOTE 6: Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the right to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences as of June 30, 2023, was \$2,209,273.

NOTE 7: Capital Reserve Account

A capital reserve account was established by the Township of Springfield Board of Education by inclusion of \$1 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NOTE 7: Capital Reserve Account (Continued)

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

| | |
|---------------------------------|---------------------|
| Beginning Balance, July 1, 2022 | \$ 7,256,908 |
| Increased by: | |
| Resolution Increase | 2,500,000 |
| Decreased by: | |
| Budgeted Withdrawal | <u>(750,000)</u> |
| Ending Balance, June 30, 2023 | <u>\$ 9,006,908</u> |

*\$825,000 is budgeted for withdrawal in 2023-2024.

NOTE 8: Fund Balance Appropriated

General Fund – Of the \$15,842,412 General Fund fund balance at June 30, 2023, \$1,713,958 is reserved for encumbrances; \$8,181,908 has been placed in the capital reserve; \$250,000 is in emergency reserve; \$2,350,000 is in maintenance reserve; \$38,357 is excess surplus; \$825,000 is designated for subsequent years expenditures – capital reserve; \$29,989 is unemployment; \$532,067 is designated for subsequent years; \$67,933 is excess surplus – designated for subsequent year’s expenditures; \$150,000 is maintenance reserve for subsequent year’s expenditures; and \$1,703,200 is unreserved and undesignated.

NOTE 9: Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget.

NOTE 10: Equity Balance**2% Calculation of Excess Surplus**

| | |
|--|----------------------|
| 2022-23 Total General Fund Expenditures Per the ACFR | \$ 53,806,622 |
| Decreased by: | |
| On Behalf TPAF Pension and Social Security | <u>(8,704,409)</u> |
| Adjusted 2022-23 General Fund Expenditures | <u>\$ 45,102,213</u> |
| 2% of Adjusted 2022-23 General Fund Expenditures | <u>\$ 902,044</u> |
| Enter Greater of Above or \$250,000 | \$ 902,044 |
| Increased by Allowable Adjustments | <u>801,156</u> |
| Maximum Unassigned Fund Balance | <u>\$ 1,703,200</u> |

NOTE 10: Equity Balance (Continued)**Section 2**

| | |
|--|---------------------|
| Total General Fund – Fund Balance @ 6-30-23 | \$ 15,842,412 |
| Decreased by: | |
| Reserved for Encumbrances | (1,713,958) |
| Designated for Subsequent Years Expenditures – Capital Reserve | (825,000) |
| Designated for Subsequent Years Expenditures – Maintenance Reserve | (150,000) |
| Reserve for Unemployment | (29,989) |
| Designated for Subsequent Years Expenditures | (67,933) |
| Designated for Subsequent Years Expenditures | (532,067) |
| Other Reserves | <u>(10,781,908)</u> |
| Total Unassigned Fund Balance | <u>\$ 1,741,557</u> |
| Reserved Fund Balance – Excess Surplus | <u>\$ 38,357</u> |

Section 3

| | |
|--|-------------------|
| Reserved Fund Balance – Excess Surplus Designated for Subsequent Expenditures | \$ 67,933 |
| Excess Surplus | <u>38,357</u> |
| | <u>\$ 106,290</u> |

Detail of Allowable Adjustments

| | |
|-------------------------------|-------------------|
| Non-Public Transportation Aid | \$ 81,744 |
| Extraordinary Aid | <u>719,412</u> |
| | <u>\$ 801,156</u> |

Detail of Other Reserved Fund Balance

| | |
|---------------------|----------------------|
| Capital Reserve | \$ 8,181,908 |
| Maintenance Reserve | 2,350,000 |
| Emergency Reserve | <u>250,000</u> |
| | <u>\$ 10,781,908</u> |

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Designated for subsequent year's represents the amount appropriated in the 2023-2024 budget.

Unrestricted is surplus not previously committed or reserved for any other purpose.

NOTE 11: Contingent Liabilities

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect of the financial position of the District.

NOTE 12: Tuition Adjustments

Regulations specify that tuition adjustments for any given school year shall be remitted/received in the two following years after the tuition rate is certified. These adjustments have not been reflected on the June 30, 2023 financial statements.

NOTE 13: Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the District’s programs and activities.

NOTE 14: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance – The District elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two years:

| <u>Fiscal Year</u> | <u>Employer Contributions</u> | <u>Employee Contributions</u> | <u>Reimbursed</u> | <u>Balance</u> |
|--------------------|-------------------------------|-------------------------------|-------------------|----------------|
| 2022-2023 | \$ 0 | 161,137 | 167,496 | 29,989 |
| 2021-2022 | 0 | 172,514 | 187,886 | 36,348 |
| 2020-2021 | 0 | 161,890 | 113,788 | 51,720 |

NOTE 15: General Fund Emergency Reserve Account

The reserve account is to be used to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonable unforeseeable. The emergency reserve balance may not exceed \$250,000 or 1% of the District’s general fund budget up to a maximum of \$100,000 whichever is greater. Withdrawals require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health costs greater than four percent. Springfield maintained an emergency reserve on June 30, 2023 of \$250,000.

NOTE 16: Subsequent Events

Subsequent events have been evaluated through January 15, 2024, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

SPRINGFIELD SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 42,038,766 | | 42,038,766 | 42,038,766 | - |
| Tuition From Summer School | 15,000 | | 15,000 | 17,465 | 2,465 |
| Transportation Fees From Individuals | 5,100 | | 5,100 | 8,500 | 3,400 |
| Rentals | 85,000 | | 85,000 | 7,479 | (77,521) |
| Miscellaneous | 212,142 | | 212,142 | 848,634 | 636,492 |
| Other Restricted Miscellaneous Revenues | | | - | 161,138 | 161,138 |
| Total Local Sources | <u>42,356,008</u> | <u>-</u> | <u>42,356,008</u> | <u>43,081,982</u> | <u>725,974</u> |
| State Sources: | | | | | |
| School Choice Aid | 456,345 | | 456,345 | 456,345 | - |
| Special Education Aid | 1,929,759 | | 1,929,759 | 1,929,759 | |
| Extraordinary Aid | 200,000 | | 200,000 | 919,412 | 719,412 |
| Security Aid | 211,617 | | 211,617 | 211,617 | - |
| Transportation Aid | 408,453 | | 408,453 | 408,453 | - |
| Non-Public Transportation Aid | | | - | 81,744 | 81,744 |
| On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted) | | | - | 1,555,185 | 1,555,185 |
| On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted) | | | - | 5,920,059 | 5,920,059 |
| On-Behalf T.P.A.F Pension Contributions - Long-Term Disability | | | - | 2,146 | 2,146 |
| TPAF Social Security Contribution (Reimbursed) | | | - | 1,227,019 | 1,227,019 |
| Total State Sources | <u>3,206,174</u> | <u>-</u> | <u>3,206,174</u> | <u>12,711,739</u> | <u>9,505,565</u> |
| Federal Sources: | | | | | |
| Medical Assistance Program (Semi) | <u>30,422</u> | | <u>30,422</u> | <u>29,673</u> | <u>(749)</u> |
| Total Revenues | <u>45,592,604</u> | <u>-</u> | <u>45,592,604</u> | <u>55,823,394</u> | <u>10,230,790</u> |

SPRINGFIELD SCHOOL DISTRICT

Exhibit C-1

Sheet 2 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|-------------------|---|
| Distributed Expenditures: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Pre-Kindergarten - Salaries of Teachers | 161,039 | (127,275) | 33,764 | 33,763 | 1 |
| Kindergarten - Salaries of Teachers | 646,832 | (50,000) | 596,832 | 596,832 | - |
| Grades 1-5 - Salaries of Teachers | 3,684,560 | (71,253) | 3,613,307 | 3,613,304 | 3 |
| Grades 6-8 - Salaries of Teachers | 2,548,440 | (79,714) | 2,468,726 | 2,464,620 | 4,106 |
| Grades 9-12 - Salaries of Teachers | 4,114,161 | (447,127) | 3,667,034 | 3,666,216 | 818 |
| Subtotal | <u>11,155,032</u> | <u>(775,369)</u> | <u>10,379,663</u> | <u>10,374,735</u> | <u>4,928</u> |
| Regular Programs - Home Instruction: | | | | | |
| Salaries for Instruction | 35,000 | (17,104) | 17,896 | 17,895 | 1 |
| Purchased Professional Educational Services | 43,000 | 25,688 | 68,688 | 58,238 | 10,450 |
| Subtotal | <u>11,233,032</u> | <u>(766,785)</u> | <u>10,466,247</u> | <u>10,450,868</u> | <u>15,379</u> |
| Regular Programs - Undistributed Instruction: | | | | | |
| Other Purchased Services | 63,945 | (22,889) | 41,056 | 40,441 | 615 |
| General Supplies | 477,213 | 582,151 | 1,059,364 | 918,972 | 140,392 |
| Textbooks | 73,983 | (2,126) | 71,857 | 71,857 | - |
| Miscellaneous Expenses | 1,535 | 25,190 | 26,725 | 26,475 | 250 |
| Subtotal | <u>616,676</u> | <u>582,326</u> | <u>1,199,002</u> | <u>1,057,745</u> | <u>141,257</u> |
| Total Regular Programs - Instruction | <u>11,849,708</u> | <u>(184,459)</u> | <u>11,665,249</u> | <u>11,508,613</u> | <u>156,636</u> |

SPRINGFIELD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|------------------|---|
| Special Education Instruction: | | | | | |
| Learning & Language Disabilities: | | | | | |
| Salaries of Teachers | 369,126 | 7,448 | 376,574 | 370,233 | 6,341 |
| Other Salaries for Instruction | 267,479 | (11,149) | 256,330 | 238,831 | 17,499 |
| General Supplies | 10,510 | 4,782 | 15,292 | 15,194 | 98 |
| Total Learning and Language Disabilities | <u>647,115</u> | <u>1,081</u> | <u>648,196</u> | <u>624,258</u> | <u>23,938</u> |
| Resource Room/Center: | | | | | |
| Salaries of Teachers | 1,795,829 | 68,610 | 1,864,439 | 1,846,730 | 17,709 |
| Other Salaries for Instruction | 134,569 | 273 | 134,842 | 133,669 | 1,173 |
| General Supplies | 3,750 | 12,459 | 16,209 | 16,102 | 107 |
| Total Resource Room/Center | <u>1,934,148</u> | <u>81,342</u> | <u>2,015,490</u> | <u>1,996,501</u> | <u>18,989</u> |
| Autism: | | | | | |
| Salaries of Teachers | 194,768 | 38,905 | 233,673 | 231,157 | 2,516 |
| Other Salaries for Instruction | 164,878 | 47,192 | 212,070 | 212,070 | - |
| Other Purchased Professional Services | 56,900 | 43,026 | 99,926 | 92,237 | 7,689 |
| General Supplies | 2,500 | 18,400 | 20,900 | 3,809 | 17,091 |
| Total Autism | <u>419,046</u> | <u>147,523</u> | <u>566,569</u> | <u>539,273</u> | <u>27,296</u> |
| Pre-School Disabilities - Part-Time | | | | | |
| Salaries of Teachers | 86,922 | (86,922) | - | - | - |
| Other Salaries for Instruction | 79,592 | (79,592) | - | - | - |
| Supplies | 750 | (227) | 523 | 523 | - |
| Total Pre-School Handicapped | <u>167,264</u> | <u>(166,741)</u> | <u>523</u> | <u>523</u> | <u>-</u> |
| Pre-School Disabilities - Full-Time: | | | | | |
| Salaries of Teachers | 64,697 | 78,406 | 143,103 | 143,103 | - |
| Other Salaries for Instruction | 105,900 | 75,029 | 180,929 | 166,324 | 14,605 |
| Supplies | - | 3,200 | 3,200 | 3,200 | - |
| Total Pre-School Disabilities - Full-Time | <u>170,597</u> | <u>156,635</u> | <u>327,232</u> | <u>312,627</u> | <u>14,605</u> |

SPRINGFIELD SCHOOL DISTRICT

Exhibit C-1
Sheet 4 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|-----------------------------------|------------------------------------|--------------------------------|----------------------|--|
| Total Special Education - Instruction | 3,338,170 | 219,840 | 3,558,010 | 3,473,182 | 84,828 |
| Basic Skills/Remedial - Instruction: | | | | | |
| Salaries of Teachers | 260,443 | (37,376) | 223,067 | 211,837 | 11,230 |
| General Supplies | 1,000 | (1,000) | - | - | - |
| Total Basic Skills/Remedial - Instruction | 261,443 | (38,376) | 223,067 | 211,837 | 11,230 |
| Bilingual Education - Instruction: | | | | | |
| Salaries of Teachers | 181,612 | | 181,612 | 159,991 | 21,621 |
| General Supplies | 750 | 6,000 | 6,750 | 560 | 6,190 |
| Total Bilingual Education - Instruction | 182,362 | 6,000 | 188,362 | 160,551 | 27,811 |
| School Sponsored Co-Curricular Activities - Instruction: | | | | | |
| Salaries | 203,829 | 8,179 | 212,008 | 165,632 | 46,376 |
| Supplies | 3,715 | (3,715) | - | - | - |
| Total School Sponsored Co-Curricular Activities | 207,544 | 4,464 | 212,008 | 165,632 | 46,376 |
| School Sponsored Athletics - Instruction: | | | | | |
| Salaries | 524,903 | 32,203 | 557,106 | 498,923 | 58,183 |
| Purchased Services | 106,910 | 259 | 107,169 | 68,697 | 38,472 |
| Supplies and Materials | 86,054 | 87,541 | 173,595 | 137,407 | 36,188 |
| Other Objects | 55,000 | (4,114) | 50,886 | 46,225 | 4,661 |
| Total School Sponsored Athletics - Instruction | 772,867 | 115,889 | 888,756 | 751,252 | 137,504 |
| Summer School: | | | | | |
| Salaries | 30,000 | | 30,000 | 19,208 | 10,792 |
| Supplies | 8,000 | | 8,000 | 459 | 7,541 |
| Total Summer School | 38,000 | - | 38,000 | 19,667 | 18,333 |
| Community Service: | | | | | |
| Salaries | 98,000 | | 98,000 | 70,830 | 27,170 |

SPRINGFIELD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|-----------------------------------|------------------------------------|--------------------------------|----------------------|--|
| Total Distributed Expenditures | <u>16,748,094</u> | <u>123,358</u> | <u>16,871,452</u> | <u>16,361,564</u> | <u>509,888</u> |
| Undistributed Expenditures: | | | | | |
| Instruction: | | | | | |
| Tuition to Other LEA's - Within State - Special | 324,642 | (96,279) | 228,363 | 227,537 | 826 |
| Tuition to County Vocational School: | | | | | |
| Regular | 600,000 | (23,000) | 577,000 | 574,650 | 2,350 |
| Special | 12,000 | (4,000) | 8,000 | 5,600 | 2,400 |
| Tuition to CSSD and Reg. Day Schools | 269,610 | 143,441 | 413,051 | 370,918 | 42,133 |
| Tuition to Private School for Handicapped - Within State | 2,671,377 | 263,732 | 2,935,109 | 2,811,364 | 123,745 |
| Tuition to Private School for Handicapped and Other LEA's | 51,857 | 87,049 | 138,906 | 138,905 | 1 |
| Tuition - State Facilities | | 16,510 | 16,510 | 16,427 | 83 |
| Total Instruction | <u>3,929,486</u> | <u>387,453</u> | <u>4,316,939</u> | <u>4,145,401</u> | <u>171,538</u> |
| Attendance & Social Work: | | | | | |
| Salaries | 37,584 | (15,000) | 22,584 | 11,159 | 11,425 |
| Other Purchased Services | | 1,680 | 1,680 | 956 | 724 |
| Total Attendance & Social Work | <u>37,584</u> | <u>(13,320)</u> | <u>24,264</u> | <u>12,115</u> | <u>12,149</u> |
| Health Services: | | | | | |
| Salaries | 396,220 | (137,000) | 259,220 | 217,181 | 42,039 |
| Purchased Professional/Technical Services | 150,000 | 190,286 | 340,286 | 326,510 | 13,776 |
| Supplies and Materials | 12,323 | 4,616 | 16,939 | 12,580 | 4,359 |
| Total Health Services | <u>558,543</u> | <u>57,902</u> | <u>616,445</u> | <u>556,271</u> | <u>60,174</u> |
| Other Student Support Services - Related Services: | | | | | |
| Salaries | 332,183 | 22,594 | 354,777 | 354,777 | - |
| Purchased Professional/Technical Services | 788,500 | (176,459) | 612,041 | 574,978 | 37,063 |
| Supplies and Materials | 2,000 | | 2,000 | 704 | 1,296 |
| Total Other Student Support Services - Related Services | <u>1,122,683</u> | <u>(153,865)</u> | <u>968,818</u> | <u>930,459</u> | <u>38,359</u> |

