SCHOOL DISTRICT OF SPRINGFIELD TOWNSHIP

Results of Annual Audit

June 30, 2026

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PRESENTED BY: BARBACANE, THORNTON & COMPANY LLP

Alex Frank, CPA

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Results of Audit

- We were engaged to audit the following financial statements:
  - School District of Springfield Township(US GAAP)
- Timing
  - Onsite work done in October
  - Delays in issuance due to delays in issuance of the Compliance Supplement by OMB.

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Results of Audit

- Standards Followed
  - Auditing Standards Generally Accepted in the US
  - *Government Auditing Standards*
- Responsibilities:
  - Management is responsible for the financial statements
  - Management is also responsible for implementing internal controls relevant to the preparation and fair presentation of the financial statements.
  - We are responsible for conducting our audit to obtain reasonable assurance about whether the financial statements are fairly presented in accordance with the applicable basis of accounting
- Unmodified Opinions on all reports
- No significant deficiencies or material weakness in internal controls over financial reporting reported

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Audit Approach

- Procedures designed to target areas of greater risk
- Risk assessment includes:
  - Inquiries of individuals
  - Documentation of the District's internal controls
  - Analytical procedures
    - Review of historical trend data, budget vs actual results, comparison of actual data vs known facts
- Review of minutes, contracts, agreements
- Substantive procedures

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Fund Balance Results – Governmental Funds

Fund balance – resources of the District available for use in future years

Fund balance of the General Fund decreased $1.3 million from the prior year.

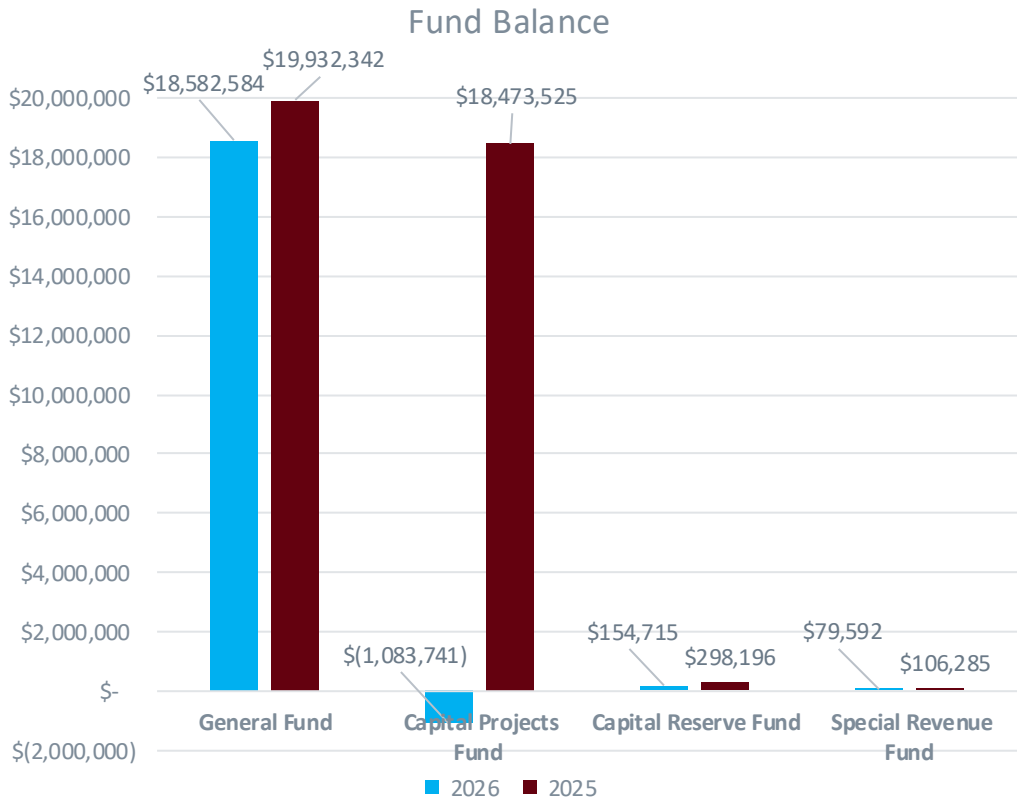
$15 million of the $18.5 million dollar fund balance is assigned for future operations.

$217 thousand of the $18.5 million dollar fund balance is nonspendable.

$3.3 million of the $18.5 million dollar fund balance is unassigned.

Fund Balance of the Capital projects fund decreased $19.5 million from the prior year.

