

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**OF THE**  
**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**BOARD OF EDUCATION**  
**FLORENCE, NEW JERSEY**  
  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Prepared By**

**Florence Township School District  
Board of Education**

**INTRODUCTORY SECTION**

BOARD OF EDUCATION OF THE  
FLORENCE TOWNSHIP SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

<u>Exhibit Number</u>	<u>Page Number</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal.....	1-4
Organizational Chart.....	5
Roster of Officials.....	6
Consultants and Advisors.....	7
<b>FINANCIAL SECTION</b>	
<b>INDEPENDENT AUDITOR'S REPORT.....</b>	<b>8-10</b>
<b>Required Supplementary Information - Part I Management's Discussion and Analysis.....</b>	<b>11-20</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position.....	21
A-2 Statement of Activities.....	22
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet.....	23
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances.....	24
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	25
Proprietary Funds:	
B-4 Statement of Net Position.....	26
B-5 Statement of Revenues, Expenses, and Changes in Fund Net position.....	27
B-6 Statement of Cash Flows.....	28
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position.....	29
B-8 Statement of Changes in Fiduciary Net Position.....	30
<b>Notes to Financial Statements.....</b>	<b>31-55</b>

BOARD OF EDUCATION OF THE  
FLORENCE TOWNSHIP SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

<u>Exhibit Number</u>	<u>Page Number</u>
<b>Required Supplementary Information - Part II</b>	
C.	Budgetary Comparison Schedules
C-1	Budgetary Comparison Schedule - General Fund..... 56-61
C-1a	Combining Schedule of Revenues, Expenditures And Changes in Fund Balance-Budget and Actual..... N/A
C-1b	American Recovery and Reinvestment Act – Budget and Actual..... N/A
C-2	Budgetary Comparison Schedule-Special Revenue Fund..... 62
<b>Notes to the Required Supplementary Information – Part II</b>	
C-3	Budget-to-GAAP Reconciliation..... 63
<b>Required Supplementary Information – Part III</b>	
L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)..... 64
L-1	Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS..... 65
L-2	Schedule of the District Contributions – PERS..... 66
L-3	Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF..... 67
<b>Notes to the Required Supplementary Information – Part III</b>	
<b>Other Supplementary Information</b>	
D.	School Based Budget Schedules
D-1	Combining Balance Sheet..... N/A
D-2	Blended Resource Fund-Schedule of Expenditures Allocated by Resource Type-Actual..... N/A
D-3	Blended Resource Fund - Schedule of Blended Expenditures-Budget and Actual..... N/A
E.	Special Revenue Fund
E-1	Combining Schedule of Revenues and Expenditures - Budgetary Basis..... 68-71
E-2	Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis..... N/A

BOARD OF EDUCATION OF THE  
FLORENCE TOWNSHIP SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

<u>Exhibit Number</u>		<u>Page Number</u>
F.	Capital Projects Fund	
F-1	Summary Schedule of Project Expenditures.....	N/A
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balances-Budgetary Basis.....	N/A
F-2(x)	Schedules of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis.....	N/A
G.	Proprietary Funds	
	Enterprise Fund	
G-1	Combining Statement of Net Position.....	72
G-2	Combining Statement of Revenues, Expense and Changes in Fund Net Position.....	73
G-3	Combining Statement of Cash Flows.....	74
	Internal Service Fund	
G-4	Combining Statement of Net Position.....	N/A
G-5	Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	N/A
G-6	Combining Statement of Cash Flows.....	N/A
H.	Fiduciary Funds	
H-1	Combining Statement of Fiduciary Net Position.....	75
H-2	Combining Statement of Changes in Fiduciary Net Position.....	76
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements.....	77
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements.....	78
I.	Long Term Debt	
I-1	Schedule of Serial Bonds.....	79
I-2	Schedule of Obligations under Capital Leases.....	80
I-3	Debt Service Fund Budgetary Comparison Schedule.....	81

**STATISTICAL SECTION (Unaudited)**

J.	<b>Financial Trends</b>	
J-1	Net position by Component.....	82
J-2	Changes in Net Position.....	83-85
J-3	Fund Balances and Governmental Funds.....	86
J-4	Changes in Fund Balances and Governmental Funds.....	87
J-5	General Fund – Other Local Revenue by Source.....	88

BOARD OF EDUCATION OF THE  
FLORENCE TOWNSHIP SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

<u>Exhibit Number</u>	<u>Page Number</u>
<b>Revenue Capacity</b>	
J-6 Assessed Value and Actual Value of Taxable Property.....	89
J-7 Direct and Overlapping Property Tax Rate.....	90
J-8 Principal Property Taxpayers.....	91
J-9 Property Tax Levies and Collection.....	92
<b>Debt Capacity</b>	
J-10 Ratios of Outstanding Debt by Type.....	93
J-11 Ratios of Net General Bonded Debt Outstanding.....	94
J-12 Direct and Overlapping Governmental Activities Debt.....	95
J-13 Legal Debt Margin Information.....	96
<b>Demographic and Economic Information</b>	
J-14 Demographic and Economic Statistics.....	97
J-15 Principal Employers.....	98
<b>Operating Information</b>	
J-16 Full-time Equivalent District Employees by Function/Program.....	99
J-17 Operating Statistics.....	100
J-18 School Building Information.....	101
J-19 Schedule of Required Maintenance Expenditures By School Facility.....	102
J-20 Insurance Schedule.....	103

**REPORT IN ACCORDANCE WITH GOVERNMENT AUDIT STANDARDS**

K.	K-1 Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i> .....	104-105
----	---	---------

**SINGLE AUDIT SECTION**

K-2 Report on Compliance with Requirements Applicable To Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB circular Letter 15-08.....	106-107
K-3 Schedule of Expenditures of Federal Awards, Schedule A.....	108
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B.....	109
K-5 Notes to the Schedule of Awards and Financial Assistance.....	110
K-6 Schedule of Findings and Questioned Costs.....	111-114
K-7 Summary Schedule of Prior Audit Findings.....	115-116

**FLORENCE TOWNSHIP SCHOOL SYSTEM**

201 CEDAR STREET  
FLORENCE, NEW JERSEY 08518



[www.florence.k12.nj.us](http://www.florence.k12.nj.us)

DONNA AMBROSIUS  
SUPERINTENDENT OF SCHOOLS  
609-499-4600 Ext. 1000  
(Fax) 609-499-9679

MELISSA LIVENGOOD  
BUSINESS ADMINISTRATOR/BOARD SECRETARY  
609-499-4600 Ext. 1007  
(Fax) 609-499-0129

December 11, 2015

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, 2015 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 15-08-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, 2015 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 2014-2015 school year enrollment of 1798 students as of June 30, 2015 represents an increase of forty-six students.

### 2) MAJOR INITIATIVES

The focus of the district has been to align all programs to the New Jersey Core Curriculum Content Standards, develop progress monitoring, and establish vertical and horizontal articulation throughout the district. The integration of technology has increased the need for additional computers, Ipads, and other electronic devices as we prepare our students for a 21<sup>st</sup> century global community. An emphasis in designated yearly assessments and building character educational programs for students was placed for this school year.

School based committee, along with a district members meet to develop and monitor the needs of the students, staff, and community. This includes data analysis, students and staff surveys, and review of student performance on formal and informal assessments. Special attention has been given to professional development in the area of state initiatives, safety and security, technology, and differentiated instruction to create an inclusive education setting for all students.

The continuous goal is to serve the needs of all students. An after school and summer program has been established to provide skill based, data driven approach to address academic gaps. The program is monitored through Title I, IDEA and local funds.

A dedicated local cable tv station provides the public with various events and information to increase community involvement, as well as the increase of increase in social media and website information.

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.

### 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 compiled 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, 2015.

#### 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:

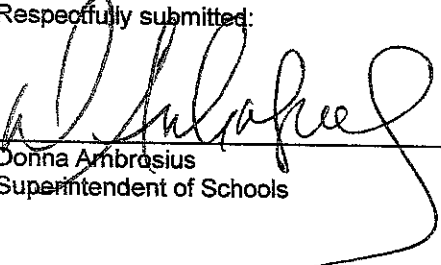
State statutes require an annual audit by independent certified public accountants or registered municipality accountants. The accounting firm of John J. Maley, Jr. CPA, was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circulars 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

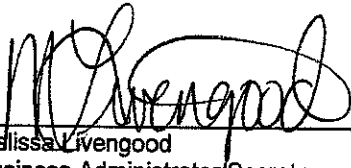
contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Board Office staff.

Respectfully submitted:



---

Donna Ambrosius  
Superintendent of Schools



---

Melissa Livengood  
Business Administrator/Secretary  
to the Board

**Florence School District Organizational Chart**  
**Superintendent of Schools**

Business Administrator	Educational Facilities Manager	Director Special Services	Principal High School		Principal Riverfront	Principal Roebing	Computer Coordinator
			Assistant Principal	Assistant Principal (HS & RF Shared)	Assistant Principal		
Business Office	Operations & Maintenance	Child Study Team	Classroom Instruction	Athletics	Classroom Instruction	Classroom Instruction	IT Technician
Operations & Maintenance		Speech Services	Library/Media Services	NCLB/IDEA B Programs	Library/Media Services	Library/Media Services	
Transportation Department		Mentor Services	ESL Services	Student Discipline	ESL Services	ESL Services	
District Security		Non-Public Services	G&T Program		G&T Program	G&T Program	
Attendance Services			Co-Curricular Advisors		Co-Curricular Advisors	Co-Curricular Advisors	
Extended Day Program			Guidance Department		Guidance Department	Guidance Department	
Food Service Management			Cafeteria Monitors		Cafeteria Monitors	Café/Campus Monitors	

**FLORENCE TOWNSHIP  
PUBLIC SCHOOL DISTRICT  
FLORENCE, NEW JERSEY 08518**

**BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Emma A. Cartier, President	2016
Jean M. Shelen, Vice President	2015
Debbie Reyes	2017
Dennis Yurcho	2016
Anne Lipsett	2015
Anthony Nutter	2016
Christine S. Skinner	2015
Christopher Conti	2017
John Harkins	2017

**Other District Officials**

**Title**

Donna Ambrosius	Superintendent of Schools
Melissa Livengood	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  
PO 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**

3<sup>rd</sup> Fed Bank  
Route 130 South and Delaware Avenue  
Roebing, New Jersey 08554-0066

Investors Bank  
2150 Route 130 North  
Burlington, NJ 08016

**FINANCIAL SECTION**

**JOHN J. MALEY, JR.**

*Certified Public Accountant*

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

FAX: (609) 298-1198

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, 2015, 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, 2015, 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.