SPRINGFIELD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|----------------|---|
| Other Support Services Students - Extra Services: | | | | | |
| Salaries | 578,640 | (120,000) | 458,640 | 454,432 | 4,208 |
| Other Support Student - Regular: | | | | | |
| Salaries of Other Professional Staff | 885,970 | 5,275 | 891,245 | 855,570 | 35,675 |
| Salaries of Secretarial & Clerical | 82,200 | (3,000) | 79,200 | 75,550 | 3,650 |
| Other Purchased Services | 300 | | 300 | | 300 |
| Supplies and Materials | 8,487 | (4,435) | 4,052 | 2,049 | 2,003 |
| Total Other Support Student - Regular | <u>976,957</u> | <u>(2,160)</u> | <u>974,797</u> | <u>933,169</u> | <u>41,628</u> |
| Other Support Student Services- Special: | | | | | |
| Salaries of Other Professional Staff | 602,101 | 33,336 | 635,437 | 630,777 | 4,660 |
| Salaries of Secretarial & Clerical | 90,582 | 959 | 91,541 | 91,540 | 1 |
| Purchased Professional Educational Services | 85,200 | (16,483) | 68,717 | 39,413 | 29,304 |
| Other Purchased Services | 700 | (60) | 640 | 308 | 332 |
| Supplies and Materials | 13,000 | 11,142 | 24,142 | 15,463 | 8,679 |
| Other Objects | 14,000 | 455 | 14,455 | 13,879 | 576 |
| Total Other Support Student Services- Special | <u>805,583</u> | <u>29,349</u> | <u>834,932</u> | <u>791,380</u> | <u>43,552</u> |
| Improvement Instructional Services: | | | | | |
| Salaries of Coordinator of Instruction | 180,353 | (10,238) | 170,115 | 155,104 | 15,011 |
| Salaries of Supervisors of Instruction | 282,672 | 238 | 282,910 | 282,010 | 900 |
| Salaries of Secretarial & Clerical | 116,608 | | 116,608 | 69,821 | 46,787 |
| Other Purchased Services | 23,719 | | 23,719 | 19,367 | 4,352 |
| Travel | 15,300 | (10,000) | 5,300 | | 5,300 |
| Total Improvement Instructional Services | <u>618,652</u> | <u>(20,000)</u> | <u>598,652</u> | <u>526,302</u> | <u>72,350</u> |

SPRINGFIELD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|----------------|---|
| Educational Media/Library: | | | | | |
| Salaries | 73,092 | | 73,092 | 73,092 | - |
| Other Salaries for Instruction | 45,882 | 2,000 | 47,882 | 45,440 | 2,442 |
| Salaries of Technology Coordinators | 213,607 | | 213,607 | 213,606 | 1 |
| Supplies & Materials | 170,203 | 28,702 | 198,905 | 129,583 | 69,322 |
| Total Educational Media/Library | <u>502,784</u> | <u>30,702</u> | <u>533,486</u> | <u>461,721</u> | <u>71,765</u> |
| Staff Training: | | | | | |
| Salaries of Supervisors of Instruction | 118,965 | (23,000) | 95,965 | 30,292 | 65,673 |
| Salaries of Secretarial & Clerical | 54,636 | 5,000 | 59,636 | 50,849 | 8,787 |
| Purchased Professional/Educational Serv. | 108,000 | (74,000) | 34,000 | 4,075 | 29,925 |
| Other Purchased Services | 62,700 | (11,671) | 51,029 | 48,387 | 2,642 |
| Supplies & Materials | 7,700 | 9,722 | 17,422 | 13,310 | 4,112 |
| Other Objects | 4,500 | | 4,500 | 1,500 | 3,000 |
| Total Staff Training | <u>356,501</u> | <u>(93,949)</u> | <u>262,552</u> | <u>148,413</u> | <u>114,139</u> |
| Support Services - General Administration: | | | | | |
| Salaries | 228,126 | | 228,126 | 227,850 | 276 |
| Salaries of Secretarial & Clerical | 75,408 | | 75,408 | 75,408 | - |
| Legal Services | 115,000 | 72,750 | 187,750 | 134,587 | 53,163 |
| Audit Fee | 25,747 | (2,294) | 23,453 | 23,206 | 247 |
| Contracted Services | 20,000 | (11,600) | 8,400 | | 8,400 |
| Other Purchased Professional Services | 27,000 | 2,920 | 29,920 | 18,120 | 11,800 |
| Purchased Technical Services | 25,150 | | 25,150 | 15,333 | 9,817 |
| Communications/Telephone | 79,700 | 3,567 | 83,267 | 18,699 | 64,568 |
| BOE Other Purchased Services | 4,950 | | 4,950 | 3,925 | 1,025 |
| Other Purchased Services | 96,484 | 17,143 | 113,627 | 105,612 | 8,015 |
| Supplies & Materials | 23,392 | 164 | 23,556 | 20,233 | 3,323 |
| BOE Membership Dues and Fees | 19,350 | (2,000) | 17,350 | 16,054 | 1,296 |
| Total Support Services - General Administration | <u>740,307</u> | <u>80,650</u> | <u>820,957</u> | <u>659,027</u> | <u>161,930</u> |

SPRINGFIELD SCHOOL DISTRICT

Exhibit C-1

Sheet 8 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|------------------|---|
| Support Services - School Administration: | | | | | |
| Salaries of Principals/Vice Principals | 986,343 | (1,017) | 985,326 | 948,811 | 36,515 |
| Salaries of Secretarial & Clerical | 384,012 | (17,000) | 367,012 | 340,866 | 26,146 |
| Travel | 6,200 | | 6,200 | 2,244 | 3,956 |
| Other Purchased Services | 14,154 | (822) | 13,332 | 6,461 | 6,871 |
| Supplies & Materials | 61,593 | (3,106) | 58,487 | 43,715 | 14,772 |
| Other Objects | 7,040 | | 7,040 | 3,441 | 3,599 |
| Total Support Services - School Administration | <u>1,459,342</u> | <u>(21,945)</u> | <u>1,437,397</u> | <u>1,345,538</u> | <u>91,859</u> |
| Technology Information Service: | | | | | |
| Salaries | 200,403 | | 200,403 | 200,403 | - |
| Total Technology Information Service | <u>200,403</u> | <u>-</u> | <u>200,403</u> | <u>200,403</u> | <u>-</u> |
| Required Maintenance - Facilities: | | | | | |
| Salaries | 310,978 | 21,858 | 332,836 | 332,392 | 444 |
| Cleaning, Repair & Maintenance Services | 425,000 | 882,725 | 1,307,725 | 901,541 | 406,184 |
| General Supplies | 72,500 | 13,230 | 85,730 | 75,966 | 9,764 |
| Total Allowable Maintenance Facilities | <u>808,478</u> | <u>917,813</u> | <u>1,726,291</u> | <u>1,309,899</u> | <u>416,392</u> |

SPRINGFIELD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|------------------|---|
| Other Operations & Maintenance: | | | | | |
| Salaries | 1,249,881 | (58,000) | 1,191,881 | 1,185,951 | 5,930 |
| Salaries of Non-Instructional Aides | 82,500 | 8,111 | 90,611 | 87,243 | 3,368 |
| Purchased Professional/Technical Serv. | 27,500 | 15,200 | 42,700 | 37,322 | 5,378 |
| Cleaning, Repair & Maintenance Services | 428,969 | (27,891) | 401,078 | 344,106 | 56,972 |
| Lease - ESIP | 140,505 | | 140,505 | 140,504 | 1 |
| Water and Sewage | 45,000 | 4,916 | 49,916 | 49,916 | - |
| Insurance | 320,998 | (3,783) | 317,215 | 316,664 | 551 |
| General Supplies | 124,000 | (14,385) | 109,615 | 88,627 | 20,988 |
| Natural Gas | 405,000 | (1,000) | 404,000 | 291,072 | 112,928 |
| Energy (Heat & Electricity) | 411,000 | | 411,000 | 295,309 | 115,691 |
| Vehicle Fuel | 33,000 | | 33,000 | 11,617 | 21,383 |
| Other Objects | 14,720 | 1,174 | 15,894 | 9,511 | 6,383 |
| Total Other Operations & Maintenance | <u>3,283,073</u> | <u>(75,658)</u> | <u>3,207,415</u> | <u>2,857,842</u> | <u>349,573</u> |
| Upkeep of Grounds: | | | | | |
| Salaries | 192,730 | (10,000) | 182,730 | 175,230 | 7,500 |
| Repair and Maintenance | 3,500 | | 3,500 | 2,652 | 848 |
| Supplies | 25,000 | | 25,000 | 6,171 | 18,829 |
| Total Upkeep of Grounds | <u>221,230</u> | <u>(10,000)</u> | <u>211,230</u> | <u>184,053</u> | <u>27,177</u> |
| Total Operations & Maintenance | <u>4,312,781</u> | <u>832,155</u> | <u>5,144,936</u> | <u>4,351,794</u> | <u>793,142</u> |
| Security: | | | | | |
| Purchased Professional and Technical Services | 6,000 | | 6,000 | 2,647 | 3,353 |

SPRINGFIELD SCHOOL DISTRICT

**Exhibit C-1
Sheet 10 of 13**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|------------------|---|
| Student Transportation: | | | | | |
| Salaries of Transportation Aides | 56,870 | 6,991 | 63,861 | 55,298 | 8,563 |
| Salaries for Pupil Transportation | 262,970 | 140,741 | 403,711 | 356,120 | 47,591 |
| Salaries Other Than Between Home and School | 130,000 | (34,000) | 96,000 | 36,496 | 59,504 |
| Pupil Transportation Maintenance and Repair | 70,000 | 4,009 | 74,009 | 48,491 | 25,518 |
| Aid In Lieu | 215,000 | 35,169 | 250,169 | 249,151 | 1,018 |
| Contracted Services Other - Vendors | 15,000 | 87,550 | 102,550 | 71,873 | 30,677 |
| Special Education - Vendors | | 8,343 | 8,343 | 4,953 | 3,390 |
| Contracted Services Special Ed. Joint Agreement | 254,330 | 170,094 | 424,424 | 406,099 | 18,325 |
| Contracted Services(Reg.Students) ESCs & CTSAs | 1,414,240 | (505,339) | 908,901 | 777,700 | 131,201 |
| Insurance | 19,000 | | 19,000 | 15,886 | 3,114 |
| Supplies | 52,500 | 33,595 | 86,095 | 83,480 | 2,615 |
| Other Objects | 2,500 | 11,000 | 13,500 | 9,679 | 3,821 |
| Total Student Transportation | <u>2,492,410</u> | <u>(41,847)</u> | <u>2,450,563</u> | <u>2,115,226</u> | <u>335,337</u> |
| Central Services: | | | | | |
| Salaries | 360,311 | 9,017 | 369,328 | 359,036 | 10,292 |
| Salaries of Secretarial & Clerical | | 2,000 | 2,000 | 661 | 1,339 |
| Unused Vacation\ Payout | | 6,361 | 6,361 | 6,361 | - |
| Travel | 3,500 | (2,315) | 1,185 | 1,135 | 50 |
| Supplies & Materials | 6,500 | 9,110 | 15,610 | 10,645 | 4,965 |
| Lease Purchase Interest | 2,228 | | 2,228 | 2,227 | 1 |
| Miscellaneous Expenditures | 1,725 | 2,000 | 3,725 | 3,575 | 150 |
| Total Central Services | <u>374,264</u> | <u>26,173</u> | <u>400,437</u> | <u>383,640</u> | <u>16,797</u> |

SPRINGFIELD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|-------------------|---|
| Undistributed Expenditures-Employee Benefits: | | | | | |
| Other Retirement Contrib. - Social Security | 590,000 | (16,404) | 573,596 | 536,921 | 36,675 |
| Other Retirement Contrib. - PERS | 615,000 | 71,963 | 686,963 | 667,817 | 19,146 |
| Workman's Compensation | 249,459 | | 249,459 | 215,251 | 34,208 |
| Unemployment | 65,000 | 183,900 | 248,900 | 248,900 | - |
| Health Benefits | 6,894,985 | (993,652) | 5,901,333 | 5,366,643 | 534,690 |
| Tuition Reimbursements | 47,520 | (2,829) | 44,691 | 20,669 | 24,022 |
| Other Employee Benefits | 584,293 | 31,500 | 615,793 | 464,362 | 151,431 |
| Total Unallocated Benefits | <u>9,046,257</u> | <u>(725,522)</u> | <u>8,320,735</u> | <u>7,520,563</u> | <u>800,172</u> |
| | | | | | |
| On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted) | | | - | 1,555,185 | (1,555,185) |
| On-Behalf T.P.A.F Pension Contr. - Normal Cost (Non-Budgeted) | | | - | 5,920,059 | (5,920,059) |
| On-Behalf T.P.A.F Pension Contributions - Long-Term Disability | | | - | 2,146 | (2,146) |
| TPAF Social Security Contribution (Reimbursed) | | | - | 1,227,019 | (1,227,019) |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,704,409</u> | <u>(8,704,409)</u> |
| | | | | | |
| Total Undistributed Expenditures | <u>28,119,177</u> | <u>251,776</u> | <u>28,370,953</u> | <u>34,242,910</u> | <u>(5,871,957)</u> |
| | | | | | |
| Total General Current Expense | <u>44,867,271</u> | <u>375,134</u> | <u>45,242,405</u> | <u>50,604,474</u> | <u>(5,362,069)</u> |

SPRINGFIELD SCHOOL DISTRICT

Exhibit C-1
Sheet 12 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|-------------------|---|
| Capital Outlay | | | | | |
| Equipment-Grades 6-8 | 50,000 | (2,000) | 48,000 | | 48,000 |
| Equipment-Grades 9-12 | | 52,000 | 52,000 | 6,812 | 45,188 |
| Equipment-Learning/Language Disabilities | | 2,500 | 2,500 | 2,446 | 54 |
| Equipment-Undistributed Expenditures-Instruction | | 14,800 | 14,800 | | 14,800 |
| Equipment-Undistributed Expenditures-Central Services | | 4,750 | 4,750 | 4,750 | - |
| Equipment-Undistributed Expenditures-Required Maintenance | | 107,075 | 107,075 | 60,828 | 46,247 |
| School Buses- Regular | | 114,059 | 114,059 | 114,059 | - |
| School Buses- Special | 100,000 | 130,476 | 230,476 | 230,476 | - |
| Architectural/Engineering Services | 15,000 | 4,569 | 19,569 | 15,015 | 4,554 |
| Other Purchased Professional and Technical Services | 60,000 | 367,478 | 427,478 | 251,111 | 176,367 |
| Construction Services | | 1,853,500 | 1,853,500 | 1,139,943 | 713,557 |
| Lease Purchase Agreements-Principal | 679,251 | | 679,251 | 679,250 | 1 |
| Assessment for Debt Service on SDA Funding | 57,595 | | 57,595 | 51,836 | 5,759 |
| Total Capital Outlay | <u>961,846</u> | <u>2,649,207</u> | <u>3,611,053</u> | <u>2,556,526</u> | <u>1,054,527</u> |
| Transfer of Funds to Charter School | <u>49,115</u> | <u>14,003</u> | <u>63,118</u> | <u>63,118</u> | <u>-</u> |
| Total Current Expense | <u>45,878,232</u> | <u>3,038,344</u> | <u>48,916,576</u> | <u>53,224,118</u> | <u>(4,307,542)</u> |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | (285,628) | (3,038,344) | (3,323,972) | 2,599,276 | 5,923,248 |
| Other Financing Sources (Uses): | | | | | |
| Transfer from Capital Reserve to Capital Projects | <u>(750,000)</u> | | <u>(750,000)</u> | <u>(750,000)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(750,000)</u> | <u>-</u> | <u>(750,000)</u> | <u>(750,000)</u> | <u>-</u> |
| Total Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses) | (1,035,628) | (3,038,344) | (4,073,972) | 1,849,276 | 5,923,248 |

