COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
FLORENCE TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
FLORENCE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Prepared By

Florence Township School District
Board of Education

BOARD OF EDUCATION OF THE
FLORENCE TOWNSHIP SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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INTRODUCTORY SECTION

FLORENCE TOWNSHIP SCHOOL SYSTEM
201 CEDAR STREET
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BRUCE M. BENEDETTI
BUSINESS ADMINISTRATOR/BOARD SECRETARY
609-499-4600 Ext. 1002
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October 4, 2013

Honorable Emma A. Cartier, President
and Members of the Board of Education
Florence Township Public School District
c/o Administration Building
201 Cedar Street
Florence, New Jersey 08518-1599

Dear Board Members,

The Comprehensive Annual Financial Report of the Florence Township Public School District, for the fiscal year ended June 30, 2013 is hereby submitted. 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 comprehensive annual financial report is presented in three sections: Introductory, Financial and Statistical. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes, under the new Governmental Accounting Standard Board Statement No. 34 as amended, the Report of Independent Statements, and the combining and individual fund statements. Required Supplementary Information includes Budgetary Comparison Schedules, Special Revenue Fund Schedules, as well as Capital Projects, Enterprise, Fiduciary Fund and Long Term Debt schedules. The Statistical section includes selected financial and demographic information. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to the Single Audit requirement is included in this section.

The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements and notes to financial statements.

1) REPORTING ENTITY AND ITS SERVICES:

Florence Township Public School District is an independent agency reporting within the criteria adopted by the GASB as established by NCGA Statement No. 3. The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Food Service and Community Education and Recreation functions are classified as business-type activities. All funds of the district are included in this report. This Comprehensive Annual Financial Report for the year ended June 30, 2013 is presented in GASB 34 format. The Florence Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full complement of educational opportunities from preschool disabled through twelfth grade. This includes six full day kindergarten classes. Additionally, the District provided for a full range of services to meet the needs of its disabled population in all grade levels including self-contained classes as well as Resource Center and Inclusion Programs. This District's 2012-2013 school year enrollment of 1765 students as of June 30, 2013 represents an increase of twenty-nine students.

2) MAJOR INITIATIVES

A dedicated local cable tv station provides the public with various events and information to increase community involvement.

A staff committee comprised of teachers and administrators meet regularly to articulate those staff development activities that are mandated by the State and aligned to the goals established by the district for the given year. This has all been in compliance with the professional development committee. Special attention has been given to professional development in the area of inclusive education, mentor/mentee collaboration, enhanced technological awareness and continuing education in the area of technology, literacy across the curriculum, in alignment with the Core Curriculum Content Standards for appropriate assessment in the respective grade levels.

The continuous goal to serve the special needs of students in house is supported by the professional services and elementary counseling. Additionally, the District has committed to two learning consultants. Our STARS After School and Summer Program has been very successful in providing educational support, reinforcement of learning, team building and character development with our Project Adventure.

The Coordinator of Technology has continued to upgrade the telecommunications system by making electronic mailing communication available to the entire staff and Board of Education. This has expanded the influence of this medium to encourage staff to expand their opportunities for students and parents alike. New smart boards, flat screen monitors, distance learning and a student information system called Genesis provides each child, parent and teacher with 24/7 communication between home and school from everything to daily grades to attendance. Our web-based lesson planning also allows for class, school and district analysis by our school administrators.

Curriculum development, research, feedback and articulation are implemented in support of the necessary modifications, enhancements and extensions of curricular programs and course offerings. An emphasis in designated yearly assessments and building character educational programs for students was placed for this school year.

3) 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 complied to allow for the preparation of financial statement in conformity with General 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 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.

4) 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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2013.

5) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect Generally Accepted Accounting Principles, are promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

6) 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 depositories protected from loss under the provision 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.

7) RISK MANAGEMENT:

The Board carried various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

8) OTHER INFORMATION:

State statutes require an annual audit by independent certified public accountants or registered municipality accountants. The accounting firm of John J. Maley, Jr. CPA, was appointed by the Board of Education. 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 and the related OMB Circular are A-133 and NJ OMB Circular 04-04. The Auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are 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.

9) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Florence Township Board of Education for

their concern in providing 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 Board Office staff.

Respectfully submitted:

Donna Ambrosius
Superintendent of Schools

Bruce M. Benedetti
Business Administrator/Secretary
to the Board

FLORENCE TOWNSHIP SCHOOL DISTRICT
2012-2013

Superintendent of Schools

NCLB/IDEA B Programs	Bus Admin Ed Fac Mngr	Director Special Serv	Principal High School	Principal Riverfront	Principal Roebling	Computer Coordinator
			Assistant Principal	Assistant Principal		
Department Liaisons	Business Office	Child Study Team	Classroom Instruction	Classroom Instruction	Classroom Instruction	
	Operations & Maintenance	Speech Services	Guidance Department	Guidance Department	Guidance Department	
	Transportation Department	Nursing Services	Library/Media Services	Library/Media Services	Library/Media Services	
	District Security		ESL Services	ESL Services	ESL Services	
	Attendance Services		G & T Program	G & T Program	G & T Program	
	Extended Day Programs		Interscholastic Sports	Cafeteria Monitors	Cafe/Campus Monitors	
	Food Service Management		Co-Curricular Advisers	Co-Curricular Advisers	Co-Curricular Advisers	

FLORENCE TOWNSHIP
PUBLIC SCHOOL DISTRICT
FLORENCE, NEW JERSEY 08518

BOARD OF EDUCATION

ROSTER OF OFFICIALS

Members of the Board of Education	Term Expires
Emma A. Cartier, President	2013
Jean M. Shelen, Vice President	2015
Jennifer A Ryan-Perry	2013
Shawn Dennis	2014
Anne Lipsett	2015
Anthony Nutter	2013
Christine S. Skinner	2015
David Lease	2014
John M. Groze	2014

Other District Officials	Title
Donna Ambrosius	Superintendent of Schools
Bruce M. Benedetti	Business Administrator/Board Secretary
Donald J. Cammus	Treasurer of School Monies

FLORENCE TOWNSHIP
PUBLIC SCHOOL DISTRICT

Consultants and Advisors

Board Auditor

John J. Maley, Jr., C.P.A.
6 E. Park Street
Post Office Box #614
Bordentown, New Jersey 08505-0614

Board Solicitor

Capehart & Scatchard, P.A.
Laurel Corporate Center
8000 Midlantic Drive, Suite 300S
Mt. Laurel, NJ 08054

Official Depositories of School District Monies

Roebling Savings Bank
Route 130 South and Delaware Avenue
Roebling, New Jersey 08554-0066

Roma Bank
2150 Route 130 North
Burlington, NJ 08016

FINANCIAL SECTION

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Certified Public Accountant

Registered Municipal Accountant
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MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Florence Township School District
County of Burlington
Florence, New Jersey 08518

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Florence Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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 the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; this includes 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Florence Township Board of Education, in the County of Burlington, State of New Jersey, as of June 30, 2013, 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.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information be presented to supplement the basic financial statements. Such information, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Florence Township School District Board of Education's basic financial statements. The accompanying combining and individual fund financial statements, the schedule of expenditure of federal awards required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the schedule of state financial assistance required by New Jersey Circular 04-04 OMB, *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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in

accordance with auditing standard generally accepted in the United States of America. In my opinion the combining and fund financial statements and the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued a report dated October 8, 2013 on my consideration of the Florence Township School District Board of Education's internal control structure over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

John J. Maley, Jr.
Registered Municipal Accountant
Certified Public Accountant

October 8, 2013

REQUIRED SUPPLEMENTARY INFORMATION – Part I

MANAGEMENT'S DISCUSSION AND ANALYSIS

FLORENCE TOWNSHIP SCHOOL SYSTEM
201 CEDAR STREET
FLORENCE, NEW JERSEY 08518

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BRUCE M. BENEDETTI
BUSINESS ADMINISTRATOR/BOARD SECRETARY
609-499-4600 Ext. 1002
(Fax) 609-499-0129

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Florence Township School District's annual financial report presents a discussion and analysis of the Florence Township School District's financial performance during the fiscal year that ended on **June 30, 2013.** Please read it in conjunction with the transmittal letter at the beginning of the report and with the Florence Township School District's financial statements. This report represents the first year that Florence Township School District's Comprehensive Annual Financial Report (CAFR) is prepared in the format required by the Governmental Accounting Standards Board (GASB). GASB issued GASB34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued in June 1999. As a direct result of changes in reporting requirements in the GASB 34 directive, some comparative data may not be available in this report.

FINANCIAL HIGHLIGHTS

The Florence Township School District continues to experience the same difficulties as most New Jersey school districts due to relatively flat state aid funding from the New Jersey Department of Education. The Florence Township School District benefited from a stable student population but structural increases in fixed costs, such as salaries and related benefits, significantly restricted resources available for improving or expanding instructional programs.

Pursuant to the Education Department General Administrative Regulations (EDGAR), 34 CFR, Part 80.20 (b) (7), the Florence Township School District reported **four** (4) special revenue grants that exceed fifty thousand dollars ($50,000) for the fiscal year **2013.** The largest grant falls under the Individuals with Disabilities Education Act, Part B (IDEA-B) - Combined Basic and Preschool in the amounts of **four hundred eighty-six thousand four hundred and three dollars ($486,403)** for Basic and **fifteen thousand twenty-one dollars ($15,021)** for Preschool. The combined IDEA-B total was **five hundred one thousand four hundred and twenty-four dollars ($501,424)**. The IDEA-B Basic funds were dedicated, in a large percentage of the total, to the payment of special education out-of-district placement tuition for ten (10) month and extended year programs. The Preschool monies funded a percentage of the costs for the Florence Township School District's preschool disabled program which was, in large measure, in the form of a salary off-set for the preschool disabled teacher.

Two (2) other relatively large special revenue funding sources for the fiscal year were both part of the No Child Left Behind (NCLB) - Consolidated Formula Sub-grant. Title 1A funding in the amount of three **hundred two thousand one hundred and ninety-six dollars ($302,196)** was utilized, predominately, for staff compensation for an after-school enhancement program called the STAR program and purchased professional and technical services. The Title 2A - Part A federal entitlement was dedicated to the funding of a classroom teacher salary and related costs. The amount of the Title 2A grant was one hundred sixteen **thousand fifty dollars ($116,050).** The remaining large special revenue funding source for the fiscal year was from the NJ Nonpublic C.192/193 auxiliary and handicapped services totaling sixty-one **thousand six hundred seventy-three dollars ($61,673).**

As reported on the Application for State School Aid (ASSA), enrollment decreased from **one thousand seven hundred and seven students (1724)** students as of **October 15, 2011** to **one thousand seven hundred and twenty-three students (1723) as of October 15, 2012**. This represents an increase of **seventeen (17)** students. The below summary chart shows ASSA reported enrollments for the last ten (10) years:

10/15/03	10/15/04	10/15/05	10/15/06	10/15/07	10/15/08	10/15/09	10/15/10	10/15/11	10/15/12
1607	1531	1554	1629	1638	1666	1705	1707	1724	1723

Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or longBterm liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and longBterm
Type of inflow/outflow information	All revenues and expenses during the year regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the Florence Township School District, as a whole, using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Florence Township School District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash was received or expended.

The district-wide statements report contains an analysis of the Florence Township School District's net position and how they have changed. Net position - the difference between assets and liabilities - is one way to measure the Florence Township School District's financial position.

The increase or decrease in the Florence Township School District's net assets from one budget/school year to the next budget/school year is only one (1) indicator of whether its financial position is improving or deteriorating. To assess the overall health of the Florence Township School District, you need to consider other non-financial factors. These factors are financial elements such as changes in the Florence Township School District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the Florence Township School District's activities are divided into two (2) categories:

Governmental Activities: Most of Florence Township School District's basic services are included here. Examples of such services are regular and special education instruction, student transportation and general/school administration. Local purpose property taxes and state aid funding finance most of these governmental activities. Local purpose property tax funding is the largest percentage of the revenue base.

Business-type Activities: The Florence Township School District's food service program and a fee-based, extended day (before and after school) program are included under the business-type activities category.

The fund financial statements provide more detailed information about the Florence Township School District's funds, focusing on its most significant or "major" funds and not the Florence Township School District as a whole. Funds are accounting devices the Florence Township School District uses to account for specific sources of funding and spending by particular programs. The Florence Township School District's funds are

those recognized in Generally Accepted Accounting Practices (GAAP) and are prescribed by New Jersey statutes and regulations.

The Florence Township School District has three (3) types of funds recognized by Generally Accepted Accounting Practices (GAAP). These funds are:

Governmental Funds: Florence Township School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can be readily converted to cash flow and (2) the balances left at the end of the year available for future spending. Consequently, the governmental fund statements provide a detailed short-term view that assists in determining whether there are more or less financial resources that can be spent in the immediate future to finance the Florence Township School District's instructional and support programs. Since this information does not encompass the additional long-term focus of the district-wide statements, additional information is provided on the governmental funds statements that explains the relationship (or differences) between them.

Proprietary Funds: Services for which the Florence Township School District charges a fee are reported in proprietary funds. In Florence Township School District's case, these include an internal service fund and an enterprise fund.

Fiduciary Funds: This selection of funds include the unemployment insurance, scholarship, student activity, and payroll agency funds - funds in which the Florence Township School District is the trustee, or fiduciary, for assets generated by and belonging to others. The Florence Township School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets were generated. These activities are excluded from the district wide financial statements because the Florence Township School District cannot use their assets to finance its operations.

FINANCIAL ANALYSIS OF THE FLORENCE TOWNSHIP SCHOOL DISTRICT AS A WHOLE

Net Position: The Florence Township School District's combined net position totaled ten million two hundred eighty-six thousand three hundred thirty dollars ($10,286,330) on June 30, 2013. **TABLE A-1** shows the comparison of the Florence Township School District's net position.

TABLE A-1
Florence Township School District
Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total % Change
	2012	2013	2012	2013	2012	2013	2012-2013
Current & Other Assets	4,374,739	4,172,710	177,921	223,000	4,552,660	4,395,710	-3%
Capital Assets - Net	40,829,105	39,531,739	133,954	118,829	40,963,059	39,650,568	-3%
Total Assets	**45,203,844**	**43,704,449**	**311,875**	**341,829**	**45,515,719**	**44,046,278**	-3%
Long-term Debt Outstanding	33,077,510	31,287,892	-	-	33,077,510	31,287,892	-5%
Other Liabilities	2,935,076	2,421,618	43,622	50,438	2,978,698	2,472,056	-17%
Total Liabilities	**36,012,586**	**33,709,510**	**43,622**	**50,438**	**36,056,208**	**33,759,948**	-6%
Invested in Capital Assets Net of Related Debt	10,790,353	11,537,939	133,954	118,829	10,924,307	11,656,768	7%
Restricted	1,671,227	1,867,658	-	-	1,671,227	1,867,658	12%
Unrestricted	(3,270,322)	(3,410,658)	134,299	172,562	(3,136,023)	(3,238,096)	3%
Total Net Position	**9,191,258**	**9,994,939**	**268,253**	**291,391**	**9,459,511**	**10,286,330**	9%

Note: Totals may not add due to rounding

Net Assets Changes: Local purpose property taxes of fourteen million five hundred ninety-four thousand eight hundred sixty-six dollars ($14,594,866) accounted for the highest percentage of revenues in the Florence Township School District's **2012-2013** budget statement. The second largest funding source for the Florence Township School District was categorical state aid. The aid categories funded for the **2012-2013** budget/school year were equalization aid, categorical transportation aid, categorical special education aid and categorical security aid. TABLE A-2 shows the changes in net position for both revenues and expenses as well as total dollar and percentage changes.

TABLE A-2
Florence Township School District
Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total % Change
	2012	2013	2012	2013	2012	2013	2012-2013
Revenues:							
Program Revenues							
Charges for Services	-	-	633,726	670,880	633,726	670,880	6%
Federal & State	3,050,132	3,433,779	366,243	373,659	3,416,375	3,807,438	11%
General Revenues							
Local Purpose Property Taxes	16,890,194	17,342,356	-	-	16,890,194	17,342,356	3%
Federal or State Aid	9,436,856	9,542,117	-	-	9,436,856	9,542,117	1%
Tuition	-	-	-	-	-	-	
Other	402,951	369,822	19	14	402,970	369,836	-8%
Total Revenues	**29,780,133**	**30,688,074**	**999,988**	**1,044,553**	**30,780,121**	**31,732,627**	3%
Expenses:							
Instruction Related	12,542,285	12,592,149	-	-	12,542,285	12,592,149	0%
Tuition	1,193,891	1,698,507	-	-	1,193,891	1,698,507	42%
Student & Inst. Related Serv.	2,981,191	2,988,470	-	-	2,981,191	2,988,470	0%
Administrative Services	2,100,894	2,314,465	-	-	2,100,894	2,314,465	10%
Maintenance	2,918,232	3,065,679	-	-	2,918,232	3,065,679	5%
Transportation	1,603,444	1,544,363	-	-	1,603,444	1,544,363	-4%
Benefits	1,814,277	2,253,652	-	-	1,814,277	2,253,652	24%
Other	3,699,741	3,427,108	1,117,912	1,021,415	4,817,653	4,448,523	-8%
Total Expenses	**28,853,955**	**29,884,393**	**1,117,912**	**1,021,415**	**29,971,867**	**30,905,808**	3%
Incr (Decr) Net Position	926,178	803,681	(117,924)	23,138	808,254	826,819	2%

Note: Totals may not add due to rounding

Business-Type Activities: The Florence Township School District retains a food service management company to operate the food service program. The food service operation has been a contracted service for more than ten (10) years. A large and expanding business-type activity is an extended day program. The fee-based program is run by Florence Township School District appointed personnel. There are three (3) major parts to the program. The largest is the after school hours extended day program which is run at the Riverfront School for 3rd grade through 8th grade and the Roebling Elementary School No. 5 grades kindergarten through 3rd grade. The second is a full-day, extended year program that is conducted during the summer recess. The site for the extended year program is the Riverfront School. Finally, the Florence Township School District provides staff supervision, on a fee-basis, for before school arrivals at Roebling Elementary School No. 5 and the Riverfront School. The School District also operates a local access television channel (Channel 19) in conjunction with the Municipality of Florence Township.

TABLE A-3 provides a summary of the cost of all governmental activities for the **2012-2013** budget/school year.

TABLE A-3
Florence Township School District
Net Cost of Governmental Activities

	Total Cost Of Services		Total % Change	Net Cost of Services		Total % Change
	2012	2013	2012-2013	2012	2013	2012-2013
Instruction Related	12,542,285	12,592,149	0%	11,780,013	11,810,551	0%
Tuition	1,193,891	1,698,507	42%	1,193,891	1,698,507	42%
Student Inst. Related Services	2,981,191	2,988,470	0%	2,632,261	2,708,175	3%
Administrative Services	2,100,894	2,314,465	10%	2,100,894	2,314,465	10%
Maintenance	2,918,232	3,065,679	5%	2,918,232	3,065,679	5%
Transportation	1,603,444	1,544,363	-4%	1,603,444	1,544,363	-4%
Benefits	1,814,277	2,253,652	24%	-	-	0%
Other	3,699,741	3,427,108	-7%	3,575,088	3,308,874	-7%
Total	**28,853,955**	**29,884,393**	4%	**25,803,823**	**26,450,614**	3%

Note: Totals may not add due to rounding

FINANCIAL ANALYSIS OF THE FLORENCE TOWNSHIP SCHOOL DISTRICTS FUNDS

All of the Florence Township School District's governmental funds showed more revenues than expenditures at **June 30, 2013**. Unexpended special revenue funds will be refunded to the appropriate funding authority which is primarily the New Jersey Department of Education. The Florence Township School District ended the year with one million five hundred thirty-five thousand thirty-two dollars ($1,535,032). A portion of the unreserved fund balance will be used for tax relief in its 2013-2014 budget/school year with a portion remaining to balance cash flow, as well as, for unforeseen emergencies that may arise.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the **2012-2013** budget year, the Florence Township School District made some budget amendments and/or transfers in order to ensure that statutory requirements not to over-expend advertised line items were met. All transfers made were approved by the Florence Township Board of Education at the next regular monthly meeting.

CAPITAL ASSET AND DEBT ADMINISTRATION

TABLE A-4 provides information regarding the Florence Township School District's capital assets.