### **Emphasis of Matter**

During the year the Florence Township Board of Education implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. My opinions on the financial statements are not are not modified relating to this change in accounting principle.

### **Other Matters**

#### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, Budgetary Comparison Information and schedules relating to accounting and reporting for pensions shown in Required Supplementary Information – Part III 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 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes



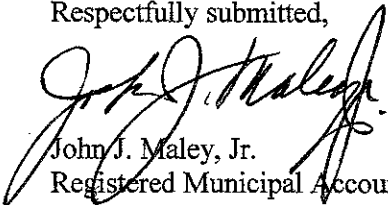
of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected 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 December 11, 2015 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

December 11, 2015

**REQUIRED SUPPLEMENTARY INFORMATION – Part I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# FLORENCE TOWNSHIP SCHOOL SYSTEM

201 CEDAR STREET  
FLORENCE, NEW JERSEY 08518



DONNA AMBROSIUS  
SUPERINTENDENT OF SCHOOLS  
609-499-4600 Ext. 1000  
(Fax) 609-499-9679

www.florence.k12.nj.us

MELISSA LIVENGOOD  
BUSINESS ADMINISTRATOR/BOARD SECRETARY  
609-499-4600 Ext. 1007  
(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, 2015**. 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 **2015**. The largest grant falls under the Individuals with Disabilities Education Act, Part B (IDEA-B) - Combined Basic and Preschool in the amounts of **five hundred four thousand seven hundred nineteen dollars (\$504,719)** for Basic and **thirteen thousand one hundred seven dollars (\$13,107)** for Preschool. The combined IDEA-B total was **five hundred seventeen thousand eight hundred twenty-six dollars (\$517,826)**. 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 sixty-two thousand twenty-two dollars (\$362,022)** 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 **eighty-five thousand one hundred fifty dollars (\$85,150)**. The remaining large special revenue funding source for the fiscal year was from the NJ Nonpublic C192/193 auxiliary and handicapped services totaling **fifty-four thousand one hundred seventeen dollars (\$54,117)**.

As reported on the Application for State School Aid (ASSA), enrollment increased from **one thousand six hundred eleven students (1,611)** as of **October 15, 2013**, to **one thousand six hundred twenty-seven students (1,627)** as of **October 15, 2014**. This represents an increase of **sixteen (16)** students. The below summary chart shows ASSA reported enrollments for the last ten (10) years:

10/15/05	10/15/06	10/15/07	10/15/08	10/15/09	10/15/10	10/15/11	10/15/12	10/15/13	10/15/14
1554	1629	1638	1666	1705	1707	1724	1723	1611	1627

### New Accounting Standard

The financial statements for 2014-15 reflect the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*. The primary effect of this statement is to recognize a liability in the financial statements prepared using the economic resources measurement focus and accrual basis of accounting for its proportionate share of the collective net pension liability of all employers for benefits provided through the pension plan. This Statement had a significant effect on the District's financial statements. The Governmental Activities financial statements report a net pension liability of \$7,081,833. The net pension liability is the District's proportionate share of the amount by which pension plan liabilities exceed pension plan assets. Prior to GASB 68 a net pension liability was not reported by the District.

Further, GASB 68 requires that most changes in the pension liability are required to be included in pension expense in the period of the change. Previously, pension expense was reported by the District as the amount paid.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three (3) parts - management's discussion and analysis; the basic financial statements; and required supplementary information. The basic financial statements include two (2) kinds of statements that present different views of the Florence Township School District's financial condition.

The first two (2) statements are district-wide financial statements that provide both short term and long term information about the Florence Township School District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the Florence Township School District. They report the Florence Township School District's operations in more detail than the district-wide statements. For example, the Florence Township School District has two enterprise funds - the food service program and a fee-based, extended day (before and after school) program. These funds are detailed in the fund financial statements, but are combined into the overall Florence Township School District financial statements.

Governmental funds statements detail how basic services like regular and special education instruction and other overall operating expenses were financed for the budget/school year. The governmental funds also provide an analysis of fund balance remaining for future spending or to be used in the form of tax relief.

Proprietary funds statements offer short-term and long-term financial information about the activities that the Florence Township School District operates in a business-like manner.

Fiduciary funds statements provide information about the financial relationships in which the Florence Township School District acts solely as a trustee or agent for the benefit of others. In the Florence Township School District, these include funds held for unemployment insurance, scholarships, student activities, and payroll agency.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Florence Township School District's budget for the year. The chart below shows how the various parts of this report are arranged and related to one another.

### **ORGANIZATION OF FLORENCE TOWNSHIP SCHOOL DISTRICT'S ANNUAL FINANCIAL REPORT**

Management's Discussion And Analysis	Basic Financial Statements	Required Supplementary Information
Districtwide Financial Statements	Fund Financial Statements	Notes to the Financial Statements
Summary		Detail

## MAJOR FEATURES OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

	District-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district except fiduciary funds	The activities of the district that are not proprietary or fiduciary such as special revenue and building maintenance	Activities the district operates similar to private businesses - food service and extended day programs.	Instances in which the district administers resources on behalf of someone else such as scholarship programs and student activities monies
Required financial statements	Statement of net assets Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances	Statement of net assets Statement of revenues, expenses, and changes in fund net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
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 long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
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 **three million four hundred seven thousand nine hundred eighty-two dollars (\$3,407,982)** on June 30, 2015. **TABLE A-1** shows the comparison of the Florence Township School District's net position.

	Governmental Activities		Business-Type Activities		Total School District		Total % Change
	2014	2015	2014	2015	2014	2015	2014-2015
Current & Other Assets	1,264,885	1,346,141	178,485	196,021	1,443,370	1,542,162	7%
Capital Assets - Net	38,231,607	36,834,094	108,723	81,888	38,340,330	36,915,982	-4%
Deferred Outflows	2,166,136	2,502,345	-	-	2,166,136	2,502,345	100%
<b>Total Assets &amp; Deferred Outflows</b>	<b>41,662,628</b>	<b>40,682,580</b>	<b>287,208</b>	<b>277,909</b>	<b>41,949,836</b>	<b>40,960,489</b>	-2%
Long-Term Debt Outstanding	28,077,917	35,979,860	-	-	28,077,917	35,979,860	28%
Other Liabilities	2,447,566	792,901	22,216	58,145	2,469,782	851,046	-66%
Deferred Inflows	1,509,733	721,601	-	-	1,509,733	721,601	100%
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>32,035,216</b>	<b>37,494,362</b>	<b>22,216</b>	<b>58,145</b>	<b>32,057,432</b>	<b>37,552,507</b>	17%
Net Investment in Capital Assets	12,057,653	14,035,431	108,723	81,888	12,166,376	14,117,319	16%
Restricted	1,105,990	1,030,393	-	-	1,105,990	1,030,393	-7%
Unrestricted	(3,536,231)	(11,877,606)	156,269	137,876	(3,379,962)	(11,739,730)	247%
<b>Total Net Position</b>	<b>9,627,412</b>	<b>3,188,218</b>	<b>264,992</b>	<b>219,764</b>	<b>9,892,404</b>	<b>3,407,982</b>	-66%

The increase in the deficit in unrestricted net position resulted from recording pension transactions in accordance with GASB 68 amounting to \$7,580,743.

Note: Totals may not add due to rounding

**Net Assets Changes:** Local purpose property taxes of fifteen million three hundred eighty-nine thousand three hundred fifty-five dollars (\$15,389,355) accounted for the highest percentage of revenues in the Florence Township School District's **2014-2015** budget statement. The second largest funding source for the Florence Township School District was categorical state aid. The aid categories funded for the **2014-2015** budget/school year were equalization 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**  
**Change in Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Total % Change
	2014	2015	2014	2015	2014	2015	2014-2015
<b>Revenues:</b>							
Program Revenues							
Charges for Services	-	-	654,541	588,546	654,541	588,546	-10%
Federal & State	3,124,194	5,598,286	334,760	345,157	3,458,954	5,943,443	72%
General Revenues							
Local Purpose Property Taxes	17,689,915	18,088,336	-	-	17,689,915	18,088,336	2%
Federal or State Aid	9,701,360	9,855,832	-	-	9,701,360	9,855,832	2%
Tuition	-	-	-	-	-	-	
Other	338,869	223,000	(343)		338,526	223,000	-34%
<b>Total Revenues</b>	<b>30,854,338</b>	<b>33,765,454</b>	<b>988,958</b>	<b>933,703</b>	<b>31,843,296</b>	<b>34,699,157</b>	<b>9%</b>
<b>Expenses:</b>							
Instruction Related	13,006,820	12,025,643	-	-	13,006,820	12,025,643	-8%
Tuition	1,654,028	1,567,872	-	-	1,654,028	1,567,872	-5%
Student & Inst. Related Serv.	2,972,028	3,149,700	-	-	2,972,028	3,149,700	6%
Administrative Services	2,454,937	2,578,325	-	-	2,454,937	2,578,325	5%
Maintenance	3,290,210	3,245,387	-	-	3,290,210	3,245,387	-1%
Transportation	1,654,051	1,811,605	-	-	1,654,051	1,811,605	10%
Benefits	1,872,505	4,496,614	-	-	1,872,505	4,496,614	140%
Other	3,674,772	3,745,805	1,015,357	978,931	4,690,129	4,724,736	1%
<b>Total Expenses</b>	<b>30,579,351</b>	<b>32,620,951</b>	<b>1,015,357</b>	<b>978,931</b>	<b>31,594,708</b>	<b>33,599,882</b>	<b>6%</b>
<b>Incr (Decr) Net Position</b>	<b>274,987</b>	<b>1,144,503</b>	<b>(26,399)</b>	<b>(45,228)</b>	<b>248,588</b>	<b>1,099,275</b>	<b>342%</b>

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 3<sup>rd</sup> grade through 8<sup>th</sup> grade and the Roebling Elementary School No. 5 grades kindergarten through 3<sup>rd</sup> 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.



TABLE A-3 provides a summary of the cost of all governmental activities for the 2014-2015 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
	2014	2015	2013-2014	2014	2015	2014-2015
Instruction Related	13,006,820	12,025,643	-8%	12,115,342	11,237,653	-7%
Tuition	1,654,028	1,567,872	-5%	1,654,028	1,567,872	-5%
Student Inst. Related Services	2,972,028	3,149,700	6%	2,720,874	2,836,018	4%
Administrative Services	2,454,937	2,578,325	5%	2,454,937	2,578,325	5%
Maintenance	3,290,210	3,245,387	-1%	3,290,210	3,245,387	-1%
Transportation	1,654,051	1,811,605	10%	1,654,051	1,811,605	10%
Benefits	1,872,505	4,496,614	140%	-	-	0%
Other	3,674,772	3,745,805	2%	3,565,715	3,745,805	5%
<b>Total</b>	<b>30,579,351</b>	<b>32,620,951</b>	<b>7%</b>	<b>27,455,157</b>	<b>27,022,665</b>	<b>-2%</b>

The large increase in the benefits line-item resulted from reporting TPAF pension expense and revenue in accordance with GASB 68. The 2015 amount exceeded the 2014 amount by \$2,392,809.