SPRINGFIELD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|-----------------------------------|------------------------------------|--------------------------------|----------------------|--|
| Fund Balance, July 1 | <u>13,993,136</u> | <u> </u> | <u>13,993,136</u> | <u>13,993,136</u> | <u> </u> |
| Fund Balance, June 30 | <u>\$ 12,957,508</u> | <u>(3,038,344)</u> | <u>9,919,164</u> | <u>15,842,412</u> | <u>5,923,248</u> |
| Recapitulation: | | | | | |
| Restricted Fund Balance: | | | | | |
| Capital Reserve | | | | \$ 8,181,908 | |
| Maintenance Reserve | | | | 2,350,000 | |
| Emergency Reserve | | | | 250,000 | |
| Designated for Subsequent Year's Expenditures - | | | | | |
| Capital Reserve | | | | 825,000 | |
| Designated for Subsequent Year' Expenditures - | | | | | |
| Maintenance Reserve | | | | 150,000 | |
| Designated for Subsequent Year' Expenditures - | | | | | |
| Excess Surplus | | | | 67,933 | |
| Excess Surplus - Current Year | | | | 38,357 | |
| Committed Fund Balance: | | | | | |
| Year End Encumbrances | | | | 1,713,958 | |
| Unemployment Compensation | | | | 29,989 | |
| Assigned Fund Balances: | | | | | |
| Designated for Subsequent Year's Expenditures | | | | 532,067 | |
| Unassigned Fund Balance | | | | <u>1,703,200</u> | |
| | | | | 15,842,412 | |
| Reconciliation to Governmental Funds Statement (GAAP): | | | | | |
| Final State Aid Payments not Recognized on GAAP Basis | | | | <u>(288,182)</u> | |
| Fund Balance Per Governmental Funds (GAAP) | | | | <u>\$ 15,554,230</u> | |

SPRINGFIELD SCHOOL DISTRICT

Exhibit C-2

Sheet 1 of 2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---------------------------------|----------------------------|-----------------------------|-------------------------|---------------|---|
| Revenues: | | | | | |
| Local Sources | \$ 242,030 | | 242,030 | 242,030 | - |
| State Sources | 1,083,153 | | 1,083,153 | 1,083,153 | - |
| Federal Sources: | | | | | |
| Title I, Part A | 120,179 | | 120,179 | 120,179 | - |
| Title IIA, Part A | 33,506 | | 33,506 | 33,506 | - |
| Title III, Part A | 23,064 | | 23,064 | 23,064 | - |
| Title IV, Part A | 15,192 | | 15,192 | 15,192 | - |
| IDEA Part B, Basic | 412,723 | | 412,723 | 412,723 | - |
| IDEA Part B, Preschool | 19,194 | | 19,194 | 19,194 | - |
| CRRSA Coronavirus Response | 188,447 | | 188,447 | 188,447 | - |
| CRRSA Mental Health | 2,661 | | 2,661 | 2,661 | - |
| CRRSA Learning Acceleration | 25,284 | | 25,284 | 25,284 | - |
| ARP ESSER II | 109,313 | | 109,313 | 109,313 | - |
| ARP ESSER Learning Acceleration | 28,611 | | 28,611 | 28,611 | - |
| ARP Mental Health | 6,629 | | 6,629 | 6,629 | - |
| ARP ESSER Summer | 20,706 | | 20,706 | 20,706 | - |
| ARP ESSER Homeless | 20 | | 20 | 20 | - |
| Total Federal Sources | 1,005,529 | - | 1,005,529 | 1,005,529 | - |
| Total Revenues | 2,330,712 | - | 2,330,712 | 2,330,712 | - |

SPRINGFIELD SCHOOL DISTRICT

Exhibit C-2

Sheet 2 of 2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|-------------------|---|
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 462,139 | | 462,139 | 462,139 | - |
| Other Salaries | 51,650 | | 51,650 | 51,650 | - |
| Purchased Professional Educational Services | 805 | | 805 | 805 | - |
| Tuition | 372,296 | | 372,296 | 372,296 | - |
| General Supplies | 320,099 | | 320,099 | 320,099 | - |
| Other Objects | 267 | | 267 | 267 | - |
| Total Instruction | <u>1,207,256</u> | <u>-</u> | <u>1,207,256</u> | <u>1,207,256</u> | <u>-</u> |
| Support Services: | | | | | |
| Salaries | 115,193 | | 115,193 | 115,193 | - |
| Employee Benefits | 358,674 | | 358,674 | 358,674 | - |
| Purchased Professional Services | 112,678 | | 112,678 | 112,678 | - |
| Other Purchased Services | 157,868 | | 157,868 | 157,868 | - |
| General Supplies | 10,502 | | 10,502 | 10,502 | - |
| Other Objects | 3,634 | | 3,634 | 3,634 | - |
| Student Activities | 209,588 | | 209,588 | 209,588 | - |
| Total Support Services | <u>968,137</u> | <u>-</u> | <u>968,137</u> | <u>968,137</u> | <u>-</u> |
| Facilities Acquisition and Construction Services: | | | | | |
| Non Instructional Equipment | 135,698 | | 135,698 | 135,698 | - |
| Total Expenditures | <u>2,311,091</u> | <u>-</u> | <u>2,311,091</u> | <u>2,311,091</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>19,621</u> | <u>-</u> | <u>19,621</u> | <u>19,621</u> | <u>-</u> |
| Fund Balance, July 1 | <u>238,844</u> | | <u>238,844</u> | <u>238,844</u> | |
| Fund Balance, June 30 | <u>\$ 258,465</u> | <u>-</u> | <u>258,465</u> | <u>258,465</u> | <u>-</u> |
| Recapitulation: | | | | | |
| Restricted: | | | | | |
| Student Activities | | | | <u>258,465</u> | |
| Total Fund Balance | | | | <u>\$ 258,465</u> | |

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SPRINGFIELD SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGETARY COMPARISON SCHEDULENOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|---|-------------------------|-------------------------------------|
| <u>Sources/Inflows of Resources</u> | | |
| Actual amounts (budgetary) "revenues" from the budgetary comparison schedules | \$ 55,823,394 | 2,330,712 |
| Difference - budget to GAAP: | | |
| Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized | | (36,195) |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 245,801 | |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | <u>(228,182)</u> | <u>(147,451)</u> |
| Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. | <u>\$ 55,841,013</u> | <u>2,147,066</u> |
| <u>Uses/Outflows of Resources</u> | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | \$ 53,224,118 | 2,311,091 |
| Differences - budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. | | (36,195) |
| Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | <u>\$ 53,224,118</u> | <u>2,274,896</u> |

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSIONS (GASB 68) – L**

SPRINGFIELD SCHOOL DISTRICT

Exhibit L-1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - PERS

LAST NINE FISCAL YEARS

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|---------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| District's Proportion of the Net Pension Liability | 0.04930% | 0.04925% | 0.05129% | 0.04920% | 0.05120% | 0.05240% | 0.05210% | 0.05150% | 0.05365% |
| District's Proportionate Share of the Net Pension Liability | <u>\$ 7,503,073</u> | <u>5,896,918</u> | <u>8,429,399</u> | <u>8,869,130</u> | <u>10,088,654</u> | <u>12,210,119</u> | <u>15,417,392</u> | <u>11,562,575</u> | <u>10,033,440</u> |
| District's Covered-Employee Payroll | \$ 3,690,064 | 3,527,821 | 3,529,633 | 3,610,625 | 3,535,541 | 3,500,512 | 3,520,559 | 3,574,451 | 3,568,177 |
| District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll | 49.18% | 59.82% | 41.87% | 40.71% | 35.04% | 28.67% | 22.83% | 30.91% | 35.56% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 46.41% | 42.90% | 42.90% | 42.04% | 40.45% | 36.78% | 31.20% | 38.21% | 42.74% |

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for eight years. Additional years will be presented as they become available.

SPRINGFIELD SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

LAST NINE FISCAL YEARS

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually Required Contribution | \$ 652,236 | 605,824 | 565,470 | 478,789 | 509,660 | 485,917 | 462,455 | 442,833 | 441,785 |
| Contributions in Relation to the Contractually Required Contribution | 652,236 | 605,824 | 565,470 | 478,789 | 509,660 | 485,917 | 462,455 | 442,833 | 441,785 |
| Contribution Deficiency (Excess) | \$ - | - | - | - | - | - | - | - | - |
| District's Covered-Employee Payroll | \$ 3,609,064 | 3,527,821 | 3,529,633 | 3,610,625 | 3,535,541 | 3,500,512 | 3,520,559 | 3,574,451 | 3,568,177 |
| Contributions as a Percentage of Covered-Employee Payroll | 18.07% | 17.17% | 16.02% | 13.26% | 14.42% | 13.88% | 13.14% | 12.39% | 12.38% |

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for eight years. Additional years will be presented as they become available.

SPRINGFIELD SCHOOL DISTRICT

Exhibit L-3

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - TPAF

LAST NINE FISCAL YEARS

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
| District's Proportion of the Net Pension Liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| District's Proportionate Share of the Net Pension Liability | \$ - | - | - | - | - | - | - | - | - |
| State's Proportionate Share of the Net Pension Liability Associated with the District | <u>73,052,085</u> | <u>69,958,280</u> | <u>99,074,872</u> | <u>89,817,351</u> | <u>92,684,178</u> | <u>99,987,252</u> | <u>115,689,436</u> | <u>92,705,011</u> | <u>79,427,155</u> |
| Total | <u>\$ 73,052,085</u> | <u>69,958,280</u> | <u>99,074,872</u> | <u>89,817,351</u> | <u>92,684,178</u> | <u>99,987,252</u> | <u>115,689,436</u> | <u>92,705,011</u> | <u>79,427,155</u> |
| District's Covered-Employee Payroll | \$ 17,184,854 | 16,302,142 | 16,331,200 | 16,000,642 | 15,857,647 | 15,814,051 | 15,318,384 | 15,262,559 | 15,139,586 |
| District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll | 23.52% | 23.30% | 16.48% | 17.81% | 17.11% | 15.82% | 13.24% | 16.46% | 19.06% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 32.29% | 32.52% | 24.60% | 26.95% | 26.49% | 25.41% | 22.33% | 28.71% | 33.64% |

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for eight years. Additional years will be presented as they become available.

SPRINGFIELD SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS
TEACHER'S PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS

L-4

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

SPRINGFIELD SCHOOL DISTRICT**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III**

L-5

FOR THE FISCAL YEAR ENDED JUNE 30, 2023**Public Employee's Retirement System (PERS)**

Changes in Benefit Terms – None

Changes in Assumptions – The discount rate remained at 7.00% as of June 30, 2021, and as of June 30, 2022, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms – None

Changes in Assumption – The discount rate remained at 7.00% as of June 30, 2021, and as of June 30, 2022, in accordance with Paragraph 44 of GASB Statement No. 67.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR OPEB (GASB 75) - M**

SPRINGFIELD SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Exhibit M-1

LAST FIVE FISCAL YEARS

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|----------------------|-------------------|-------------------|-------------------|--------------------|
| District's Proportionate Share of OPEB Liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| District's Proportionate of the Net OPEB Liability | \$ - | - | - | - | - |
| <u>State's OPEB Liability Attributable to the District</u> | | | | | |
| Service Cost | \$ 3,910,764 | 4,406,674 | 2,536,378 | 2,362,540 | 2,631,984 |
| Interest | 1,728,035 | 2,034,868 | 1,953,674 | 2,362,307 | 2,520,312 |
| Change of Benefit Terms | | (83,492) | - | - | |
| Benefit Payments | (1,711,669) | (1,602,906) | (1,520,024) | (1,658,054) | (1,590,361) |
| Member Contributions | 54,911 | 52,022 | 46,072 | 49,149 | 54,965 |
| Difference between Expected and Actual Experience | 274,243 | (13,754,244) | 14,333,225 | (9,383,569) | (5,844,701) |
| Change of Assumptions | <u>(17,492,133)</u> | <u>77,389</u> | <u>15,948,844</u> | <u>805,346</u> | <u>(6,825,145)</u> |
| Net Change in Total OPEB Liability | (13,235,849) | (8,869,689) | 33,298,169 | (5,462,281) | (9,052,946) |
| Total Attributable OPEB Liability - Beginning | <u>78,441,991</u> | <u>87,311,680</u> | <u>54,013,511</u> | <u>59,475,792</u> | <u>68,528,738</u> |
| Total Attributable OPEB Liability - Ending | <u>\$ 65,206,142</u> | <u>78,441,991</u> | <u>87,311,680</u> | <u>54,013,511</u> | <u>59,475,792</u> |
| District's Covered Payroll | \$ 20,790,918 | 19,860,833 | 19,860,833 | 19,393,187 | 19,314,563 |
| District's Contribution | None | None | None | None | None |
| District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan Fiduciary Net Position as a Percentage of the total OPEB Liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| State's Proportionate Share of OPEB Liability as a Percentage of the District's Covered-Employee Payroll | 313.63% | 394.96% | 439.62% | 278.52% | 307.93% |

* - Information not available

Source: GASB 75 report on State of New Jersey Health Benefits Program; District Records.

Note: This schedule is required by GASB 75 to show information for a 10 year period. However, information is only currently available for five years. Additional years will be presented as they become available.

SPRINGFIELD SCHOOL DISTRICT**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION****FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Exhibit M-2

Change of Benefit Terms

Refer to Note 5 - Notes to Financial Statements.

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2021 to June 30, 2022 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

SPRINGFIELD SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Title I</u> | <u>Title IIA</u> | <u>Title III</u> | <u>Title IV</u> | <u>L.D.E.A. Basic Flow-Thru</u> | <u>L.D.E.A. Pre-School</u> | <u>Non-Public Technology</u> | <u>Non-Public Nursing</u> | <u>Non-Public Textbooks</u> | <u>Non-Public Security</u> |
|--|----------------|------------------|------------------|-----------------|---|--------------------------------|----------------------------------|-------------------------------|---------------------------------|--------------------------------|
| Revenues: | | | | | | | | | | |
| Federal Sources | \$ 120,179 | 33,506 | 23,064 | 15,192 | 412,723 | 19,194 | | | | |
| State Sources | | | | | | | 420 | 576 | 660 | 2,050 |
| Local Sources | | | | | | | | | | |
| Total Revenues | <u>120,179</u> | <u>33,506</u> | <u>23,064</u> | <u>15,192</u> | <u>412,723</u> | <u>19,194</u> | <u>420</u> | <u>576</u> | <u>660</u> | <u>2,050</u> |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Salaries of Teachers | 86,484 | 752 | 11,084 | 3,997 | 10,972 | 881 | | | | |
| Other Salaries | | | | | | | | | | |
| Purchased Professional and Technical Services | | | | | | | 420 | | | |
| Tuition | | | | | 372,296 | | | | | |
| General Supplies | 29,174 | | 9,086 | | 2,701 | 5,976 | | | 660 | |
| Other Objects | 267 | | | | | | | | | |
| Total Instruction | <u>115,925</u> | <u>752</u> | <u>20,170</u> | <u>3,997</u> | <u>385,969</u> | <u>6,857</u> | <u>420</u> | <u>-</u> | <u>660</u> | <u>-</u> |
| Support Services: | | | | | | | | | | |
| Salaries | | | | | | | | | | |
| Employee Benefits | 4,254 | 58 | 598 | 245 | 754 | 58 | | | | |
| Purchased Professional Educational Services | | 28,792 | | 10,950 | 26,000 | 12,279 | | 576 | | 2,050 |
| Other Purchased Services | | | 2,296 | | | | | | | |
| General Supplies | | 270 | | | | | | | | |
| Other Objects | | 3,634 | | | | | | | | |
| Student Activities | | | | | | | | | | |
| Total Support Services | <u>4,254</u> | <u>32,754</u> | <u>2,894</u> | <u>11,195</u> | <u>26,754</u> | <u>12,337</u> | <u>-</u> | <u>576</u> | <u>-</u> | <u>2,050</u> |
| Facilities Acquisition and Construction Services: | | | | | | | | | | |
| Non-Instructional Services | | | | | | | | | | |
| Total Facilities Acquisition and Construction Services | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>120,179</u> | <u>33,506</u> | <u>23,064</u> | <u>15,192</u> | <u>412,723</u> | <u>19,194</u> | <u>420</u> | <u>576</u> | <u>660</u> | <u>2,050</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, July 1 | | | | | | | | | | |
| Fund Balance, June 30 | <u>\$ -</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