Capital Reserve and Special Revenue Funds remained consistent with the prior year.



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General Fund Budget Results (page 57)

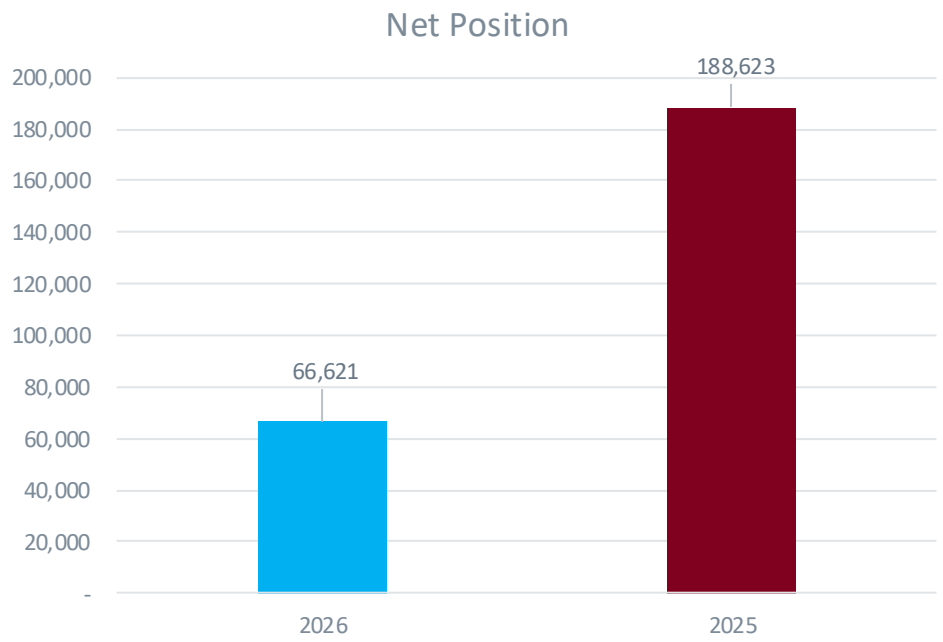
- Revenues fell short of the budget by $46 thousand. The line items that realized lower revenues that budged included:
  - Local Sources, State Sources
  - Federal Sources exceeded budget
- Expenditures came in over budget by $328 thousand. Mainly due to greater than budgeted special programs, administrative support, and central support. Partially offset by regular programs and operation of noninstructional services coming under budget.
- The General Fund presented a budget deficit of $974 thousand. The actual result was a decrease in fund balance of $1.3 million.

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Net Position Results – Food Service Fund

Net Position – resources of the School available for use in future years

Net Position of the Food Service Fund decreased $122 thousand from the prior year. Due to stable revenues and increases in employment costs and Food Service Management food and non food costs.



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OPEB and Pension Liabilities (PSERS and SE)

- As of June 30, 2026, the District reported the following:
  - Pension Liability of $74.5 million a decrease of $8.3 million
  - OPEB Liability of $3.3 million a decrease of $368 thousand
- The District made all the required payments.

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Capital Assets and Long-term Financing

- As of June 30, 2026, the School reported the following:
  - Capital Assets, net of depreciation and amortization of $130.1 million an increase of $23.4 million.
    - Current year additions of $27.7 million offset by $4.3 million in depreciation/amortization.
- The District also reported a lease liability of $228 thousand a decrease of $221 thousand, related to leased equipment.
- The District also reported $118.8 million of bonds payable, an increase of $3.9 million from the prior year. Included in this increase are principal and refunding payments of $36.5 million offset by $38.2 million in new issuances.

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Required Audit Communications

- No disagreements with management or difficulties incurred during the audit process
- No material audit entries
- Cooperation from management and members of staff
- Audit results reviewed with management in detail

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Federal Funds

- In addition to a financial statement audit, the School was required to have a single audit done under the requirements of the Office of Management and Budget's (OMB) Uniform Grant Guidance in 2026.
- A single audit is required when federal expenditures equal or exceed $1,000,000 in a fiscal year.
- A single audit is a separate audit that reviews the School's compliance with federal regulations regarding the use of the federal funds and the entity's internal controls over compliance.
- Items that will be looked at include for example, the School's written internal control policies over managing federal funds, procurement, how funds are spent, reporting requirements, etc.
- OMB identifies what compliance requirements they consider to be direct and material and gives the auditor suggested procedures to follow.

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