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, 2015**. Unexpended special revenue funds, if any, 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 one hundred eighty thousand six hundred seventy dollars (\$1,180,670)** in total fund balances. A portion of the unreserved fund balance will be used for tax relief in its 2015-2016 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 **2014-2015** 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
	2014	2015	2014	2015	2014	2015	2014-2015
Land	918,785	918,785	-	-	918,785	918,785	0%
Construction in Progress	-	-	-	-	-	-	0%
Site Improvements	1,021,447	919,872	-	-	1,021,447	919,872	-10%
Buildings	34,851,474	33,694,818	-	-	34,851,474	33,694,818	-3%
Equipment & Furniture	1,439,901	1,300,617	108,723	96,606	1,548,624	1,397,223	-10%
<b>Total</b>	<b>38,231,607</b>	<b>36,834,092</b>	<b>108,723</b>	<b>96,606</b>	<b>38,340,330</b>	<b>36,930,698</b>	<b>-4%</b>

Note: Totals may not add due to rounding.

### LONG TERM DEBT

At year end the Florence Township School District had twenty-five million seven hundred forty thousand dollars (\$23,990,000) 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 2014-2015 budget/school year, the Florence Township School District retired eighty-eight thousand four hundred seventy-six dollars (\$88,476) in debt for New Jersey Commissioner of Education approved lease purchase agreements and one million seven hundred fifty dollars (\$1,750,000) in debt on general obligation bonds.

#### Florence Township School District Outstanding Long-Term Debt

	Total School District		Total % Change
	2014	2015	2014-2015
General Obligation Bonds	25,740,000	23,990,000	-7%
Commissioner-Approved Lease Purchase	200,417	111,941	-44%
Compensated Absences Restated	3,966,080	3,295,668	-17%
Other	233,537	204,193	-13%
<b>Total</b>	<b>30,140,034</b>	<b>27,601,802</b>	<b>-8%</b>

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, 2015**.

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 Roebing Elementary School No. 5 project was completed as of June 30, 2008. The below table provides a summary of the construction projects:

## LONG TERM DEBT

At year end the Florence Township School District had twenty-five million seven hundred forty thousand dollars (\$23,990,000) 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 2014-2015 budget/school year, the Florence Township School District retired eighty-eight thousand four hundred seventy-six dollars (\$88,476) in debt for New Jersey Commissioner of Education approved lease purchase agreements and one million seven hundred fifty dollars (\$1,750,000) in debt on general obligation bonds.

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

	Total School District		Total % Change
	2014	2015	2014-2015
General Obligation Bonds	25,740,000	23,990,000	-7%
Commissioner-Approved Lease Purchase	200,417	111,941	-44%
Compensated Absences Restated	3,966,080	3,295,668	-17%
Other	233,537	204,193	-13%
<b>Total</b>	<b>30,140,034</b>	<b>27,601,802</b>	<b>-8%</b>

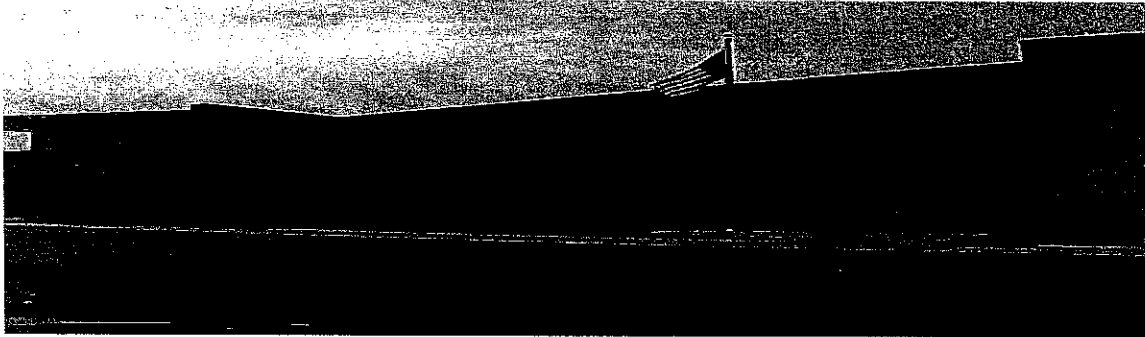
Note: Totals may not add due to rounding

## 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, 2015**.

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 [mlivengood@florence.k12.nj.us](mailto:mlivengood@florence.k12.nj.us).

---

Melissa Livengood  
Business Administrator/Secretary to the Board

**BASIC FINANCIAL STATEMENTS**

Exhibit A-1

Florence Township School District  
Statement of Net Position  
June 30, 2015

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,069,590	\$ 166,246	\$ 1,235,836
Receivables, net	275,403	16,612	292,015
Inventory	-	13,163	13,163
Restricted assets:			
Capital reserve account - cash	1,148	-	1,148
Capital assets, net (Note 4):	<u>36,834,094</u>	<u>81,888</u>	<u>36,915,982</u>
Total Assets	<u>38,180,235</u>	<u>277,909</u>	<u>38,458,144</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred refunding costs	1,507,471	-	1,507,471
Deferred outflows of resources - pension	551,296	-	551,296
Unamortized utility assessment	443,578	-	443,578
Total deferred outflows of resources	<u>2,502,345</u>	<u>-</u>	<u>2,502,345</u>
Total assets and deferred outflows of resources	<u>40,682,580</u>	<u>277,909</u>	<u>40,960,489</u>
<b>LIABILITIES</b>			
Accounts payable	438,213	-	438,213
Accrued interest payable	298,827	-	298,827
Payable to federal government	22,197	-	22,197
Payable to state government	33,345	-	33,345
Unearned revenue	319	58,145	58,464
Noncurrent liabilities (Note 5):			
Due within one year	2,111,156	-	2,111,156
Due beyond one year	<u>33,868,704</u>	<u>-</u>	<u>33,868,704</u>
Total liabilities	<u>36,772,761</u>	<u>58,145</u>	<u>36,830,906</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pension	721,601	-	721,601
Total deferred inflows of resources	<u>721,601</u>	<u>-</u>	<u>721,601</u>
Total liabilities and deferred inflows of resources	<u>37,494,362</u>	<u>58,145</u>	<u>37,552,507</u>
<b>NET POSITION</b>			
Net investment in capital assets	14,035,431	81,888	14,117,319
Restricted for:			
Capital projects	1,148	-	1,148
Other purposes	1,029,245	-	1,029,245
Unrestricted	<u>(11,877,606)</u>	<u>137,876</u>	<u>(11,739,730)</u>
Total net position	<u>\$ 3,188,218</u>	<u>\$ 219,764</u>	<u>\$ 3,407,982</u>

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

Florence Township School District  
Statement of Activities  
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
<b>Instruction:</b>							
Regular	\$ 8,030,336	\$ -	\$ 787,990	\$ -	\$ (7,242,346)	\$ -	\$ (7,242,346)
Special education	2,951,366	-	-	-	(2,951,366)	-	(2,951,366)
Other special instruction	394,667	-	-	-	(394,667)	-	(394,667)
Other instruction	564,052	-	-	-	(564,052)	-	(564,052)
Gifted and talented	85,222	-	-	-	(85,222)	-	(85,222)
<b>Support services:</b>							
Tuition	1,567,872	-	-	-	(1,567,872)	-	(1,567,872)
Student & instruction related services	3,149,700	-	313,682	-	(2,836,018)	-	(2,836,018)
General administration	610,755	-	-	-	(610,755)	-	(610,755)
School administrative services	1,133,673	-	-	-	(1,133,673)	-	(1,133,673)
Central services	519,672	-	-	-	(519,672)	-	(519,672)
Administrative and information technology	314,225	-	-	-	(314,225)	-	(314,225)
Plant operations and maintenance	3,245,387	-	-	-	(3,245,387)	-	(3,245,387)
Pupil transportation	1,811,605	-	-	-	(1,811,605)	-	(1,811,605)
Unallocated employee benefits	4,496,614	-	4,496,614	-	-	-	-
Charter schools	1,434,177	-	-	-	(1,434,177)	-	(1,434,177)
Interest on long-term debt	919,198	-	-	-	(919,198)	-	(919,198)
Amortization of intangible assets	13,862	-	-	-	(13,862)	-	(13,862)
Unallocated depreciation	1,378,568	-	-	-	(1,378,568)	-	(1,378,568)
Total governmental activities	32,020,951	-	5,598,286	-	(27,022,665)	-	(27,022,665)
<b>Business-type activities:</b>							
Food Service	686,528	305,349	345,157	-	-	(36,022)	(36,022)
Extended Day Program	292,403	283,197	-	-	-	(9,206)	(9,206)
Total business-type activities	978,931	588,546	345,157	-	-	(45,228)	(45,228)
Total primary government	\$ 33,599,882	\$ 588,546	\$ 5,943,443	\$ -	\$ (27,022,665)	\$ (45,228)	\$ (27,067,893)
<b>General revenues:</b>							
Taxes:							
Property taxes, levied for general purposes, net					15,389,355		15,389,355
Taxes levied for debt service					2,698,981		2,698,981
Federal and State aid not restricted					9,855,832		9,855,832
Investment earnings					4,525		4,525
Miscellaneous income					218,475		218,475
Total general revenues, special items, extraordinary items and transfers					28,167,168		28,167,168
Change in Net Position					1,144,503	(45,228)	1,099,275
Net Position—beginning, as previously reported					9,627,410	264,992	9,892,402
Cumulative effect of change in accounting principle					(7,583,695)	-	(7,583,695)
Net Position—beginning, as restated					2,043,715	264,992	2,308,707
Net Position—ending					\$ 3,188,218	\$ 219,764	\$ 3,407,982

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

Florence Township School District  
 Balance Sheet  
 Governmental Funds  
 June 30, 2015