SPRINGFIELD SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>C.R.R.S.A Coronavirus Response</u> | <u>C.R.R.S.A Accelerated Learning</u> | <u>C.R.R.S.A Mental Health</u> | <u>A.R.P E.S.S.E.R II</u> | <u>A.R.P E.S.S.E.R Accelerated Learning</u> | <u>Preschool Education</u> | <u>A.R.P E.S.S.E.R Mental Health</u> | <u>A.R.P E.S.S.E.R Summer</u> | <u>A.R.P E.S.S.E.R Homeless</u> | <u>SDA Emergent Needs</u> | <u>State Bar Assoc.</u> | <u>PLTW</u> | <u>NJSIG Safety Grant</u> | <u>Student Activities</u> | <u>Total 2023</u> |
|--|---|---|--|-------------------------------|---|--------------------------------|--|---------------------------------------|---|-----------------------------------|---------------------------------|--------------|-----------------------------------|-------------------------------|-----------------------|
| Revenues: | | | | | | | | | | | | | | | |
| Federal Sources | 188,447 | 25,284 | 2,661 | 109,313 | 28,611 | | 6,629 | 20,706 | 20 | | | | | | 1,005,529 |
| State Sources | | | | | | 976,976 | | | | 102,471 | | | | | 1,083,153 |
| Local Sources | | | | | | | | | | | 298 | 5,200 | 7,323 | 229,209 | 242,030 |
| Total Revenues | <u>188,447</u> | <u>25,284</u> | <u>2,661</u> | <u>109,313</u> | <u>28,611</u> | <u>976,976</u> | <u>6,629</u> | <u>20,706</u> | <u>20</u> | <u>102,471</u> | <u>298</u> | <u>5,200</u> | <u>7,323</u> | <u>229,209</u> | <u>2,330,712</u> |
| Expenditures: | | | | | | | | | | | | | | | |
| Instruction: | | | | | | | | | | | | | | | |
| Salaries of Teachers | 14,601 | 14,661 | | 23,260 | 451 | 268,132 | 6,158 | 20,706 | | | | | | | 462,139 |
| Other Salaries | | | | | | 51,650 | | | | | | | | | 51,650 |
| Purchased Professional and Technical Services | | | | | | 385 | | | | | | | | | 805 |
| Tuition | | | | | | | | | | | | | | | 372,296 |
| General Supplies | 80,736 | 9,201 | | 37,475 | | 139,572 | | | 20 | | 298 | 5,200 | | | 320,099 |
| Other Objects | | | | | | | | | | | | | | | 267 |
| Total Instruction | <u>95,337</u> | <u>23,862</u> | <u>-</u> | <u>60,735</u> | <u>451</u> | <u>459,739</u> | <u>6,158</u> | <u>20,706</u> | <u>20</u> | <u>-</u> | <u>298</u> | <u>5,200</u> | <u>-</u> | <u>-</u> | <u>1,207,256</u> |
| Support Services: | | | | | | | | | | | | | | | |
| Salaries | | | 2472 | | | 112,721 | | | | | | | | | 115,193 |
| Employee Benefits | 93110 | 1,422 | 189 | 1,472 | | 256,043 | 471 | | | | | | | | 358,674 |
| Purchased Professional Educational Services | | | | | 26,641 | 5,390 | | | | | | | | | 112,678 |
| Other Purchased Services | | | | 45,545 | | 233 | | | | 102,471 | | | 7,323 | | 157,868 |
| General Supplies | | | | 1,561 | 1,519 | 7,152 | | | | | | | | | 10,502 |
| Other Objects | | | | | | | | | | | | | | | 3,634 |
| Student Activities | | | | | | | | | | | | | | 209,588 | 209,588 |
| Total Support Services | <u>93,110</u> | <u>1,422</u> | <u>2,661</u> | <u>48,578</u> | <u>28,160</u> | <u>381,539</u> | <u>471</u> | <u>-</u> | <u>-</u> | <u>102,471</u> | <u>-</u> | <u>-</u> | <u>7,323</u> | <u>209,588</u> | <u>968,137</u> |
| Facilities Acquisition and Construction Services: | | | | | | | | | | | | | | | |
| Non-Instructional Services | | | | | | 135,698 | | | | | | | | | 135,698 |
| Total Facilities Acquisition and Construction Services | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>135,698</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>135,698</u> |
| Total Expenditures | <u>188,447</u> | <u>25,284</u> | <u>2,661</u> | <u>109,313</u> | <u>28,611</u> | <u>976,976</u> | <u>6,629</u> | <u>20,706</u> | <u>20</u> | <u>102,471</u> | <u>298</u> | <u>5,200</u> | <u>7,323</u> | <u>209,588</u> | <u>2,311,091</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,621</u> | <u>19,621</u> |
| Fund Balance, July 1 | | | | | | | | | | | | | | <u>238,844</u> | <u>238,844</u> |
| Fund Balance, June 30 | | | | | | | | | | | | | | <u>258,465</u> | <u>258,465</u> |

CAPITAL PROJECTS FUND – F

SPRINGFIELD SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES INFUND BALANCE - BUDGETARY BASISFOR THE YEAR ENDED JUNE 30, 2023

| | |
|---|----------------------------|
| Revenues and Other Financing Sources: | |
| Transfer from Capital Reserve | \$ 750,000 |
| Bond Proceeds | 32,872,000 |
| Interest on Investments | 28,397 |
| Total Revenues and Other Financing Sources | <u>33,650,397</u> |
| Expenditures: | |
| Other Purchased Professional and Technical Services | 601,070 |
| Construction Services | |
| Total Expenditures and Other Financing Uses | <u>601,070</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 33,049,327 |
| Other Financing Sources/(Uses): | |
| Accounts Payable - Interest | <u>(28,397)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources/(Uses) | 33,020,930 |
| Fund Balance - Beginning | <u>56,723</u> |
| Fund Balance - Ending | <u><u>\$33,077,653</u></u> |

*There is \$10,080 of old balances that are not associated with any current projects.

SPRINGFIELD SCHOOL DISTRICT

Exhibit F-1a

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISENERGY SAVINGS IMPROVEMENT PROGRAMFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|--------------------------|-------------------------|----------------|--|
| <u>Revenues and Other Financing Sources</u> | | | | |
| Transfer from Capital Reserve | \$ 324,137 | | 324,137 | 324,137 |
| Total Revenues | <u>324,137</u> | <u>-</u> | <u>324,137</u> | <u>324,137</u> |
| <u>Expenditures and Other Financing Uses</u> | | | | |
| Other Purchased Prof. and Tech. Services | 39,405 | | 39,405 | 45,473 |
| Construction Services | 238,089 | | 238,089 | 278,664 |
| Total Expenditures | <u>277,494</u> | <u>-</u> | <u>277,494</u> | <u>324,137</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 46,643</u> | <u>-</u> | <u>46,643</u> | <u>-</u> |
| <u>Additional Project Information</u> | | | | |
| Original Authorized Cost | | \$ 324,137 | | |
| Percentage Increase Over Original Authorized Cost | | 0 | | |
| Percentage Completion | | 86% | | |
| Original Target Completion Date | | N/A | | |
| Revised Target Completion Date | | N/A | | |

SPRINGFIELD SCHOOL DISTRICT

Exhibit F-2a

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISHVAC AND RENOVATIONS TO HIGH SCHOOL AND ELEMENTARY SCHOOLSFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|--------------------------|-------------------------|-------------------|--|
| <u>Revenues and Other Financing Sources</u> | | | | |
| Bond Proceeds and Transfers | \$ - | 33,622,000 | 33,622,000 | 33,622,000 |
| Total Revenues | <u>-</u> | <u>33,622,000</u> | <u>33,622,000</u> | <u>33,622,000</u> |
| <u>Expenditures and Other Financing Uses</u> | | | | |
| Purchased Professional and Technical Services | | 601,070 | 601,070 | 32,872,000 |
| Construction Services | | | - | 750,000 |
| Total Expenditures | <u>-</u> | <u>601,070</u> | <u>601,070</u> | <u>33,622,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ -</u> | <u>33,020,930</u> | <u>33,020,930</u> | <u>-</u> |

Additional Project Information

| | |
|---|--------------|
| Bond Authorization Date | 4/20/2023 |
| Bonds Authorized | \$32,872,000 |
| Bonds Issued | \$32,872,000 |
| Original Authorized Cost | \$32,872,000 |
| Percentage Increase Over Original Authorized Cost | N/A |
| Percentage Completion | 2% |
| Original Target Completion Date | 6/30/2024 |
| Revised Target Completion Date | 6/30/2024 |

PROPRIETARY FUNDS – G

SPRINGFIELD SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit G-1

ENTERPRISE FUNDSJUNE 30, 2023

| | <u>Food Service Program</u> | <u>Aftercare Program</u> | <u>Total</u> |
|------------------------------|---------------------------------|------------------------------|------------------|
| <u>Assets:</u> | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 437,374 | 718,817 | 1,156,191 |
| Accounts Receivable: | | | |
| State | 2,987 | | 2,987 |
| Federal | 54,352 | | 54,352 |
| Inventory | 18,167 | | 18,167 |
| Total Current Assets | <u>512,880</u> | <u>718,817</u> | <u>1,231,697</u> |
| Noncurrent Assets | | | |
| Equipment | 392,679 | | 392,679 |
| Accumulated Depreciation | (208,256) | | (208,256) |
| Total Fixed Assets | <u>184,423</u> | <u>-</u> | <u>184,423</u> |
| Total Assets | <u>\$ 697,303</u> | <u>718,817</u> | <u>1,416,120</u> |
| <u>Liabilities:</u> | | | |
| Accounts Payable | \$ 82,001 | 13,758 | 95,759 |
| Total Liabilities | <u>\$ 82,001</u> | <u>13,758</u> | <u>95,759</u> |
| <u>Net Position:</u> | | | |
| Investment in Capital Assets | \$ 184,423 | | 184,423 |
| Unrestricted | 430,879 | 705,059 | 1,135,938 |
| Total Net Position | <u>\$ 615,302</u> | <u>705,059</u> | <u>1,320,361</u> |

SPRINGFIELD SCHOOL DISTRICTSCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Exhibit G-2

ENTERPRISE FUNDSJUNE 30, 2023

| | <u>Food Service Program</u> | <u>Aftercare Program</u> | <u>Total</u> |
|---|---------------------------------|------------------------------|------------------|
| Operating Revenues: | | | |
| Daily Sales - Reimbursable Programs | \$ 546,793 | | 546,793 |
| Daily Sales - Non-Reimbursable Programs | 272,015 | | 272,015 |
| Fees | | 1,068,732 | 1,068,732 |
| Total Operating Revenues | <u>818,808</u> | <u>1,068,732</u> | <u>1,887,540</u> |
| Operating Expenses: | | | |
| Salaries and Benefits | 449,823 | 416,948 | 866,771 |
| Cost of Sales - Reimbursable Programs | 376,067 | | 376,067 |
| Cost of Sales - Non-Reimbursable Programs | 168,958 | | 168,958 |
| Supplies and Materials | 62,698 | 80,660 | 143,358 |
| Management Fee | 55,684 | | 55,684 |
| Contracted Services | 15,377 | | 15,377 |
| Depreciation | 18,905 | | 18,905 |
| Insurance | 52,217 | | 52,217 |
| Miscellaneous | 95,107 | | 95,107 |
| Operating Expenses | <u>1,294,836</u> | <u>497,608</u> | <u>1,792,444</u> |
| Operating Gain/(Loss) | (476,028) | 571,124 | 95,096 |
| Non-Operating Revenues: | | | |
| State Sources: | | | |
| State School Lunch Program | 15,090 | | 15,090 |
| State Breakfast Program | 401 | | 401 |
| Federal Sources: | | | |
| National School Lunch Program | 249,866 | | 249,866 |
| HHFKA Lunch Program | 13,945 | | 13,945 |
| Federal Breakfast Program | 14,897 | | 14,897 |
| PEBT Program | 628 | | 628 |
| Supply Chain Grant | 106,434 | | 106,434 |
| Food Distribution Program | 59,376 | | 59,376 |
| Total Non-Operating Revenues | <u>460,637</u> | <u>-</u> | <u>460,637</u> |
| Change in Net Position | (15,391) | 571,124 | 555,733 |
| Adjustment for Fixed Assets | 88,378 | | 88,378 |
| Net Position, July 1 | <u>542,315</u> | <u>133,935</u> | <u>676,250</u> |
| Net Position, June 30 | <u>\$ 615,302</u> | <u>705,059</u> | <u>1,320,361</u> |

SPRINGFIELD SCHOOL DISTRICT**SCHEDULE OF CASH FLOWS**

Exhibit G-3

ENTERPRISE FUNDS**JUNE 30, 2023**

| | <u>Food Service Program</u> | <u>Aftercare Program</u> | <u>Total</u> |
|---|--|-------------------------------------|---------------------|
| Cash Flows from Operating Activities: | | | |
| Receipts from Customers | \$ 818,808 | 1,068,732 | 1,887,540 |
| Payments to Employees | (449,823) | (416,948) | (866,771) |
| Payments to Suppliers | (728,184) | (66,902) | (795,086) |
| Net Cash Provided (Used) by Operating Activities | <u>(359,199)</u> | <u>584,882</u> | <u>225,683</u> |
| Cash Flows from Noncapital Financing Activities: | | | |
| State Sources | 15,491 | | 15,491 |
| Federal Sources | 385,770 | | 385,770 |
| Net Cash Provided by Noncapital Financing Activities | <u>401,261</u> | <u>-</u> | <u>401,261</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 42,062 | 584,882 | 626,944 |
| Cash and Cash Equivalents, July 1 | <u>395,312</u> | <u>133,935</u> | <u>529,247</u> |
| Cash and Cash Equivalents, June 30 | <u>\$ 437,374</u> | <u>718,817</u> | <u>1,156,191</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Operating Income (Loss) | \$ (476,028) | 571,124 | 95,096 |
| Depreciation | 18,905 | | 18,905 |
| Federal Commodities Consumed | 59,376 | | 59,376 |
| Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities | | | |
| Decrease/(Increase) in Inventory | 1,571 | | 1,571 |
| (Decrease)/Increase in Accounts Payable | 19,633 | 13,758 | 33,391 |
| Decrease/(Increase) in Accounts Receivable | 17,344 | | 17,344 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (359,199)</u> | <u>584,882</u> | <u>225,683</u> |

FIDUCIARY FUND – H

N/A

LONG-TERM DEBT – I

SPRINGFIELD SCHOOL DISTRICT

Exhibit I-1

LONG-TERM LIABILITIES

SCHEDULE OF SERIAL BONDS

JUNE 30, 2023

| | Date of Issue | Original Issue | Annual Maturities | | Interest Rate | Balance July 1, 2022 | Issued | Retired | Balance June 30, 2023 |
|----------------------------------|---------------|----------------|-------------------|-----------|---------------|----------------------|-------------------|------------------|-----------------------|
| | | | Date | Amount | | | | | |
| 2012 Refunding | 11/13/2012 | \$ 6,485,000 | | | 3.00% | \$ 910,000 | | 910,000 | - |
| 2014 ESIP Lease Purchase | 12/17/2014 | 2,375,000 | 6/17/2024 | \$ 96,569 | 2.84% | 1,818,441 | | 89,510 | 1,728,931 |
| | | | 6/17/2025 | 104,772 | | | | | |
| | | | 6/17/2026 | 111,743 | | | | | |
| | | | 6/17/2027 | 119,857 | | | | | |
| | | | 6/17/2028 | 128,356 | | | | | |
| | | | 6/17/2029 | 137,253 | | | | | |
| | | | 6/17/2030 | 146,561 | | | | | |
| | | | 6/17/2031 | 156,299 | | | | | |
| | | | 6/17/2032 | 166,487 | | | | | |
| | | | 6/17/2033 | 177,141 | | | | | |
| | | | 6/17/2034 | 188,281 | | | | | |
| | | | 6/17/2035 | 195,612 | | | | | |
| 2017 Equipment Lease Purchase | 9/29/2017 | 1,500,000 | | | 1.72% | 259,721 | | 259,721 | - |
| 2023 School Bonds | 5/9/2023 | 32,872,000 | 5/15/2025 | 1,817,000 | 2.625% | | 32,872,000 | | 32,872,000 |
| | | | 5/15/2026 | 1,195,000 | 3.000% | | | | |
| | | | 5/15/2027 | 1,230,000 | 3.000% | | | | |
| | | | 5/15/2028 | 1,285,000 | 3.000% | | | | |
| | | | 5/15/2029 | 1,340,000 | 3.000% | | | | |
| | | | 5/15/2030 | 1,395,000 | 3.000% | | | | |
| | | | 5/15/2031 | 1,460,000 | 3.000% | | | | |
| | | | 5/15/2032 | 1,520,000 | 3.000% | | | | |
| | | | 5/15/2033 | 1,585,000 | 3.000% | | | | |
| | | | 5/15/2034 | 1,650,000 | 3.000% | | | | |
| | | | 5/15/2035 | 1,720,000 | 3.125% | | | | |
| | | | 5/15/2036 | 1,800,000 | 3.250% | | | | |
| | | | 5/15/2037 | 1,875,000 | 3.375% | | | | |
| | | | 5/15/2038 | 1,950,000 | 3.500% | | | | |
| | | | 5/15/2039 | 2,025,000 | 4.000% | | | | |
| | | | 5/15/2040 | 2,120,000 | 4.000% | | | | |
| | | | 5/15/2041 | 2,210,000 | 4.000% | | | | |
| | | | 5/15/2042 | 2,305,000 | 4.000% | | | | |
| | | | 5/15/2043 | 2,390,000 | 4.000% | | | | |
| | | | | | | <u>\$ 2,988,162</u> | <u>32,872,000</u> | <u>1,259,231</u> | <u>34,600,931</u> |