TABLE A-4
Florence Township School District
Net of Depreciation Capital Assets

	Governmental Activities		Business-Type Activities		Total School District		Total % Change
	2012	2013	2012	2013	2012	2013	2012-2013
Land	918,785	918,785	-	-	918,785	918,785	0%
Construction in Progress	-	-	-	-	-	-	0%
Site Improvements	1,227,307	1,120,987	-	-	1,227,307	1,120,987	-9%
Buildings	37,164,290	36,008,128	-	-	37,164,290	36,008,128	-3%
Equipment & Furniture	1,518,723	1,483,840	133,954	118,829	1,652,677	1,602,669	-3%
Total	**40,829,105**	**39,531,740**	**133,954**	**118,829**	**40,963,059**	**39,650,569**	-3%

Note: Totals may not add due to rounding.

LONG TERM DEBT

At year end the Florence Township School District had twenty seven million five hundred thirty thousand dollars ($27,530,000) in general obligation and other long-term debt outstanding. This represents a decrease of 7 percent (7%) from the prior year. More detailed information about the Florence Township School District long-term liabilities is presented in Note 5 to the financial statements. In the 2012-2013 budget/school year, the Florence Township School District retired one hundred three thousand two hundred sixty-four dollars ($103,264) in debt for New Jersey Commissioner of Education approved lease purchase agreements and two million dollars ($2,000,000) in debt on general obligation bonds.

TABLE A-5
Florence Township School District
Outstanding Long-Term Debt

	Total School District		Total % Change
	2012	2013	2012-2013
General Obligation Bonds	29,530,000	27,530,000	-7%
Commissioner -Approved Lease Purchase	220,066	202,115	-8%
Compensated Absences	3,534,061	3,615,923	2%
Unamortized Bond Premium	1,901,204	1,733,465	100%
Other	288,686	261,685	-9%
Total	**35,474,017**	**33,343,188**	-6%

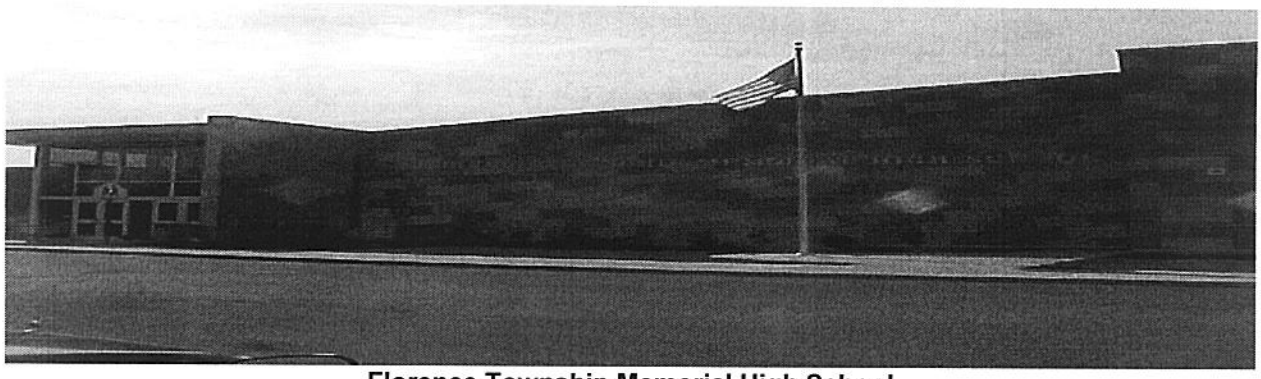
Note: Totals may not add due to rounding

FACTORS BEARING ON FLORENCE TOWNSHIP SCHOOL DISTRICT'S FUTURE

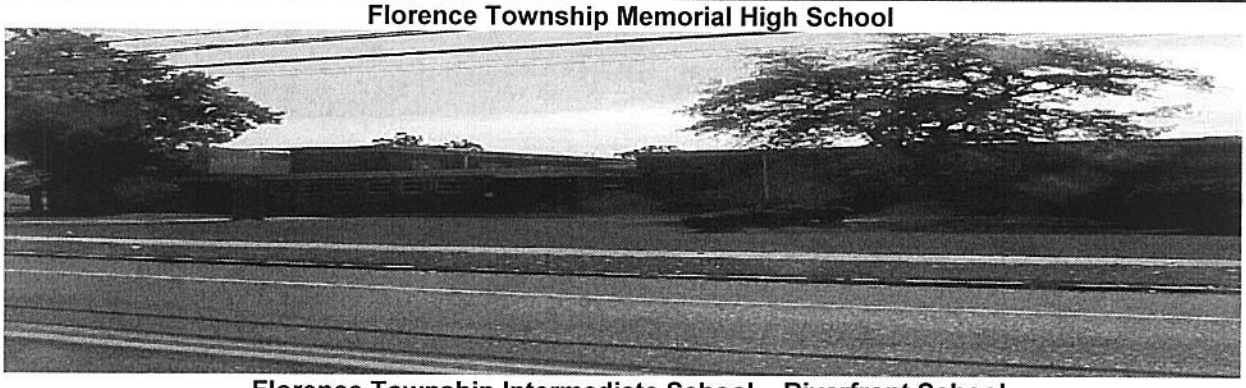
At the time these financial statements were prepared and audited, the Florence Township School District was aware of no existing circumstances that could significantly affect its financial health in the future. The contractual agreements with all recognized bargaining units in the Florence Township School District were renegotiated and will expire on **June 30, 2013**.

During the **2009-2010** school year the School District closed out work on all construction of a new 127,000 square foot high school located on school-owned land on Cedar Lane as well as the renovations at the Riverfront School (Florence Township Intermediate School). The Roebling Elementary School No. 5 project was completed as of June 30, 2008. The below table provides a summary of the construction projects:

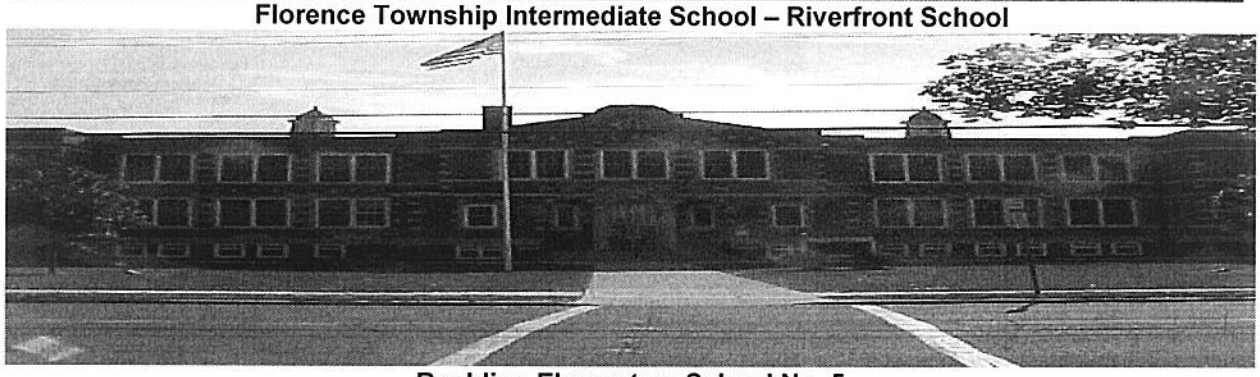
Project Name	Project Number	State Share	Local Share	Total Project
Roebling School	1520-070-03-1394	1,356,870	2,035,306	3,392,176
Intermediate School	1520-050-03-1393	2,784,988	4,177,483	6,962,471
New High School	1520-N01-03-1347	4,698,637	30,192,287	34,890,924



Florence Township Memorial High School



Florence Township Intermediate School – Riverfront School



Roebling Elementary School No. 5

CONTACTING THE FLORENCE TOWNSHIP SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, vendors, and investors and creditors with a general overview of the Florence Township School District's finances and to demonstrate the Florence Township School District's accountability for the funding it receives. If you have any questions about this Report or need additional financial information, please contact the School Business Administrator, Florence Township School District, 201 Cedar Street, Florence, New Jersey 08518-1599, call (609) 499-4602 or email bbenedetti@florence.k12.nj.us.

Bruce M. Benedetti
Business Administrator/Secretary to the Board

BASIC FINANCIAL STATEMENTS

Exhibit A-1

Florence Township School District
Statement of Net Position
June 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,203,856	$ 186,538	$ 1,390,394
Receivables, net	418,908	17,178	436,086
Inventory	-	19,284	19,284
Restricted assets:			
Capital reserve account - cash	1,146	-	1,146
Deferred refunding costs	1,901,528	-	1,901,528
Unamortized costs	647,272	-	647,272
Capital assets, net (Note 4):	39,531,739	118,829	39,650,568
Total Assets	43,704,449	341,829	44,046,278
LIABILITIES			
Accounts payable	5,256	-	5,256
Accrued interest payable	340,726	-	340,726
Payable to state government	20,340	-	20,340
Deferred revenue	-	50,438	50,438
Noncurrent liabilities (Note 5):			
Due within one year	2,055,296	-	2,055,296
Due beyond one year	31,287,892	-	31,287,892
Total liabilities	33,709,510	50,438	33,759,948
NET POSITION			
Invested in capital assets, net of related debt	11,537,939	118,829	11,656,768
Restricted for:			
Debt service	63,281	-	63,281
Capital projects	1,146	-	1,146
Other purposes	1,803,231	-	1,803,231
Unrestricted	(3,410,658)	172,562	(3,238,096)
Total net position	$ 9,994,939	$ 291,391	$ 10,286,330

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

Exhibit A-2

Florence Township School District
Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:							
Instruction:							
Regular	$ 8,796,474	$ -	$ 781,598	$ -	$ (8,014,876)	$ -	$ (8,014,876)
Special education	2,671,300	-	-	-	(2,671,300)	-	(2,671,300)
Other special instruction	520,295	-	-	-	(520,295)	-	(520,295)
Other instruction	538,924	-	-	-	(538,924)	-	(538,924)
Gifted and talented	65,156	-	-	-	(65,156)	-	(65,156)
Support services:							
Tuition	1,698,507	-	-	-	(1,698,507)	-	(1,698,507)
Student & instruction related services	2,988,470	-	280,295	-	(2,708,175)	-	(2,708,175)
General administration	541,174	-	-	-	(541,174)	-	(541,174)
School administrative services	1,053,881	-	-	-	(1,053,881)	-	(1,053,881)
Central services	589,964	-	-	-	(589,964)	-	(589,964)
Administrative and information technology	129,446	-	-	-	(129,446)	-	(129,446)
Plant operations and maintenance	3,065,679	-	-	-	(3,065,679)	-	(3,065,679)
Pupil transportation	1,544,363	-	-	-	(1,544,363)	-	(1,544,363)
Unallocated employee benefits	2,253,652	-	2,253,652	-	-	-	-
Charter schools	1,277,448	-	-	-	(1,277,448)	-	(1,277,448)
Interest on long-term debt	763,980	-	118,234	-	(645,746)	-	(645,746)
Amortization of debt issue costs	13,518	-	-	-	(13,518)	-	(13,518)
Amortization of intangible assets	13,862	-	-	-	(13,862)	-	(13,862)
Unallocated depreciation	1,358,300	-	-	-	(1,358,300)	-	(1,358,300)
Total governmental activities	29,884,393	-	3,433,779	-	(26,450,614)	-	(26,450,614)
Business-type activities:							
Food Service	732,537	349,458	373,659	-	-	(9,420)	(9,420)
Cable TV Access	6,000	-	-	-	-	(6,000)	(6,000)
Extended Day Program	282,878	321,422	-	-	-	38,544	38,544
Total business-type activities	1,021,415	670,880	373,659	-	-	23,124	23,124
Total primary government	$ 30,905,808	$ 670,880	$ 3,807,438	$ -	$ (26,450,614)	$ 23,124	$ (26,427,490)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					14,594,866	-	14,594,866
Taxes levied for debt service					2,747,490	-	2,747,490
Federal and State aid not restricted					9,542,117	-	9,542,117
Investment earnings					7,784	14	7,798
Miscellaneous income					366,007	-	366,007
Loss on sale of capital assets					(3,969)	-	(3,969)
Total general revenues, special items, extraordinary items and transfers					27,254,295	14	27,254,309
Change in Net Position					803,681	23,138	826,819
Net Position—beginning					9,191,258	268,253	9,459,511
Net Position—ending					$ 9,994,939	$ 291,391	$ 10,286,330

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

Exhibit B-1

Florence Township School District
Balance Sheet
Governmental Funds
June 30, 2013

	Major Funds			
	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,140,574	$ -	$ 63,282	$ 1,203,856
Due from other funds	223,400	-	-	223,400
Receivables from other governments:				
State of New Jersey	166,241	-	-	166,241
Federal	830	196,388	-	197,218
Other receivables	8,097	-	-	8,097
Restricted cash and cash equivalents	1,146	-	-	1,146
Total assets	$ 1,540,288	$ 196,388	$ 63,282	$ 1,799,958
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund payable	5,256	176,048	-	181,304
Payable to state government	-	20,340	-	20,340
Total liabilities	5,256	196,388	-	201,644
Fund Balances:				
Restricted for:				
Capital reserve	1,146	-	-	1,146
Excess surplus - Current year	702,564	-	-	702,564
Excess surplus - Designated by the BOE for subsequent year's expenditures	1,070,667	-	-	1,070,667
Assigned to:				
Designated by the BOE for subsequent year's expenditures	-	-	63,281	63,281
Other purposes	31,327	-	-	31,327
Unassigned:				
General fund	(270,672)	-	-	(270,672)
Debt service fund	-	-	1	1
Total fund balances	1,535,032	-	63,282	1,598,314
Total liabilities and fund balances	$ 1,540,288	$ 196,388	$ 63,282	

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 are $56,482,283 and the accumulated depreciation is $16,950,543 (See Note 4).		39,531,740
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 5).		(31,609,723)
Accrued interest payable is not due and payable in the current period and therefore is not reported as a liability in the funds.		
Accrued interest payable		(340,726)
Unamortized Debt Issue Costs are not current financial resources and are not reported as assets in the funds.		
Debt Issue Costs	298,717	
Less: Amortization	(122,746)	175,971
Deferred Charge on Refunding Bonds	2,038,579	
Less: Amortization	(137,052)	1,901,527
Unamortized Bond Premium	(1,901,204)	
Less: Amortization	167,739	(1,733,465)
Unamortized Water & Sewer Extension costs are not current financial resources and are not reported as assets in the funds.		
W & S Extension Costs	554,474	
Less: Amortization	(83,172)	471,302
Net position of governmental activities		$ 9,994,940

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

Exhibit B-2

Florence Township School District
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	Major Funds			
	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local sources:				
Local tax levy	$ 14,594,866	$ -	$ 2,747,490	$ 17,342,356
Investment income	7,784	-	-	7,784
Miscellaneous	362,167	5,116	-	367,283
Total - Local sources	14,964,817	5,116	2,747,490	17,717,423
State sources	11,737,088	111,126	118,234	11,966,448
Federal sources	63,797	945,651	-	1,009,448
Total revenues	26,765,702	1,061,893	2,865,724	30,693,319
EXPENDITURES				
Current:				
Regular instruction	8,066,151	781,598	-	8,847,749
Special education instruction	2,697,219	-	-	2,697,219
Other special instruction	476,118	-	-	476,118
Other instruction	524,883	-	-	524,883
Gifted and talented	65,156	-	-	65,156
Support services:				
Tuition	1,698,507	-	-	1,698,507
Student & instruction related services	2,655,752	280,295	-	2,936,047
General administration	513,696	-	-	513,696
School administrative services	1,040,386	-	-	1,040,386
Central services	584,585	-	-	584,585
Administrative information technology	125,627	-	-	125,627
Plant operations and maintenance	3,012,090	-	-	3,012,090
Pupil transportation	1,571,913	-	-	1,571,913
Employee benefits	2,253,652	-	-	2,253,652
Transfer to charter schools	1,277,448	-	-	1,277,448
Debt service:				
Principal	-	-	2,000,000	2,000,000
Interest and other charges	-	-	802,815	802,815
Capital outlay	224,239	-	-	224,239
Total expenditures	26,787,422	1,061,893	2,802,815	30,652,130
Excess (Deficiency) of revenues over expenditures	(21,720)	-	62,909	41,189
OTHER FINANCING SOURCES (USES):				
Capital lease proceeds	85,313	-	-	85,313
Total other financing sources and uses	85,313	-	-	85,313
Net change in fund balances	63,593	-	62,909	126,502
Fund balance—July 1	1,471,439	-	373	1,471,812
Fund balance—June 30	$ 1,535,032	$ -	$ 63,282	$ 1,598,314

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

Exhibit B-3

Florence Township School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2013

Total net change in fund balances - governmental funds (from B-2)		$ 126,502
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 depreciation exceeded capital outlays in the period.		
Depreciation expense	$ (1,439,864)	
Capital outlays	147,743	(1,292,121)
Repayment of bond principal and capital leases are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net assets and are not reported in the statement of activities.		
Bond principal	2,000,000	
Capital leases	103,264	
Water & Sewer assessment	27,001	2,130,265
In the statement of activities, only the gain or loss on the disposal of capital assets is reported. However, in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the book value of the asset removed. (-)		
Proceeds from sale of capital assets	-	
Loss on sale of capital assets	(5,245)	(5,245)
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Proceeds of refunding debt	-	
Costs of refunding debt	-	
Capital lease proceeds	(85,313)	(85,313)
In the statement of activities, amortization of bond premium is capitalized and earned over the life of the bonds. In the governmental funds, bond premium is expended		167,739
In the statement of activities, deferred charges associated with refunding bonds is capitalized and amortized over the life of the bonds. In the governmental funds, deferred charges costs are expended.		(137,051)
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.		8,147
In the statement of activities, amortization of debt issue cost and the water and sewer line extension is capitalized and amortized over the life of the bonds. In the governmental funds, deferred charge costs are expended.		(27,380)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(81,862)
Change in net assets of governmental activities		$ 803,681

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

Exhibit B-4

Florence Township School District
Statement of Net Assets
Proprietary Funds
June 30, 2013

	Business-type Activities - Enterprise Funds			
	Food Service	Cable TV Access	Extended Day Program	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	$ 52,792	$ 343	$ 133,403	$ 186,538
Accounts receivable:				
Federal	16,781	-	-	16,781
State	397	-	-	397
Inventories	19,284	-	-	19,284
Total current assets	89,254	343	133,403	223,000
Noncurrent assets:				
Furniture, machinery & equipment	375,180	-	-	375,180
Less accumulated depreciation	(256,351)	-	-	(256,351)
Total noncurrent assets	118,829	-	-	118,829
Total assets	208,083	343	133,403	341,829
LIABILITIES				
Current liabilities:				
Deferred Revenue	-	-	50,438	50,438
Total liabilities	-	-	50,438	50,438
NET POSITION				
Invested in Capital Assets	118,829	-	-	118,829
Unrestricted	89,254	343	82,965	172,562
Total net position	$ 208,083	$ 343	$ 82,965	$ 291,391

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

Exhibit B-5

Florence Township School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Fund			
	Food Service	Cable TV Access	Extended Day Program	Total Enterprise
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	$ 336,969	$ -	$ -	$ 336,969
Special functions	12,489	-	-	12,489
Tuition	-	-	321,422	321,422
Total operating revenues	349,458	-	321,422	670,880
Operating expenses:				
Cost of sales	717,412	-	-	717,412
Salaries	-	-	216,955	216,955
Employee benefits	-	-	43,229	43,229
Miscellaneous expenditures	-	6,000	22,694	28,694
Depreciation	15,125	-	-	15,125
Total Operating Expenses	732,537	6,000	282,878	1,021,415
Operating income (loss)	(383,079)	(6,000)	38,544	(350,535)
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	7,510	-	-	7,510
Federal sources:				
National school lunch program	259,761	-	-	259,761
National school breakfast program	48,680	-	-	48,680
Food distribution program	57,708	-	-	57,708
Interest and investment reveune	-	14	-	14
Total nonoperating revenues (expenses)	373,659	14	-	373,673
Income (loss) before contributions & transfers	(9,420)	(5,986)	38,544	23,138
Capital asset transferred out - General Fund	-	-	-	-
Change in net position	(9,420)	(5,986)	38,544	23,138
Total net position—beginning	217,503	6,329	44,421	268,253
Total net position—ending	$ 208,083	$ 343	$ 82,965	$ 291,391

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

Exhibit B-6

Florence Township School District
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds			
	Food Service	Cable TV Access	Extended Day Program	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 349,458	$ -	$ 328,238	$ 677,696
Payments to employees	-	-	(216,955)	(216,955)
Payments for employee benefits	-	-	(43,229)	(43,229)
Payments to suppliers	(660,573)	(6,000)	(22,694)	(689,267)
Net cash provided by (used for) operating activities	(311,115)	(6,000)	45,360	(271,755)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	7,527	-	-	7,527
Federal Sources	307,729	-	-	307,729
Net cash provided by (used for) non-capital financing activities	315,256	-	-	315,256
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	-	14	-	14
Net cash provided by (used for) investing activities	-	14	-	14
Net increase (decrease) in cash and cash equivalents	4,141	(5,986)	45,360	43,515
Balances—beginning of year	48,651	6,329	88,043	143,023
Balances—end of year	$ 52,792	$ 343	$ 133,403	$ 186,538
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (383,079)	$ (6,000)	$ 38,544	$ (350,535)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and net amortization	15,125	-	-	15,125
Food distribution program	57,708	-	-	57,708
(Increase) decrease in accounts receivable, net	-	-	-	-
(Increase) decrease in inventories	(868)	-	-	(868)
(Increase) decrease in capital assets	-	-	-	-
Increase (decrease) in accounts payable	-	-	-	-
Increase (decrease) in deferred revenue	-	-	6,816	6,816
Total adjustments	71,965	-	6,816	78,781
Net cash provided by (used for) operating activities	$ (311,114)	$ (6,000)	$ 45,360	$ (271,754)

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

Exhibit B-7

Florence Township School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Funds
ASSETS			
Cash and cash equivalents	$ 18,704	$ 21,586	$ 420,168
Interfund receivable	7,833	-	5,256
Total assets	26,537	21,586	$ 425,424
LIABILITIES			
Interfund payable	-	-	55,185
Payable to student groups	-	-	39,727
Payroll deductions and withholdings	-	-	330,512
Total liabilities	-	-	$ 425,424
NET POSITION			
Held in trust for unemployment claims and other purposes	$ 26,537		
Reserved for scholarships		$ 21,586	

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

Exhibit B-8

Florence Township School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2013

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan member	$ 49,753	$ -
Other	-	250
Total Contributions	49,753	250
Investment earnings:		
Interest	27	24
Net investment earnings	27	24
Total additions	49,780	274
DEDUCTIONS		
Unemployment claims	51,758	-
Scholarships awarded	-	2,840
Total deductions	51,758	2,840
Change in net position	(1,978)	(2,566)
Net position—beginning of the year	28,515	24,152
Net position—end of the year	$ 26,537	$ 21,586

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

NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education of Florence Township School District (the "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.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* As a result, this Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance by codifying all sources of generally accepted accounting principles for state and local governments into a single source. The adoption of the Codification, which became effective July 1, 2012, did not have a significant effect on the District's financial statements.