	Major Funds			
	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 932,100	\$ 137,488	\$ 2	\$ 1,069,590
Due from other funds	191,404	-	-	191,404
Receivables from other governments:				
State of New Jersey	73,168	6,696	-	79,864
Federal	39,989	140,419	-	180,408
Other receivables	4,949	-	-	4,949
Restricted cash and cash equivalents	1,148	-	-	1,148
Total assets	\$ 1,242,758	\$ 284,603	\$ 2	\$ 1,527,363
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	62,088	47,520	-	109,608
Interfund payable	-	181,222	-	181,222
Payable to federal government	-	22,197	-	22,197
Payable to state government	-	33,345	-	33,345
Unearned revenue	-	319	-	319
Total liabilities	62,088	284,603	-	346,691
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Capital reserve	1,148	-	-	1,148
Excess surplus - Current year	626,966	-	-	626,966
Excess surplus - Designated by the BOE for subsequent year's expenditures	402,279	-	-	402,279
<b>Assigned to:</b>				
Designated by the BOE for subsequent year's expenditures	256,619	-	-	256,619
Other purposes	186,473	-	-	186,473
<b>Unassigned:</b>				
General fund	(292,815)	-	-	(292,815)
Debt service fund	-	-	2	2
Total fund balances	1,180,670	-	2	1,180,672
Total liabilities and fund balances	\$ 1,242,758	\$ 284,603	\$ 2	

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 \$56,674,403 and the accumulated depreciation is \$19,840,311 (See Note 4). 36,834,092

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). (27,601,802)

Accrued interest payable is not due and payable in the current period and therefore is not reported as a liability in the funds. (298,827)

Deferred Charge on Refunding Bonds 2,038,578  
 Less: Amortization (531,107) 1,507,471

Unamortized Bond Premium (1,901,204)  
 Less: Amortization 604,979 (1,296,225)

Unamortized Water & Sewer Extension costs are not current financial resources and are not reported as assets in the funds.  
 Water & Sewer Extension Costs 554,474  
 Less: Amortization (110,896) 443,578

Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.  
 Net pension liability (7,081,833)  
 Accounts Payable due to PERS (328,605) (7,410,438)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.  
 Deferred outflows 551,296  
 Deferred inflows (721,601) (170,305)

Net position of governmental activities \$ 3,188,216

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



**Florence Township School District**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2015**

Exhibit B-2

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
<b>REVENUES</b>				
Local sources:				
Local tax levy	\$ 15,389,355	\$ -	\$ 2,698,981	\$ 18,088,336
Investment income	4,525	-	-	4,525
Miscellaneous	187,477	30,998	-	218,475
Total - Local sources	15,581,357	30,998	2,698,981	18,311,336
State sources	11,878,253	105,676	-	11,983,929
Federal sources	112,382	964,998	-	1,077,380
Total revenues	27,571,992	1,101,672	2,698,981	31,372,645
<b>EXPENDITURES</b>				
Current:				
Regular instruction	7,661,577	787,990	-	8,449,567
Special education instruction	2,953,265	-	-	2,953,265
Other special instruction	484,047	-	-	484,047
Other instruction	532,303	-	-	532,303
Gifted and talented	85,234	-	-	85,234
Support services:				
Tuition	1,567,872	-	-	1,567,872
Student & instruction related services	2,993,825	313,682	-	3,307,507
General administration	522,299	-	-	522,299
School administrative services	1,142,600	-	-	1,142,600
Central services	614,741	-	-	614,741
Administrative information technology	310,872	-	-	310,872
Plant operations and maintenance	3,219,830	-	-	3,219,830
Pupil transportation	1,785,786	-	-	1,785,786
Employee benefits	2,103,805	-	-	2,103,805
Transfer to charter schools	1,434,177	-	-	1,434,177
Debt service:				
Principal	-	-	1,750,000	1,750,000
Interest and other charges	-	-	948,981	948,981
Capital outlay	174,848	-	-	174,848
Total expenditures	27,587,081	1,101,672	2,698,981	31,387,734
Excess (Deficiency) of revenues over expenditures	(15,089)	-	-	(15,089)
Net change in fund balances	(15,089)	-	-	(15,089)
Fund balance—July 1	1,195,759	-	2	1,195,761
Fund balance—June 30	\$ 1,180,670	\$ -	\$ 2	\$ 1,180,672

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

**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, 2015**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>\$</b>	<b>(15,089)</b>
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	\$ (1,454,409)	
Capital outlays	56,896	(1,397,513)
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 position and are not reported in the statement of activities.		
Bond principal	1,750,000	
Capital leases	88,476	
Water & Sewer assessment	29,344	1,867,820
In the statement of net position, amortization of bond premium is capitalized and earned over the life of the bonds. In the governmental funds, bond premium is reported as revenue.		
		213,508
In the statement of net position, deferred charges associated with refunding bonds is capitalized and is amortized over the life of the bonds. In the governmental funds, these deferred charges are not recorded.		
		(201,225)
In the statement of net position, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.		
		17,500
In the statement of net position, the assessment for the water and sewer line extension is capitalized and amortized over the life of the debt. In the governmental funds, annual repayments are reported as expenditures.		
		(13,862)
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 (+).		
		670,412
Governmental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Cost of benefits earned net of employee contributions (pension expense from schedule)		2,952
In the statement of activities, TPAF on-behalf state employer pension expense and related revenues are reported as follows:		
Revenue		2,915,335
Expense		(2,915,335)
<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b><u>1,144,503</u></b>

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

**Florence Township School District**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2015**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Extended Day Program</b>	<b>Totals</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 7,717	\$ 158,529	\$ 166,246
Accounts receivable:			
Federal	16,246	-	16,246
State	366	-	366
Inventories	13,163	-	13,163
Total current assets	<u>37,492</u>	<u>158,529</u>	<u>196,021</u>
Noncurrent assets:			
Furniture, machinery & equipment	380,107	-	380,107
Less accumulated depreciation	<u>(298,219)</u>	<u>-</u>	<u>(298,219)</u>
Total noncurrent assets	<u>81,888</u>	<u>-</u>	<u>81,888</u>
Total assets	<u>119,380</u>	<u>158,529</u>	<u>277,909</u>
<b>LIABILITIES</b>			
Current liabilities:			
Unearned revenue	<u>-</u>	<u>58,145</u>	<u>58,145</u>
Total liabilities	<u>-</u>	<u>58,145</u>	<u>58,145</u>
<b>NET POSITION</b>			
Net investment in capital assets	81,888	-	81,888
Unrestricted	<u>37,492</u>	<u>100,384</u>	<u>137,876</u>
Total net position	<u>\$ 119,380</u>	<u>\$ 100,384</u>	<u>\$ 219,764</u>

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, 2015**

	Business-type Activities - Enterprise Fund		
	Food Service	Extended Day Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 293,663	\$ -	\$ 293,663
Special functions	11,686	-	11,686
Tuition	-	283,197	283,197
Total operating revenues	<u>305,349</u>	<u>283,197</u>	<u>588,546</u>
Operating expenses:			
Cost of sales	657,203	-	657,203
Salaries	-	221,801	221,801
Employee benefits	-	46,908	46,908
Miscellaneous expenditures	-	23,694	23,694
Equipment	1,245	-	1,245
Depreciation	28,080	-	28,080
Total Operating Expenses	<u>686,528</u>	<u>292,403</u>	<u>978,931</u>
Operating income (loss)	<u>(381,179)</u>	<u>(9,206)</u>	<u>(390,385)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	6,370	-	6,370
Federal sources:			
National school lunch program	230,989	-	230,989
National school breakfast program	48,354	-	48,354
Food distribution program	59,444	-	59,444
Total nonoperating revenues (expenses)	<u>345,157</u>	<u>-</u>	<u>345,157</u>
Income (loss) before contributions & transfers	<u>(36,022)</u>	<u>(9,206)</u>	<u>(45,228)</u>
Change in net position	<u>(36,022)</u>	<u>(9,206)</u>	<u>(45,228)</u>
Total net position—beginning	<u>155,402</u>	<u>109,590</u>	<u>264,992</u>
Total net position—ending	<u>\$ 119,380</u>	<u>\$ 100,384</u>	<u>\$ 219,764</u>

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

**Florence Township School District  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2015**

Exhibit B-6

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Extended Day Program</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 364,793	\$ 319,126	\$ 683,919
Payments to employees	-	(221,801)	(221,801)
Payments for employee benefits	-	(46,908)	(46,908)
Payments to suppliers	(660,211)	(23,694)	(683,905)
Net cash provided by (used for) operating activities	<u>(295,418)</u>	<u>26,723</u>	<u>(268,695)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	6,914	-	6,914
Federal Sources	284,671	-	284,671
Net cash provided by (used for) non-capital financing activities	<u>291,585</u>	<u>-</u>	<u>291,585</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets transferred to general fund	(1,245)	-	(1,245)
Net cash provided by (used for) capital and related financing activities	<u>(1,245)</u>	<u>-</u>	<u>(1,245)</u>
Net increase (decrease) in cash and cash equivalents	(5,078)	26,723	21,645
Balances—beginning of year	12,795	131,806	144,601
Balances—end of year	<u>\$ 7,717</u>	<u>\$ 158,529</u>	<u>\$ 166,246</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (381,179)	\$ (9,206)	\$ (390,385)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	28,080	-	28,080
Food distribution program	59,444	-	59,444
(Increase) decrease in inventories	(1,763)	-	(1,763)
Increase (decrease) in deferred revenue	-	35,929	35,929
Total adjustments	<u>85,761</u>	<u>35,929</u>	<u>121,690</u>
Net cash provided by (used for) operating activities	<u>\$ (295,418)</u>	<u>\$ 26,723</u>	<u>\$ (268,695)</u>

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, 2015

	Unemployment Compensation Trust	Flexible Spending Trust	Private Purpose Scholarship Fund	Agency Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 45,532	\$ 522	\$ 16,758	\$ 465,539
Accounts receivable	-	-	-	1,548
Interfund receivable	8,473	-	-	-
Total assets	<u>54,005</u>	<u>522</u>	<u>16,758</u>	<u>\$ 467,087</u>
<b>LIABILITIES</b>				
Interfund payable	-	-	-	18,654
Payable to student groups	-	-	-	61,595
Payroll deductions and withholdings	-	-	-	386,838
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 467,087</u>
<b>NET POSITION</b>				
Held in trust for unemployment claims and other purposes	<u>\$ 54,005</u>	<u>\$ 522</u>		
Reserved for scholarships			<u>\$ 16,758</u>	

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

**Florence Township School District  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2015**

	Unemployment Compensation Trust	Flexible Spending Trust	Private Purpose Scholarship Fund
<b>ADDITIONS</b>			
Contributions:			
Plan member	\$ 24,375	\$ -	\$ -
Other	-	-	3,650
Total Contributions	<u>24,375</u>	<u>-</u>	<u>3,650</u>
Investment earnings:			
Interest	49	4	30
Net investment earnings	49	4	30
Total additions	<u>24,424</u>	<u>4</u>	<u>3,680</u>
<b>DEDUCTIONS</b>			
Unemployment claims	22,309	-	-
Dependent day care payments	-	3	-
Scholarships awarded	-	-	5,800
Total deductions	<u>22,309</u>	<u>3</u>	<u>5,800</u>
Change in net position	2,115	1	(2,120)
Net position—beginning of the year	51,890	521	18,878
Net position—end of the year	<u>\$ 54,005</u>	<u>\$ 522</u>	<u>\$ 16,758</u>

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

**NOTES TO FINANCIAL STATEMENTS**



**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**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.

**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.

**New Accounting Standards**

During 2015 the District adopted GASB Statement 68 *Accounting and Financial Reporting for Pensions*, this statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. It replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Government Employers* as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The primary effect of this statement is to recognize a liability in the financial statements prepared using the economic resources measurement focus and accrual basis of accounting for its proportionate share of the collective net pension liability of all employers for benefits provided through the pension plan. This Statement had a significant effect on the District's financial statements.