SPRINGFIELD SCHOOL DISTRICT

LONG-TERM LIABILITIES

Exhibit I-2

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2023

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Amount of Original Issue</u> | <u>Interest Rate</u> | <u>Balance July 1, 2022</u> | <u>Paid Current Year</u> | <u>Amount Outstanding June 30, 2023</u> |
|---------------------------|-----------------------------|--|-----------------------------|------------------------------------|---------------------------------|--|
| Equipment Lease Computers | 8/14/2019 | \$ 2,099,895 | 0.000% | <u>\$ 839,958</u> | <u>419,979</u> | <u>419,979</u> |

SPRINGFIELD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

Exhibit I-3

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|----------------|---|
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 937,300 | | 937,300 | 937,300 | |
| Total Revenues | <u>937,300</u> | <u>-</u> | <u>937,300</u> | <u>937,300</u> | <u>-</u> |
| Expenditures: | | | | | |
| Regular Debt Service: | | | | | |
| Interest | 27,300 | | 27,300 | 27,300 | - |
| Redemption of Principal | <u>910,000</u> | | <u>910,000</u> | <u>910,000</u> | <u>-</u> |
| Total Regular Debt Service | <u>937,300</u> | <u>-</u> | <u>937,300</u> | <u>937,300</u> | <u>-</u> |
| Total Expenditures | <u>937,300</u> | <u>-</u> | <u>937,300</u> | <u>937,300</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - | - |
| Transfer to General Fund | | | | (2) | (2) |
| Fund Balance July 1 | <u>2</u> | <u>-</u> | <u>2</u> | <u>2</u> | <u>-</u> |
| Fund Balance June 30 | <u>\$ 2</u> | <u>-</u> | <u>2</u> | <u>-</u> | <u>(2)</u> |

STATISTICAL SECTION

(Unaudited)

Township of Springfield Board of Education
Net Position by Component,
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

Exhibit J-1

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| Governmental activities | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 26,150,476 | 27,929,260 | 31,559,627 | 36,113,780 | 39,991,608 | 42,366,887 | 43,830,390 | 5,711,036 | (22,946,257) |
| Restricted | 7,191,747 | 8,059,385 | 6,015,972 | 4,671,760 | 4,965,711 | 5,424,111 | 7,161,553 | 12,068,686 | 12,151,652 |
| Unrestricted | (13,474,988) | (11,044,621) | (10,428,670) | (10,590,151) | (11,111,266) | (9,552,807) | (8,041,114) | (8,821,523) | 27,412,394 |
| Total governmental activities net Position | \$ 19,867,235 | 24,944,024 | 27,146,929 | 30,195,389 | 33,846,053 | 38,238,191 | 42,950,829 | 8,958,199 | 16,617,789 |
| Business-type activities | | | | | | | | | |
| Invested in capital assets, net of related debt | | | | 166,317 | 154,058 | 212,598 | 192,648 | 114,950 | 184,423 |
| Restricted | | | | | | | | | |
| Unrestricted | 574,217 | 741,005 | 851,495 | 773,264 | 926,699 | 615,403 | 445,492 | 561,300 | 1,135,938 |
| Total business-type activities net Position | \$ 574,217 | 741,005 | 851,495 | 939,581 | 1,080,757 | 828,001 | 638,140 | 676,250 | 1,320,361 |
| District-wide | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 27,926,260 | 27,926,260 | 31,559,627 | 36,280,097 | 40,145,666 | 42,579,485 | 44,023,038 | 5,825,986 | (22,761,834) |
| Restricted | 8,059,385 | 8,059,385 | 6,015,972 | 4,671,760 | 4,965,711 | 5,424,111 | 7,161,553 | 12,068,686 | 12,151,652 |
| Unrestricted | (10,303,626) | (10,303,626) | (9,577,175) | (9,816,887) | (10,184,567) | (8,937,404) | (7,595,622) | (8,260,223) | 28,548,332 |
| Total district net Position | \$ 25,682,019 | 25,682,019 | 27,998,424 | 31,134,970 | 34,926,810 | 39,066,192 | 43,588,969 | 9,634,449 | 17,938,150 |

Township of Springfield Board of Education
Changes In Net Position, Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Exhibit J-2

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 14,690,444 | 15,623,930 | 15,167,374 | 16,045,867 | 16,071,665 | 16,518,532 | 16,964,705 | 17,334,828 | 11,793,015 | 11,508,613 |
| Special education | 5,325,867 | 5,281,962 | 6,112,962 | 5,887,225 | 7,243,994 | 7,738,550 | 8,192,110 | 8,981,388 | 4,902,769 | 4,844,243 |
| Other special education | 484,175 | 514,988 | 614,758 | 582,521 | 586,525 | 614,609 | 643,638 | 678,947 | 1,455,603 | 1,379,769 |
| Other instruction | 878,814 | 881,014 | 992,785 | 1,015,813 | 1,088,776 | 1,099,970 | 1,086,355 | 922,466 | | |
| Support Services: | | | | | | | | | | |
| Tuition | 2,798,724 | 2,651,902 | 2,461,704 | 2,768,824 | 3,363,319 | 3,299,975 | 3,076,302 | 3,607,085 | 3,790,141 | 4,145,401 |
| Student & instruction related services | 4,086,994 | 4,209,773 | 4,192,695 | 4,602,063 | 4,706,182 | 4,918,047 | 4,712,963 | 5,163,055 | 5,487,368 | 5,782,399 |
| General and Business Administrative Services | 738,722 | 933,654 | 961,219 | 725,227 | 792,368 | 860,910 | 869,487 | 847,449 | 1,422,821 | 1,345,538 |
| School administrative services | 1,579,456 | 1,667,121 | 1,755,917 | 1,819,159 | 1,839,326 | 1,895,051 | 1,953,079 | 2,020,611 | 1,224,950 | 1,243,070 |
| Other Administrative Services | | | | | | | | | | |
| Plant operations and maintenance | 4,446,902 | 5,136,202 | 5,019,593 | 4,803,903 | 4,760,820 | 4,759,032 | 4,997,267 | 5,284,159 | 4,385,642 | 4,354,441 |
| Pupil transportation | 1,889,880 | 1,578,585 | 1,885,257 | 2,192,414 | 2,129,808 | 2,198,022 | 1,947,639 | 2,227,113 | 2,424,839 | 2,115,226 |
| Business and Other Support Services | 543,585 | 601,257 | 593,572 | 644,048 | 660,349 | 693,564 | 717,866 | 614,391 | | |
| Special Schools | 59,818 | 60,235 | 69,810 | 54,887 | 85,416 | 67,461 | 90,631 | 22,007 | 33,188 | 63,118 |
| Proportionate share of pension plan expense | | 554,628 | (157,494) | 997,672 | 398,831 | 305,027 | (499,842) | (390,707) | | |
| Capital Outlay | | | | | | | | | 1,236,132 | 2,665,629 |
| Unallocated Benefits | | | | | | | | | 13,593,760 | 15,429,002 |
| Interest on long-term debt | 249,494 | 261,717 | 175,947 | 176,498 | 157,307 | 129,121 | 99,665 | 76,597 | 51,700 | 206,380 |
| Compensated Absences | 54,280 | 75,219 | (106,222) | (106,222) | 161,211 | 22,905 | 32,604 | 31,389 | | |
| ARRA - ESF | | | | | | | | | | |
| ARRA - GSF | | | | | | | | | | |
| Education Jobs | | | | | | | | | | |
| Unallocated depreciation | | | | | | | | | | |
| Total governmental activities expenses | <u>37,627,155</u> | <u>40,032,187</u> | <u>39,739,877</u> | <u>42,209,899</u> | <u>44,045,897</u> | <u>45,120,776</u> | <u>44,664,469</u> | <u>47,420,778</u> | <u>51,988,193</u> | <u>55,269,121</u> |
| Business-type activities: | | | | | | | | | | |
| Food service | 625,144 | 570,216 | 705,519 | 747,840 | 811,933 | 894,439 | 683,726 | 489,134 | 1,235,958 | 1,294,836 |
| Child Care | 651,379 | 614,507 | 696,653 | 748,509 | 805,997 | 795,463 | 779,923 | 269,642 | 602,711 | 497,608 |
| Total business-type activities expense | <u>1,276,523</u> | <u>1,184,723</u> | <u>1,402,172</u> | <u>1,496,349</u> | <u>1,617,930</u> | <u>1,689,902</u> | <u>1,463,649</u> | <u>758,776</u> | <u>1,838,669</u> | <u>1,792,444</u> |
| Total district expenses | <u>\$ 38,903,678</u> | <u>41,216,910</u> | <u>41,142,049</u> | <u>43,706,248</u> | <u>45,663,827</u> | <u>46,810,678</u> | <u>46,348,118</u> | <u>48,179,554</u> | <u>53,826,862</u> | <u>57,061,565</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Instruction (tuition) | \$ 133,328 | 73,993 | 80,550 | 100,508 | 162,734 | 41,256 | 7,700 | 83,621 | 19,890 | 17,465 |
| Plant operations and maintenance | 25,213 | 17,675 | 20,950 | 22,950 | 144,051 | 143,438 | 91,555 | 80,161 | | |
| Pupil transportation | 14,168 | 19,234 | 12,919 | 18,313 | 15,385 | 22,372 | 9,290 | 5,100 | | |
| Business and other support services | | | | | | | | | | |
| Operating grants and contributions | 3,349,657 | 3,858,763 | 4,366,543 | 4,802,763 | 5,457,683 | 6,185,824 | 6,418,858 | 7,984,931 | 1,950,677 | 2,147,066 |
| Capital grants and contributions | 14,236 | 488,275 | 389,350 | | | | | | | |
| Total governmental activities program revenues | <u>3,536,602</u> | <u>4,457,940</u> | <u>4,870,312</u> | <u>4,944,554</u> | <u>5,779,853</u> | <u>6,392,890</u> | <u>6,527,403</u> | <u>8,153,813</u> | <u>1,970,567</u> | <u>2,164,531</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Food service | 509,507 | 514,973 | 608,166 | 634,016 | 681,348 | 737,700 | 535,216 | 5,065 | 163,914 | 818,808 |
| Child care | 674,452 | 674,019 | 767,246 | 765,709 | 844,010 | 806,853 | 504,832 | 38,352 | 588,210 | 1,068,732 |
| Operating grants and contributions | 145,130 | 147,775 | 185,837 | 197,748 | 212,106 | 229,582 | 159,597 | 524,380 | 1,182,285 | |
| Capital grants and contributions | | | | | | | | | | |
| Total business type activities program revenues | <u>1,329,089</u> | <u>1,336,767</u> | <u>1,581,249</u> | <u>1,597,473</u> | <u>1,737,464</u> | <u>1,774,135</u> | <u>1,199,645</u> | <u>567,797</u> | <u>1,934,409</u> | <u>1,887,540</u> |
| Total district program revenues | <u>\$ 4,865,691</u> | <u>5,794,707</u> | <u>6,451,561</u> | <u>6,542,027</u> | <u>7,517,317</u> | <u>8,167,025</u> | <u>7,727,048</u> | <u>8,721,610</u> | <u>3,904,976</u> | <u>4,052,071</u> |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (34,090,553) | (35,574,247) | (34,869,565) | (37,265,345) | (38,266,044) | (38,727,886) | (38,357,066) | (39,266,965) | (33,992,630) | (53,124,590) |
| Business-type activities | 52,566 | 152,044 | 159,077 | 101,124 | 119,534 | 84,233 | (264,004) | (190,979) | 38,110 | 555,733 |
| Total district-wide net expense | <u>\$ (34,037,987)</u> | <u>(35,422,203)</u> | <u>(34,710,488)</u> | <u>(37,164,221)</u> | <u>(38,146,510)</u> | <u>(38,643,653)</u> | <u>(38,621,070)</u> | <u>(39,457,944)</u> | <u>(33,954,520)</u> | <u>(52,568,857)</u> |

Township of Springfield Board of Education
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Exhibit J-2

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|----------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | \$ 33,668,835 | 35,932,497 | 36,640,363 | 37,362,178 | 38,098,213 | 38,848,752 | 39,614,066 | 40,406,349 | 41,214,475 | 42,038,766 |
| Taxes levied for debt service | 1,003,550 | 992,595 | 987,800 | 979,250 | 975,250 | 965,652 | 955,600 | 940,100 | 954,300 | 937,300 |
| Unrestricted grants and contributions | 1,624,298 | 1,557,155 | 1,485,976 | 1,592,153 | 1,836,571 | 2,259,675 | 2,384,052 | 2,744,590 | 11,820,132 | 12,457,087 |
| Tuition | | | | | | | | | | |
| Investment earnings | 79,268 | 80,326 | 95,163 | 108,570 | 124,366 | 155,443 | 123,526 | 26,834 | | |
| Miscellaneous income | 213,244 | 374,055 | 234,404 | 428,655 | 289,348 | 280,291 | 493,687 | | 869,120 | 1,267,693 |
| Capital lease payments | 1,013,277 | 355,746 | 355,746 | 691,608 | 640,579 | 376,171 | 370,885 | 370,884 | | |
| Fixed asset adjustment | (376,798) | 206,421 | | (2,115,831) | (1,290,681) | (920,681) | (1,788,798) | (1,285,765) | (38,833,031) | 4,063,334 |
| GASB #68 Prior Period Adjustment-Pension Plan | | (9,992,276) | | | | | | | | |
| Section 1701 Adjustment | | | | | | (124,987) | | | | |
| Lease Purchase Payments | | | 143,902 | 424,667 | 598,172 | 580,919 | 595,914 | 490,778 | | |
| Other | | | | | | | | | | |
| Transfers | | | | | | | | | | |
| Total governmental activities | <u>37,225,672</u> | <u>29,506,519</u> | <u>39,943,354</u> | <u>39,471,250</u> | <u>41,271,818</u> | <u>42,421,235</u> | <u>42,748,934</u> | <u>43,693,770</u> | <u>16,024,996</u> | <u>60,784,180</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 7,137 | 6,421 | 7,711 | 9,365 | 11,239 | 14,257 | 11,248 | 1,118 | | |
| Miscellaneous Income | | | | | | | | | (57,630) | 88,378 |
| Total business-type activities | <u>7,137</u> | <u>6,421</u> | <u>7,711</u> | <u>9,365</u> | <u>11,239</u> | <u>14,257</u> | <u>11,248</u> | <u>1,118</u> | <u>(57,630)</u> | <u>88,378</u> |
| Total district-wide | <u>\$ 37,232,809</u> | <u>29,512,940</u> | <u>39,951,065</u> | <u>39,480,615</u> | <u>41,283,057</u> | <u>42,435,492</u> | <u>42,760,182</u> | <u>43,694,888</u> | <u>15,967,366</u> | <u>60,872,558</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | 3,135,119 | (5,068,728) | 5,073,789 | 2,205,905 | 3,005,774 | 3,693,349 | 4,392,138 | 4,426,805 | (33,992,630) | 7,659,590 |
| Business-type activities | 59,703 | 158,465 | 166,788 | 110,489 | 130,773 | 98,490 | (252,756) | (189,861) | 38,110 | 844,111 |
| Total district | <u>\$ 3,194,822</u> | <u>(5,910,263)</u> | <u>5,240,577</u> | <u>2,316,394</u> | <u>3,136,547</u> | <u>3,791,839</u> | <u>4,139,382</u> | <u>4,236,944</u> | <u>(33,954,520)</u> | <u>8,303,701</u> |