Effective July 1, 2012, the District implemented the general provisions of GASB Statement No. 63. *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position.* This statement amends the net position reporting requirements in Statement No. 34 and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.* The District implemented the general provisions of GASB No. 34 in fiscal year ended June 30, 2004 and included a Management Discussion and Analysis section, financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure, and a change in the financial statements to focus on the major funds.

The more significant of the Board's accounting policies are described below.

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include elementary, middle and senior high schools located in Florence Township. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements
Financial Statement Presentation

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Food Service, Cable TV Access and Extended Day Program functions are classified as business-type activities.

B. Government-Wide Statements

In the government-wide financial statements (statement of position and statement of activity) are highly aggregated financial statements that present financial information for all assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position along with revenues and expenses of the District and its component units except for fiduciary funds.

In the government-wide statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross net and net cost of each of the District's functions and business-type activities (regular education, special education, transportation, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, and charges, etc.). The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary grants while the capital grants column reflects capital-specific grants. The District does not allocate indirect costs among other functions.

Total net costs by function or business-type activity are supported by general revenues such as property taxes, intergovernmental revenues, interest income, etc. This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Assets restricted for capital projects include unexpended bond proceeds reduced by an equal amount of debt outstanding. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include amounts resulting from the calculation of excess surplus in accordance with N.J.S.A. 18A:7F-7.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Financial Statements

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 in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. Funds statements present the financial information of each major fund in a separate column. The New Jersey Department of Education requires all governmental funds to be treated as major funds. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

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 trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Funds - 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

The focus of the proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

Enterprise Funds - The enterprise fund accounts for all revenues and expenses pertaining to food service, extended day program and adult education. These enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. Operating revenues are defined as charges for food. All other revenues such as interest income and grants are presented as nonoperating revenue.

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.

Expendable Trust Fund - An expendable trust fund is used to account for assets held to be expended for specific purposes. Expendable Trust Funds include Unemployment Compensation and certain Scholarship accounts.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or 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. It also includes the long-term amount of interfund loans.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

The term "enabling legislation" means legislation that authorizes a government to assess, levy, charge, or otherwise mandate payment of resources from external resource providers and includes a legally enforceable requirement that those resources be used only for the specific purposes defined in the legislation. Legal enforceability means that the government can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Board of Education. Those committed amounts cannot be used for any other purpose unless Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education or a District official delegated that authority by resolution or policy of the Board.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement of Focus, and Financial Statement Presentation

The basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and are reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The accrual basis of accounting is also used for measuring financial position and operating results of the business-type activities in the government-wide financial statements.

Modified Accrual:

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types and expendable trust funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Property Taxes:

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

E. Cash, Cash Equivalents and Investments

Cash and cash equivalents 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. 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.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A: 20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in the public depositories protected from loss under the provisions of the Governmental Unit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash, Cash Equivalents and Investments (Continued)

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions banks, both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Inventories and Prepaid Expenses

The cost of inventory items and prepaid expenses are recorded as expenditures in the governmental fund types. In the enterprise fund, inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $2,000.

During the year ended June 30, 1995 the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994 are recorded at original cost. General capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received.

Capital assets are reflected as expenditures in the applicable governmental funds. Capital outlays which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized.

Depreciation of all assets is provided using the straight-line basis over the following estimated useful lives:

Buildings	20 - 50 years
Machinery and Equipment	7 - 20 years
Improvements	10 - 20 years
Other infrastructure	10 - 50 years

H. Compensated Absences

District employees are granted personal and sick leave in varying amounts under the District's personnel policies. In the event of retirement, an employee is reimbursed for accumulated sick leave. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee upon employment.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Compensated Absences (Continued)

The noncurrent portion of the liability for vested compensated absences of the governmental fund types is maintained separately and is not recorded as a fund liability. The amount is recorded as a government-wide liability and represents a reconciling item between the fund and government-wide presentations.

The liability for compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

I. Deferred Revenue

In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time and reimbursement requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

J. Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

K. Interfund Activity

Interfund activity is reported as either loan, service provided, reimbursements or transfers. Interfund receivables and payables are eliminated from the government-wide financial statements.

M. Comparative Data

Comparative total data for the prior year has not been presented in the government-wide or the fund financial statements.

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. 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. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. The budget was amended during the year as shown on the supplementary schedules.

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgets/Budgetary Control (Continued)

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 legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. Notes to the Required Supplemental Information provide a budget-to-GAAP reconciliation.

B. 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.

Note 3: CASH AND INVESTMENTS

Deposits - Deposits are carried at cost, which approximates market value. The carrying amount of deposits is separately displayed on the balance sheets as Cash.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of bank failure, the District's deposits might not be recovered. The District's credit risk policy requires that all deposits be made with institutions protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). As of June 30, 2011 all of the District's bank balances were insured through depository insurance or collateralized by GUDPA.

At June 30, 2013, the carrying value of cash of the Township consisted of the following:

	Total
Interest Bearing Demand Deposits	$ 1,851,997
	$ 1,851,997

The carrying amount of cash at June 30, 2013 was $1,851,997 and the bank balance was $3,220,911. Of the bank balance, $588,996 was covered by federal depository insurance and $2,631,915 was covered by a collateral pool maintained by the banks as required by New Jersey statutes (GUDPA).

Note 3: CASH AND INVESTMENTS (Continued)

Reconciliation to Government-Wide Statement of Net Position:

Unrestricted Cash	$ 1,390,537
Restricted Cash	1,002
Agency Fund Cash	460,458
	$ 1,851,997

Investments - New Jersey Statutes (N.J.S.A. 18A: 20-37) establish the following securities as eligible for the investment of the District's funds:

1. Bonds or other obligations of the United States or obligations guaranteed by the United States.
2. Government money market mutual funds.
3. Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the local unit or school districts of which the local unit is a part.
5. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units.
6. Local government investment pools.
7. Deposits with the State of New Jersey Cash Management Fund.
8. Agreements for the repurchase of fully collateralized securities, subject to conditions.

The District had no investments at June 30, 2013. Throughout the year available cash is deposited in certificates of deposit to earn interest.

Credit Risk – Credit risk is that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits its investments to those permitted by N.J.S.A. 18A:20-37.

Investment Risk Policy – The District does not have a formal investment policy addressing credit risk, including custodial credit risk and concentrations of credit risk, or interest rate risk.

Concentration of Credit Risk – The District does not limit the amount that may be invested in any one issuer.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District has no policy addressing interest rate risk.

Custodial Credit Risk – Custodial credit risk for investments is the risk that a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the transaction fails. Investments are exposed to custodial credit risk when they are uninsured, unregistered, and are held by either a counterparty's trust department or agent but not in the government's name.

Note 4: CAPITAL ASSETS

The following is a summarization of the changes in capital assets by source for the fiscal year ended June 30, 2013.

	Balance 6/30/12	Additions	Adjustments	Balance 6/30/13
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 918,785	$ -	$ -	$ 918,785
Construction in progress	-	-	-	-
Total capital assets, not being depreciated:	918,785	-	-	918,785
Capital assets, being depreciated:				
Site improvements	2,147,265	-	-	2,147,265
Buildings and building improvements	48,153,520	-	-	48,153,520
Machinery and equipment	5,221,454	147,744	(106,485)	5,262,713
Total capital assets being depreciated	55,522,239	147,744	(106,485)	55,563,498
Total capital assets	56,441,024	147,744	(106,485)	56,482,283
Less accumulated depreciation for:				
Site improvements	(919,958)	(106,320)	-	(1,026,278)
Buildings and building improvements	(10,989,230)	(1,156,162)	-	(12,145,392)
Machinery and equipment	(3,702,731)	(177,382)	101,240	(3,778,873)
Total accumulated depreciation	(15,611,919)	(1,439,864)	101,240	(16,950,543)
Governmental activities capital assets, net	$ 40,829,105	$ (1,292,120)	$ (5,245)	$ 39,531,740
Business-type Activities:				
Capital assets, being depreciated:				
Machinery and equipment	$ 375,180	$ -	$ -	$ 375,180
Less accumulated depreciation for:				
Machinery and equipment	(241,226)	(15,125)	-	(256,351)
Business-type activities capital assets, net	$ 133,954	$ (15,125)	$ -	$ 118,829

Note 4: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Pupil Transportation	$ 81,564
Unallocated Depreciation Expense	1,358,300
Total Depreciation Expense - Governmental Activities	$ 1,439,864
Business - Type Activities:	
Food Service Fund	$ 15,125
Total Depreciation Expense - Business - Type Activities	$ 15,125

Note 5: LONG-TERM DEBT OBLIGATIONS

During the fiscal year ended June 30, 2013 the following changes occurred in liabilities reported in the long-term debt:

	Balance 6/30/12	Additions	Reductions	Balance 6/30/13	Amount Due Within One Year
Governmental Activities:					
Bonds Payable	$ 29,530,000	$ -	$ (2,000,000)	$ 27,530,000	$ 1,790,000
Capital Leases Payable	220,066	85,313	(103,264)	202,115	96,185
Unamortized Bond Premium	1,901,204	-	(167,739)	1,733,465	-
Township of Florence Water & Sewer Line Extension	288,686	-	(27,001)	261,685	28,148
Compensated Absences Payable	3,534,061	228,781	(146,919)	3,615,923	140,963
Governmental Activities Long-Term Liabilities	$ 35,474,017	$ 314,094	$ (2,444,923)	$ 33,343,188	$ 2,055,296

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 District are as follows:

1998 General Obligation Refunding Bonds dated August 1, 1998 in the amount of $4,705,000 due in annual installments through August 1, 2013, bearing interest rates ranging from 3.90% to 4.65%.

2004 General Obligation Bonds dated March 1, 2004 in the amount of $36,426,000 due in annual installments through March 1, 2029, bearing interest rates ranging from 3.5% to 4.25%. The 2004 issue was refunded in 2012 totaling $25,796,000 with the remaining installments ending March 1, 2014.

2012 General Obligation Refunding Bonds dated June 14, 2012 in the amount of $26,065,000 due in annual installments through March 1, 2029, bearing interest rates ranging from 2.0% to 5.0%.

Note 5: LONG-TERM DEBT OBLIGATIONS (Continued)

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

Year Ending June 30	Principal	Interest	Total
2014	$ 1,790,000	$ 1,006,716	$ 2,796,716
2015	1,750,000	949,981	2,699,981
2016	1,740,000	896,481	2,636,481
2017	1,725,000	844,281	2,569,281
2018	1,725,000	775,281	2,500,281
2019-2023	8,600,000	2,870,056	11,470,056
2024-2028	8,540,000	1,187,438	9,727,438
2029	1,660,000	66,400	1,726,400
	$ 27,530,000	$ 8,596,634	$ 36,126,634

B. Capital Leases

The District is obligated under certain capital leases. The leased assets and related obligations are accounted for as capital assets.

The following is a schedule of future minimum lease payments under capital leases, together with the net present value of minimum lease payments.

Year Ending June 30	Buses/ Maint. Truck
2014	$ 103,113
2015	68,917
2016	23,648
2017	17,728
Minimum Lease Payments	213,406
Less: Amount representing interest	(11,291)
Present value of minimum lease payments	$ 202,115

C. Operating Leases

The District has a commitment to lease copier equipment under an operating lease which expires June 17, 2016. The lease contains a cancellation provision and is subject to annual appropriation. Normal operating lease payments made during the year ended June 30, 2013 totaled $50,586. Future minimum lease payments are as follows:

Year Ending June 30,	Amount
2014	$ 50,586
2015	50,586
2016	50,586
Total future minimum lease payments	$ 151,758

Note 5: LONG-TERM DEBT OBLIGATIONS (Continued)

D. Municipal Water & Sewer Line Extension

The District entered into an agreement with the Township of Florence to make installment payments annually with interest at 4.25% through 2020-21 associated with a municipal water and sewer assessment obligation established at $554,474. The balance at June 30, 2013 was $261,684.

E. Bonds Authorized But Not Issued

As of June 30, 2013 there were no bonds or notes authorized but not issued.

Note 6: DEFEASANCE OF DEBT

On June 14, 2012, the District issued **Series 2012** General Obligation Refunding Bonds of $26,065,000 with interest rates ranging from 2.0% to 5.0% to refund a portion of **Series 2004** Bonds with interest rates ranging from 3.5% to 4.25% by placing a portion of the Series 2012 Bonds in an irrevocable trust with an escrow agent to provide for debt service payments on the remaining balance of Series 2004 Bonds. The refunding met the requirement of an in-substance debt defeasance and a portion, $25,796,000, of the liability of Series 2004 Bonds is removed from the financial statements. The deferred charge on the early retirement of debt (difference between the book value of the refunded debt and the amount required to retire the debt) is amortized over the remaining life of the old debt using the effective interest method. The deferred charge totaled $2,038,579. As a result of the refunding, the District reduced its total debt service requirements by $1,059,702, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $854,903. The unamortized balance of $1,901,527 is reported net with the book value of the new debt. Amortization for the fiscal year ended June 30, 2013 was $137,051. As of June 30, 2013 the amount of the defeased debt outstanding and removed from the financial statements amounted to $25,796,000. The defeased debt will be called March 1, 2014.

Note 7: 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 Teachers' 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.

Note 7: PENSION PLANS (Continued)

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.

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' of service credit or they may elect deferred retirement after the member attains normal retirement age). The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions 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 contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for the cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Costs	NCGI Premium
6/30/13	$ 284,357	$ 16,924
6/30/12	282,737	18,014
6/30/11	262,744	19,955

The normal pension contribution due in 2012-13 was $83,856, the accrued liability due was $200,501 totaling $284,357 paid by the district.

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

Year Funding	Normal Cost	Additional Formula Normal Cost	Accrued Liability	NCGI Premium	Post-Retirement Medical Benefits
6/30/2013	$ 147,494	$ 25,666	$ 501,999	$ 35,523	$ 803,602
6/30/2012	82,887	15,029	219,360	34,048	706,252
6/30/2011	-	-	-	32,968	700,251

Note 7: PENSION PLANS (Continued)

Also, in accordance with N.J.S.A. 18A: 66-66 the State of New Jersey reimbursed the district $739,368 during the year ended June 30, 2013 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 a revenue and expenditure in accordance with GASB 27.

Note 8: POST-EMPLOYMENT BENEFITS

The District provides health care benefits to its employees through Horizon Blue Cross and Blue Shield of New Jersey while employed. Upon retirement, qualified employees are enrolled in the State Health Benefits program and health care benefits are paid by the state of New Jersey.

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retires educational employees. As of June 30, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

Note 9: DEFERRED COMPENSATION

The Board offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403 (b). The plan, which is administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Thomas Seely, Inc.
Lincoln Investment & Planning, Inc.
Siracusa Benefits Program
VALIC and Equitable Life

Note 10: 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 for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has 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 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:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Reserve Balance
2012-2013	$ 27	$ 41,920	$ 51,757	$ 26,536
2011-2012	51	23,179	38,875	28,515
2010-2011	-	22,970	57,954	47,218

Note 11: CONTINGENT LIABILITIES

Litigation

The Board of Education is the defendant in lawsuits arising principally in the normal course of operations and generally covered by insurance. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been provided.

Note 12: FUND BALANCE APPROPRIATED

General Fund (B-1) - Of the $1,535,032 General Fund fund balance at June 30, 2013, $31,327 is reserved for encumbrances; $1,773,231 is reserved as excess surplus in accordance with N.J.A.C. 18A: 7F-7; $1,146 has been reserved in the Capital Reserve Account; $1,070,667 has been appropriated and included as anticipated revenue for the year ending June 30, 2014. The remaining unassigned fund balance is a deficit of $270,672.

Debt Service Fund (B-1) - Of the $63,282 Debt Service Fund fund balance at June 30, 2013, $63,281 is designated for subsequent years expenditures and the remaining undesignated fund balance is $1.

Note 13: CAPITAL RESERVE ACCOUNT

A capital reserve account was established in the general fund for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). 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 or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. 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.

The balance in the Capital Reserve Account was $1,146 at June 30, 2012 and June 30, 2013. There were no transfers to or withdrawals from the capital reserve during the fiscal year.

Note 14: INTANGIBLE ASSETS

Costs associated with the issuance of debt are deferred and amortized over the life of the debt in the government-wide financial statements. The total recorded cost is $298,719. Accumulated amortization at year-end is $122,748 and the unamortized balance is $175,971.

Costs associated with the municipal assessment for the extension of municipal water and sewer services to the Florence Township Memorial High School are deferred and amortized over the estimated useful life in the government-wide financial statements. The total costs amount to $554,474. Accumulated amortization at year-end is $83,172 and the unamortized balance is $471,302.

Premiums associated with the issuance of debt are deferred and amortized over the life of the debt in the government-wide financial statements. Total premiums amounted to $1,901,204 resulting from the issuance of debt June 14, 2013. Accumulated amortization at year-end is $167,739 and the unamortized balance is $1,733,465.

Note 15: CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A: 7F-7, as amended by P.L. 2004, c. 73 (S1701), the designation of Restricted 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 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 year's budget. The excess fund balance at June 30, 2013 is $1,773,231 of that amount $1,070,667 was appropriated in the 2013-2014 budget and the balance of $702,564 is restricted to be appropriated in the 2014-2015 budget.

Note 16: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances consist of the following:

	Interfund Receivable	Interfund Payable
General Fund	$ 223,400	$ 5,256
Special Revenue Fund	-	176,048
Trust and Agency Fund	13,089	55,185
Total	$ 236,489	$ 236,489

Remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made.

Note 17: DEFICIT UNRESTRICTED NET POSITION AND UNASSIGNED FUND BALANCE

The District has a deficit in unrestricted net position of $3,410,658 as reported in the statement of net position (accrual basis). The District also has a deficit in unassigned fund balance of $270,672 in the General Fund shown on Exhibit B-1. The deficits resulted from recording the June 2013 state aid payments in accordance with N.J.S.A. 18A: 22-44.2 which provides that in the event state school aid payments are not made until the following school budget year, districts must record the state aid payments as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. Also contributing to the deficit in net position is the amount of compensated absences, $3,615,923 recorded on the accrual basis. While reflected as a liability, the obligation will not be funded until a future date coincident with termination of services. Due to the resulting timing differences, the deficits do not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A.18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor is need of corrective action. The District deficit in the GAAP fund statements of $270,672 is less than the last state aid payments.