During 2015 the District adopted GASB Statement 71 *Pension Transition for Contributions made Subsequent to the measurement Date-An Amendment of GASB Statement No. 68*, this statement requires a state or local government employer to recognize a net pension liability measured as of a date no earlier than the end of its prior fiscal year. If a state or local government employer or non employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non employer contributing entity that arise from other types of events.

FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards (Continued)

At transition to Statement 68, if it's not practical for an employer or non employer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows or resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this statement are applied simultaneously with GASB 68.

GASB Statement 72 *Fair Value Measurement and Application*, this Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District does not expect this statement to impact its financial statements. The statement is effective for periods beginning after June 30, 2015.

GASB Statement 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, the objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and inter period equity, and creating additional transparency. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The statement is effective for periods beginning after June 30, 2015.

GASB Statement 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* the objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The District is evaluating this statement to determine its impact the financial statements.

GASB Statement 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The District is evaluating this statement to determine its impact the financial statements.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**New Accounting Standards (Continued)**

*GASB Statement 77 Tax Abatement Disclosures* This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. This Statement requires governments that enter into tax abatement agreements to disclose brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients and the gross dollar amount of taxes abated during the period. The District is evaluating this statement to determine its impact the financial statements.

**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 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.

FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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 non operating revenue.

FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balance (Continued)**

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.

**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.

FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Cash, Cash Equivalents and Investments(Continued)**

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.

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

FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Compensated Absences**

District employees are granted vacation 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.

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. Unearned 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, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred, reported as deferred inflows or deferred outflows of resources and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed as incurred.

**K. Interfund Activity**

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

**L. Comparative Data**

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

**M. Deferred Outflows/Inflows of Resources**

A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period. The District reports bond premiums associated with the issuance of debt as deferred inflows of resources that are accreted over the life of the bonds.

A deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period. The District reports loss on the refunding of debt as a deferred outflow of resources that is amortized over the life of the refunded debt.

The District also reports deferred inflow and deferred outflow of resources related to pensions.



FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**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 New Jersey Department of Education. 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. 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 unearned 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, 2015 all of the District's bank balances were insured through depository insurance or collateralized by GUDPA.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 3: CASH AND INVESTMENTS (Continued)**

At June 30, 2015, the carrying value of cash of the Township consisted of the following:

	Total
Interest Bearing Demand Deposits	\$ 1,765,335
	\$ 1,765,335

The carrying amount of cash at June 30, 2015 was \$1,765,335 and the bank balance was \$2,439,949. Of the bank balance, \$500,000 was covered by federal depository insurance and \$1,938,949 was covered by a collateral pool maintained by the banks as required by New Jersey statutes (GUDPA).

Reconciliation to Government-Wide Statement of Net Position:

Unrestricted Cash	\$ 1,235,835
Restricted Cash	1,148
Agency Fund Cash	528,352
	\$ 1,765,335

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, 2015. 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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 3: CASH AND INVESTMENTS (Continued)**

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, 2015.

	Balance 6/30/14	Additions	Adjustments	Balance 6/30/15
<b><u>Governmental Activities:</u></b>				
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	5,397,939	56,894	-	5,454,833
Total capital assets being depreciated	55,698,724	56,894	-	55,755,618
Total capital assets	56,617,509	56,894	-	56,674,403
Less accumulated depreciation for:				
Site improvements	(1,125,818)	(100,121)	(1,454)	(1,227,393)
Buildings and building improvements	(13,302,046)	(1,156,656)	-	(14,458,702)
Machinery and equipment	(3,958,038)	(177,479)	(18,699)	(4,154,216)
Total accumulated depreciation	(18,385,902)	(1,434,256)	(20,153)	(19,840,311)
Governmental activities capital assets, net	\$ 38,231,607	\$ (1,377,362)	\$ (20,153)	\$ 36,834,092
<b><u>Business-type Activities:</u></b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 378,862	\$ 1,245	\$ -	\$ 380,107
Less accumulated depreciation for:				
Machinery and equipment	(270,139)	(13,362)	-	(283,501)
Business-type activities capital assets, net	\$ 108,723	\$ (12,117)	\$ -	\$ 96,606

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 4: CAPITAL ASSETS (Continued)**

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

Governmental Activities:	
Pupil Transportation	\$ 75,841
Unallocated Depreciation Expense	<u>1,378,568</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,454,409</u>
Business - Type Activities:	
Food Service Fund	<u>\$ 13,362</u>
Total Depreciation Expense - Business - Type Activities	<u>\$ 13,362</u>

**Note 5: LONG-TERM DEBT OBLIGATIONS**

During the fiscal year ended June 30, 2015 the following changes occurred in liabilities reported in the long-term debt:

	6/30/14	Adjustments	Reductions	6/30/15	Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 25,740,000	\$ -	\$ 1,750,000	\$ 23,990,000	\$ 1,740,000
Capital Leases Payable	200,417	-	88,476	111,941	46,121
Township of Florence Water & Sewer Line Extension	233,537	-	29,344	204,193	30,592
Compensated Absences	3,966,080	581,594	1,252,006	3,295,668	196,361
Unamortized Bond Premiums	1,509,733		213,508	1,296,225	
Net Pension Liability	7,583,695	(189,425)	312,437	7,081,833	-
Governmental Activities Long-Term Liabilities	<u>\$ 39,233,462</u>	<u>\$ 392,169</u>	<u>\$ 3,645,771</u>	<u>\$ 35,979,860</u>	<u>\$ 2,013,074</u>

**A. Bonds Payable**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are as follows:

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%.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 5: LONG-TERM DEBT OBLIGATIONS (Continued)**

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,725,000	706,281	2,431,281
2020	1,725,000	637,281	2,362,281
2021-2025	8,610,000	2,169,158	10,779,158
2026-2029	6,740,000	611,175	7,351,175
	<u>\$ 23,990,000</u>	<u>\$ 6,639,938</u>	<u>\$ 30,629,938</u>

**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.

<u>Year Ending June 30</u>	<u>Buses/ Maint. Truck</u>
2016	\$ 48,792
2017	42,873
2018	25,144
Minimum Lease Payments	116,809
Less: Amount representing interest	(4,868)
Present value of minimum lease payments	<u>\$ 111,941</u>

**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, 2015 totaled \$50,586. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 50,586
Total future minimum lease payments	<u>\$ 50,586</u>

FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**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, 2015 was \$204,192.

**E. Bonds Authorized But Not Issued**

As of June 30, 2015 there were no bonds or notes authorized but not issued.

**Note 6: PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF) 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.

For the year ended June 30, 2015, the District recognized pension expense of \$2,915,335 and revenue of \$2,915,335 for support provided by the State. The amounts are reported in the government-wide financial statements.

*Actuarial assumptions*

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation rate	2.50%
Salary increases: 2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 6: PENSION PLANS (Continued)**

**Teachers' Pension and Annuity Fund (TPAF) (Continued)**

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are project using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds / Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 6: PENSION PLANS (Continued)**

**Teachers' Pension and Annuity Fund (TPAF) (Continued)**

*Discount Rate*

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

<u>As of June 30, (rates used)</u>	<u>At 1% decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
2014 (3.68%, 4.68%, 5.68%)	\$ 64,722,984,539	\$ 53,813,067,539	\$ 44,738,870,539
2013 (3.95%, 4.95%, 5.95%)	61,017,578,926	50,790,513,631	42,351,665,847

**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.

At June 30, 2015 the District reported a liability of \$7,081,833 for its proportionate share of the net pension liability as measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The district's proportion of the net pension liability was based on a projection of the district's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the district's proportion was .037% which changed by 0.002 from its proportion measured as of June 30, 2013.

At June 30, 2015 the district recorded accounts payable due to PERS for \$328,605 representing the district contribution expected to be paid in 2015-16.



FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 6: PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For the year ended June 30, 2015 the District recognized pension expense of \$309,485. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 222,691	
Net difference between projected and actual earnings on pension plan investments		422,039
Changes in proportion and differences between District contributions and proportionate share of contributions		299,562
District contributions subsequent to the measurement date	328,605	
Total	\$ 551,296	\$ 721,601

\$311,822 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as shown below. The amounts represent the District's proportionate share of deferred outflows of resources and deferred inflows of resources.

Year ended	
June 30 :	
2015	\$ (64,531.57)
2016	(64,531.57)
2017	(64,531.57)
2018	(64,531.57)
2019	40,909.00
Thereafter	17,999.96

FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 6: PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

*Additional Information*

Collective local balances at December 31, 2013 and 2014 are as follows

	<u>12/31/2013</u>	<u>12/31/2014</u>
Collective Deferred outflows of resources		952,194,675
Collective Deferred inflows of resources		1,479,224,662
Collective net pension liability	19,111,986,911	18,722,735,003
District's Proportion	0.03968%	0.03782%

*Actuarial assumptions*

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation rate	3.01%
Salary increases:	2.15 - 4.40%
2012-2021	based on age
Thereafter	3.15- 5.40%
	based on age

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 6: PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
1-Jedge Funds / Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

*Discount Rate*

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate*

The following presents the collective net pension liability of the participating employers as of June 30, 2014 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

<b>2014</b>			
	At 1% decrease (4.39%)	At current discount rate (5.39%)	At 1% increase (6.39%)
State	23,772,450,916	20,127,103,950	17,069,920,644
Local	23,553,838,159	18,722,735,003	14,665,837,859
\$	<u>47,326,289,075</u>	<u>38,849,838,953</u>	<u>31,735,758,503</u>

FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 6: PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

*Discount Rate (Continued)*

	2013		
	At 1% decrease (4.55%)	At current discount rate (5.55%)	At 1% increase (6.55%)
State	22,822,255,839	19,298,623,119	16,351,193,705
Local	<u>23,791,905,551</u>	<u>19,111,986,911</u>	<u>15,190,834,283</u>
	<u>\$ 46,614,161,390</u>	<u>38,410,610,030</u>	<u>31,542,027,988</u>

**Defined Contribution Retirement Program (DCRP)** - The Defined Contribution Retirement Program was established under the provisions of Chapter 92, P.L. 2007 and Chapter 100, P.L. 2008 to provide coverage to elected and certain appointed officials effective July 1, 2007. Membership is mandatory for such individuals

**Other Pension Information**

**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 1/55 or 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.

Vesting for members of the Defined Contribution Retirement Program (DCRP) occurs after one (1) year of membership.