Township of Springfield Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

Exhibit J-3

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|---|---------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|
| General Fund | | | | | | | | | |
| Restricted | | | | | | | | | |
| Committed | \$ 2,355,541 | 3,360,928 | 4,974,262 | 4,625,400 | 4,955,629 | 5,414,029 | 7,099,751 | 8,611,189 | 11,893,187 |
| Assigned | 2,555,726 | 3,450,497 | 2,514,767 | 196,250 | 707,505 | 84,860 | 221,649 | 288,328 | 532,067 |
| Unreserved | 869,515 | 770,362 | 888,576 | 1,007,596 | 769,704 | 899,981 | 1,874,685 | 1,964,136 | 1,415,018 |
| Total General fund | <u>\$ 5,780,782</u> | <u>7,581,787</u> | <u>8,377,605</u> | <u>7,062,304</u> | <u>7,643,639</u> | <u>9,187,325</u> | <u>12,032,001</u> | <u>13,747,335</u> | <u>15,554,230</u> |
| All Other Governmental Funds | | | | | | | | | |
| Reserved, reported in: | | | | | | | | | |
| Capital projects fund | \$ 2,212,584 | 1,753,792 | 420,319 | 46,360 | 1,724 | 1,724 | 1,724 | 46,643 | |
| Assigned, reported in: | | | | | | | | | |
| Capital projects fund | 13,698 | 47,220 | 96,179 | | | | | | |
| Unreserved, reported in: | | | | | | | | | |
| Special revenue fund | | | | | | | | 238,844 | 111,014 |
| Capital projects fund | 397,340 | (345,959) | (396,027) | 403,133 | 8,356 | 8,356 | 8,356 | 10,080 | 33,077,653 |
| Debt service fund | | | | | 2 | 2 | 2 | 2 | |
| Permanent fund | | | | | | | | | |
| Total all other governmental funds | <u>\$ 2,623,622</u> | <u>1,455,053</u> | <u>120,471</u> | <u>449,493</u> | <u>10,082</u> | <u>10,082</u> | <u>10,082</u> | <u>295,569</u> | <u>33,188,667</u> |

**Township of Springfield Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years (Unaudited)**

Exhibit J-4

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | | | | | | | |
| Tax levy | \$ 34,672,385 | 36,925,092 | 36,640,363 | 38,341,428 | 39,073,463 | 39,814,404 | 40,569,668 | 41,346,449 | 42,168,775 | 42,976,066 |
| Tuition charges | | | 80,550 | 100,508 | 162,734 | 41,256 | 7,700 | | 19,890 | 17,465 |
| Interest earnings | | | 95,163 | 108,570 | 124,366 | 155,443 | 123,526 | 26,770 | | |
| Transportation Fees | | | 12,919 | 18,313 | 15,385 | 22,372 | 9,290 | 5,100 | 2,550 | 8,500 |
| Rental Facilities | | | 20,950 | 22,960 | 144,051 | 143,438 | 91,555 | 80,161 | | |
| Other Local Revenue | 463,338 | 564,283 | 234,405 | 428,655 | 289,348 | 280,291 | 493,687 | 193,435 | 1,100,777 | 1,259,193 |
| State sources | 4,439,084 | 5,243,023 | 5,611,421 | 5,808,370 | 6,619,389 | 7,742,778 | 8,179,937 | 9,675,595 | 11,805,178 | 13,533,369 |
| Federal sources | 549,105 | 661,173 | 630,448 | 586,566 | 674,865 | 702,721 | 622,973 | 944,176 | 1,731,424 | 1,070,784 |
| Total revenue | 40,123,912 | 43,393,571 | 43,326,219 | 45,415,360 | 47,103,601 | 48,902,703 | 50,098,336 | 52,271,686 | 56,828,594 | 58,865,377 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 11,074,562 | 11,162,482 | 11,233,057 | 11,115,512 | 11,225,557 | 11,308,606 | 11,434,732 | 12,191,628 | 11,793,015 | 11,508,613 |
| Special education instruction | 2,558,411 | 2,645,072 | 2,846,913 | 2,798,169 | 3,167,434 | 3,277,410 | 3,501,456 | 3,639,883 | 4,902,769 | 4,644,243 |
| Other special instruction | 281,888 | 290,667 | 363,631 | 301,787 | 299,584 | 310,133 | 320,458 | 329,502 | | |
| Vocational education | | | | | | | | 728,329 | | |
| Other Instruction | 828,242 | 824,934 | 853,270 | 859,850 | 929,365 | 930,817 | 906,810 | | 1,455,603 | 1,379,769 |
| Nonpublic school programs | | | | | | | | | | |
| Adult/continuing education programs | | | | | | | | | | |
| Support Services: | | | | | | | | | | |
| Tuition | 2,798,724 | 2,651,902 | 2,461,704 | 2,768,824 | 3,363,319 | 3,299,975 | 3,076,302 | 3,607,086 | 3,790,141 | 4,145,401 |
| Student & instruction related services | 4,539,543 | 4,673,890 | 4,651,167 | 5,060,868 | 5,213,132 | 5,470,263 | 5,128,724 | 4,502,993 | 5,487,368 | 5,782,399 |
| General administrative services | 608,295 | 817,493 | 845,607 | 596,456 | 661,839 | 722,587 | 723,351 | 692,138 | 1,149,174 | 1,345,538 |
| School Administrative services | 1,221,308 | 1,270,469 | 1,305,381 | 1,312,546 | 1,328,082 | 1,352,740 | 1,377,218 | 1,399,374 | 1,422,821 | 1,042,667 |
| Other Administrative services | | | | | | | | | 75,776 | 200,403 |
| Plant operations and maintenance | 3,713,559 | 4,014,545 | 4,042,941 | 3,712,113 | 3,813,014 | 3,541,083 | 3,704,504 | 3,886,337 | 4,385,642 | 4,354,441 |
| Pupil transportation | 1,512,879 | 1,382,304 | 1,438,810 | 1,693,331 | 1,619,691 | 1,656,730 | 1,372,826 | 1,605,876 | 2,424,839 | 2,115,226 |
| Business and Other Support Services | 5,062,854 | 5,863,891 | 5,704,239 | 5,920,288 | 6,296,851 | 6,539,496 | 7,049,953 | 381,427 | | |
| Unallocated employee benefits | 2,712,346 | 3,132,596 | 3,665,032 | 4,147,048 | 4,736,394 | 5,385,552 | 5,724,611 | 13,885,676 | 15,758,701 | 16,224,972 |
| ARRA-ESF | | | | | | | | | | |
| ARRA-GSF | | | | | | | | | | |
| Capital outlay | 3,547,654 | 3,364,293 | 4,712,220 | 6,452,596 | 6,074,952 | 3,807,289 | 3,187,474 | 1,858,849 | 1,236,132 | 3,293,294 |
| Education Jobs | | | | | | | | | | |
| Special Schools | 59,818 | 60,235 | 69,810 | 54,887 | 85,416 | 67,461 | 90,631 | 22,007 | 33,188 | 63,118 |
| Debt service: | | | | | | | | | | |
| Principal | 1,003,550 | 995,900 | 987,800 | 979,250 | 975,250 | 965,650 | 955,600 | 860,000 | 900,000 | 910,000 |
| Interest and other charges | | | | | | | | 80,100 | 54,300 | 27,300 |
| Total expenditures | 41,523,633 | 43,150,673 | 45,181,582 | 47,773,525 | 49,589,880 | 48,635,792 | 48,554,650 | 49,671,205 | 54,869,469 | 57,037,384 |
| Excess (Deficiency) of revenues over (under) expenditures | (1,399,721) | 242,898 | (1,855,363) | (2,358,165) | (2,486,279) | 266,911 | 1,543,686 | 2,600,481 | 1,959,125 | 1,827,993 |
| Other Financing sources (uses) | | | | | | | | | | |
| Capital leases (non-budgeted) | 1,790,295 | | | 1,819,400 | - | - | - | - | - | - |
| Capital Projects | | | | | | | | | | |
| Sale/Leaseback Proceeds | | 2,375,000 | 1,500,000 | | 1,500,000 | | | | | |
| Leaseback Expenditures | | | | | | | | | | |
| Proceeds of refunding debt | | | | | | | | | | |
| Current/Anticipated Additional Surplus | | | | | | | | | | |
| Par amount of Bonds | | | | | | | | | | 32,872,000 |
| Accounts Receivable Cancelled | | | | | | | | | | |
| Accounts Payable Cancelled | | | | | | | | | | |
| Premium on Sale of Bonds | | | | | | | | | | |
| Accrued interest | | | | | | | | | | |
| Prior Year Adjustment | (5) | | | | | (124,987) | | | 58 | |
| Transfers in | 1,983,457 | 483 | 554 | 1,387 | 827,570 | 335,150 | 699,287 | | | |
| Transfers out | (1,983,457) | (483) | (554) | (1,387) | (827,570) | (335,150) | (699,287) | | | |
| Total other financing sources (uses) | 1,790,290 | 2,375,000 | 1,500,000 | 1,819,400 | 1,500,000 | (124,987) | - | - | 58 | 32,872,000 |
| Net change in fund balances | \$ 390,569 | 2,617,898 | (355,363) | (538,765) | (986,279) | 141,924 | 1,543,686 | 2,600,481 | 1,959,183 | 34,699,993 |
| Debt service as a percentage of noncapital expenditures | 2.64% | 2.50% | 2.44% | 2.37% | 2.24% | 2.15% | 2.11% | 1.80% | 1.70% | 1.74% |

**Township of Springfield Board of Education
General Fund Other Local Revenue by Source
Last Ten Years
Unaudited**

Exhibit J-5

| <u>Fiscal Year Ended June 30,</u> | <u>Tuition</u> | <u>Interest on Investments</u> | <u>Transportation Fees</u> | <u>Rental of Facilities</u> | <u>Miscellaneous</u> | <u>Total</u> |
|---------------------------------------|----------------|------------------------------------|--------------------------------|---------------------------------|----------------------|--------------|
| 2023 | 17,465 | 230,915 | 8,500 | 7,479 | 752,890 | 1,017,249 |
| 2022 | 19,890 | 25,432 | 2,550 | 85,250 | 566,201 | 699,323 |
| 2021 | | 26,720 | 5,100 | 80,161 | 64 | 112,045 |
| 2020 | 7,700 | 123,243 | 9,290 | 91,555 | 493,686 | 725,474 |
| 2019 | 41,256 | 154,843 | 22,372 | 143,438 | 280,291 | 642,200 |
| 2018 | 162,734 | 121,476 | 15,385 | 144,051 | 289,348 | 732,994 |
| 2017 | 100,508 | 107,183 | 18,313 | 22,950 | 428,655 | 677,609 |
| 2016 | 80,550 | 94,609 | 12,919 | 20,950 | 234,405 | 443,433 |
| 2015 | 72,993 | 79,848 | 19,234 | 17,675 | 374,055 | 563,805 |
| 2014 | 133,228 | 79,268 | 14,168 | 25,213 | 211,461 | 463,338 |

Township of Springfield School District
Assessed and Estimated Actual Value of Taxable Property
Unaudited

Exhibit J-6

| <u>Year Ended</u> <u>December 31,</u> | <u>Net Assessed</u> <u>Valuations</u> | <u>Estimated Full</u> <u>Cash Valuations</u> | <u>% of Net Assessed</u> <u>to Estimated Full</u> <u>Cash Valuations</u> |
|--|--|---|--|
| 2013 | 1,107,981,757.00 | 2,674,955,492.33 | 41.42% |
| 2014 | 1,111,606,018.00 | 2,513,239,923.00 | 44.23% |
| 2015 | 1,112,380,558.00 | 2,481,884,333.00 | 44.82% |
| 2016 | 1,112,422,694.00 | 2,408,884,136.00 | 46.18% |
| 2017 | 1,108,844,532.00 | 2,469,037,034.00 | 44.91% |
| 2018 | 1,111,262,920.00 | 2,647,218,506.00 | 41.98% |
| 2019 | 1,112,290,224.00 | 2,872,453,197.00 | 38.72% |
| 2020 | 1,116,079,842.00 | 2,883,927,240.00 | 38.70% |
| 2021 | 1,121,573,400.00 | 3,051,070,185.00 | 36.76% |
| 2022 | 4,014,021,784.00 | 4,014,021,784.00 | 100.00% |

Township of Springfield School District
 Property Tax Rates - Direct and Overlapping Governments
 Per \$100 of Assessed Valuation
 Unaudited

Exhibit J-7

| <u>Assessment Year</u> | <u>Township of Springfield School District</u> | <u>Regional High School</u> | <u>Springfield Township</u> | <u>Open Spaces</u> | <u>Union County</u> | <u>Total</u> |
|----------------------------|--|---------------------------------|---------------------------------|--------------------|-------------------------|--------------|
| 2014 | 3.32 | - | 2.05 | 0.03 | 1.16 | 6.57 |
| 2015 | 3.38 | - | 2.11 | 0.03 | 1.17 | 6.69 |
| 2016 | 3.45 | - | 2.14 | 0.03 | 1.14 | 6.77 |
| 2017 | 3.52 | - | 2.19 | 0.03 | 1.16 | 6.91 |
| 2018 | 3.59 | - | 2.23 | 0.03 | 1.25 | 7.10 |
| 2019 | 3.59 | - | 2.31 | 0.04 | 1.27 | 7.33 |
| 2020 | 3.71 | - | 2.23 | 0.04 | 1.27 | 7.243 |
| 2021 | 3.757 | | 2.264 | 0.041 | 1.293 | 7.355 |
| 2022 | 1.071 | | 0.661 | 0.013 | 0.397 | 2.142 |
| 2023 | 1.129 | | 0.782 | 0.015 | 0.41 | 2.336 |

Township of Springfield School District
 SCHEDULE OF PRINCIPAL TAXPAYERS
 For year ended December 31, 2022

Exhibit J-8

| <u>Taxpayer</u> | <u>Assessed Valuation</u> 2022 | <u>As a % of District's</u> <u>Net Assessed</u> <u>Valuation</u> |
|---|-----------------------------------|--|
| Springfield Gardens LLC | 71,100,000.00 | 6.39% |
| Summit Hill at Springfield | 53,520,000.00 | 4.81% |
| Short Hills Club Village | 46,055,900.00 | 4.14% |
| East Coast General Green | 44,262,400.00 | 3.98% |
| Baltusrol Golf Club | 38,000,000.00 | 3.42% |
| Skyline Ridge Developers, LLC | 35,455,600.00 | 3.19% |
| 170 Route 22 LLC | 32,925,800.00 | 2.96% |
| Short Hills Club Village | 29,944,000.00 | 2.69% |
| Briant Park Commons | 27,646,200.00 | 2.49% |
| Springfield 92 Millburn Ave Urban Renewal | 27,000,000.00 | 2.43% |
| | \$ 405,909,900.00 | 36.49% |

Township of Springfield School District
Municipal Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Exhibit J-9

| <u>Year Ended</u> <u>December 31,</u> | <u>Total Tax</u> <u>Levy</u> | <u>Current Tax</u> <u>Collections</u> | <u>Percent of Tax</u> <u>Levy Collected</u> |
|--|---------------------------------|--|--|
| 2013 | 71,072,355 | 70,226,764 | 98.81% |
| 2014 | 73,380,892 | 72,720,341 | 99.10% |
| 2015 | 74,764,109 | 74,247,824 | 99.31% |
| 2016 | 75,728,611 | 75,131,292 | 99.21% |
| 2017 | 77,051,930 | 76,522,316 | 99.31% |
| 2018 | 78,749,481 | 78,695,180 | 99.93% |
| 2019 | 80,857,230 | 80,210,868 | 99.20% |
| 2020 | 82,398,713 | 81,766,406 | 99.23% |
| 2021 | 84,205,051 | 83,670,684 | 99.37% |
| 2022 | 87,446,175 | 86,969,946 | 99.46% |

Springfield Public Schools
Ratios of Outstanding Debt by Type

Exhibit J-10

| <u>Fiscal Year</u> <u>Ending June 30</u> | <u>General</u> <u>Obligation</u> <u>Bonds</u> | <u>Capital</u> <u>Leases</u> | <u>Lease Purchase</u> <u>ESIP</u> | <u>Total</u> <u>District</u> | <u>Percentage of</u> <u>Personal</u> <u>Income</u> | <u>Per</u> <u>Capita</u> |
|---|---|---------------------------------|--------------------------------------|---------------------------------|--|-----------------------------|
| 2016 | \$5,975,000 | \$360,727 | \$3,731,098 | \$10,066,825 | 0.90% | 577 |
| 2017 | \$5,175,000 | \$1,758,519 | \$3,306,431 | \$10,239,950 | 0.92% | 578 |
| 2018 | \$4,355,000 | \$1,117,940 | \$4,208,259 | \$9,681,199 | 0.87% | 553 |
| 2019 | \$3,520,000 | \$741,769 | \$3,627,340 | \$7,889,109 | 0.71% | 452 |
| 2020 | \$2,670,000 | \$370,884 | \$3,031,426 | \$6,072,310 | 0.54% | 349 |
| 2021 | \$1,810,000 | \$874,198 | \$2,540,648 | \$5,224,846 | 0.47% | 308 |
| 2022 | \$910,000 | \$679,251 | \$1,774,074 | \$3,363,325 | 0.08% | 199 |
| 2023 | \$32,872,000 | \$419,529 | \$1,633,570.28 | \$34,925,099 | | |

Borough of Springfield School District
 Ratios of Net General Bonded Debt Outstanding