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REQUIRED SUPPLEMENTARY INFORMATION - Part II

Exhibit C-1

FLORENCE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	$ 14,594,866	-	14,594,866	14,594,866	-
Tuition Other LEA In State	-	-	-	2,542	2,542
Tuition Other LEA Out State	-	-	-	42,479	42,479
Tuition From Individuals	15,000	-	15,000	18,900	3,900
Tuition Other	-	-	-	3,315	3,315
Interest on Investments	13,440	-	13,440	7,784	(5,656)
Admissions	8,800	-	8,800	9,152	352
Contributions-Donations Private	15,123	-	15,123	3,234	(11,889)
Miscellaneous	78,730	-	78,730	282,544	203,814
Total - Local Sources	14,725,959	-	14,725,959	14,964,816	238,857
State Sources:					
Category Equalization Aid	8,184,490	-	8,184,490	8,184,490	-
Category Special Education Aid	982,080	-	982,080	982,080	-
Category Security Aid	93,574	-	93,574	93,574	-
Transportation Aid	87,778	-	87,778	87,778	-
Extraordinary Aid	-	-	-	143,878	143,878
Reimbursed Non Public Schools Transportation Costs	-	-	-	21,801	21,801
TPAF Pension Contribution (On-Behalf - Non-Budgeted)	-	-	-	710,682	710,682
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	803,602	803,602
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	739,368	739,368
Total State Sources	9,347,922	-	9,347,922	11,767,253	2,419,331
Federal Sources:					
Special Education Medicaid Initiative	25,093	2,427	27,520	58,646	31,126
Special Education Medicaid Initiative - MAC	-	-	-	5,151	5,151
Total Federal Sources	25,093	2,427	27,520	63,797	36,277
Total Revenues	24,098,974	2,427	24,101,401	26,795,866	2,694,465
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Regular PreSchool - Salaries of Teachers	17,797	4,702	22,499	22,334	165
Preschool/Kindergarten - Salaries of Teachers	345,155	(5,800)	339,355	338,456	899
Grades 1-5 - Salaries of Teachers	2,325,411	33,294	2,358,705	2,358,704	1
Grades 6-8 - Salaries of Teachers	1,517,966	12,421	1,530,387	1,530,387	-
Grades 9-12 - Salaries of Teachers	1,734,155	(2,432)	1,731,723	1,730,711	1,012
Regular Programs - Home Instruction					
Salaries of Teachers	22,302	6,874	29,176	29,176	-
Purchased Professional-Educational Services	12,193	(5,498)	6,695	6,695	-
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	7,379	(7,379)	-	-	-
Purchased Technical Services	82,602	9,582	92,184	91,751	433
Cleaning, Repair and Maintenance	5,007	(1,592)	3,415	3,415	-
Rentals	50,301	1,653	51,954	51,954	-
Insurance	-	9,255	9,255	9,255	-
Travel	754	-	754	488	266
General Supplies	237,270	(10,396)	226,874	220,418	6,456
Textbooks	88,207	(14,090)	74,117	70,834	3,283
Miscellaneous Expenditures	250	17,842	18,092	2,198	15,894
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,446,749	48,436	6,495,185	6,466,776	28,409
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	79,810	(992)	78,818	77,353	1,465
Other Salaries for Instruction	20,364	297	20,661	20,661	-
General Supplies	650	(342)	308	204	104
Textbooks	200	(200)	-	-	-
Total Learning and/or Language Disabilities	101,024	(1,237)	99,787	98,218	1,569
Multiple Disabilities					
Salaries of Teachers	266,842	18,994	285,836	285,836	-
Other Salaries for Instruction	85,887	6,718	92,605	92,605	-
Purchased Professional Services	983	(983)	-	-	-
General Supplies	2,384	(202)	2,182	2,182	-
Total Multiple Disabilities	356,096	24,527	380,623	380,623	-
Resource Room/Resource Center					
Salaries of Teachers	896,413	1,162	897,575	890,919	6,656
Other Salaries for Instruction	107,532	(43,129)	64,403	62,369	2,034
Purchased Professional Services	3,344	(3,344)	-	-	-
General Supplies	4,280	(33)	4,247	4,044	203
Textbooks	400	-	400		400
Total Resource Room/Resource Center	1,011,969	(45,344)	966,625	957,332	9,293
Autism					
Salaries of Teachers	146,462	3,840	150,302	147,205	3,097
Other Salaries for Instruction	106,006	(41,271)	64,735	62,951	1,784
General Supplies	-	200	200	118	82
Total Autism	252,468	(37,231)	215,237	210,274	4,963

Exhibit C-1

FLORENCE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Preschool Disabilities - Part-Time					
Salaries of Teachers	102,475	768	103,243	100,587	2,656
Other Salaries for Instruction	1,769	39,888	41,657	41,458	199
Purchased Professional Services	250	(250)	-	-	-
General Supplies	1,653	(23)	1,630	562	1,068
Total Preschool Disabilities - Part-Time	106,147	40,383	146,530	142,607	3,923
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,827,704	(18,902)	1,808,802	1,789,054	19,748
Basic Skills/Remedial - Instruction					
Salaries of Teachers	398,427	8,472	406,899	399,633	7,266
General Supplies	1,570	155	1,725	1,425	300
Total Basic Skills/Remedial - Instruction	399,997	8,627	408,624	401,058	7,566
Bilingual Education - Instruction					
Salaries of Teachers	72,066	1,618	73,684	73,684	-
Purchased Technical Services	50	-	50	-	50
Travel	200	-	200	200	-
General Supplies	1,265	(81)	1,184	1,176	8
Total Bilingual Education - Instruction	73,581	1,537	75,118	75,060	58
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	68,025	11,868	79,893	57,700	22,193
Purchased Technical Services	150	825	975	825	150
Supplies and Materials	3,400	(1,155)	2,245	1,239	1,006
Miscellaneous Expenditures	200	-	200	180	20
Total School-Spon. Cocurricular Actvts. - Inst.	71,775	11,538	83,313	59,944	23,369
School-Spon. Cocurricular Athletics - Inst.					
Salaries	302,998	8,263	311,261	304,951	6,310
Purchased Technical Services	31,750	(5,528)	26,222	20,344	5,878
Cleaning, Repair and Maintenance	1,200	(5)	1,195	1,136	59
Insurance	9,800	(9,800)	-	-	-
Travel	250	1,299	1,549	1,336	213
Miscellaneous Purchased Services	31,125	(5,779)	25,346	21,364	3,982
Supplies and Materials	40,800	943	41,743	35,511	6,232
Miscelleaneous Expenditures	18,750	(277)	18,473	13,974	4,499
Total School-Spon. Cocurricular Athletics - Inst.	436,673	(10,884)	425,789	398,616	27,173
Other Instructional Programs - Instruction					
Salaries	59,556	172	59,728	59,728	-
Purchased Technical Services	150	-	150	-	150
Supplies and Materials	450	-	450	437	13
Miscellaneous Expenditures	450	-	450	-	450
Total Other Instructional Programs - Instruction	60,606	172	60,778	60,165	613
TOTAL INSTRUCTION	9,317,085	40,524	9,357,609	9,250,673	106,936
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular	30,681	25,781	56,462	56,462	-
Tuition to Other LEAs Within the State - Special	42,018	(5,214)	36,804	36,804	-
Tuition to County Voc. School Dist. - Regular	153,000	(21,000)	132,000	132,000	-
Tuition to County Voc. School Dist. - Special	36,000	(15,000)	21,000	21,000	-
Tuition to County Special Services	852,518	(33,720)	818,798	817,907	891
Tuition to Private Schools for the Disabled - Within State	335624	145,363	480,987	479,892	1,095
Tuition - State Facilities	154,442	-	154,442	154,442	-
Total Undistributed Expenditures - Instruction	1,604,283	96,210	1,700,493	1,698,507	1,986
Undistributed Expend. - Attend. & Social Work					
Salaries	7,834	(334)	7,500	7,500	-
Travel	1,210	-	1,210	1,210	-
Total Undistributed Expend. - Attend. & Social Work	9,044	(334)	8,710	8,710	-
Undist. Expend. - Health Services					
Salaries	223,636	(3,176)	220,460	220,460	-
Purchased Professional and Technical Services	19,651	54	19,705	15,841	3,864
Supplies and Materials	6,668	(11)	6,657	5,906	751
Total Undistributed Expenditures - Health Services	249,955	(3,133)	246,822	242,207	4,615
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	227,825	(5,711)	222,114	222,114	-
Purchased Professional and Technical Services	86,905	11,518	98,423	97,986	437
Supplies and Materials	2,000	(21)	1,979	1,725	254
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	316,730	5,786	322,516	321,825	691
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Other Salaries for Instruction	59,390	24,313	83,703	83,334	369
Purchased Professional and Technical Services	153,475	40,320	193,795	189,185	4,610
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	212,865	64,633	277,498	272,519	4,979
Undist. Expend. - Other Supp. Serv. Students - Reg.					
Salaries of Other Professional Staff	402,764	(53,676)	349,088	348,516	572
Salaries of Secretarial and Clerical Assistants	70,278	(2,330)	67,948	67,948	-
Other Purchased Professional and Technical Services	4,550	342	4,892	4,450	442
Supplies and Materials	8,365	(565)	7,800	7,509	291
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	485,957	(56,229)	429,728	428,423	1,305
Undist. Expend. - Other Supp. Serv. Students - Spl.					
Salaries of Other Professional Staff	420,360	(33,864)	386,496	386,229	267
Salaries of Secretarial and Clerical Assistants	81,129	(1,125)	80,004	80,004	-
Other Salaries	5,895	119	6,014	6,014	-
Other Purchased Prof. and Tech. Services	5,804	28,734	34,538	27,008	7,530
Mis. Purchase Serv. (400-500 series other than Residential Costs)	6,036	63	6,099	6,099	-
Travel	25	-	25	-	25
Supplies and Materials	1,737	2,302	4,039	3,927	112
Miscellaneous Expenditures	353	(353)	-	-	-
Total Undist. Expend. - Other Supp. Serv. Students - Spl	521,339	(4,124)	517,215	509,281	7,934

Exhibit C-1

FLORENCE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Secretarial and Clerical Assistants	46,160	(1,553)	44,607	44,607	-
Other Salaries	74,083	(7,718)	66,365	69,385	(3,020)
Purchased Prof- Technical Services	1,777	8,120	9,897	9,140	757
Other Purchased Services (400-500 series)	285	-	285	225	60
General Supplies	4,986	-	4,986	4,737	249
Miscellaneous Expenditures	1,019	(944)	75	75	-
Total Undist. Expend. - Improvement of Inst. Serv.	128,310	(2,095)	126,215	128,169	(1,954)
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	129,414	1,467	130,881	130,881	-
Purchased Professional and Technical Services	8,000	(4,954)	3,046	2,000	1,046
General Supplies	30,066	5,295	35,361	35,076	285
Total Undist. Expend. - Edu. Media Serv./Sch. Library	167,480	1,808	169,288	167,957	1,331
Undist. Expend. - Instructional Staff Training Serv.					
Other Salaries	4,241	(475)	3,766	3,766	-
Other Purchased Prof. and Tech. Services	5,550	(4,550)	1,000	1,000	-
Travel	500	600	1,100	1,100	-
General Supplies	1,550	(700)	850	-	850
Miscellaneous Expenditures	50	(50)	-	-	-
Total Undist. Expend. - Instructional Staff Training Serv.	11,891	(5,175)	6,716	5,866	850
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	191,719	2,449	194,168	193,770	398
Legal Services	52,000	49,919	101,919	98,432	3,487
Audit Fees	30,750	1,740	32,490	32,490	-
Architectural/Engineering Fees	15,000	-	15,000	11,433	3,567
Other Professional Services	14,020	(375)	13,645	13,645	-
Purchased Technical Services	3,152	1,428	4,580	768	3,812
Communications/Telephone	64,766	(25)	64,741	57,998	6,743
Travel	2,650	(1,303)	1,347	1,347	-
Miscellaneous Purchased Services	11,336	420	11,756	11,177	579
General Supplies	6,873	(957)	5,916	5,916	-
Miscellaneous Expenditures	4,374	130	4,504	4,504	-
BOE Membership Dues	11,140	-	11,140	11,140	-
Total Undist. Expend. - Supp. Serv. - General Admin.	407,780	53,426	461,206	442,620	18,586
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	476,807	6,589	483,396	483,396	-
Salaries of Secretarial and Clerical Assistants	200,071	(3,720)	196,351	198,087	(1,736)
Other Salaries	6,733	-	6,733	6,733	-
Purchased Professional and Technical Services	8,548	(4,142)	4,406	4,406	-
Cleaning, Repair and Maintenance	3,300	(903)	2,397	2,397	-
Travel	150	-	150	-	150
General Supplies	20,231	2,802	23,033	22,988	45
Miscellaneous Expenditures	5,200	(625)	4,575	4,575	-
Total Undist. Expend. - Support Serv. - School Admin.	721,040	1	721,041	722,582	(1,541)
Undist. Expend. - Business and Other Support Serv.					
Salaries	390,122	2,004	392,126	390,341	1,785
Purchased Technical Services	34,184	(361)	33,823	33,443	380
Cleaning, Repair and Maintenance	3,670	(2)	3,668	3,668	-
Travel	600	(600)	-	-	-
General Supplies	9,159	(1,701)	7,458	7,330	128
Miscellaneous Expenditures	1,640	17	1,657	1,657	-
Total Undist. Expend. - Business and Other Support Serv.	439,375	(643)	438,732	436,439	2,293
Undist. Expend. - Support Serv. - Administration Information Serv.					
Salaries	76,932	(2,082)	74,850	75,348	(498)
Other Salaries	-	3,000	3,000	3,000	-
Purchased Technical Services	14,595	(276)	14,319	13,990	329
General Supplies	5,000	-	5,000	4,983	17
Total Undist. Expend. - Support Serv. - Administration Information Serv.	96,527	642	97,169	97,321	(152)
Undist. Expend. - Oth. Oper. & Maint. of Plant - Maintenance					
Salaries	297,007	(9,501)	287,506	282,745	4,761
Cleaning, Repair, and Maintenance Services	247,476	104,807	352,283	329,046	23,237
General Supplies	54,065	892	54,957	51,206	3,751
Miscellaneous Expenditures	8,096	(3,448)	4,648	3,763	885
Total Undist. Expend. - Other Oper. & Maint. Of Plant - Maintenance	606,644	92,750	699,394	666,760	32,634
Undist. Expend. - Oth. Oper. & Maint. of Plant - Custodial					
Salaries Non-Instructional	53,335	488	53,823	53,717	106
Other Salaries	635,356	(1,376)	633,980	616,163	17,817
Cleaning, Repair and Maintenance Services	12,037	(4,245)	7,792	3,504	4,288
Insurance	105,333	11,755	117,088	117,088	-
General Supplies	36,141	2,821	38,962	38,962	-
Energy - Natural Gas	168,152	-	168,152	120,264	47,888
Energy - Electricity	580,369	(41,397)	538,972	470,217	68,755
Misc Expenditures	39,270	-	39,270	39,270	-
Total Undist. Expend. - Other Oper. & Maint. Of Plant - Custodial	1,629,993	(31,954)	1,598,039	1,459,185	138,854
Undist. Expend. - Oth. Oper. & Maint. of Plant - Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	35,224	1,439	36,663	21,417	15,246
General Supplies	19,641	3,611	23,252	23,252	-
Total Undist. Expend. - Other Oper. & Maint. Of Plant - Upkeep of Grounds	54,865	5,050	59,915	44,669	15,246
Undist. Expend. - Oth. Oper. & Maint. of Plant - Security					
Other Salaries	100,172	5,696	105,868	104,854	1,014
Purchased Tech Services	900	21,968	22,868	22,362	506
Cleaning, Repair and Maintenance Services	3,000	(813)	2,187	2,187	-
General Supplies	227	312	539	539	-
Misc Expenditures	350	(350)	-	-	-
Total Undist. Expend. - Other Oper. & Maint. Of Plant - Security	104,649	26,813	131,462	129,942	1,520
Total Undist. Expend. - Oper. & Maint. Of Plant	2,396,151	92,659	2,488,810	2,300,556	188,254

Exhibit C-1

FLORENCE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Student Transportation Serv.					
Salaries Non-Instructional	52,947	2,735	55,682	50,765	4,917
Sal. For Pup.Trans. (Between Home and School) - Regular	290,036	(2,964)	287,072	271,534	15,538
Sal. For Pup.Trans. (Between Home and School) - Special	154,035	(623)	153,412	151,692	1,720
Sal. For Pup. Trans. (Other than Between Home and School)	23,155	(6,924)	16,231	14,122	2,109
Other Purchased Prof. and Tech. Services	4,287	(2,242)	2,045	688	1,357
Cleaning, Repair and Maintenance Services	137,070	7,706	144,776	141,319	3,457
Lease Purchase Payments - School Buses	111,347	(5,738)	105,609	105,609	-
Transportation In Lieu Payments	75,000	4,760	79,760	78,838	922
Contract Services - (Between Home and School) - Joint Agreements	40,000	54,943	94,943	81,501	13,442
Misc. Purchased Serv. - Transportation	24,167	(2,016)	22,151	22,151	-
General Supplies	5,604	(3,049)	2,555	2,555	-
Transportation Supplies	111,577	16,424	128,001	121,018	6,983
Miscellaneous Expenditures	4,234	(2,641)	1,593	1,593	-
Total Undist. Expend. - Student Transportation Serv.	1,033,459	60,371	1,093,830	1,043,385	50,445
ALLOCATED BENEFITS					
Regular Programs - Instruction					
Social Security Contributions		-			-
Unemployment Compensation	50,000	(11,260)	38,740	38,740	-
Workmen's Compensation	114,687	(3,200)	111,487	111,487	-
Health Benefits	1,301,151	(49,896)	1,251,255	1,234,646	16,609
Tuition Reimbursement	70,944	(53,288)	17,656	15,656	2,000
Other Employee Benefits	184,584	14,262	198,846	198,846	-
Total Regular Programs - Instruction	1,721,366	(103,382)	1,617,984	1,599,375	18,609
Special Programs - Instruction					
Social Security Contributions	38,750	-	38,750	15,076	23,674
Other Retirement - Regular	38,078	-	38,078	38,078	-
Workmen's Compensation	36,161	(8,828)	27,333	27,333	-
Health Benefits	823,088	(26,262)	796,826	761,788	35,038
Other Employee Benefits	78,872	(12,982)	65,890	65,890	-
Total Special Programs - Instruction	1,014,949	(48,072)	966,877	908,165	58,712
Attendance/Social Work Services					
Social Security Contributions	901	-	901	901	-
Other Retirement Regular	885	(885)	-	-	-
Workmen's Compensation	138	-	138	138	-
Total Attendance/Social Work Services	1,924	(885)	1,039	1,039	-
Health Services					
Workmen's Compensation	3,939	-	3,939	3,939	-
Health Benefits	65,697	-	65,697	65,697	-
Total Health Services	69,636	-	69,636	69,636	-
Other Support Services - Students - Related Services					
Workmen's Compensation	4,013	-	4,013	4,013	-
Health Benefits	29,919	-	29,919	29,919	-
Other Employee Benefits	26,321	(4,316)	22,005	22,005	-
Total Other Support Services - Students - Related Services	60,253	(4,316)	55,937	55,937	-
Other Support Services - Students - Supplemental Services					
Social Security Contributions	8,727	-	8,727	8,727	-
Other Retirement Regular	8,575	(8,575)	-	-	-
Workmen's Compensation	1,337	-	1,337	1,337	-
Health Benefits	51,416	-	51,416	51,416	-
Total Other Support Services - Students - Supplemental Services	70,055	(8,575)	61,480	61,480	-
Other Support Services - Students - Regular					
Social Security Contributions	7,919	-	7,919	7,919	-
Other Retirement - Regular	7,781	(7,781)	-	-	-
Workmen's Compensation	6,627	-	6,627	6,627	-
Health Benefits	119,259	-	119,259	116,267	2,992
Other Employee Benefits	21,807	12,279	34,086	34,086	-
Total Other Support Services - Students - Regular	163,393	4,498	167,891	164,899	2,992
Other Support Services - Students - Special					
Social Security Contributions	9,330	-	9,330	9,330	-
Other Retirement - Regular	9,168	(9,168)	-	-	-
Workmen's Compensation	7,404	-	7,404	7,404	-
Health Benefits	116,643	-	116,643	116,643	-
Other Employee Benefits	12,036	(3,541)	8,495	8,495	-
Total Other Support Services - Students - Special	154,581	(12,709)	141,872	141,872	-
Improvement of Instruction Services					
Social Security Contributions	5,308	-	5,308	5,308	-
Other Retirement - Regular	5,216	(5,216)	-	-	-
Workmen's Compensation	3,061	-	3,061	3,061	-
Health Benefits	28,616	-	28,616	28,616	-
Total Improvement of Instruction Services	42,201	(5,216)	36,985	36,985	-
Educational Media Services - School Library					
Workmen's Compensation	2,280	-	2,280	2,280	-
Health Benefits	36,667	-	36,667	36,667	-
Total Educational Media Services - School Library	38,947	-	38,947	38,947	-
Support Services - General Administration					
Social Security Contributions	7,615	-	7,615	7,615	-
Other Retirement - Regular	7,483	(713)	6,770	6,770	-
Workmen's Compensation	3,377	-	3,377	3,377	-
Health Benefits	53,314	-	53,314	53,314	-
Tuition Reimbursement	3,300	-	3,300	-	3,300
Other Employee Benefits	425	(425)	-	-	-
Total Support Services - General Administration	75,514	(1,138)	74,376	71,076	3,300