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. An additional 1% is phased in over seven years effective July 1, 2012. The 2015-16 contribution rate was 6.92%. DCRP employees contribute 5.5% of compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for the normal cost and unfunded accrued liability. Under current statute the District is a non-contributing employer of the TPAF.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 6: PENSION PLANS (Continued)**

**Three-Year Trend Information for PERS**

Year Funding	Annual Pension Costs	NCGI Premium
6/30/15	\$ 292,042	\$ 19,780
6/30/14	327,919	5,000
6/30/13	284,357	16,924

The normal pension contribution due in 2014-15 was \$51,911, the accrued liability due was \$240,131 totaling \$292,042 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
6/30/2015	\$298,390	\$ 68,804	\$ 120,262	\$ 35,070	\$ 829,512
6/30/2014	320,398	73,657	-	34,782	703,130
6/30/2013	147,494	25,666	501,999	35,523	803,602

Also, in accordance with N.J.S.A. 18A: 66-66 the State of New Jersey reimbursed the district \$751,767 during the year ended June 30, 2015 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 7: 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 retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

**Note 8: 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.  
Syracusa Benefits Program  
VALIC and Equitable Life

**Note 9: 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 district is billed quarterly for amounts due to the state. The following table is a summary of district contributions, employee contributions, reimbursements to the state for benefits paid and the ending balance of the district's trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Reserve Balance</u>
2014-2015	\$ 49	\$ 24,375	\$ 22,309	\$ 54,005
2013-2014	49	60,995	35,691	51,890
2012-2013	27	41,920	51,757	26,537

**Note 10: 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.

FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 11: FUND BALANCE APPROPRIATED**

General Fund (B-1) - Of the \$1,180,670 General Fund fund balance at June 30, 2015, \$186,473 is assigned and reserved for encumbrances; \$1,029,245 is restricted as excess surplus in accordance with N.J.A.C. 18A: 7F-7; \$1,147 has been reserved in the Capital Reserve Account. Restricted fund balance of \$402,279 and assigned fund balance of \$256,619 have been appropriated and included as anticipated revenue for the year ending June 30, 2016. The remaining unassigned fund balance is a deficit of \$292,815.

Debt Service Fund (B-1) - The \$2 Debt Service Fund fund balance at June 30, 2015 is unassigned.

**Note 12: 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 \$1,148 and \$1,147 at June 30, 2015 and June 30, 2014 respectively. There were no transfers to or withdrawals from the capital reserve during the fiscal year.

**Note 13: DEFERRED OUTFLOWS OF RESOURCES**

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 \$110,896 and the unamortized balance is \$443,578.

Loss associated with the refunding of debt is deferred and amortized over the life of debt in the government-wide financial statements. Accumulated amortization at June 30, 2015 is \$201,225 and the unamortized balance is \$1,507,471.

As a result of implementation of GASB 68, a deferred outflow of \$551,296 related to pension transactions is recognized in the financial statements.

**Note 14: DEFERRED INFLOWS OF RESOURCES**

As a result of implementation of GASB 68, a deferred inflow of \$721,601 related to pension transaction is recognized in the financial statements.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**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, 2015 is \$1,029,245 of that amount \$402,279 was appropriated in the 2015-2016 budget and the balance of \$626,966 is restricted to be appropriated in the 2016-2017 budget.

**Note 16: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund balances consist of the following:

	Interfund Receivable	Interfund Payable
General Fund	\$ 191,403	\$ -
Special Revenue Fund	-	181,222
Trust and Agency Fund	8,473	18,654
Total	\$ 199,876	\$ 199,876

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: NET POSITION AND UNASSIGNED FUND BALANCE**

The District has a deficit in unrestricted net position of \$11,877,606 as reported in the statement of net position (accrual basis). The District also has a deficit in unassigned fund balance of \$292,815 in the General Fund shown on Exhibit B-1. The deficits resulted from recording the June 2015 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.

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 \$292,815 is less than the last state aid payments.

Also contributing to the deficit in net position is the amount of compensated absences, \$3,295,668 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.



FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 17: NET POSITION AND UNASSIGNED FUND BALANCE (Continued)**

The largest contributor to the deficit in net position is the net pension liability and pension transactions recorded in accordance with GASB 68 amounting to \$7,580,743. Due to the resulting timing differences, the deficits do not alone indicate that the district is facing financial difficulties.

**Note 18: CHANGE IN ACCOUNTING PRINCIPLE**

The implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which required the District to recognize its proportionate share of PERS collective net pension liability, resulted in recording an adjustment to beginning net position on the statement of activities of \$7,583,695 to report the net pension liability in accordance with GASB 68. Additionally unamortized bond premium is reclassified from deferred inflow of resources and reported as a liability. The reclassification had no impact on net position.

Beginning net position as previously reported	\$ 9,627,410
Prior Period adjustment - Implementation of GASB 68:	
Net Pension Liability (measurement date June 30,2014)	<u>(7,583,695)</u>
Net Position June 30, 2014 (restated)	<u>\$ 2,043,715</u>

\*\*\*\*\*

**REQUIRED SUPPLEMENTARY INFORMATION - Part II**

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2015**

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 15,389,355	\$ -	\$ 15,389,355	\$ 15,389,355	\$ -
Tuition From Individuals	22,000	-	22,000	39,989	17,989
Interest on Investments	6,995	-	6,995	4,525	(2,470)
Admissions	8,100	-	8,100	9,922	1,822
Contributions - Donations Private	15,708	-	15,708	7,392	(8,316)
Miscellaneous	50,000	-	50,000	130,176	80,176
<b>Total - Local Sources</b>	<b>15,492,158</b>	<b>-</b>	<b>15,492,158</b>	<b>15,581,359</b>	<b>89,201</b>
State Sources:					
Category Equalization Aid	8,343,214	-	8,343,214	8,343,214	-
Category Special Education Aid	998,852	-	998,852	998,852	-
Category Security Aid	101,727	-	101,727	101,727	-
Transportation Aid	89,884	-	89,884	89,884	-
Under Adequacy Aid	43,688	(35,820)	7,868	7,868	-
PARCC Readiness Aid	-	17,910	17,910	17,910	-
Per Pupil Growth Aid	-	17,910	17,910	17,910	-
Extraordinary Aid	-	-	-	158,765	158,765
Reimbursed Non Public Schools Transportation Costs	-	-	-	14,178	14,178
Homeless Tuition Aid	-	-	-	22,506	22,506
TPAF Pension Contribution (On-Behalf - Non-Budgeted)	-	-	-	522,526	522,526
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	829,512	829,512
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	751,767	751,767
<b>Total State Sources</b>	<b>9,577,365</b>	<b>-</b>	<b>9,577,365</b>	<b>11,876,619</b>	<b>2,299,254</b>
Federal Sources:					
ARRA Medical Assistance Program (SEMI Reconciliation)	-	-	-	38,959	38,959
Special Education Medicaid Initiative	24,395	-	24,395	68,120	43,725
Special Education Medicaid Initiative - MAC	-	-	-	5,303	5,303
<b>Total Federal Sources</b>	<b>24,395</b>	<b>-</b>	<b>24,395</b>	<b>112,382</b>	<b>87,987</b>
<b>Total Revenues</b>	<b>\$ 25,093,918</b>	<b>\$ -</b>	<b>\$ 25,093,918</b>	<b>\$ 27,570,360</b>	<b>\$ 2,476,442</b>
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction					
Regular PreSchool - Salaries of Teachers	\$ 22,919	\$ 28,606	\$ 51,525	\$ 51,525	\$ -
Preschool/Kindergarten - Salaries of Teachers	307,225	23,912	331,137	331,137	-
Grades 1-5 - Salaries of Teachers	2,473,673	(56,501)	2,417,172	2,404,888	12,284
Grades 6-8 - Salaries of Teachers	1,613,543	(28,946)	1,584,597	1,584,597	-
Grades 9-12 - Salaries of Teachers	1,793,413	26,382	1,819,795	1,819,151	644
Regular Programs - Home Instruction					
Salaries of Teachers	28,254	3,265	31,519	31,519	-
Purchased Professional-Educational Services	13,621	5,349	18,970	18,690	280
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	-	855	855	855	-
Purchased Technical Services	-	8,969	8,969	8,439	530
Cleaning, Repair and Maintenance	8,150	(5,594)	2,556	2,556	-
Rentals	50,726	2,878	53,604	53,604	-
Insurance	13,000	3,903	16,903	16,903	-
Travel	754	(175)	579	579	-
General Supplies	216,305	12,581	228,886	228,886	-
Textbooks	48,619	(22,236)	26,383	26,383	-
Miscellaneous Expenditures	-	7,930	7,930	7,930	-
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>6,590,202</b>	<b>11,178</b>	<b>6,601,380</b>	<b>6,587,642</b>	<b>13,738</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
Learning and/or Language Disabilities					
Salaries of Teachers	70,470	375	70,845	70,396	449
Other Salaries for Instruction	21,264	484	21,748	21,748	-
General Supplies	300	(150)	150	150	-
<b>Total Learning and/or Language Disabilities</b>	<b>92,034</b>	<b>709</b>	<b>92,743</b>	<b>92,294</b>	<b>449</b>
Multiple Disabilities					
Salaries of Teachers	297,892	(5,650)	292,242	292,242	-
Other Salaries for Instruction	88,356	(20,988)	67,368	65,391	1,977
Purchased Professional-Educational Services	-	48,677	48,677	38,677	10,000
General Supplies	2,635	(785)	1,850	1,850	-
<b>Total Multiple Disabilities</b>	<b>388,883</b>	<b>21,254</b>	<b>410,137</b>	<b>398,160</b>	<b>11,977</b>
Resource Room/Resource Center					
Salaries of Teachers	872,252	(41,548)	830,704	830,704	-
Other Salaries for Instruction	41,991	(17,458)	24,533	22,133	2,400
Purchased Professional-Educational Services	-	51,173	51,173	51,173	-
General Supplies	2,980	(1,306)	1,674	1,674	-
<b>Total Resource Room/Resource Center</b>	<b>917,223</b>	<b>(9,139)</b>	<b>908,084</b>	<b>905,684</b>	<b>2,400</b>