Exhibit J-11

General Bonded Debt Outstanding

| Fiscal Year Ended June 30, | General Obligation Bonds | <u>Deductions</u> | Net General Bonded Debt Outstanding | Percentage Actual Taxable Value of Property | <u>Per Capita</u> |
|-------------------------------------|--------------------------------|-------------------|---|--|-------------------|
| 2014 | \$ 7,530,000.00 | | \$ 7,530,000.00 | 1,111,606,018.00 | 438 |
| 2015 | \$ 6,760,000.00 | | \$ 6,760,000.00 | 1,112,380,558.00 | 386 |
| 2016 | \$ 5,975,000.00 | | \$ 5,975,000.00 | 1,112,422,694.00 | 342 |
| 2017 | \$ 5,175,000.00 | | \$ 5,175,000.00 | 1,108,844,532.00 | 292 |
| 2018 | \$ 4,355,000.00 | | \$ 4,355,000.00 | 1,111,262,920.00 | 249 |
| 2019 | \$ 3,520,000.00 | | \$ 3,520,000.00 | 1,112,290,224.00 | 202 |
| 2020 | \$ 2,670,000.00 | | \$ 2,670,000.00 | 1,116,079,842.00 | 154 |
| 2021 | \$ 1,810,000.00 | | \$ 1,810,000.00 | 1,121,573,400.00 | 107 |
| 2022 | \$ 910,000.00 | | \$ 910,000.00 | 4,014,021,784.00 | 54 |
| 2023 | \$ 32,872,000.00 | | \$ 32,872,000.00 | | |

Township of Springfield School District
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
For year ended June 30, 2022

| Unaudited | Exhibit J-12 |
|---|---|
| Net Direct Debt of School District as of June 30, 2022 | \$ 32,872,000.00 |
| Net Overlapping Debt of School District: | |
| Township of Springfield (100%) | - |
| County of Union - Township's share (9.63061%) | - |
| | <hr style="width: 100%; border: 0.5px solid black;"/> |
| | - |
| Total Direct and Overlapping Bonded Debt as of June 30, 2022 | <u><u>\$ 32,872,000.00</u></u> |

Township of Springfield School District
 COMPUTATION OF LEGAL DEBT MARGIN
 For year ended June 30, 2023
 Unaudited

Exhibit J-13

| | | |
|---|--------------------|--------------------------|
| Equalized Valuation Basis | 2021 | 3,018,862,591.00 |
| | 2022 | 3,417,905,011.33 |
| | | <u>6,436,767,602.33</u> |
| Average equalized valuation of taxable property | | 3,218,383,801.17 |
| Debt limit (4% of average equalization value) | 128,735,352.05 | |
| Net Bonded School Debt as of June 30, 2023 | 32,872,000.00 | |
| School Borrow Margin Available | | <u>95,863,352.05</u> |

Borough of Springfield School District
Demographic and Economic Statistics
Last Ten Years

Exhibit J-14

| <u>Year</u> | <u>Population</u> | Personal Income (thousands of dollars) | Union County Per Capita Personal Income | Unemployment Rate |
|-------------|-------------------|---|--|----------------------|
| 2013 | 16,862 | | \$ 52,281 | 6.8 |
| 2014 | 17,193 | | \$ 53,816 | 4.5 |
| 2015 | 17,502 | | \$ 54,382 | 3.8 |
| 2016 | 17,447 | | \$ 57,306 | 3.4 |
| 2017 | 17,726 | | \$ 60,089 | 3.3 |
| 2018 | 17,517 | | \$ 60,406 | 3.1 |
| 2019 | 17,464 | | \$ 68,555 | 2.3 |
| 2020 | 17,378 | | \$ 70,955 | 7.6 |
| 2021 | 16,979 | | \$ 77,007 | 4.5 |
| 2022 | 16,872 | | \$ 68,555 | 3.9 |

Borough of Springfield Public Schools
Principal Employers,
2022

Exhibit J-15

| <u>Employer</u> | <u>Employees</u> |
|----------------------------|------------------|
| Springfield Public Schools | 369 |
| Springfield Township | 177 |

Township of Springfield School District
 Full-time Equivalent District Employees by Function/Program
 June 30, 2023
 Unaudited

Exhibit J-16

| <u>Function/Program</u> | <u>2023</u> |
|--|-------------|
| Instruction | |
| Regular Education | 137 |
| Special Education | 110 |
| Other Special Instruction | 2 |
| Vocational | - |
| Other Instruction | 4 |
| NonPublic Schools Program | - |
| Adult/Continuing Education Programs | - |
| Support Services | |
| Student and Instruction Related Services | 27 |
| General and Business Administrative Services | 8 |
| School Administrative Services | 18 |
| Other Administrative Service | - |
| Central Services | - |
| Administrative Information Technology | 5 |
| Plant Operations and Maintenance | 29 |
| Transportation | 12 |
| Other Support Services | - |
| Special Schools | |
| Food Service | - |
| Before/Aftercare, Childcare | 17 |
| | 369 |

Township of Springfield School District
 Operating Statistics
 For the Year Ended June 30, 2023
 Unaudited

Exhibit J-17

| Fiscal Year | COMPLETE | % Change | Operating Expenditures *1 | Cost Per Pupil | % Change | Teaching Staff *2 | Pupil/Teacher Ratio | | | Avg. Daily *3 Enrollment (ADE) | Avg. Daily *4 Attendance (ADA) | % change in Avg. Daily Enrollment | % change in Avg. Daily Attendance |
|-------------|-------------|----------|---------------------------|----------------|----------|-------------------|---------------------|--------|------|--------------------------------|--------------------------------|-----------------------------------|-----------------------------------|
| | Enrollment* | | | | | | Elementary | Middle | High | | | | |
| 2023 | 2,231 | 1.80% | 44,697,305 | 20,035 | 2.15% | 203 | 21:1 | 22:1 | 21:1 | 2,185.1 | 2,021.8 | 1.02% | 92.53% |
| 2022 | 2,192 | -0.50% | 42,982,421 | 19,613 | 7.50% | 207 | 20:1 | 20:1 | 23:1 | 2,163.0 | 2,025.0 | -3.53% | 93.62% |
| 2021 | 2,203 | -2.00% | 40,182,652 | 18,244 | -7.67% | 207 | 20:1 | 20:1 | 23:1 | 2,242.1 | 2,169.5 | -1.62% | 96.76% |
| 2020 | 2,248 | -0.47% | 44,411,576 | 19,760 | 1.72% | 207 | 20:1 | 20:1 | 23:1 | 2,279.0 | 2,112.2 | 1.56% | 92.68% |
| 2019 | 2,258 | -1.07% | 43,862,853 | 19,426 | 4.23% | 207 | 20:1 | 20:1 | 23:1 | 2,244.0 | 2,109.0 | 0.27% | 93.98% |
| 2018 | 2,283 | 1.56% | 42,539,678 | 18,637 | 3.83% | 207 | 20:1 | 20:1 | 23:1 | 2,238.0 | 2,127.0 | 0.72% | 95.04% |
| 2017 | 2,248 | -2.24% | 40,341,679 | 17,950 | 12.44% | 207 | 20:1 | 20:1 | 23:1 | 2,222.0 | 2,118.0 | -2.11% | 95.32% |
| 2016 | 2,299 | -0.48% | 36,699,525 | 15,963 | -5.18% | 207 | 20:1 | 21:1 | 23:1 | 2,270.0 | 2,170.0 | -1.00% | 95.59% |
| 2015 | 2,310 | -2.47% | 38,887,895 | 16,835 | 7.84% | 207 | 20:1 | 21:1 | 23:1 | 2,293.0 | 2,191.0 | -0.78% | 95.55% |
| 2014 | 2,369 | 4.18% | 36,972,429 | 15,610 | -4.91% | 207 | 20:1 | 21:1 | 23:1 | 2,311.1 | 2,204.5 | 2.67% | 95.39% |

*Based on Oc

Township of Springfield School District
School Building Information
Last Ten Fiscal Years

Exhibit J-18

| District Building | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023* |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Walton | | | | | | | | | | |
| Sq Ft | 81,577.00 | 81,577.00 | 81,577.00 | 81,577.00 | 81,577.00 | 81,577.00 | 81,577.00 | 81,577.00 | 81,577.00 | 81,577.00 |
| Capacity | 590.65 | 590.65 | 590.65 | 590.65 | 590.65 | 590.65 | 590.65 | 590.65 | 590.65 | 590.65 |
| Enrollment | 634.00 | 665.00 | 640.00 | 605.00 | 651.00 | 624.00 | 593.50 | 565.00 | 556 | 547 |
| Sandmeier | | | | | | | | | | |
| Sq Ft | 42,422.00 | 42,422.00 | 42,422.00 | 42,422.00 | 42,422.00 | 42,422.00 | 42,422.00 | 42,422.00 | 42,422.00 | 42,422.00 |
| Capacity | 321.30 | 321.30 | 321.30 | 321.30 | 321.30 | 321.30 | 321.30 | 321.30 | 321.30 | 321.30 |
| Enrollment | 240.00 | 252.00 | 288.00 | 270.00 | 265.00 | 263.00 | 258.30 | 225.00 | 245 | 254 |
| Caldwell | | | | | | | | | | |
| Sq Ft | 39,245.00 | 39,245.00 | 39,245.00 | 39,245.00 | 39,245.00 | 39,245.00 | 39,245.00 | 39,245.00 | 39,245.00 | 39,245.00 |
| Capacity | 227.70 | 227.70 | 227.70 | 227.70 | 227.70 | 227.70 | 227.70 | 227.70 | 227.70 | 227.70 |
| Enrollment | 245.00 | 244.00 | 261.00 | 268.00 | 261.00 | 256.00 | 265.30 | 226.00 | 218 | 220 |
| FMG | | | | | | | | | | |
| Sq Ft | 89,846.00 | 89,846.00 | 89,846.00 | 89,846.00 | 89,846.00 | 89,846.00 | 89,846.00 | 89,846.00 | 89,846.00 | 89,846.00 |
| Capacity | 661.45 | 661.45 | 661.45 | 661.45 | 661.45 | 661.45 | 661.45 | 661.45 | 661.45 | 661.45 |
| Enrollment | 492.00 | 505.00 | 518.00 | 511.00 | 478.00 | 514.00 | 547.00 | 540.00 | 515 | 514 |
| JDHS | | | | | | | | | | |
| Sq Ft | 184,725.00 | 184,725.00 | 184,725.00 | 184,725.00 | 184,725.00 | 184,725.00 | 184,725.00 | 184,725.00 | 184,725.00 | 184,725.00 |
| Capacity | 655.35 | 655.35 | 655.35 | 655.35 | 655.35 | 655.35 | 655.35 | 655.35 | 655.35 | 655.35 |
| Enrollment | 618.00 | 628.00 | 605.00 | 569.00 | 593.00 | 587.00 | 615.20 | 578.00 | 628 | 650 |

*Number of School at June 30, 2023

- Elementary
- Middle Sch
- High Sch

Source School Register Summary (ADE)

Township of Springfield School District
 General Fund
 Schedule of Required Maintenance For School Facilities
 June 30, 2023
 Unaudited

Exhibit-19

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES

| <u>* School Facilities</u> | <u>School Number</u> | <u>2023</u> |
|-----------------------------|----------------------|----------------------------|
| Jonathan Dayton High School | 010 | 554,329.00 |
| Edward V. Walton | 050 | 263,369.00 |
| Florence M. Guadineer | 060 | 253,062.00 |
| James Caldwell | 070 | 100,729.00 |
| Thelma L. Sandmeier | 090 | 109,311.00 |
| Total School Facilities | | <u><u>1,280,800.00</u></u> |

* School Facilities as Defined Under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

Township of Springfield School District
Insurance Schedule
June 30, 2023
Unaudited

Exhibit J-20

| <u>Type of Policy</u> | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| Multi Peril Package Policy | | |
| Utica Insurance | | |
| Property - Building & Contents | \$157,800,594 | 5,000.00 |
| Liability - General Aggregate | \$3,000,000 | |
| Liability - Products/Completed Operations | 3,000,000.00 | |
| Liability - Personal & Advertising Injury | 1,000,000.00 | |
| Liability - Fire | 1,000,000.00 | |
| Liability - Medical Expense Limit | 10,000.00 | |
| Liability - Employee Benefit Programs Aggregate | 3,000,000.00 | 1,000.00 |
| Liability - Employee Benefit Programs Each Loss | 1,000,000.00 | 1,000.00 |
| Liability - Abuse or Molestation Aggregate | 3,000,000.00 | |
| Liability - Abuse or Molestation Each Loss | 1,000,000.00 | |
| Liability - Employment related practices each claim | 1,000,000.00 | 10,000.00 |
| Liability - Employment related practices aggregate | 1,000,000.00 | 10,000.00 |
| Crime - Employee Dishonesty | 500,000.00 | 500.00 |
| Crime - Forgery | 100,000.00 | 500.00 |
| Crime - Money and Securities Inside | 25,000.00 | 500.00 |
| Crime - Money and Securities Outside | 25,000.00 | 500.00 |
| Crime - Computer and Funds Transfer Fraud | 100,000.00 | 0.00 |
| Inland Marine - Electronic Data Processing Hardware (software incld) | 3,000,000.00 | 1,000.00 |
| Automobile Policy | | |
| Utica Insurance | | |
| Bodily Injury & Property | 1,000,000.00 | - |
| Comprehensive Deductible | - | 500.00 |
| Collision Deductible | - | 1,000.00 |
| Errors & Omissions Liability | | |
| Utica Insurance | | |
| Each Claim | 1,000,000.00 | 5,000.00 |
| Aggregate | 3,000,000.00 | 5,000.00 |
| Workers Compensation | | |
| NJSIG | | |
| Each Accident; Each Employee | 3,000,000.00 | |
| Umbrella | | |
| Utica Insurance | | |
| Limit | 25,000,000.00 | 10,000.00 |
| CAP | | |
| Firemans Fund | | |
| Limit | 25,000,000.00 | |
| Student Accident | | |
| Zurich (Bollinger) | | |
| Compulsory Coverage | 6,000,000.00 | 500.00 |
| Bonds | | |
| Selective | | |
| Treasurer | 285,000.00 | |
| Board Secretary | 260,422.00 | |
| Travel Accident | | |
| Chubb | | |
| Member (per week) | 1,500.00 | |
| Environmental Site Liability | | |
| Lloyds (Beazley) | | |
| Each Incident | 1,000,000.00 | 10,000.00 |
| Cyber Liability | | |
| Cowbell | | |
| Aggregate | 3,000,000.00 | 25,000.00 |

SINGLE AUDIT SECTION

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND REPORTING ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

K-1

Honorable President and Members
of the Board of Education
Springfield School District
County of Union
Springfield, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Springfield Board of Education, County of Union, State of New Jersey as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Springfield Board of Education, County of Union, State of New Jersey's basic financial statements, and have issued our report thereon dated January 15, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Springfield Board of Education, County of Union, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Springfield Board of Education, County of Union, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Springfield Board of Education, County of Union, and State of New Jersey's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Springfield Board of Education, County of Union, State of New Jersey's financial statements are free from material misstatement, we performed tests of it compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

**Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey**

January 15, 2024

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND
NEW JERSEY OMB'S CIRCULAR 15-08

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Honorable President and Members
of the Board of Education
Springfield School District
County of Union
Springfield, New Jersey

Report on Compliance for Each Major Federal & State Program

Opinion on Each Major Federal & State Program

We have audited the Township of Springfield School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Township of Springfield School District's major federal and state programs for the year ended June 30, 2023. The Township of Springfield School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township of Springfield School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and NJ OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township of Springfield School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Township of Springfield School District's compliance with the requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to its Federal and State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above have occurred, whether due to fraud or error, and express an opinion on the Township of Springfield School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township of Springfield School District's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Township of Springfield School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Township of Springfield School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Township of Springfield School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purposes described in the Auditor's Responsibilities for the Audit of Compliance paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

**Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey**

January 15, 2024

SPRINGFIELD SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Schedule A
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| Federal Grantor/ Pass-Through Grantor/ Project Title | Federal CFDA Number | Federal Fain Number | Grant or State Project Number | Program or Award Amount | Grant Period | | Balance at June 30, 2022 | Carryover (Walkover) Amount | Cash Received | Budgetary Expenditures | Adjustments | Balance at June 30, 2023 | | | | |
|--|---------------------------|---------------------------|--|-------------------------------|--------------|------------|-----------------------------|-----------------------------------|------------------|---------------------------|-------------|--------------------------|---------------------|-------------------|--------|---|
| | | | | | From | To | | | | | | (Accounts Receivable) | Deferred Revenue | Due to Grantor | | |
| | | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | | |
| Medicaid Assistance Program | 93.778 | 2305NJ5MAP | N/A | \$ 29,673 | 07/01/2022 | 06/30/2023 | \$ - | | 29,673 | (29,673) | | | | | | |
| U.S. Department of Agriculture | | | | | | | | | | | | | | | | |
| Passed Through State Department of Education: | | | | | | | | | | | | | | | | |
| National School Lunch Program | 10.555 | 211NJ304N1099 | N/A | 249,866 | 07/01/2022 | 06/30/2023 | | | 201,652 | (249,866) | | | (48,214) | | | |
| National School Lunch Program | 10.555 | 221NJ304N1099 | N/A | 990,444 | 07/01/2021 | 06/30/2022 | (66,845) | | 66,845 | | | | | | | |
| School Breakfast Program | 10.553 | 211NJ304N1099 | N/A | 67,165 | 07/01/2021 | 06/30/2022 | (5,379) | | 5,379 | | | | | | | |
| School Breakfast Program | 10.553 | 221NJ304N1099 | N/A | 14,897 | 07/01/2022 | 06/30/2023 | | | 11,308 | (14,897) | | | (3,589) | | | |
| HHFKA | 10.555 | 221NJ304N1099 | N/A | 13,945 | 07/01/2022 | 06/30/2023 | | | 11,396 | (13,945) | | | (2,549) | | | |
| PEBT | 10.555 | 221NJ304N1099 | N/A | 628 | 07/01/2022 | 06/30/2023 | | | 628 | (628) | | | | | | |
| Afterschool Snacks | 10.555 | 211NJ304N1099 | N/A | 23,748 | 07/01/2021 | 06/30/2022 | (920) | | 920 | | | | | | | |
| Supply Chain | 10.555 | 221NJ304N1099 | N/A | 106,434 | 07/01/2022 | 06/30/2023 | | | 106,434 | (106,434) | | | | | | |
| Food Distribution Program | 10.550 | 221NJ304N1099 | N/A | 59,376 | 07/01/2022 | 06/30/2023 | | | 59,376 | (59,376) | | | | | | |
| Total U.S. Department of Agriculture | | | | | | | (73,144) | - | 463,938 | (445,146) | - | | (54,352) | - | | - |
| U.S. Department of Education | | | | | | | | | | | | | | | | |
| Passed Through State Department of Education: | | | | | | | | | | | | | | | | |
| Title I | 84.010 | S101A210030 | N/A | 194,892 | 07/01/2021 | 06/30/2022 | (8,378) | | 8,378 | | | | | | | |
| Title I | 84.010 | S101A220030 | N/A | 103,822 | 07/01/2022 | 06/30/2023 | | | 86,544 | (120,179) | | | (33,635) | | | |
| Title IIA | 84.367 | S367A220029 | N/A | 35,483 | 07/01/2022 | 06/30/2023 | | | 12,087 | (33,506) | | | (21,419) | | | |
| Title IIA | 84.367 | S367A210029 | N/A | 61,854 | 07/01/2021 | 06/30/2022 | (14,463) | | 14,463 | | | | | | | |
| Title III | 84.365 | S365A220030 | N/A | 26,133 | 07/01/2022 | 06/30/2023 | | | 12,372 | (23,064) | | | (10,692) | | | |
| Title III | 84.365 | S365A210030 | N/A | 19,491 | 07/01/2021 | 06/30/2022 | (2,994) | | 2,994 | | | | | | | |
| Title IV | 84.424 | S424A210031 | N/A | 20,997 | 07/01/2021 | 06/30/2022 | (562) | | 562 | | | | | | | |
| Title IV | 84.424 | S424A220031 | N/A | 15,446 | 07/01/2022 | 06/30/2023 | | | 3,289 | (15,192) | | | (11,903) | | | |
| IDEA Part B Basic | 84.027 | H173A210114 | N/A | 448,819 | 07/01/2021 | 06/30/2022 | (47,774) | | 47,774 | | | | | | | |
| IDEA Part B Basic | 84.027 | H173A220114 | N/A | 469,803 | 07/01/2022 | 06/30/2023 | | | 290,603 | (412,723) | | | (122,120) | | | |
| IDEA Part B Preschool | 84.173 | H027A220100 | N/A | 20,970 | 07/01/2022 | 06/30/2023 | | | 18,699 | (19,194) | | | (495) | | | |
| ARP IDEA Part B Basic | 84.027X | H027X210100 | N/A | 96,555 | 07/01/2021 | 09/30/2024 | (31,999) | | 31,999 | | | | | | | |
| CRRSA Coronavirus Response | 84.425D | S425D210027 | N/A | 455,390 | 07/01/2021 | 09/30/2023 | (114,624) | | 300,837 | (188,447) | | | (2,234) | | | |
| CRRSA Learning Acceleration | 84.425D | S425D210027 | N/A | 29,225 | 07/01/2021 | 09/30/2023 | 5,956 | | 17,586 | (25,284) | | | (1,742) | | | |
| CRRSA Mental Health | 84.425D | S425D210027 | N/A | 45,000 | 07/01/2021 | 09/30/2023 | (4,800) | | 7,461 | (2,661) | | | | | | |
| ARP ESSER II | 84.425U | S425U210027 | N/A | 1,023,460 | 07/01/2021 | 09/30/2024 | (132,560) | | 159,770 | (109,313) | | | (82,103) | | | |
| ARP ESSER Accel. Learning | 84.425U | S425U210027 | N/A | 181,540 | 07/01/2021 | 09/30/2024 | (39,043) | | 47,635 | (28,611) | | | (20,019) | | | |
| ARP ESSER Summer | 84.425U | S425U210027 | N/A | 40,000 | 07/01/2021 | 09/30/2024 | | | 1,394 | (20,706) | | | (19,312) | | | |
| ARP ESSER Afterschool | 84.425U | S425U210027 | N/A | 40,000 | 07/01/2021 | 09/30/2024 | (1,743) | | 25,675 | | | | | | 23,932 | |
| ARP ESSER Mental Health | 84.425U | S425U210027 | N/A | 45,000 | 07/01/2021 | 09/30/2024 | | | 8,630 | (6,629) | | | | | 2,001 | |
| ARP ESSER Emergency | 84.425U | S425U210027 | N/A | 6,131 | 07/01/2021 | 09/30/2024 | (6,111) | | 6,111 | | | | | | | |
| ARP ESSER Homeless | 84.425U | S425U210027 | N/A | 20 | 07/01/2021 | 09/30/2024 | | | 20 | (20) | | | | | | |
| Total U.S. Department of Education | | | | | | | (399,095) | - | 1,104,883 | (1,005,529) | - | | (325,674) | 25,933 | | - |
| Total Federal Financial Assistance | | | | | | | \$ (472,239) | - | 1,598,494 | (1,480,348) | - | | (380,026) | 25,933 | | - |

See Accompanying Notes to Schedules of Financial Assistance.

SPRINGFIELD SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| State Grantor/Program State Department of Education | Grant or State Project Number | Program or Award Amount | Grant Period | | Balance at June 30, 2022 | | | | Budgetary Expenditures Pass Through Funds | Repayment of Prior Year Balances | Balance at June 30, 2023 | | | MEMO | | | |
|--|----------------------------------|-------------------------------|--------------|-----------|--|-------------------|-----------------------------------|------------------|--|---|---|---|-------------------|-------------------------|-------------------------------------|-----------|------------|
| | | | From | To | Deferred Income (Accts Receivable) | Due To Grantor | Carryover (Walkover) Amount | Cash Received | | | Intergovernmental (Accounts Receivable) | Deferred Revenue Interfund Payable | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures | | |
| | | | | | | | | | | | | | | | | | |
| Special Education Aid | 23-495-034-5120-089 | \$ 1,929,759 | 7/1/2022 | 6/30/2023 | \$ - | | | | 1,738,393 | (1,929,759) | | | | | | | |
| School Choice | 23-495-034-5120-068 | 456,345 | 7/1/2022 | 6/30/2023 | | | | | 414,184 | (456,345) | | | | | (191,366) | 1,929,759 | |
| Security Aid | 23-495-034-5120-084 | 211,617 | 7/1/2022 | 6/30/2023 | | | | | 194,287 | (211,617) | | | | | (42,161) | 456,345 | |
| Transportation Aid | 23-495-034-5120-014 | 408,453 | 7/1/2022 | 6/30/2023 | | | | | 371,128 | (408,453) | | | | | (17,330) | 211,617 | |
| Extraordinary Aid | 23-495-034-5120-044 | 919,412 | 7/1/2022 | 6/30/2023 | | | | | | (919,412) | | (919,412) | | | (37,325) | 408,453 | |
| Extraordinary Aid | 22-495-034-5120-044 | 690,640 | 7/1/2021 | 6/30/2022 | | (690,640) | | 690,640 | | | | | | | | 919,412 | |
| Non-Public Transportation | 23-100-034-5120-068 | 81,744 | 7/1/2022 | 6/30/2023 | | | | | | (81,744) | | (81,744) | | | | 81,744 | |
| Non-Public Transportation | 22-100-034-5120-068 | 70,180 | 7/1/2021 | 6/30/2022 | | (70,180) | | 70,180 | | | | | | | | | |
| On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted) | 23-495-034-5094-001 | 1,555,185 | 7/1/2022 | 6/30/2023 | | | | | 1,555,185 | (1,555,185) | | | | | | 1,555,185 | |
| On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted) | 23-495-034-5094-002 | 5,920,059 | 7/1/2022 | 6/30/2023 | | | | | 5,920,059 | (5,920,059) | | | | | | 5,920,059 | |
| On-Behalf T.P.A.F. Pension Contributions - Long Term Disability | 23-495-034-5094-004 | 2,146 | 7/1/2022 | 6/30/2023 | | | | | 2,146 | (2,146) | | | | | | 2,146 | |
| Reimbursed TPAF Social Security Contributions (Non-Budgeted) | 23-100-034-5095-003 | 1,227,019 | 7/1/2022 | 6/30/2023 | | | | | 1,104,231 | (1,227,019) | | (122,788) | | | | 1,227,019 | |
| Reimbursed TPAF Social Security Contributions (Non-Budgeted) | 22-100-034-5095-003 | 1,222,461 | 7/1/2021 | 6/30/2022 | | (60,174) | | 60,174 | | | | | | | | | |
| | | | | | | (820,994) | - | - | 12,120,607 | (12,711,739) | - | - | (1,123,944) | - | - | (288,182) | 12,711,739 |
| Special Revenue: | | | | | | | | | | | | | | | | | |
| Preschool Education Aid | 23-495-034-5120-086 | 1,295,573 | 7/1/2022 | 6/30/2023 | | | | | 1,148,122 | (976,976) | | 171,146 | | | (147,451) | 976,976 | |
| SDA Emergent | NA | 102,471 | 7/1/2022 | 6/30/2023 | | | | | 102,471 | (102,471) | | | | | | 102,471 | |
| Non-Public Textbooks | 23-495-034-5120-064 | 660 | 7/1/2022 | 6/30/2023 | | | | | 660 | (660) | | | | | | 660 | |
| Non-Public Nursing | 23-495-034-5120-070 | 1,120 | 7/1/2022 | 6/30/2023 | | | | | 1,120 | (576) | | | | | | 576 | |
| Non-Public Security | 23-495-034-5120-084 | 2,050 | 7/1/2022 | 6/30/2023 | | | | | 2,050 | (2,050) | | | | 544 | | 2,050 | |
| Non-Public Technology | 23-495-034-5120-373 | 420 | 7/1/2022 | 6/30/2023 | | | | | 420 | (420) | | | | | | 420 | |
| Total Special Revenue | | | | | | | | | 1,254,843 | (1,083,153) | | | 171,146 | 544 | (147,451) | 1,083,153 | |
| State Department of Agriculture: | | | | | | | | | | | | | | | | | |
| National School Lunch Program (State Share) | 22-100-010-3350-023 | 23,253 | 7/1/2021 | 6/30/2022 | | (1,539) | | | 1,539 | | | | | | | | |
| National School Lunch Program (State Share) | 23-100-010-3350-023 | 15,090 | 7/1/2022 | 6/30/2023 | | | | | 12,206 | (15,090) | | (2,884) | | | | 15,090 | |
| National School Lunch Program (State Share) | 23-100-010-3350-023 | 401 | 7/1/2022 | 6/30/2023 | | | | | 298 | (401) | | (103) | | | | 401 | |
| Total State Department of Agriculture | | | | | | (1,539) | - | - | 14,043 | (15,491) | - | - | (2,987) | - | - | - | 15,491 |
| Total State Financial Assistance | | | | | | \$ (822,533) | - | - | 13,389,493 | (13,810,383) | - | - | (1,126,931) | 171,146 | 544 | (455,633) | 13,810,383 |
| Less: State Financial Assistance Not Subject to Major Program Determination: | | | | | | | | | | | | | | | | | |
| On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted) | | | | | | | | | 1,555,185 | | | | | | | | |
| On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted) | | | | | | | | | 5,920,059 | | | | | | | | |
| On-Behalf T.P.A.F. Pension Contributions - Long Term Disability | | | | | | | | | 2,146 | | | | | | | | |
| Total State Financial Assistance Subject to Major Program Determination | | | | | | | | | \$ (6,332,993) | | | | | | | | |

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION

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SPRINGFIELD SCHOOL DISTRICT**NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2023****NOTE 1: General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Springfield School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and than recorded in the special revenue fund which are presented using the budgetary basis of accounting. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

The general-purpose financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

NOTE 3: Relationship to General Purpose Financial Statements

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Food Service</u> | <u>Total</u> |
|---|----------------------|-------------------------------------|-------------------------|-------------------|
| <u>State Assistance</u> | | | | |
| Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance | \$ 12,711,739 | 1,083,153 | 15,491 | 13,810,383 |
| Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized | | (71,691) | | (71,691) |
| The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33) | <u>(42,381)</u> | <u>(147,451)</u> | <u> </u> | <u>(189,832)</u> |
| Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances | <u>\$ 12,669,358</u> | <u>864,011</u> | <u>15,491</u> | <u>13,548,860</u> |

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Food Service</u> | <u>Total</u> |
|--|---------------------|-------------------------------------|-------------------------|------------------|
| <u>Federal Assistance</u> | | | | |
| Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards | \$ 29,673 | 1,005,529 | 445,146 | 1,480,348 |
| Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized | _____ | _35,582 | _____ | _35,582 |
| Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances | <u>\$ 29,673</u> | <u>1,041,111</u> | <u>445,146</u> | <u>1,515,930</u> |

NOTE 4: Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2023.

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part I - Summary of Auditor's Results

Financial Statement Section

Unmodified

(A) Type of auditor's report issued:

(B) Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes x No

2) Were reportable conditions(s) identified that were not considered to be material weaknesses?

_____ Yes x No

(C) Noncompliance material to general purpose financial statements noted?

_____ Yes x No

Federal Awards Section

Internal control over compliance

1) Material weakness(es) identified?

_____ Yes x No

2) Reportable conditions(s) identified that are not considered to be material weaknesses?

_____ Yes x None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?

_____ Yes x No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027
84.173
84.425D
84.425D
84.425D
84.425U
84.425U
84.425U
84.425U

IDEA Part B Basic (Special Education Cluster)
IDEA Preschool (Special Education Cluster)
CRRSA Coronavirus Response
CRRSA Accelerated Learning
CRRSA Mental Health
ARP ESSER II (American Rescue Plan Cluster)
ARP ESSER Instruction (American Rescue Plan Cluster)
ARP ESSER Afterschool (American Rescue Plan Cluster)
ARP ESSER Homeless (American Rescue Plan Cluster)

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 x Yes _____ No

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part 1 - Summary of Auditor's Results (Continued)

State Awards Section

(J) Dollar threshold used to determine Type A programs: \$750,000

(K) Auditee qualified as low-risk auditee? x Yes No

(L) Type of auditor's report on compliance for major programs: Unmodified

(M) Internal control over compliance:

(1) Material Weakness(es) identified? Yes x No

(2) Were reportable condition(s) identified that were not considered to material weaknesses? Yes x No

(N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 04-04? Yes x No

(O) Identification of major programs:

GMIS Number(s)

23-495-034-5120-089
23-495-034-5120-068
23-495-034-5120-084
23-100-034-5095-003

Name of State Program

Special Education Aid
School Choice Aid
Security Aid
Reimbursed TPAF Social Security

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part 2 - Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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Part 3 - Schedule of Federal and State Award Findings and Questioned Costs

This section identifies audit findings required to be reported by Title 2 U.S. Code of Federal Regulations Part 200 and OMB Circular Letter 15-08.

FEDERAL AWARDS

Finding: None

Federal program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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Part 3 - Schedule of Federal and State Award Findings and Questioned Costs

STATE AWARDS

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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Prior Audit Findings:

No prior year audit findings.