Exhibit C-1

FLORENCE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Support Services - School Administration					
Social Security Contributions	23,009	-	23,009	23,009	-
Other Retirement - Regular	22,609	-	22,609	22,609	-
Workmen's Compensation	11,622	-	11,622	11,622	-
Health Benefits	204,274	(1,300)	202,974	202,974	-
Tuition Reimbursement	3,741	1,131	4,872	4,872	-
Other Employee Benefits	51,376	4,464	55,840	52,718	3,122
Total Support Services - School Administration	316,631	4,295	320,926	317,804	3,122
Business and Other Support Services					
Social Security Contributions	27,506	-	27,506	27,506	-
Other Retirement - Regular	27,029	-	27,029	27,029	-
Workmen's Compensation	6,883	-	6,883	6,883	-
Health Benefits	72,497	-	72,497	72,497	-
Tuition Reimbursement	5,487	804	6,291	6,291	-
Other Employee Benefits	9,329	-	9,329	7,940	1,389
Total Business and Other Support Services	148,731	804	149,535	148,146	1,389
Undist. Expend. - Support Serv. - Administration Information Serv.					
Social Security Contributions	8,847	-	8,847	8,847	-
Other Retirement - Regular	8,694	-	8,694	8,694	-
Workmen's Compensation	1,355	-	1,355	1,355	-
Health Benefits	1,752	-	1,752	1,752	-
Other Employee Benefits	10,510	(1,349)	9,161	7,658	1,503
Total Undist. Expend. - Support Serv. - Administration Information Serv.	31,158	(1,349)	29,809	28,306	1,503
Operation and Maintenance of Plant Services					
Social Security Contributions	125,207	-	125,207	125,207	-
Other Retirement - Regular	123,033	2,000	125,033	124,821	212
Workmen's Compensation	18,355	-	18,355	18,355	-
Health Benefits	396,407	-	396,407	396,407	-
Other Employee Benefits	61,511	(14,032)	47,479	46,744	735
Total Operation and Maintenance of Plant Services	724,513	(12,032)	712,481	711,534	947
Student Transportation Services					
Social Security Contributions	59,755	(2,456)	57,299	57,299	-
Other Retirement - Regular	56,164	-	56,164	56,164	-
Workmen's Compensation	8,755	-	8,755	8,755	-
Health Benefits	390,126	-	390,126	390,126	-
Other Employee Benefits	18,280	(1,819)	16,461	16,184	277
Total Student Transportation Services	533,080	(4,275)	528,805	528,528	277
School-Spon. Cocurricular Actvts. - Inst.					
Social Security Contributions	5,829	-	5,829	-	5,829
Total School-Spon. Cocurricular Actvts. - Inst.	5,829	-	5,829	-	5,829
School Sponsored Athletics					
Social Security Contributions	59,403	-	59,403	30,521	28,882
Other Retirement - Regular	18,904	-	18,904	18,904	-
Workmen's Compensation	2,230	(2,230)	-	-	-
Health Benefits	38,691	-	38,691	16,898	21,793
Total School Sponsored Athletics	119,228	(2,230)	116,998	66,323	50,675
Other Instructional Programs					
Workmen's Compensation	1,049	(1,049)	-	-	-
Health Benefits	22,991	(5,869)	17,122	4,991	12,131
Total Other Instructional Programs	24,040	(6,918)	17,122	4,991	12,131
TOTAL ALLOCATED BENEFITS	5,316,029	(201,500)	5,114,529	4,955,043	159,486
On-Behalf TPAF Pension (Non-Budgeted)	-	-	-	739,368	(739,368)
On-Behalf OPEB Post Retirement Medical Contributions (Non-Budgeted)	-	-	-	710,682	(710,682)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	803,602	(803,602)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	2,253,652	(2,253,652)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	5,316,029	(201,500)	5,114,529	7,208,695	(2,094,166)
TOTAL UNDISTRIBUTED EXPENDITURES	14,118,215	102,303	14,220,518	16,035,062	(1,814,544)
TRANSFER TO CHARTER SCHOOL	1,313,727	(25,000)	1,288,727	1,277,448	11,279
TOTAL GENERAL CURRENT EXPENSE	24,749,027	117,827	24,866,854	26,563,183	(1,696,329)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Operation and Maintenance of Plant Services	10,537	7,586	18,123	18,088	35
Upkeep of Grounds	15,500	(90)	15,410	15,410	-
School Sponsored Athletics	-	28,932	28,932	28,932	
Total Equipment	26,037	36,428	62,465	62,430	35
Facilities Acquisition and Construction Services					
Undistributed Expenditures	76,496	-	76,496	76,496	-
Total Facilities Acquisition and Construction Services	76,496	-	76,496	76,496	-
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Transportation	-	-	-	85,313	(85,313)
Total Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	85,313	(85,313)
TOTAL CAPITAL OUTLAY	102,533	36,428	138,961	224,239	(85,278)

Exhibit C-1

FLORENCE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
TOTAL EXPENDITURES	24,851,560	154,255	25,005,815	26,787,422	(1,781,607)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(752,586)	(151,828)	(904,414)	8,444	912,858
Other Financing Sources (Uses):					
Capital Leases Proceeds (non-budgeted)	-	-	-	85,313	85,313
Total Other Financing Sources:	-	-	-	85,313	85,313
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(752,586)	(151,828)	(904,414)	93,757	998,171
Fund Balance, July 1	2,368,344	-	2,368,344	2,368,344	-
Fund Balance, June 30	$ 1,615,758	$ (151,828)	$ 1,463,930	$ 2,462,101	$ 998,171

Recapitulation:	
Restricted Fund Balance:	
Capital Reserve	1,146
Excess Surplus Designated for Subsequent Year's Expenditures	1,070,667
Excess Surplus - Current Year	702,564
Assigned Fund Balance:	
Other Purposes - Year End Encumbrances	31,327
Designated for Subsequent Year's Expenditures	-
Unassigned Fund Balance	656,397
	2,462,101
Reconciliation to Governmental Funds Statements (GAAP):	
Extraordinary Aid not recognized on GAAP basis	(143,878)
Last State Aid Payment not recognized on GAAP basis	(783,192)
Fund Balance per Governmental Funds (GAAP)	$ 1,535,031

Exhibit C-1b

FLORENCE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Fund 18 - Education Jobs (Blended Fund 11)
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Federal Sources:					
Education Jobs Fund	$ -	$ 830	$ 830	$ 830	$ -
Total Federal Sources	-	830	830	830	-
Total Revenues	$ -	$ 830	$ 830	$ 830	$ -
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures - Instruction					
Tuition to Private Schools for the Disabled - Within State	$ -	$ 830	$ 830	$ 830	$ -
Total Undistributed Expenditures - Instruction	-	830	830	830	-
TOTAL UNDISTRIBUTED EXPENDITURES	-	830	830	830	-
Total Expenditures					
TOTAL FUND 18 - BLENDED WITH GENERAL CURRENT EXPENSE	$ -	$ 830	$ 830	$ 830	$ -
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ -	$ -

Note: The above amounts are blended into exhibit C-1

Exhibit C-2

Florence Township School District
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	$ -	$ 5,116	$ 5,116	$ 5,116	$ -
State Sources	-	108,873	108,873	108,873	-
Federal Sources	643,724	504,859	1,148,583	945,651	(202,932)
Total Revenues	**643,724**	**618,848**	**1,262,572**	**1,059,640**	**(202,932)**
EXPENDITURES:					
Instruction					
Salaries	-	137,038	137,038	64,621	72,417
Salaries of Teachers	250,821	(2,150)	248,671	232,937	15,734
Other Salaries for Instruction	15,567	-	15,567	15,567	-
Purchased Professional - Technical Services	-	12,000	12,000	11,622	378
Other Purchased Services (400-500 series)	377,336	986	378,322	376,562	1,760
General Supplies	-	69,838	69,838	63,169	6,669
Textbooks	-	17,120	17,120	17,120	-
Total Instruction	643,724	234,832	878,556	781,598	96,958
Support Services					
Personal Services - Employee Benefits	-	101,616	101,616	43,731	57,885
Purchased Professional - Technical Services	-	104,185	104,185	74,990	29,195
Other Purchased Professional Services	-	85,435	85,435	85,435	-
Other Purchased Services (400-500 series)	-	73,978	73,978	61,376	12,602
Supplies & Materials	-	18,802	18,802	12,510	6,292
Total Support Services	-	384,016	384,016	278,042	105,974
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	-	-	-
Total Expenditures	643,724	618,848	1,262,572	1,059,640	202,932
Other Financing Sources (Uses)					
Transfer from General Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Total Outflows	**643,724**	**618,848**	**1,262,572**	**1,059,640**	**202,932**
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

Florence Township School District
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2013

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	$ 26,795,866	[C-2]	$ 1,059,640
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		2,253
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		814,892		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(783,192)		-
Extraordinary aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes		82,013		-
Extraordinary aid payments recognized for budgetary purposes, not recognized for GAAP statements		(143,878)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	$ 26,765,701	[B-2]	$ 1,061,893
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	$ 26,787,422	[C-2]	$ 1,059,640
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.		-		2,253
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	$ 26,787,422	[B-2]	$ 1,061,893

OTHER SUPPLEMENTARY INFORMATION

SECTION - E

SPECIAL REVENUE FUND
DETAIL STATEMENTS

The special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Exhibit E-1

Florence Township School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Total Brought Forward (Ex. E-1a)	Title I Improving Basic Programs Operated By LEA's	Title I Improving Basic Programs Oper. by LEA's Carryover 11/12	Title II-A Teacher and Principal Training & Recruiting	Title II-A Teacher and Prin.Train. & Recruiting Carryover 11/12	Title II-D Enhancing Education Through Technology Carryover 11/12	Totals 2013
REVENUES							
Local Sources	$ 5,116	$ -	$ -	$ -	$ -	$ -	$ 5,116
State Sources	108,873	-	-	-	-	-	108,873
Federal Sources	526,658	222,871	79,325	63,398	52,652	747	945,651
Total Revenues	640,647	222,871	79,325	63,398	52,652	747	1,059,640
EXPENDITURES:							
Instruction:							
Salaries	-	45,013	19,608	-	-	-	64,621
Salaries of Teachers	60,940	131,225	-	40,772	-	-	232,937
Other Salaries for Instruction	15,567	-	-	-	-	-	15,567
Purchased Professional - Technical Services	-	11,622	-	-	-	-	11,622
Other Purchased Services (400-500 series)	376,562	-	-	-	-	-	376,562
General Supplies	8,979	29,111	24,332	-	-	747	63,169
Textbooks	17,120	-	-	-	-	-	17,120
Total instruction	479,168	216,971	43,940	40,772	-	747	781,598
Support services:							
Personal Services - Employee Benefits	10,212	2,500	20,985	-	10,034	-	43,731
Purchased Professional - Technical Services	59,090	1,500	14,400	-	-	-	74,990
Other Purchased Professional Services	85,435	-	-	-	-	-	85,435
Other Purchased Services (400-500 series)	-	1,090	-	22,545	37,741	-	61,376
Supplies & Materials	6,742	810	-	81	4,877	-	12,510
Total support services	161,479	5,900	35,385	22,626	52,652	-	278,042
Facilities acquisition and construction services:							
Instructional Equipment	-	-	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-	-
Total Expenditures	640,647	222,871	79,325	63,398	52,652	747	1,059,640
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Exhibit E-1a

Florence Township School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis (Cont'd.)
For the Fiscal Year Ended June 30, 2013

	Total Brought Forward (Ex. E-1b)	I.D.E.A. Part B Basic	I.D.E.A. Part B Basic Carryover 11/12	I.D.E.A. Part B Preschool	I.D.E.A. Part B Preschool Carryover 11/12	Race To The Top Phase 3 (RTTT3)	Total Carried Forward
REVENUES							
Local Sources	$ 5,116	$ -	$ -	$ -	$ -	$ -	$ 5,116
State Sources	108,873	-	-	-	-	-	108,873
Federal Sources	-	477,655	8,748	12,706	2,315	25,234	526,658
Total Revenues	113,989	477,655	8,748	12,706	2,315	25,234	640,647
EXPENDITURES							
Instruction:							
Salaries of Teachers	-	52,186	-	8,754	-	-	60,940
Other Salaries for Instruction	-	15,567	-	-	-	-	15,567
Other Purchased Services (400-500 Series)	-	376,562	-	-	-	-	376,562
General Supplies	6,318	739	-	1,922	-	-	8,979
Textbooks	17,120	-	-	-	-	-	17,120
Total instruction	23,438	445,054	-	10,676	-	-	479,168
Support services:							
Personal Services - Employee Benefits	-	-	8,748	-	1,464	-	10,212
Purchased Professional - Technical Services	-	31,826	-	2,030	-	25,234	59,090
Other Purchased Professional Services	85,435	-	-	-	-	-	85,435
Supplies & Materials	5,116	775	-	-	851	-	6,742
Total support services	90,551	32,601	8,748	2,030	2,315	25,234	161,479
Facilities acquisition and construction services:							
Instructional Equipment	-	-	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-	-
Total Expenditures	113,989	477,655	8,748	12,706	2,315	25,234	640,647
Excess (Deficiency) of Revenues over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Exhibit E-1b

Florence Township School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis (Cont'd.)
For the Fiscal Year Ended June 30, 2013

	Total Brought Forward (Ex. E-1c)	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Technology Initiative Aid	N.J. School Boards Association Insurance Group Safety Grant	Total Carried Forward
REVENUES						
Local Sources	$ -	$ -	$ -	$ -	$ 5,116	$ 5,116
State Sources	61,673	17,120	23,762	6,318	-	108,873
Federal Sources	-	-	-	-	-	-
Total Revenues	61,673	17,120	23,762	6,318	5,116	113,989
EXPENDITURES:						
Instruction:						
General Supplies	-	-	-	6,318	-	6,318
Textbooks	-	17,120	-	-	-	17,120
Total instruction	-	17,120	-	6,318	-	23,438
Support services:						
Other Purchased Professional Services	61,673	-	23,762	-	-	85,435
Supplies & Materials	-	-	-	-	5,116	5,116
Total support services	61,673	-	23,762	-	5,116	90,551
Facilities acquisition and construction services:						
Instructional Equipment	-	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-
Total Expenditures	61,673	17,120	23,762	6,318	5,116	113,989
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ -	$ -	$ -

Exhibit E-1c

Florence Township School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis (Cont'd.)
For the Fiscal Year Ended June 30, 2013

	N.J. Nonpublic Auxiliary Services Ch. 192			N.J. Nonpublic Handicapped Services Ch. 193			Total
	Compensatory Education	English as a Second Language	Transportation	Supplemental Instruction	Examination & Classification	Corrective Speech	Carried Forward
REVENUES							
Local Sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State Sources	27,508	2,046	9,337	6,938	7,329	8,515	61,673
Federal Sources	-	-	-	-	-	-	-
Total Revenues	27,508	2,046	9,337	6,938	7,329	8,515	61,673
EXPENDITURES:							
Support services:							
Other Purchased Professional Services	27,508	2,046	9,337	6,938	7,329	8,515	61,673
Total support services	27,508	2,046	9,337	6,938	7,329	8,515	61,673
Facilities acquisition and construction services:							
Instructional Equipment	-	-	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-	-
Total Expenditures	27,508	2,046	9,337	6,938	7,329	8,515	61,673
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ -	$ -	$ -	$ -

SECTION - G

ENTERPRISE FUNDS - DETAIL STATEMENTS

The Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing good or services be financed through user charges.

Food Service Fund - This fund provides for the operation of food services in all schools within the school district.

Extended Day Program - This fund accounts for extended day services provided to students on a fee basis.

Cable TV Access Program

Exhibit G-1

FLORENCE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2013
(With comparative totals for June 30, 2012)

	Food Service Fund	Cable TV Access	Extended Day Program	2013	2012
ASSETS					
Current assets:					
Cash and cash equivalents	$ 52,792	$ 343	$ 133,403	$ 186,538	$ 143,023
Accounts receivable:					
Federal	16,781	-	-	16,781	16,068
State	397	-	-	397	414
Inventories	19,284	-	-	19,284	18,416
Total current assets	89,254	343	133,403	223,000	177,921
Capital assets:					
Equipment	375,180	-	-	375,180	375,180
Accumulated depreciation	(256,351)	-	-	(256,351)	(241,226)
Total fixed assets	118,829	-	-	118,829	133,954
Total assets	208,083	343	133,403	341,829	311,875
LIABILITIES					
Current liabilities:					
Deferred revenue	-	-	50,438	50,438	43,622
Total liabilities	-	-	50,438	50,438	43,622
NET POSITION					
Invested in capital assets	118,829	-	-	118,829	133,954
Unreserved retained earnings	89,254	343	82,965	172,562	134,299
Total net position	$ 208,083	$ 343	$ 82,965	$ 291,391	$ 268,253

Exhibit G-2

FLORENCE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With comparative totals for the fiscal year ended June 30, 2012)

	Food Service Fund	Cable TV Access	Extended Day Program	2013	2012
OPERATING REVENUES:					
Local sources:					
Daily sales - reimbursable programs:					
School lunch program	$ 336,969	$ -	$ -	$ 336,969	$ 344,590
Tuition	-	-	321,422	321,422	270,266
Total local sources	336,969	-	321,422	658,391	614,856
Miscellaneous	12,489		-	12,489	13,557
Total operating revenue	349,458	-	321,422	670,880	628,413
OPERATING EXPENSES:					
Salaries	-	-	216,955	216,955	187,180
Employee benefits	-	-	43,229	43,229	44,073
Depreciation	15,125	-	-	15,125	15,842
Miscellaneous expenditures	-	6,000	22,694	28,694	33,400
Cost of sales	717,412	-	-	717,412	704,003
Total operating expenses	732,537	6,000	282,878	1,021,415	984,498
Operating income (loss)	(383,079)	(6,000)	38,544	(350,535)	(356,085)
NON-OPERATING REVENUES:					
State sources:					
State school lunch program	7,510	-	-	7,510	7,820
Federal sources:					
National school lunch program	259,761	-	-	259,761	242,898
National school breakfast program	48,680	-	-	48,680	48,974
Food distribution program	57,708	-	-	57,708	43,568
Sodexo Settlement	-	-	-	-	22,983
Interest and investment revenue	-	14	-	14	19
Total non-operating income	373,659	14	-	373,673	366,262
Net income (loss) before operating transfers	(9,420)	(5,986)	38,544	23,138	10,177
Capital Asset transferred out - General Fund	-	-		-	(133,414)
Change in net position	(9,420)	(5,986)	38,544	23,138	(117,924)
Total net position - July 1	217,503	6,329	44,421	268,253	386,177
Total net position - June 30	$ 208,083	$ 343	$ 82,965	$ 291,391	$ 268,253

Exhibit G-3

FLORENCE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With comparative totals for the fiscal year ended June 30, 2012)

	Food Service Fund	Cable TV Access	Extended Day Program	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 349,458	$ -	$ 328,238	$ 677,696	$ 633,726
Payments to employees	-	-	(216,955)	(216,955)	(187,180)
Payments for employee benefits	-	-	(43,229)	(43,229)	(44,073)
Payments to suppliers	(660,572)	(6,000)	(22,694)	(689,266)	(708,465)
Net cash provided by (used for) operating activities	(311,114)	(6,000)	45,360	(271,754)	(305,992)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
State Sources	7,527	-	-	7,527	7,919
Federal Sources	307,729	-	-	307,729	295,111
Sodexo Settlement	-	-	-	-	22,983
Net cash provided by (used for) non-capital financing activities	315,256	-	-	315,256	326,013
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets transferred to general fund	-	-	-	-	(133,414)
Net cash provided by (used for) capital and related financing activities	-	-	-	-	(133,414)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends	-	14	-	14	19
Net cash provided by (used for) investing activities					
Net increase (decrease) in cash and cash equivalents	4,142	(5,986)	45,360	43,516	(113,374)
Balances—beginning of year	48,651	6,329	88,043	143,024	257,067
Balances—end of year	$ 52,793	$ 343	$ 133,403	$ 186,539	$ 143,692
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ (383,079)	$ (6,000)	$ 38,544	$ (350,535)	$ (359,461)
Adjustments to reconcile operating income (loss) to net cash provided by opreations:					
Depreciation	15,125	-	-	15,125	15,842
Food distribution program	57,708	-	-	57,708	57,708
(Increase) decrease in inventories	(868)	-	-	(868)	(4,770)
(Increase) decrease in capital assets	-	-	-	-	(9,860)
Increase (decrease) in deferred revenue	-	-	6,816	6,816	-
Total adjustments	71,965	-	6,816	78,781	58,920
Net cash provided by (used for) operating activities	$ (311,114)	$ (6,000)	$ 45,360	$ (271,754)	$ (300,541)

SECTION - H

TRUST AND AGENCY FUNDS - DETAIL STATEMENTS

Trust funds are used to account for gifts and bequests to the school district for a specific purpose.