FLORENCE TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Autism</b>					
Salaries of Teachers					
Other Salaries for Instruction	160,396	(3,718)	156,678	155,049	1,629
General Supplies	71,542	(4,723)	66,819	66,819	-
<b>Total Autism</b>	<u>500</u>	<u>-</u>	<u>500</u>	<u>491</u>	<u>9</u>
<b>Preschool Disabilities - Part-Time</b>	<u>232,438</u>	<u>(8,441)</u>	<u>223,997</u>	<u>222,359</u>	<u>1,638</u>
Salaries of Teachers					
Other Salaries for Instruction	198,655	(1,071)	197,584	197,584	-
Purchased Professional-Educational Services	83,046	(38,033)	45,013	43,518	1,495
General Supplies	-	67,740	67,740	53,970	13,770
<b>Total Preschool Disabilities - Part-Time</b>	<u>1,130</u>	<u>(963)</u>	<u>167</u>	<u>167</u>	<u>-</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>282,831</u>	<u>27,673</u>	<u>310,504</u>	<u>295,239</u>	<u>15,265</u>
	<u>1,913,409</u>	<u>32,056</u>	<u>1,945,465</u>	<u>1,913,736</u>	<u>31,729</u>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers					
Purchased Professional-Educational Services	398,728	2,706	401,434	401,434	-
General Supplies	-	399	399	399	-
<b>Total Basic Skills/Remedial - Instruction</b>	<u>820</u>	<u>(222)</u>	<u>598</u>	<u>598</u>	<u>-</u>
<b>Bilingual Education - Instruction</b>	<u>399,548</u>	<u>2,883</u>	<u>402,431</u>	<u>402,431</u>	<u>-</u>
Salaries of Teachers					
Purchased Technical Services	79,302	761	80,063	80,063	-
Travel	50	435	485	485	-
General Supplies	600	(247)	353	353	-
<b>Total Bilingual Education - Instruction</b>	<u>1,265</u>	<u>(550)</u>	<u>715</u>	<u>715</u>	<u>-</u>
<b>School-Spon. Cocurricular Actvts. - Inst.</b>	<u>81,217</u>	<u>399</u>	<u>81,616</u>	<u>81,616</u>	<u>-</u>
Salaries					
Purchased Technical Services	72,984	3,064	76,048	61,537	14,511
Supplies and Materials	150	-	150	-	150
Miscellaneous Expenditures	3,400	(139)	3,261	2,334	927
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<u>200</u>	<u>(20)</u>	<u>180</u>	<u>180</u>	<u>-</u>
<b>School-Spon. Cocurricular Athletics - Inst.</b>	<u>76,734</u>	<u>2,905</u>	<u>79,639</u>	<u>64,051</u>	<u>15,588</u>
Salaries					
Purchased Technical Services	338,359	(4,386)	333,973	320,124	13,849
Cleaning, Repair and Maintenance	19,332	1,216	20,548	17,592	2,956
Travel	1,200	(803)	397	397	-
Miscellaneous Purchased Services	150	(62)	88	88	-
Supplies and Materials	31,125	(3,225)	27,900	23,877	4,023
Miscellaneous Expenditures	27,298	1,077	28,375	27,290	1,085
<b>Total School-Spon. Cocurricular Athletics - Inst.</b>	<u>18,800</u>	<u>(382)</u>	<u>18,418</u>	<u>12,158</u>	<u>6,260</u>
<b>Other Instructional Programs - Instruction</b>	<u>436,264</u>	<u>(6,565)</u>	<u>429,699</u>	<u>401,526</u>	<u>28,173</u>
Salaries					
<b>Total Other Instructional Programs - Instruction</b>	<u>64,210</u>	<u>408</u>	<u>64,618</u>	<u>64,618</u>	<u>-</u>
<b>TOTAL INSTRUCTION</b>	<u>64,210</u>	<u>408</u>	<u>64,618</u>	<u>64,618</u>	<u>-</u>
	<u>9,561,584</u>	<u>43,264</u>	<u>9,604,848</u>	<u>9,515,620</u>	<u>89,228</u>
<b>Undistributed Expenditures - Instruction</b>					
Tuition to Other LEAs Within the State - Regular	12,357	62,853	75,210	75,210	-
Tuition to County Voc. School Dist. - Regular	153,000	(25,039)	127,961	127,961	-
Tuition to County Voc. School Dist. - Special	21,847	12,484	34,331	34,331	-
Tuition to County Special Services	845,315	(27,064)	818,251	809,088	9,163
Tuition to Private Schools for the Disabled - Within State	579,892	(108,615)	471,277	471,277	-
Tuition - State Facilities	50,005	-	50,005	50,005	-
<b>Total Undistributed Expenditures - Instruction</b>	<u>1,662,416</u>	<u>(85,381)</u>	<u>1,577,035</u>	<u>1,567,872</u>	<u>9,163</u>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries					
Travel	7,853	(19)	7,834	7,834	-
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<u>1,210</u>	<u>-</u>	<u>1,210</u>	<u>1,210</u>	<u>-</u>
<b>Undist. Expend. - Health Services</b>	<u>9,063</u>	<u>(19)</u>	<u>9,044</u>	<u>9,044</u>	<u>-</u>
Salaries					
Purchased Professional and Technical Services	205,912	(7,054)	198,858	198,858	-
Travel	40,023	(15,798)	24,225	24,225	-
Supplies and Materials	-	9	9	9	-
<b>Total Undistributed Expenditures - Health Services</b>	<u>6,715</u>	<u>9,832</u>	<u>16,547</u>	<u>16,547</u>	<u>-</u>
<b>Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>	<u>252,650</u>	<u>(13,011)</u>	<u>239,639</u>	<u>239,639</u>	<u>-</u>
Salaries					
Purchased Professional Educational Services	206,938	25,238	232,176	232,176	-
Travel	122,480	(13,729)	108,751	108,751	-
Supplies and Materials	-	75	75	-	-
<b>Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>	<u>2,000</u>	<u>(1,086)</u>	<u>914</u>	<u>914</u>	<u>-</u>
<b>Undist. Expend. - Other Supp. Serv. Students - Extra Serv.</b>	<u>331,418</u>	<u>10,498</u>	<u>341,916</u>	<u>341,916</u>	<u>-</u>
Salaries					
Purchased Professional Educational Services	85,081	(1,375)	83,706	83,706	-
<b>Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.</b>	<u>293,041</u>	<u>(7,284)</u>	<u>285,757</u>	<u>285,490</u>	<u>2,267</u>
<b>Undist. Expend. - Other Supp. Serv. Students - Guidance</b>	<u>378,122</u>	<u>(8,659)</u>	<u>369,463</u>	<u>367,196</u>	<u>2,267</u>
Salaries of Other Professional Staff					
Salaries of Secretarial and Clerical Assistants	362,321	58,680	421,001	421,001	-
Other Purchased Professional and Technical Services	70,302	(963)	69,339	69,100	239
Supplies and Materials	4,550	(908)	3,642	3,642	-
<b>Total Undist. Expend. - Other Supp. Serv. Students - Guidance</b>	<u>7,955</u>	<u>(2,157)</u>	<u>5,798</u>	<u>4,598</u>	<u>1,200</u>
	<u>445,128</u>	<u>54,652</u>	<u>499,780</u>	<u>498,341</u>	<u>1,439</u>

FLORENCE TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undist. Expend. - Other Supp. Serv. Students - Child Study Team</b>					
Salaries of Other Professional Staff	407,685	(10,303)	397,382	397,382	-
Salaries of Secretarial and Clerical Assistants	83,791	351	84,142	84,142	-
Other Salaries	6,715	202	6,917	6,917	-
Other Purchased Professional and Technical Services	6,617	8,725	15,342	14,479	863
Cleaning, Repair and Maintenance	4,120	10,600	14,720	14,720	-
Rentals	2,742	-	2,742	2,742	-
Supplies and Materials	518	(518)	-	-	-
Miscellaneous Expenditures	353	(353)	-	-	-
<b>Total Undist. Expend. - Other Supp. Serv. Students - Child Study Team</b>	<b>512,541</b>	<b>8,704</b>	<b>521,245</b>	<b>520,382</b>	<b>863</b>
<b>Undist. Expend. - Improvement of Inst. Serv.</b>					
Salaries of Supervisor of Instruction	69,530	489	70,019	70,019	-
Salaries of Secretarial and Clerical Assistants	46,868	(1,086)	45,782	45,782	-
Other Salaries	34,278	1,117	35,395	35,395	-
Purchased Professional and Technical Services	3,229	(1,150)	2,079	2,079	-
Other Purchased Services (400-500 series)	285	(285)	-	-	-
General Supplies	2,615	(2,035)	580	580	-
Miscellaneous Expenditures	1,500	(680)	820	820	-
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<b>158,305</b>	<b>(3,630)</b>	<b>154,675</b>	<b>154,675</b>	<b>-</b>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	128,186	(3,895)	124,291	124,291	-
Purchased Professional and Technical Services	8,000	-	8,000	8,000	-
General Supplies	25,091	(2,272)	22,819	22,819	-
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<b>161,277</b>	<b>(6,167)</b>	<b>155,110</b>	<b>155,110</b>	<b>-</b>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Other Salaries	4,241	(172)	4,069	4,069	-
Other Purchased Prof. and Tech. Services	3,000	3,600	6,600	5,600	1,000
Travel	-	325	325	325	-
General Supplies	1,550	(1,023)	527	527	-
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>8,791</b>	<b>2,730</b>	<b>11,521</b>	<b>10,521</b>	<b>1,000</b>
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>					
Salaries	215,016	(118)	214,898	214,898	-
Legal Services	41,000	17,571	58,571	58,571	-
Audit Fees	32,500	(680)	31,820	31,820	-
Architectural/Engineering Fees	10,000	-	10,000	10,000	-
Purchased Technical Services	16,352	14,467	30,819	28,495	2,324
Communications/Telephone	70,636	1,950	72,586	67,695	4,891
Travel	2,550	(976)	1,574	1,574	-
Miscellaneous Purchased Services	11,973	(4,035)	7,938	6,901	1,037
General Supplies	5,975	2,783	8,758	8,758	-
Miscellaneous Expenditures	3,674	(667)	3,007	2,822	185
BOE Membership Dues	11,365	(225)	11,140	11,140	-
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<b>421,041</b>	<b>30,070</b>	<b>451,111</b>	<b>442,674</b>	<b>8,437</b>
<b>Undist. Expend. - Support Serv. - School Admin.</b>					
Salaries of Principals/Assistant Principals	536,890	(31,057)	505,833	505,071	762
Salaries of Secretarial and Clerical Assistants	209,444	(2,482)	206,962	205,330	1,632
Other Salaries	6,902	(6,902)	-	-	-
Purchased Technical Services	7,848	34,469	42,317	37,066	5,251
Rentals	2,397	-	2,397	2,397	-
General Supplies	19,012	6,402	25,414	25,414	-
Miscellaneous Expenditures	5,200	(265)	4,935	4,935	-
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<b>787,693</b>	<b>165</b>	<b>787,858</b>	<b>780,213</b>	<b>7,645</b>
<b>Undist. Expend. - Business and Other Support Serv.</b>					
Salaries	396,103	(4,189)	391,914	390,819	1,095
Purchased Technical Services	33,575	(463)	33,112	31,356	1,756
Rentals	3,669	(1)	3,668	3,668	-
Travel	300	-	300	-	300
General Supplies	7,964	1,265	9,229	8,866	363
Miscellaneous Expenditures	1,640	102	1,742	1,742	-
<b>Total Undist. Expend. - Business and Other Support Serv.</b>	<b>443,251</b>	<b>(3,286)</b>	<b>439,965</b>	<b>436,451</b>	<b>3,514</b>
<b>Undist. Expend. - Support Serv. - Administration Information Serv.</b>					
Salaries	125,766	(871)	124,895	124,895	-
Purchased Technical Services	112,111	1,608	113,719	112,646	1,073
Miscellaneous Expenditures	450	-	450	450	-
<b>Total Undist. Expend. - Support Serv. - Administration Information Serv.</b>	<b>238,327</b>	<b>737</b>	<b>239,064</b>	<b>237,991</b>	<b>1,073</b>
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant - Maintenance</b>					
Salaries	293,832	2,657	296,489	294,989	1,500
Cleaning, Repair, and Maintenance Services	269,976	158,122	428,098	308,555	119,543
Other Purchased Property Services	-	5,014	5,014	5,014	-
General Supplies	66,100	6,467	72,567	64,469	8,098
Miscellaneous Expenditures	7,000	(642)	6,358	2,414	3,944
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant - Maintenance</b>	<b>636,908</b>	<b>171,618</b>	<b>808,526</b>	<b>675,441</b>	<b>133,085</b>