> Unemployment Compensation Fund - this is an expendable trust fund used to account for deductions from employees' salaries which are utilized to pay unemployment compensation insurance claims as they arise.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

> Student Activity Fund - This agency fund is used to account for student funds held at the school.
>
> Payroll Fund - This agency fund is used to account for payroll transactions of the school.

Exhibit H-1

Florence Township School District
Combining Statement Of Fiduciary Net Position
Fiduciary Funds
June 30, 2013
(With Comparative Totals For June 30, 2012)

	Expendable Trusts		Agency			Totals	
	Unemployment Insurance	Scholarship	Student Activity	Payroll	Summer Pay	2013	2012
ASSETS:							
Cash and cash equivalents	$ 18,704	$ 21,586	$ 39,727	$ 70,820	$ 309,621	$ 460,458	$ 113,782
Interfund receivable	7,833	-	-	5,256	-	13,089	7,480
Total assets	26,537	21,586	39,727	76,076	309,621	473,547	121,262
LIABILITIES:							
Payroll deductions and withholdings	-	-	-	20,891	309,621	330,512	577
Interfunds payable	-	-	-	55,185	-	55,185	25,900
Accounts payable	-	-	-	-	-	-	5,101
Due to student groups	-	-	39,727	-	-	39,727	39,730
Total liabilities	-	-	39,727	76,076	309,621	425,424	71,308
NET POSITION:							
Held in trust for unemployment claims and other purposes	$ 26,537	$ 21,586	$ -	$ -	$ -	$ 48,123	$ 49,954

Exhibit H-2

Florence Township School District
Combining Statement Of Changes In Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2013

	Unemployment Insurance Expendable Trust Fund	Scholarship Expendable Trust Fund
ADDITIONS		
Local sources:		
Payroll withholding	$ 49,753	$ -
Contributions	-	250
Interest and investment income	27	24
Total additions	49,780	274
DEDUCTIONS		
Unemployment claims	51,758	-
Scholarship payments	-	2,840
Total deductions	51,758	2,840
Change in net position	(1,978)	(2,566)
Net position, July 1	28,515	24,152
Net position, June 30	$ 26,537	$ 21,586

Exhibit H-3

Florence Township School District
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2013

	Balance July 1, 2012	Cash Receipts	Cash Disbursements	Accounts Payable June 30, 2013	Balance June 30, 2013
MIDDLE SCHOOL/SENIOR HIGH SCHOOL:					
Florence Middle School/Memorial High School	$ 37,017	$ 131,706	$ 128,996	$ -	$ 39,727
Total Middle School/Senior High School	37,017	131,706	128,996	-	39,727
Total All Schools	$ 37,017	$ 131,706	$ 128,996	$ -	$ 39,727

Exhibit H-4

Florence Township School District
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2013

	Balance July 1, 2012	Cash Receipts	Cash Disbursements	Balance June 30, 2013
ASSETS:				
Cash and cash equivalents	$ 31,578	$ 7,437,516	$ 7,398,274	$ 70,820
Interfund receivable	5,256	-	-	5,256
Total assets	$ 36,834	$ 7,437,516	$ 7,398,274	$ 76,076
LIABILITIES:				
Payroll deductions and withholdings	$ 578	$ 7,393,358	$ 7,373,045	$ 20,891
Accounts payable	5,101	-	5,101	-
Interfund payable	31,155	55,185	31,155	55,185
Total liabilities	$ 36,834	$ 7,448,543	$ 7,409,301	$ 76,076

SECTION - I

LONG TERM DEBT

This section includes serial bonds outstanding, the outstanding principal balance on capital leases and the non-current liability for compensated absences. Also included in this section is a debt service budgetary comparison schedule.

Exhibit I-1

FLORENCE TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance June 30, 2012	Issued	Retired/ Refunded	Balance June 30, 2013
General Obligation Refunding Bonds	8/1/1998	$ 4,705,000	8/1/2013	380,000	4.65%	$ 775,000	$ -	$ 395,000	$ 380,000
General Obligation Bonds	3/1/2004	36,426,000	3/1/2014	1,380,000	3.500%	2,690,000	-	1,310,000	1,380,000
General Obligation Refunding Bonds	3/1/2012	26,065,000	3/1/2014	30,000	2.00%				
			3/1/2015	1,750,000	3.000%				
			3/1/2016	1,740,000	3.000%				
			3/1/2017	1,725,000	4.000%				
			3/1/2018	1,725,000	4.000%				
			3/1/2019	1,725,000	4.000%				
			3/1/2020	1,725,000	2.504%				
			3/1/2021	1,700,000	5.000%				
			3/1/2022	1,715,000	5.000%				
			3/1/2023	1,735,000	4.500%				
			3/1/2024	1,740,000	2.750%				
			3/1/2025	1,720,000	3.000%				
			3/1/2026	1,700,000	4.000%				
			3/1/2027	1,695,000	3.342%				
			3/1/2028	1,685,000	3.250%				
			3/1/2029	1,660,000	4.000%	26,065,000		295,000	25,770,000
						$ 29,530,000	$ -	$ 2,000,000	$ 27,530,000

Exhibit I-2

FLORENCE TOWNSHIP SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Purpose	Date of Lease	Term of Lease	Amount of Original Lease Principal	Amount of Original Lease Interest	Interest Rate	Balance June 30, 2012	Issued	Retired	Balance June 30, 2013
1 16 Passenger School Bus, 2008-2009	8/1/2008	5 Years	$ 43,690	3,248	3.72%	$ 9,051	$ -	$ 9,051	$ -
2 54 Passenger School Bus, 2009-2010	8/1/2009	5 Years	156,620	14,363	4.59%	63,957	-	31,261	32,696
1 16 Passenger School Bus and 2 54 Passenger School Buses, 2010-2011	8/23/2010	5 Years	204,073	17,412	4.27%	122,301	-	39,075	83,226
1 F-350 Maintenance Truck, 20010-2011	6/3/2011	5 Years	31,569	1,918	2.95%	24,757	-	6,149	18,608
1 54 Passenger School Bus 2012-2013	7/20/2012	5 Years	85,313	4,895	2.87%	-	85,313	17,728	67,585
						$ 220,066	$ 85,313	$ 103,264	$ 202,115

Florence Township School District
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local sources:					
Local tax levy	$ 2,747,490	$ -	$ 2,747,490	$ 2,747,490	$ -
State sources:					
Debt service aid Type II	118,234	-	118,234	118,234	-
Total - state sources	118,234	-	118,234	118,234	-
Total revenues	**2,865,724**	-	**2,865,724**	**2,865,724**	-
EXPENDITURES:					
Regular debt service:					
Interest on bonds	866,138	-	866,138	802,815	63,323
Redemption of principal	2,000,000	-	2,000,000	2,000,000	-
Total regular debt service	2,866,138	-	2,866,138	2,802,815	63,323
Total expenditures	**2,866,138**	-	**2,866,138**	**2,802,815**	**63,323**
Excess (deficiency) of revenues over (under) expenditures	(414)	-	(414)	62,909	63,323
Fund balance, July 1	373	-	373	373	-
Fund balance, June 30	$ (41)	$ -	$ (41)	$ 63,282	$ 63,323
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	$ (414)	$ -	$ (414)	$ 62,909	$ 63,323

SECTION - J

STATISTICAL SECTION

Florence Township Board of Education
Statistical Section - Unaudited **J series**

Contents

Financial Trends **J-1 through J-5**

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

Revenue Capacity **J-6 through J-9**

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity **J-10 through J-13**

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information **J-14 and J-15**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information **J-16 through J-20**

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.*

Florence Township School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets, net of related debt	$ (36,164,800)	$ (33,184,481)	$ (14,109,350)	$ 10,992,298	$ 12,318,078	$ 10,543,414	$ 10,537,181	$ 10,691,880	$ 10,790,353	$ 11,537,939
Restricted	35,906,012	34,676,737	13,993,155	2,036,533	1,065,041	1,585,853	1,548,226	1,154,995	1,671,227	1,867,658
Unrestricted	(3,342,847)	(3,070,159)	4,237,144	(3,227,662)	(3,492,170)	(4,097,268)	(4,321,808)	(3,581,795)	(3,270,322)	(3,410,658)
Total governmental activities net position	$ (3,601,635)	$ (1,577,903)	$ 4,120,949	$ 9,801,169	$ 9,890,949	$ 8,031,999	$ 7,763,599	$ 8,265,080	$ 9,191,258	$ 9,994,939
Business-type activities										
Invested in capital assets, net of related debt	$ 14,343	$ 9,650	$ 11,373	$ 213,508	$ 188,764	$ 171,809	$ 155,534	$ 139,936	$ 133,954	$ 118,829
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	128,860	117,049	93,582	74,997	145,310	263,887	337,827	246,241	134,299	172,562
Total business-type activities net position	$ 143,203	$ 126,699	$ 104,955	$ 288,505	$ 334,074	$ 435,696	$ 493,361	$ 386,177	$ 268,253	$ 291,391
District-wide										
Invested in capital assets, net of related debt	$ (36,150,457)	$ (33,174,831)	$ (14,097,977)	$ 11,205,806	$ 12,506,842	$ 10,715,223	$ 10,692,715	$ 10,831,816	$ 10,924,307	$ 11,656,768
Restricted	35,906,012	34,676,737	13,993,155	2,036,533	1,065,041	1,585,853	1,548,226	1,154,995	1,671,227	1,867,658
Unrestricted	(3,213,987)	(2,953,110)	4,330,726	(3,152,665)	(3,346,860)	(3,833,381)	(3,983,981)	(3,335,554)	(3,136,023)	(3,238,096)
Total district net position	$ (3,458,432)	$ (1,451,204)	$ 4,225,904	$ 10,089,674	$ 10,225,023	$ 8,467,695	$ 8,256,960	$ 8,651,257	$ 9,459,511	$ 10,286,330

Florence Township School District
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
Instruction										
Regular	$ 7,392,956	$ 7,372,521	$ 7,423,295	$ 8,033,624	$ 8,602,122	$ 8,787,047	$ 9,450,710	$ 8,618,827	$ 8,896,535	$ 8,796,474
Special education	1,711,700	1,848,652	1,893,592	2,052,761	2,205,302	2,424,889	2,339,663	2,814,569	2,654,929	2,671,300
Other special education	439,968	479,196	96,452	73,827	282,822	501,075	464,071	378,510	531,061	520,295
Other instruction	74,007	220,795	591,751	620,502	694,096	625,748	670,079	554,375	385,207	538,924
Gifted and talented	-	-	95,197	99,861	98,022	93,168	88,487	78,990	74,553	65,156
Support Services:										
Tuition	698,490	812,293	1,009,123	1,235,072	960,420	1,188,188	1,059,333	1,032,473	1,193,891	1,698,507
Student & instruction related services	2,923,255	2,963,702	2,874,720	2,727,257	2,944,604	2,947,425	3,213,847	2,947,254	2,981,191	2,988,470
General administration	951,075	983,027	428,579	460,777	487,733	484,915	439,454	512,970	543,113	541,174
School administrative services	958,157	1,168,208	934,770	985,356	1,062,792	1,106,041	992,477	1,023,489	853,090	1,053,881
Central services	-	-	493,657	383,230	414,597	418,837	462,700	484,163	559,423	589,964
Administrative information technology	-	-	235,806	242,173	244,682	204,297	170,982	136,866	145,268	129,446
Plant operations and maintenance	1,724,802	1,752,103	1,873,854	2,311,208	2,483,679	2,670,424	2,683,126	2,849,752	2,918,232	3,065,679
Pupil transportation	860,305	872,485	992,600	1,179,426	1,252,255	1,221,317	1,308,279	1,356,646	1,603,444	1,544,363
Employee benefits	1,198,609	1,253,037	1,448,032	2,129,832	2,239,632	1,423,132	1,537,890	1,519,838	1,814,277	2,253,652
Other support services	88,634	-	-	-	-	-	-	-	-	-
Charter schools	7,544	-	-	-	-	-	559,701	847,036	1,126,585	1,277,448
Interest on long-term debt	721,338	1,536,368	1,577,821	1,500,324	1,446,040	1,384,936	1,339,285	1,262,967	1,155,542	763,980
Unallocated depreciation	157,171	373,679	428,849	1,375,463	1,134,464	1,550,463	1,538,180	1,551,286	1,392,022	1,358,300
Amoritization of debt issue costs	9,716	12,403	12,347	12,211	12,114	12,018	11,922	11,826	11,730	13,518
Amoritization of intangible assets	-	-	-	-	13,862	13,862	13,862	13,862	13,862	13,862
Total governmental activities expenses	19,917,727	21,648,469	22,410,445	25,422,904	26,579,238	27,057,782	28,344,048	27,995,699	28,853,955	29,884,393

Florence Township School District
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Food service	510,032	519,100	539,323	628,591	664,311	748,748	756,719	718,651	719,845	732,537
Adult education	-	1,040	-	-	-	-	-	-	-	-
Cabel TV access	-	-	-	8,488	8,000	8,000	8,000	4,000	2,000	6,000
Extended day program	188,636	211,880	226,944	279,231	267,614	261,832	278,457	301,205	262,653	282,878
Total business-type activities expense	698,668	732,020	766,267	916,310	939,925	1,018,580	1,043,176	1,023,856	984,498	1,021,415
Total district expenses	$ 20,616,395	$ 22,380,489	$ 23,176,712	$ 26,339,214	$ 27,519,163	$ 28,076,362	$ 29,387,224	$ 29,019,555	$ 29,838,453	$ 30,905,808
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	3,063,860	3,056,867	3,141,986	3,518,958	3,845,523	2,599,032	3,107,579	2,775,547	3,050,132	3,433,779
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	3,063,860	3,056,867	3,141,986	3,518,958	3,845,523	2,599,032	3,107,579	2,775,547	3,050,132	3,433,779
Business-type activities:										
Charges for services										
Food service	316,654	315,349	307,611	351,706	392,175	438,894	451,833	358,609	358,147	349,458
Cabel TV access	-	-	11,477	3,000	6,999	9,976	3,779	4,000	5,313	-
Extended day program	218,061	221,308	200,340	288,628	318,473	330,602	311,311	232,617	270,266	321,422
Operating grants and contributions	186,604	196,876	225,095	234,751	275,584	300,563	333,845	321,439	366,243	373,659
Total business type activities program revenues	721,319	733,533	744,523	878,085	993,231	1,080,035	1,100,768	916,665	999,969	1,044,539
Total district program revenues	$ 3,785,179	$ 3,790,400	$ 3,886,509	$ 4,397,043	$ 4,838,754	$ 3,679,067	$ 4,208,347	$ 3,692,212	$ 4,050,101	$ 4,478,318
Net (Expense)/Revenue										
Governmental activities	$ (16,853,867)	$ (18,591,602)	$ (19,268,459)	$ (21,903,946)	$ (22,733,715)	$ (24,458,750)	$ (25,236,469)	$ (25,220,152)	$ (25,803,823)	$ (26,450,614)
Business-type activities	22,651	1,513	(21,744)	(38,225)	53,306	61,455	57,592	(107,191)	15,471	23,124
Total district-wide net expense	$ (16,831,216)	$ (18,590,089)	$ (19,290,203)	$ (21,942,171)	$ (22,680,409)	$ (24,397,295)	$ (25,178,877)	$ (25,327,343)	$ (25,788,352)	$ (26,427,490)

Florence Township School District
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	$ 9,562,125	$ 9,752,866	$ 10,195,821	$ 11,893,286	$ 12,613,700	$ 12,583,617	$ 13,221,502	$ 13,917,990	$ 14,222,554	$ 14,594,866
Taxes levied for debt service	700,112	2,085,893	2,833,691	2,224,883	2,351,363	2,596,872	2,578,665	2,682,415	2,667,640	2,747,490
Unrestricted grants and contributions	6,820,775	7,014,446	7,058,064	7,052,847	7,397,360	9,696,833	9,126,706	8,810,926	9,436,856	9,542,117
SCC Grant not restricted to specific functions	-	514,066	3,831,794	2,361,519	1,113,985	-	-	-	-	-
Tuition received	-	216,480	179,450	216,782	119,088	81,643	46,958	58,438	177,065	67,236
Investment earnings	148,270	850,899	778,354	366,131	107,480	27,007	27,234	21,232	15,135	7,784
Miscellaneous income	310,485	180,684	90,138	218,583	99,950	141,870	127,217	226,562	77,337	298,771
Loss on sale of capital assets	-	-	-	-	(15,758)	-	-	(8,470)	-	(3,969)
Transfer	-	-	-	-	-	(40,128)	-	-	133,414	-
Special item - Prior period adjustment	-	-	-	-	(963,673)	-	-	-	-	-
Total governmental activities	17,541,767	20,615,334	24,967,312	24,334,031	22,823,495	25,087,714	25,128,282	25,709,093	26,730,001	27,254,295
Business-type activities:										
Investment earnings	-	-	-	82	53	39	74	7	19	14
Transfer	-	-	-	-	-	40,128	-	-	(133,414)	-
Special item - Prior period adjustment	-	(18,017)	-	-	(7,790)	-	-	-	-	-
Total business-type activities	-	(18,017)	-	82	(7,737)	40,167	74	7	(133,395)	14
Total district-wide	$ 17,541,767	$ 20,597,317	$ 24,967,312	$ 24,334,113	$ 22,815,758	$ 25,127,881	$ 25,128,356	$ 25,709,100	$ 26,596,606	$ 27,254,309
Change in Net Position										
Governmental activities	$ 687,900	$ 2,023,732	$ 5,698,853	$ 2,430,085	$ 89,780	$ 628,964	$ (108,187)	$ 488,941	$ 926,178	$ 803,681
Business-type activities	22,651	(16,504)	(21,744)	(38,143)	45,569	101,622	57,666	(107,184)	(117,924)	23,138
Total district	$ 710,551	$ 2,007,228	$ 5,677,109	$ 2,391,942	$ 135,349	$ 730,586	$ (50,521)	$ 381,757	$ 808,254	$ 826,819

Florence Township School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	$ 639,455	$ 442,291	$ 377,543	$ 801,130	$ 965,416	$ 1,261,451	$ 1,409,049	$ -	$ -	$ -
Unreserved	614,945	934,226	686,556	236,383	268,808	(157,563)	(441,818)	-	-	-
Restricted	-	-	-	-	-	-	-	1,022,719	1,670,854	1,774,377
Assigned	-	-	-	-	-	-	-	32,695	275,370	31,327
Unassigned	-	-	-	-	-	-	-	-	(474,785)	(270,672)
Total general fund	$ 1,254,400	$ 1,376,517	$ 1,064,099	$ 1,037,513	$ 1,234,224	$ 1,103,888	$ 967,231	$ 1,055,414	$ 1,471,439	$ 1,535,032
All Other Governmental Funds										
Reserved	$ -	$ -	$ 14,531,749	$ 2,874,263	$ 252,015	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	35,712,919	34,589,333	(539,693)	(838,842)	(31,894)	356,916	-	-	-	-
Debt service fund	3	86,323	-	-	1	2	237,825	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned to:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	132,233	373	63,281
Unassigned:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	43	-	1
Total all other governmental funds	$ 35,712,922	$ 34,675,656	$ 13,992,056	$ 2,035,421	$ 220,122	$ 356,918	$ 237,825	$ 132,276	$ 373	$ 63,282

Florence Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-4

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Tax levy	$ 10,262,237	$ 11,838,759	$ 13,029,512	$ 14,118,169	$ 14,965,063	$ 15,180,489	$ 15,800,167	$ 16,600,405	$ 16,890,194	$ 17,342,356
Interest earnings	148,270	850,899	778,354	366,131	107,480	27,007	27,234	21,232	15,135	7,784
Miscellaneous	420,950	397,162	249,588	435,365	219,037	260,125	174,175	270,117	331,110	367,283
State sources	8,821,411	9,575,771	13,124,335	12,183,379	11,473,460	11,391,264	9,488,770	10,554,675	11,143,069	11,966,448
Federal sources	1,063,224	1,009,608	907,509	749,945	883,408	904,601	2,745,515	1,031,798	1,343,919	1,009,448
Total revenue	20,716,092	23,672,199	28,089,298	27,852,989	27,648,448	27,763,486	28,235,861	28,478,227	29,723,427	30,693,319
Expenditures										
Instruction										
Regular instruction	6,209,471	7,402,966	7,569,599	7,954,990	8,601,839	8,825,965	9,386,808	8,685,667	8,949,443	8,847,749
Special education instruction	1,374,544	1,845,348	1,852,696	1,998,931	2,144,744	2,405,188	2,291,990	2,791,162	2,672,256	2,697,219
Other special instruction	439,968	479,196	96,452	120,214	218,158	475,506	473,453	452,480	462,033	476,118
Other instruction	39,624	108,085	576,897	604,869	685,343	615,918	661,223	588,595	515,663	524,883
Gifted and talented	-	-	95,197	99,861	98,022	93,168	88,487	78,990	74,553	65,156
Support Services:										
Tuition	698,490	812,293	1,009,123	1,235,072	960,420	1,188,188	1,059,333	1,032,473	1,193,891	1,698,507
Student & instruction related services	2,396,224	2,963,606	2,930,357	2,773,652	2,923,494	2,931,892	3,236,115	3,008,914	3,008,784	2,936,047
General administration	886,032	985,550	608,441	458,471	509,508	473,933	487,155	512,723	540,846	513,696
School administrative services	761,583	1,201,879	918,962	1,000,948	1,043,485	1,076,651	993,081	1,035,042	954,134	1,040,386
Central services	-	-	370,895	388,738	416,221	489,555	458,418	481,364	557,586	584,585
Administrative information technology	-	-	230,376	240,460	239,908	200,274	170,048	134,498	141,715	125,627
Plant operations and maintenance	1,397,529	1,730,080	1,871,650	2,324,990	2,461,087	2,655,533	2,727,870	2,921,048	2,900,941	3,012,090
Pupil transportation	667,085	970,239	1,073,346	1,175,986	1,261,149	1,220,184	1,319,105	1,388,032	1,486,839	1,571,913
Other support services	-	-	-	-	-	-	-	-	-	-
Employee benefits	3,991,269	1,253,037	1,448,032	2,129,832	2,239,632	1,423,132	1,537,890	1,519,838	1,814,277	2,253,652
Charter schools	7,544	-	-	-	-	-	559,701	847,036	1,126,585	1,277,448
Capital outlay	1,162,501	2,667,949	25,288,508	14,277,026	2,475,359	673,068	195,650	332,888	66,799	224,239
Debt service:										
Principal	775,000	778,000	1,640,000	1,634,000	1,650,000	1,645,000	1,640,000	1,635,000	1,700,000	2,000,000
Interest and other charges	266,899	1,553,199	1,598,897	1,528,085	1,468,667	1,407,561	1,361,904	1,285,485	1,224,525	802,815
Total expenditures	21,073,763	24,751,427	49,179,428	39,946,125	29,397,036	27,800,716	28,648,231	28,731,235	29,390,870	30,652,130
Excess (Deficiency) of revenues over (under) expenditures	(357,671)	(1,079,228)	(21,090,130)	(12,093,136)	(1,748,588)	(37,230)	(412,370)	(253,008)	332,557	41,189
Other Financing sources (uses)										
Sale of capital asset - Duffy School	-	-	-	-	130,000	-	-	-	-	-
Proceeds from borrowing	36,426,000	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	170,986	164,118	74,071	109,915	-	43,690	156,620	235,642	-	85,313
Proceeds from refunding	-	-	-	-	-	-	-	-	27,966,204	-
Payments to escrow agent	-	-	-	-	-	-	-	-	(27,966,204)	-
Repaid state aid	(26,579)	-	-	-	-	-	-	-	-	-
Transfers in	-	-	20,000	633,733	590,316	286,309	483,321	-	-	-
Transfers out	-	-	-	(633,733)	(590,316)	(286,309)	(483,321)	-	-	-
Unrealized Accounts Receivable	-	-	-	-	-	-	-	-	(48,435)	-
Florence Twp sewer agreement obligation	-	-	-	-	554,474	-	-	-	-	-
Florence Twp sewer agreement	-	-	-	-	(554,474)	-	-	-	-	-
Total other financing sources (uses)	36,570,407	164,118	94,071	109,915	130,000	43,690	156,620	235,642	(48,435)	85,313
Net change in fund balances	$ 36,212,736	$ (915,110)	$ (20,996,059)	$ (11,983,221)	$ (1,618,588)	$ 6,460	$ (255,750)	$ (17,366)	$ 284,122	$ 126,502
Debt service as a percentage of noncapital expenditures	5.52%	11.80%	15.68%	14.05%	13.10%	12.68%	11.79%	11.46%	11.08%	10.15%

Source: District records

Florence Township School District **Exhibit J-5**

General Fund - Other Local Revenue by Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Tuition	Interest Income	Sale of Assets	Expense Reimbursements	E Rate	Other	Total Miscellaneous
2004	175,829	-	113,388	-		129,233	418,450
2005	216,480	-	3,497	-		212,631	432,608
2006	179,450	74,818	-	-		64,074	318,342
2007	216,782	81,580	-	-		95,550	393,912
2008	119,088	57,941	130,539	583		87,912	396,063
2009	81,643	22,121	-	54,591		117,359	275,714
2010	46,958	25,629	-	-		115,579	188,166
2011	58,438	19,790	-	-	43,970	153,458	275,656
2012	177,065	14,806		6,220	49,246	87,574	334,911
2013	67,236	7,784	1,276	5,338	57,146	231,170	369,950

Source: District records

Florence Township School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Exhibit J-6

Township of Florence

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities (a)	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2004	14,765,400	445,660,650	4,854,500	883,500	24,573,000	29,743,800	6,277,300	526,758,150	-	2,441,200	529,199,350	659,751,236	2.089
2005	17,652,800	454,006,650	4,879,500	2,697,100	24,286,500	28,909,500	6,277,300	538,709,350	-	2,059,685	540,769,035	768,624,535	2.300
2006	12,523,700	476,125,350	5,021,200	895,800	23,271,700	30,846,700	6,277,300	554,961,750	-	1,712,562	556,674,312	903,807,885	2.440
2007	24,597,600	500,277,850	4,827,300	2,238,700	24,346,500	33,154,800	6,279,200	595,721,950	-	1,499,903	597,221,853	1,100,261,335	2.435
2008	24,163,300	503,065,550	5,396,400	851,000	24,596,300	35,561,500	5,834,800	599,468,850	-	1,423,618	600,892,468	1,200,532,441	2.509
2009	19,705,800	516,594,350	5,790,400	722,600	24,942,500	40,302,000	5,787,300	613,844,950	-	1,505,130	615,350,080	1,265,436,233	2.517
2010 *	41,255,100	1,011,064,100	10,858,600	1,137,700	51,376,700	83,339,700	11,568,100	1,210,600,000	-	3,044,900	1,213,644,900	1,327,629,731	1.334
2011	35,176,000	1,038,169,700	10,858,600	1,107,700	51,100,900	90,764,800	11,568,100	1,238,745,800	-	2,612,300	1,241,358,100	1,357,839,126	1.348
2012	30,559,000	1,035,610,900	11,104,400	1,357,700	49,613,100	83,158,800	11,568,100	1,222,972,000	-	2,697,840	1,225,669,840	1,292,259,696	1.396
2013	28,220,700	1,030,421,300	11,114,400	1,362,800	49,760,100	81,672,600	11,568,100	1,214,120,000	-	2,493,080	1,216,613,080	1,252,176,999	1.439

Source: County Abstract of Ratables

* Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

(a) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

Tax rates are per $100

Florence Township School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $100 of assessed value)

Exhibit J-7

	Florence Township School District Direct Rate			Overlapping Rates		
Fiscal Year Ended June 30,	Basic Rate [a]	General Obligation Debt Service [b]	(From J-6) Total Direct School Tax Rate	Township of Florence	Burlington County	Total Direct and Overlapping Tax Rate
2004	1.957	0.132	2.089	0.607	0.584	3.280
2005	1.914	0.386	2.300	0.607	0.650	3.557
2006	1.931	0.509	2.440	0.607	0.717	3.764
2007	2.062	0.373	2.435	0.607	0.788	3.830
2008	2.107	0.402	2.509	0.637	0.777	3.923
2009	2.096	0.421	2.517	0.647	0.781	3.945
2010	1.117	0.217	1.334	0.356	0.416	2.106
2011	1.133	0.215	1.348	0.414	0.415	2.177
2012	1.176	0.220	1.396	0.449	0.401	2.246
2013	1.211	0.228	1.439	0.449	0.392	2.280

Source: Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
b Rates for debt service are based on each year's levy requirements.

Florence Township School District
Principal Property Taxpayers,
Current Year and Ten Years Ago

Exhibit J-8

Taxpayer	2013 Taxable Assessed Value	2013 Rank [Optional]	2013 % of Total District Net Assessed Value	2004 Taxable Assessed Value	2004 Rank [Optional]	2004 % of Total District Net Assessed Value
Haines Center Florence, LLC	$ 24,253,600	1	1.99%			
RTC Properties Inc.	14,268,000	2	1.17%	$ 8,614,400	1	1.63%
Foxdale Properties, LLC.	8,212,000	3	0.67%	2,515,400	6	0.47%
Individual Taxpayer #1	6,750,000	4	0.55%			
SPAF Cedar Management Co.	5,574,000	5	0.46%	2,501,000	7	0.47%
Dean Northeast, LLC	4,941,000	6	0.41%	2,550,000	5	0.48%
The Four B's	4,488,000	7	0.37%			
Pulte Homes of NJ LP	3,951,700	8	0.32%			
DC Fabricators	3,787,500	9	0.31%	2,500,000	8	0.47%
Griffin Pipe Products Company	3,658,000	10	0.30%	5,511,800	2	1.04%
Academy Woods Appartments				3,250,000	3	0.61%
Verizon - New Jersey				2,763,300	4	0.52%
Health Care REIT, Inc.				1,898,600	9	0.36%
Land O'Lakes Association				1,800,000	10	0.34%
Total	$ 79,883,800		6.55%	$ 33,904,500		6.39%

Source: Municipal Tax Assessor

Florence Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years

Exhibit J-9

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy [a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	11,050,497	11,050,497	100.00%	-
2005	12,434,136	12,434,136	100.00%	-
2006	13,573,840	13,573,840	100.00%	-
2007	14,541,615	14,541,615	100.00%	-
2008	15,072,777	15,072,777	100.00%	-
2009	15,490,327	15,490,327	100.00%	-
2010	16,200,587	16,200,587	100.00%	-
2011	16,744,999	16,744,999	100.00%	-
2012	17,116,275	17,116,275	100.00%	-
2013	N/A	N/A	N/A	N/A

Source: District records including the Certificate and Report of School Taxes (A4F form)

a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Florence Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities					
	General Obligation Bonds [b]	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Personal Income	Percentage of Personal Income [a]	Population	Per Capita [a]
2004	41,583,000	-	-	-	324,494	41,907,494	441,630,816	9.49%	11,176	3,750
2005	40,805,000	-	-	-	324,494	41,129,494	460,850,322	8.92%	11,327	3,631
2006	39,165,000	-	-	-	258,532	39,423,532	500,518,830	7.88%	11,542	3,416
2007	37,531,000	-	-	-	242,389	37,773,389	519,059,760	7.28%	11,428	3,305
2008	35,881,000	-	-	-	140,293	36,021,293	543,138,489	6.63%	11,393	3,162
2009	34,236,000	-	-	-	104,709	34,340,709	535,308,448	6.42%	11,513	2,983
2010	32,596,000	-	-	-	171,617	32,767,617	574,378,920	5.70%	12,120	2,704
2011	30,961,000	-	-	-	302,968	31,263,968	574,947,612	5.44%	12,132	2,577
2012	29,530,000	-	-	-	220,066	29,750,066	574,947,612	5.17%	12,132	2,452
2013	27,530,000	-	-	-	202,116	27,732,116	586,193,976	4.73%	12,132	2,286

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

Florence Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2004	41,583,000	-	41,583,000	7.86%	3,692.33
2005	40,805,000	-	40,805,000	7.55%	3,623.25
2006	39,165,000	-	39,165,000	7.04%	3,393.85
2007	37,531,000	-	37,531,000	6.28%	3,286.14
2008	35,881,000	-	35,881,000	5.97%	3,151.05
2009	34,236,000	-	34,236,000	5.56%	2,973.68
2010	32,596,000	-	32,596,000	2.69%	2,689.44
2011	30,961,000	-	30,961,000	2.49%	2,552.01
2012	29,530,000	-	29,530,000	2.41%	2,393.81
2013	27,530,000	-	27,530,000	2.26%	2,231.68

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit J-6 for property tax data.

b Population data can be found in Exhibit J-14.

Florence Township School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2013

Exhibit J-12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Township of Florence:			
Issued	$ 7,539,339	100.00%	$ 7,539,339
Authorized But Not Issued	1,557,889	100.00%	1,557,889
Burlington County General Obligation Debt	772,862,091	2.703%	20,890,462
Subtotal, overlapping debt			29,987,690
Florence Township School District Direct Debt			27,530,000
Total direct and overlapping debt			$ 57,517,690

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.
Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.
This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Florence. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Florence Township School District
Legal Debt Margin Information,
Last Ten Fiscal Years

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2013

	Equalized valuation basis (12/31)	
	2010	1,274,047,569
	2011	1,241,974,935
	2012	1,183,559,470
	[A]	$ 3,699,581,974
Average equalized valuation of taxable property	**[A/3]**	$ 1,233,193,991
Debt limit (4 % of average equalization value)	**[B]**	49,327,760
Total Net Debt Applicable to Limit	**[C]**	27,530,000
Legal debt margin	**[B-C]**	$ 21,797,760

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	$ 25,836,419	$ 29,711,720	$ 33,272,272	$ 34,889,889	$ 40,720,469	$ 45,442,068	$ 48,832,871	$ 50,196,727	$ 50,569,844	$ 49,327,760
Total net debt applicable to limit	41,583,000	40,805,000	39,165,000	37,531,000	35,881,000	34,236,000	32,596,000	30,961,000	29,530,000	27,530,000
Legal debt margin	$ (15,746,581)	$ (11,093,280)	$ (5,892,728)	$ (2,641,111)	$ 4,839,469	$ 11,206,068	$ 16,236,871	$ 19,235,727	$ 21,039,844	$ 21,797,760
Total net debt applicable to the limit as a percentage of debt limit	160.95%	137.34%	117.71%	107.57%	88.12%	75.34%	66.75%	61.68%	58.39%	55.81%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

Florence Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years

Exhibit J-14

Year	Population [a]	Personal Income [b]	Per Capita Personal Income [c]		Unemployment Rate [d]
2004	11,176	441,630,816	39,516	R	4.30%
2005	11,327	460,850,322	40,686	R	4.90%
2006	11,542	500,518,830	43,365	R	5.60%
2007	11,428	519,059,760	45,420	R	5.00%
2008	11,393	543,138,489	47,673	R	6.90%
2009	11,513	535,308,448	46,496	R	11.70%
2010	12,120	574,378,920	47,391	R	12.40%
2011	12,132	586,193,976	48,318	R	12.10%
2012	12,336	596,050,848	48,318	P	12.50%
2013	12,336	596,050,848	48,318	P	N/A

R = Revised
P = Projected

Source:

[a] Population information provided by the NJ Dept of Labor and Workforce Development (Estimated 2003-2012)

[b] Personal income has been estimated based upon the municipal population and per capita personal income presented

[c] Per capita personal income by county estimated based upon the Census Bureau mid-year population estimates - April 2012.

[d] Unemployment data provided by the NJ Dept of Labor and Workforce Development - March 2012.

Florence Township School District
Principal Employers,
Current Year and Ten Years Previous

Exhibit J-15

	2013			2003		
Employer	**Employees**	**Rank [Optional]**	**Percentage of Total Municipal Employment**	**Employees**	**Rank [Optional]**	**Percentage of Total Municipal Employment**
Information not available						
	-		0.00%	-		0.00%
Total Municipal Employment						

Source: Municipal Officials/Principal Employers
* - Denotes Prior Year Data

Florence Township School District
Full-Time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

Exhibit J-16

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction										
Regular	102.5	103.5	100.5	97.0	95.0	102.0	102.8	96.8	93.0	91.16
Special education	26.5	26.0	25.0	30.0	47.0	50.0	55.0	47.5	53.2	44.73
Other special education	26.0	13.0	13.0	18.0	3.0	4.0	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	27.0	37.0	37.5	30.0	30.0	30.0	30.5	31.0	27.0	28.2
General administration	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
School administrative services	14.0	12.0	12.0	13.0	11.0	11.0	11.0	9.5	10.0	9.8
Other administrative services	-	-	3.0	3.0	-		-	-	-	
Central services	4.0	4.0	4.0	4.5	4.5	4.5	4.5	5.25	5.25	5.25
Administrative information technology	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.00	1.00	1.00
Plant operations and maintenance	28.0	25.0	21.5	27.0	27.0	31.0	30.0	30.25	30.75	31.75
Pupil transportation	19.0	20.5	20.5	23.0	23.0	25.0	27.0	26.00	25.00	25.00
Other support services	-	-	-	-	-	-	-	2.5	2.5	2.0
Special schools	-	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-	-
Child care	-	-	-	-	-	-	-	-	-	-
Total	250.0	244.5	240.5	249.0	244.0	261.0	264.3	252.3	250.2	241.4

Source: District Personnel Records

Florence Township School District
Operating Statistics,
Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio: Marcella L. Duffy Elementary	Pupil/Teacher Ratio: Roebling Elementary	Pupil/Teacher Ratio: Riverfront School	Pupil/Teacher Ratio: Florence Twp Memorial High School	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2004	1,509	18,914,983	12,535	12.19%	147	1:14	1:17	1:15	1:15	1,564.7	1,467.7	0.87%	93.80%
2005	1,596	19,756,050	12,378	-1.25%	142	1:08	1:10	1:09	1:13	1,523.1	1,424.8	-2.66%	93.55%
2006	1,599	20,652,023	12,916	4.34%	145	1:11	1:15	1:14	1:15	1,514.5	1,413.5	-0.56%	93.33%
2007	1,588	22,507,014	14,173	9.74%	150	1:08	1:09	1:08	1:09	1,596.9	1,461.8	5.44%	91.54%
2008	1,633	23,803,010	14,576	2.84%	153	-	1:10	1:08	1:11	1,606.0	1,499.7	0.57%	93.38%
2009	1,666	24,075,087	14,451	-0.86%	151	-	1:10	1:08	1:10	1,637.1	1,515.9	1.94%	92.60%
2010	1,716	25,450,677	14,831	1.75%	152	-	1.09	1:08	1:09	1,624.8	1,522.0	-0.75%	93.67%
2011	1,707	25,477,862	14,926	3.28%	150	-	1:10	1:11	1:10	1,605.3	1,508.3	-1.20%	93.96%
2012	1,726	26,399,546	15,295	3.13%	155	-	1:08	1:09	1:08	1,606.4	1,539.6	0.07%	95.84%
2013	1,765	27,663,103	15,673	2.47%	148	-	1:10	1:15	1:06	1,608.7	1,521.3	1.06%	94.57%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Florence Township School District
School Building Information
Last Ten Fiscal Years

Exhibit J-18

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
District Building										
Elementary Schools										
Marcella L. Duffy Elementary (1901-2007)										
Square Feet	49,805	49,805	49,805	49,805	-	-	-	-	-	-
Capacity (students)	291	291	291	291	-	-	-	-	-	-
Enrollment	276	254	222	223	-	-	-	-	-	-
Roebling Elementary (1905)										
Square Feet	61,759	61,759	61,759	61,759	61,759	61,759	61,759	61,759	61,648	61,648
Capacity (students)	497	497	497	497	497	497	497	497	497	497
Enrollment	453	473	472	500	473	517	501	501	490	501
Middle School/Elementary Schools										
Riverfront School (1993/2006)										
Square Feet	50,248	50,248	50,248	133,858	133,858	133,858	133,858	133,858	132,377	138,377
Capacity (students)	359	359	359	875	875	875	875	875	875	875
Enrollment	401	378	387	382	649	610	657	657	669	674
High Schools										
Florence Twp Memorial High School (1953-2006)										
Square Feet	83,610	83,610	83,610	-	-	-	-	-	-	-
Capacity (students)	516	516	516	-	-	-	-	-	-	-
Enrollment	434	418	434	-	-	-	-	-	-	-
Florence Twp Memorial High School (2006)										
Square Feet	-	-	-	127,000	127,000	127,000	127,000	127,000	132,702	132,702
Capacity (students)	-	-	-	600	600	600	600	600	600	600
Enrollment	-	-	-	493	455	459	452	452	443	436
Other										
Central Administration (1953)										
Square Feet	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220

Number of Schools at June 30, 2013
Elementary = 1
Middle School = 1
High School = 1

Source: District Facilities Office
Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions and minor appraisal adjustments. Enrollment is based on the annual October district count.

Florence Township School District
Schedule of Required Maintenance
Last Ten Fiscal Years

Exhibit J-19

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES
11-00-261-xxx

* School Facilities Project # (s)	Roebling Elementary School 25	Marcella L. Duffy Elementary School 20	Riverfront School 21	Florence Twp Memorial High School 34	Total
2004	127,749	102,199	107,309	173,739	510,996
2005	120,468	96,374	101,193	163,837	481,872
2006	146,090	116,872	122,716	198,683	584,361
2007	144,996	115,997	121,796	197,194	579,983
2008	122,400	-	250,916	238,679	611,995
2009	128,317	-	263,050	250,219	641,586
2010	139,450	1	277,546	264,007	681,004
2011	139,449	-	285,873	271,928	697,250
2012	170,316	-	349,149	332,117	851,582
2013	169,851		348,195	331,210	849,256
Total School Facilities	$ 1,409,086	$ 431,443	$ 2,227,743	$ 2,421,613	$ 6,489,885

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: School District Budget Records

Florence Township School District
Insurance Schedule
June 30, 2013

Exhibit J-20

	Coverage	Deductible
School Package Policy (1)		
Building and Contents (All Locations)	$ 77,535,451	$ 1,000
School Board Legal Liability	1,000,000	10,000
Commercial Crime/Blanket Employee Dishonesty	200,000	-
Umbrella Declarations	15,000,000	-
Excess Umberalla (2) Effective 7/1/2013	50,000,000	
Workers' Compensation (3)	2,000,000	-
Student Accident Insurance (4)	6,000,000	25,000
Athletic Accident (5)	25,000	-
Surety Bonds (6)		
Treasurer	225,000	-
Board Secretary/Business Administrator	225,000	-

(1) Utica National Insurance Company
(2) Fireman's Fund Insurance Company
(3) NJ School Board's Association Insurance Group
(4) Berkeley Life & Health Insurance Company
(5) Berkeley Life & Health Insurance Company
(6) RLI Surety

Source: District records

SECTION - K

SINGLE AUDIT SECTION

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant
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BORDENTOWN, NEW JERSEY 08505

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EXHIBIT K-1

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable President and
Members of the Board of Education
Florence Township School District
County of Burlington
Florence, New Jersey 08518

I have audited, 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; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey, the financial statements of governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Florence Township School District, in the County of Burlington, State of New Jersey as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Florence Township School District's basic financial statements, and have issued my report thereon dated October 8, 2013.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Florence Township School District Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the effectiveness of the Florence Township School District Board of Education's internal control. Accordingly, I do not express an opinion on the effectiveness of the Florence Township School District Board of Education'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.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my 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 Florence Township School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Purpose of This Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result 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,

John J. Maley, Jr., C.P.A.
Public School Accountant No. 454
Registered Municipal Accountant

October 8, 2013

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant
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EXHIBIT K-2

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY CIRCULAR 04-04-OMB

The Honorable President and
Members of the Board of Education
Florence Township School District
County of Burlington
Florence, New Jersey 08518

Report on Compliance for Each Major Federal or State Program

I have audited the Board of Education of the Florence Township School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and New Jersey *State Grant Compliance Supplement* that could have a direct and material effect on each of Florence Township School District's major federal or state programs for the year ended June 30, 2013. Florence Township 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Florence Township School District's major federal and state programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; and the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Those standards and New Jersey Circular 04-04-OMB, require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Florence Township School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal and state program. However, my audit does not provide a legal determination of the Board of Education of the Florence Township School District's compliance.

Opinion on Each Major Federal and State Program

In my opinion, the Board of Education of the Florence Township School District, in the County of Burlington, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Board of Education of the Florence Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing my audit, I considered the Board of Education Florence Township School District's internal control over compliance with requirements that could have a direct and material effect on a major federal and state programs in order to determine my auditing procedures for the purposes of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with New Jersey's Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Board of Education of the Florence Township School's 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 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.

My consideration of internal control over compliance was for the limited purpose described in the first 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. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey Circular 04-04-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

John J. Maley, Jr., C.P.A.
Public School Accountant No. 454

October 8, 2013

FLORENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2012	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2013 Accounts Receivable	Balance at June 30, 2013 Deferred Revenue	Balance at June 30, 2013 Due to Grantor
U.S. Department of Health and Human Services														
Passed-Through State Department of Human Services:														
General Fund:														
Education Jobs Fund	84.410	ARRA	$ 830	7/1/12	9/30/12	$ -		$ -	$ (830)			$ (830)		$ -
Education Jobs Fund	84.410	ARRA	332,697	9/1/11	9/30/12	(53,777)		53,777	-					-
Special Education Medicaid Initiative (SEMI)	93.778	N/A	58,646	9/1/12	8/31/13			58,646	(58,646)					-
Special Education Medicaid Initiative (SEMI) - MAC	93.778	N/A	5,151	9/1/12	8/31/13			5,151	(5,151)					-
Total General Fund						(53,777)	-	117,574	(64,627)	-	-	(830)	-	-
U.S. Department of Education														
Passed-Through State Department of Education:														
Special Revenue Fund:														
ARRA - Title I, Part A	84.389	ARRA-1520-10	90,734	7/1/09	8/31/11	(9,062)		9,061	-	1 a.				-
Title I - Improving Basic Programs Operated by LEA's	84.010	NCLB-1520-13	361,968	9/1/12	8/31/13			201,189	(222,871)			(21,682)		-
Title I - Improving Basic Programs Operated by LEA's 11/12	84.010	NCLB-1520-12	375,123	9/1/11	8/31/12	(38,575)		117,901	(79,325)	(1) b.				-
Title I - Improving Basic Programs Operated by LEA's 10/11	84.010	NCLB-1520-11	311,421	9/1/10	8/31/11	64,612			-	(64,612) a.				-
Title I - Improving Basic Programs Operated by LEA's 09/10	84.010	NCLB-1520-10	280,852	9/1/09	8/31/10	(30,541)			-	30,541 a.				-
Title I - Improving Basic Programs Operated by LEA's 08/09	84.010	NCLB-1520-09	293,396	9/1/08	8/31/09	20,035			-		(20,035)			-
Title I - Improving Basic Programs Operated by LEA's 07/08	84.010	NCLB-1520-08	199,619	9/1/07	8/31/08	164			-	(164) a.				-
Title I - School Improvement Allotment 08/09	84.010	NCLB-1520-09	20,992	9/1/08	8/31/09	(14,811)			-	14,811 a.				-
Title I - School Improvement Allotment 07/08	84.010	NCLB-1520-08	25,461	9/1/07	8/31/08	798			-	(798) a.				-
Title II-A, Teacher and Principal Training and Recruiting	84.367	NCLB-1520-13	81,922	9/1/12	8/31/13			59,199	(63,398)			(4,199)		-
Title II-A, Teacher and Principal Training and Recruiting 11/12	84.367	NCLB-1520-12	42,839	9/1/11	8/31/12	(11,662)		65,060	(52,652)	(746) a.				-
Title II-A, Teacher and Principal Training and Recruiting 09/10	84.367	NCLB-1520-10	84,664	9/1/09	8/31/10	(6,983)			-	6,983 a.				-
Title II-A, Teacher and Principal Training and Recruiting 08/09	84.367	NCLB-1520-09	84,375	9/1/08	8/31/09	3,614			-	1 b.	(3,615)			-
Title II-A, Teacher and Principal Training and Recruiting 07/08	84.367	NCLB-1520-08	85,650	9/1/07	8/31/08	6,629			-	(6,629) a.				-
Title II-D, Enhancing Education Through Technology	84.318	NCLB-1520-12	880	9/1/11	8/31/12			747	(747)					-
Title II-D, Enhancing Education Through Technology 09/10	84.318	NCLB-1520-10	2,791	9/1/09	8/31/10	2,791			-	(2,791) a.				-
Title II-D, Enhancing Education Through Technology 08/09	84.318	NCLB-1520-09	2,432	9/1/08	8/31/09	820			-	(820) a.				-
Title IV-A, Safe and Drug Free Schools & Communities Act 08/09	84.186	NCLB-1520-09	6,412	9/1/08	8/31/09	(6,150)			-	6,150 a.				-
Title IV-A, Safe and Drug Free Schools & Communities Act 07/08	84.186	NCLB-1520-08	7,530	9/1/07	8/31/08	2,442			-	(2,442) a.				-
I.D.E.A., Part B - Basic	84.027	IDEA-1520-13	533,275	9/1/12	8/31/13			314,665	(477,655)			(162,990)		-
I.D.E.A., Part B - Basic 11/12	84.027	IDEA-1520-12	528,296	9/1/11	8/31/12	(24,763)		32,513	(8,748)	998 a.				-
I.D.E.A., Part B - Basic 09/10	84.027	IDEA-1520-10	495,938	9/1/09	8/31/10	2,462			-		(2,462)			-
I.D.E.A., Part B - Basic 08/09	84.027	IDEA-1520-09	483,552	9/1/08	8/31/09	(26,415)			-	26,415 a.				-
I.D.E.A., Part B - Basic 07/08	84.027	IDEA-1520-08	485,716	9/1/07	8/31/08	8,148			-	(8,148) a.				-
I.D.E.A., Part B - Preschool	84.173	IDEA-1520-13	14,029	9/1/12	8/31/13			5,190	(12,706)			(7,516)		-
I.D.E.A., Part B - Preschool 11/12	84.173	IDEA-1520-12	16,640	9/1/11	8/31/12	(2,392)		4,706	(2,315)	1 a.				-
I.D.E.A., Part B - Preschool 09/10	84.173	IDEA-1520-10	13,072	9/1/09	8/31/10	1,245			-		(1,245)			-
I.D.E.A., Part B - Preschool 08/09	84.173	IDEA-1520-09	12,912	9/1/08	8/31/09	2,090			-		(2,090)			-
Race To The Top - Phase 3 (RTTT3)	84.413A	12-RT02-A01	25,234	7/1/12	12/31/12			25,234	(25,234)					-
Total Special Revenue Fund						(55,504)	-	835,465	(945,651)	(1,250)	(29,447)	(196,387)	-	-
U.S. Department of Agriculture														
Passed-Through State Department of Education:														
Enterprise Fund:														
Food Distribution Program	10.550	N/A	57,708	7/1/12	6/30/13	5,732		57,708	(55,182)				8,258	-
National School Breakfast Program	10.553	N/A	48,680	7/1/12	6/30/13			45,691	(48,680)			(2,989)		-
National School Breakfast Program	10.553	N/A	48,974	7/1/11	6/30/12	(3,054)		3,054	-					-
National School Lunch Program	10.555	N/A	251,224	7/1/12	6/30/13			237,929	(251,224)			(13,295)		-
National School Lunch Program	10.555	N/A	242,898	7/1/11	6/30/12	(13,014)		13,014	-					-
National School Lunch HHFKA Performance Based Program	10.592	N/A	8,536	7/1/12	6/30/13			8,039	(8,536)			(497)		-
Total Enterprise Fund						(10,336)	-	365,435	(363,622)	-	-	(16,781)	8,258	-
Total Federal Financial Awards						$ (119,617)	$ -	$ 1,318,474	$ (1,373,900)	$ (1,250)	$ (29,447)	$ (213,998)	$ 8,258	$ -

a. Canceled.
b. Rounding adjustment.

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

FLORENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
for the Fiscal Year ended June 30, 2013

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2012 Deferred Revenue (Accts Receivable)	Balance at June 30, 2012 Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2013 (Accounts Receivable)	Balance at June 30, 2013 Deferred Revenue / Interfund Payable	Balance at June 30, 2013 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education:															
General Fund:															
Equalization Aid	13-495-034-5120-078	$ 8,184,490	7/1/12	6/30/13	$ -	$ -	$ -	8,184,490	$ (8,184,490)	$ -	$ -	$ -	$ -	$ 783,192	$ 8,184,490
Transportation Aid	13-495-034-5120-014	87,778	7/1/12	6/30/13				87,778	(87,778)				-		87,778
Special Education Categorical Aid	13-495-034-5120-089	982,080	7/1/12	6/30/13				982,080	(982,080)				-		982,080
Security Aid	13-495-034-5120-084	93,574	7/1/12	6/30/13				93,574	(93,574)				-		93,574
Extraordinary Aid 12-13	13-100-034-5120-473	143,878	7/1/12	6/30/13				-	(143,878)		(143,878)		-	143,878	143,878
Extraordinary Aid 11-12	12-100-034-5120-473	82,013	7/1/11	6/30/12	(82,013)			82,013	-				-		-
Reimbursed Non Public Schools Transportation	N/A	21,801	7/1/12	6/30/13				-	(21,801)		(21,801)		-		21,801
Reimbursed Non Public Schools Transportation	N/A	23,217	7/1/11	6/30/12	(23,217)			23,217	-				-		-
Teacher's Pension & Annuity Fund (On-Behalf)	13-495-034-5095-006	710,682	7/1/12	6/30/13				710,682	(710,682)				-		710,682
TPAF - Post Retirement Medical (On-Behalf)	13-495-034-5095-001	803,602	7/1/12	6/30/13				803,602	(803,602)				-		803,602
Reimbursed TPAF Social Security Contributions	13-100-034-5095-002	739,368	7/1/12	6/30/13				594,928	(739,368)		(144,440)		-		739,368
Reimbursed TPAF Social Security Contributions	12-100-034-5095-002	756,701	7/1/11	6/30/12	(50,376)			50,376	-				-		-
Total General Fund					(155,606)	-	-	11,612,740	(11,767,253)	-	(310,119)	-	-	927,070	11,767,253
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Textbook Aid	13-100-034-5120-064	17,120	7/1/12	6/30/13				17,120	(17,120)				-		17,120
C.192 - Auxiliary Services:															
Compensatory Education	13-100-034-5120-067	34,279	7/1/12	6/30/13				34,279	(27,508)				6,771		27,508
Compensatory Education	12-100-034-5120-067	53,256	7/1/11	6/30/12		9,808		-	-	(9,808) a.			-		-
English As a Second Language	13-100-034-5120-067	2,984	7/1/12	6/30/13				2,984	(2,046)				938		2,046
English As a Second Language	12-100-034-5120-067	1,724	7/1/11	6/30/12		1,724		-	-	(1,724) a.			-		-
Transportation	13-100-034-5120-068	9,337	7/1/12	6/30/13				9,337	(9,337)				-		9,337
C.193 - Handicapped Services															
Examination & Classification	13-100-034-5120-066	18,319	7/1/12	6/30/13				18,319	(7,329)				10,990		7,329
Examination & Classification	12-100-034-5120-066	44,281	7/1/11	6/30/12		25,617		-	-	(25,617) a.			-		-
Corrective Speech	13-100-034-5120-066	10,156	7/1/12	6/30/13				10,156	(8,515)				1,641		8,515
Corrective Speech	12-100-034-5120-066	10,268	7/1/11	6/30/12		2,369		-	-	(2,369) a.			-		-
Supplemental Instruction	13-100-034-5120-066	6,938	7/1/12	6/30/13				6,938	(6,938)				-		6,938
Supplemental Instruction	12-100-034-5120-066	9,120	7/1/11	6/30/12		1,754		-	-	(1,754) a.			-		-
Other Special Projects:															
Nonpublic Nursing	13-100-034-5120-070	23,762	7/1/12	6/30/13				23,762	(23,762)				-		23,762
Nonpublic Technology Initiative	13-100-034-5120-373	6,318	7/1/12	6/30/13				6,318	(6,318)				-		6,318
Local Projects:															
NJ Veterinary Medicine Association Grant 07/08	N/A	500	7/7/07	6/30/08	500				-	(500) b.			-		-
NJ School Boards Assoc. Insurance Group Safety Grant	N/A	5,116	7/1/12	6/30/13				5,116	(5,116)				-		5,116
Total Special Revenue Fund					500	41,272	-	134,329	(113,989)	(41,772)	-	-	20,340	-	113,989
State Department of Education:															
Debt Service Fund:															
Debt Service Aid Type II	13-495-034-5120-125	118,234	7/1/12	6/30/13				118,234	(118,234)				-		118,234
Total Debt Service Fund					-	-	-	118,234	(118,234)	-	-	-	-	-	118,234
State Department of Agriculture:															
Enterprise Fund:															
National School Lunch Program (State Share)	13-100-010-3350-023	7,510	7/1/12	6/30/13				7,113	(7,510)		(397)		-		7,510
National School Lunch Program (State Share)	12-100-010-3350-023	7,820	7/1/11	6/30/12	(414)			414	-				-		-
Total Enterprise Fund					(414)	-	-	7,527	(7,510)	-	(397)	-	-	-	7,510
Total State Financial Assistance					$ (155,520)	$ 41,272	$ -	$ 11,872,830	$ (12,006,986)	$ (41,772)	$ (310,516)	$ -	$ 20,340	$ 927,070	$ 12,006,986

a. Repayment of prior year balance.
b. Canceled.

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this statement.

FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2013

Note 1: GENERAL

The accompany schedules of federal awards and state financial assistance include federal and state awards activity of the Board of Education, Florence Township School District. The Board of Education is defined in Note 1 to the Board's basic 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 on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic 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 the 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:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($30,165) for the general fund and $2,253 for the special revenue fund. See *Note A [the Notes to Required Supplementary Information]* for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	$ 63,797	$11,737,088	$11,800,885
Special Revenue Fund	945,651	111,126	1,056,777
Debt Service Fund	0	118,234	118,234
Food Service Fund	336,149	7,510	343,659
Total Financial Assistance	$1,345,597	$11,973,958	$13,319,555

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, 2013. TPAF Social Security Contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

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FLORENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Section I - Summary of Auditor's Results

Financial Statements
[Reference – Section .510 and .520 of Circular OMB-133]

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? __ yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? __ yes X no

Noncompliance material to basic financial statements noted? __ yes X no

Federal Awards

Internal control over major programs:

1) Material weakness(es) identified? __ yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? __ yes X no

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
84.367	Title IIA – Teacher & Principal Training & Recruiting
84.027 & 84.173	IDEA, Basic & Preschool Cluster

Dollar threshold used to distinguish between type A and type B programs: [520] $ 300,000

Auditee qualified as low-risk auditee? X yes ___ no

FLORENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Section I - Summary of Auditor's Results (cont'd)

State Awards

Dollar threshold used to distinguish between type A and type B programs: $ 314,781

Auditee qualified as low-risk auditee? X yes __ no

Internal Control over major programs:

1) Material weakness(es) identified? __ yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? __ yes X no

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 NJOMB Circular Letter 04-04? __ yes X no

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
13-495-034-5120-078	Equalization Aid
13-495-034-5120-089	Special Education Categorical Aid
13-100-034-5095-002	Reimbursed TPAF Social Security Contributions
13-495-034-5120-125	Debt Service Aid Type II

FLORENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards.*

FINANCIAL STATEMENT FINDINGS

No matters are reported.

FLORENCE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT FOR THE YEAR ENDED JUNE 30, 2013

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

[This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJ Circular Letter 04-04-OMB.]

FEDERAL AWARDS

No matters are reported.

STATE AWARDS

No matters are reported.

[This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with *Government Auditing Standards,* OMB Circular A-133, and NJ Circular 04-04-OMB.]

STATUS OF PRIOR YEAR FINDINGS

FINANCIAL STATEMENTS

Finding 2012-01

Criteria:

Grant balances should be accounted for timely.

Condition:

The records of the Special Revenue Fund reflect several prior year outstanding balances.

Current Status:

Corrective action has been implemented.