FLORENCE TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant - Custodial</b>					
Salaries Non-Instructional	55,818	(3,423)	52,395	52,395	-
Other Salaries	666,782	(14,438)	652,344	642,577	9,767
Cleaning, Repair and Maintenance Services	9,453	(271)	9,162	9,162	-
Insurance	142,000	6,002	148,002	148,002	-
General Supplies	46,706	(3,019)	43,687	43,686	1
Energy - Natural Gas	177,849	184	178,033	139,719	38,314
Energy - Electricity	589,234	(28,306)	560,928	486,085	74,843
Miscellaneous Expenditures	39,270	-	39,270	39,270	-
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant - Custodial</b>	<b>1,727,092</b>	<b>(43,271)</b>	<b>1,683,821</b>	<b>1,560,896</b>	<b>122,925</b>
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant - Upkeep of Grounds</b>					
Cleaning, Repair, and Maintenance Services	50,500	39,106	89,606	16,982	72,624
General Supplies	17,985	17,177	35,162	34,612	550
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant - Upkeep of Grounds</b>	<b>68,485</b>	<b>56,283</b>	<b>124,768</b>	<b>51,594</b>	<b>73,174</b>
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant - Security</b>					
Other Salaries	112,205	(10,208)	101,997	101,997	-
Purchased Professional and Technical Services	910	10,115	11,025	11,025	-
Cleaning, Repair and Maintenance Services	2,172	13	2,185	2,185	-
General Supplies	229	(229)	-	-	-
Other Objects	1,250	(50)	1,200	1,200	-
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant - Security</b>	<b>116,766</b>	<b>(359)</b>	<b>116,407</b>	<b>116,407</b>	<b>-</b>
<b>Total Undist. Expend. - Oper. &amp; Maint. Of Plant</b>	<b>2,349,251</b>	<b>184,271</b>	<b>2,733,522</b>	<b>2,404,338</b>	<b>329,184</b>
<b>Undist. Expend. - Student Transportation Serv.</b>					
Salaries Non-Instructional	72,199	7,048	79,247	79,197	50
Sal. For Pup. Trans. (Between Home and School) - Regular	294,042	16,125	310,167	310,104	63
Sal. For Pup. Trans. (Between Home and School) - Special	164,069	11,264	175,333	175,333	-
Sal. For Pup. Trans. (Other than Between Home and School)	21,588	(8,973)	12,615	11,175	1,440
Other Purchased Prof. and Tech. Services	4,297	3,287	7,584	2,233	5,351
Cleaning, Repair and Maintenance Services	143,348	107,472	250,820	248,999	1,821
Rentals	-	-	-	-	-
Lease Purchase Payments - School Buses	124,677	(107)	124,570	87,170	37,400
Transportation In Lieu Payments	58,000	(17,483)	40,517	40,517	-
Contract Services - (Between Home and School) - Joint Agreements	86,531	21,310	107,841	107,841	-
Travel	-	600	600	600	-
Misc. Purchased Serv. - Transportation	29,000	(214)	28,786	28,786	-
General Supplies	4,250	(2,479)	1,771	1,771	-
Transportation Supplies	113,108	(1,234)	111,874	96,105	15,769
Other Objects	5,094	(1,272)	3,822	3,822	-
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<b>1,120,203</b>	<b>135,344</b>	<b>1,255,547</b>	<b>1,193,653</b>	<b>61,894</b>
<b>ALLOCATED BENEFITS</b>					
<b>Regular Programs - Instruction</b>					
Unemployment Compensation	-	-	-	-	-
Workmen's Compensation	115,348	(5,447)	109,901	78,284	31,617
Health Benefits	962,796	(281,473)	681,323	681,091	232
Tuition Reimbursement	80,566	(61,328)	19,238	19,238	-
Other Employee Benefits	248,071	47,251	295,322	295,322	-
<b>Total Regular Programs - Instruction</b>	<b>1,406,781</b>	<b>(300,997)</b>	<b>1,105,784</b>	<b>1,073,935</b>	<b>31,849</b>
<b>Special Programs - Instruction</b>					
Social Security Contributions	36,210	-	36,210	-	36,210
Other Retirement - Regular	35,890	-	35,890	3,306	32,584
Workmen's Compensation	42,577	(9,107)	33,470	33,470	-
Health Benefits	959,342	(42,894)	916,448	912,210	4,238
Other Employee Benefits	81,721	8,822	90,543	90,543	-
<b>Total Special Programs - Instruction</b>	<b>1,155,740</b>	<b>(43,179)</b>	<b>1,112,561</b>	<b>1,039,529</b>	<b>73,032</b>
<b>Attendance/Social Work Services</b>					
Social Security Contributions	982	-	982	982	-
Other Retirement Regular	1,040	-	1,040	1,040	-
Workmen's Compensation	142	(142)	-	-	-
<b>Total Attendance/Social Work Services</b>	<b>2,164</b>	<b>(142)</b>	<b>2,022</b>	<b>2,022</b>	<b>-</b>
<b>Health Services</b>					
Workmen's Compensation	4,104	-	4,104	4,104	-
Health Benefits	69,864	-	69,864	69,864	-
Other Employee Benefits	12,569	-	12,569	12,569	-
<b>Total Health Services</b>	<b>86,537</b>	<b>-</b>	<b>86,537</b>	<b>86,537</b>	<b>-</b>
<b>Other Support Services - Students - Related Services</b>					
Workmen's Compensation	3,715	-	3,715	3,715	-
Health Benefits	43,599	-	43,599	43,599	-
Other Employee Benefits	9,210	8,252	17,462	17,462	-
<b>Total Other Support Services - Students - Related Services</b>	<b>56,524</b>	<b>8,252</b>	<b>64,776</b>	<b>64,776</b>	<b>-</b>
<b>Other Support Services - Students - Extra Services</b>					
Social Security Contributions	10,635	-	10,635	10,635	-
Other Retirement Regular	11,266	(2,766)	8,500	8,500	-
Workmen's Compensation	1,537	(1,537)	-	-	-
Health Benefits	66,431	-	66,431	66,431	-
Other Employee Benefits	8,252	(8,252)	-	-	-
<b>Total Other Support Services - Students - Extra Services</b>	<b>98,121</b>	<b>(12,555)</b>	<b>85,566</b>	<b>85,566</b>	<b>-</b>

FLORENCE TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Other Support Services - Students - Guidance</b>					
Social Security Contributions	8,726	-	8,726	8,726	-
Other Retirement - Regular	9,243	-	9,243	9,243	-
Workmen's Compensation	7,806	(7,806)	-	-	-
Health Benefits	123,422	-	123,422	123,422	-
Other Employee Benefits	30,965	-	30,965	30,965	-
<b>Total Other Support Services - Students - Guidance</b>	<b>180,162</b>	<b>(7,806)</b>	<b>172,356</b>	<b>172,356</b>	
<b>Other Support Services - Students - Child Study Team</b>					
Social Security Contributions	10,474	-	10,474	10,474	-
Other Retirement - Regular	11,096	-	11,096	11,096	-
Workmen's Compensation	8,879	(8,879)	-	-	-
Health Benefits	160,599	(46,994)	113,605	113,605	-
Other Employee Benefits	3,931	-	3,931	3,931	-
<b>Total Other Support Services - Students - Child Study Team</b>	<b>194,979</b>	<b>(55,873)</b>	<b>139,106</b>	<b>139,106</b>	
<b>Improvement of Instruction Services</b>					
Social Security Contributions	5,859	-	5,859	5,859	-
Other Retirement - Regular	6,206	-	6,206	6,206	-
Workmen's Compensation	2,103	(2,103)	-	-	-
Health Benefits	63,525	-	63,525	63,525	-
Other Employee Benefits	7,403	(1,811)	5,592	5,592	-
<b>Total Improvement of Instruction Services</b>	<b>85,096</b>	<b>(3,914)</b>	<b>81,182</b>	<b>81,182</b>	
<b>Educational Media Services - School Library</b>					
Workmen's Compensation	2,246	(330)	1,916	1,916	-
Health Benefits	62,792	(6,765)	56,027	56,027	-
Other Employee Benefits	-	4,513	4,513	4,513	-
<b>Total Educational Media Services - School Library</b>	<b>65,038</b>	<b>(2,582)</b>	<b>62,456</b>	<b>62,456</b>	
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Tuition Reimbursement	3,000	-	3,000	3,000	-
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>3,000</b>	<b>-</b>	<b>3,000</b>	<b>3,000</b>	
<b>Support Services - General Administration</b>					
Social Security Contributions	9,027	-	9,027	9,027	-
Other Retirement - Regular	9,563	-	9,563	9,563	-
Workmen's Compensation	3,884	(3,501)	383	383	-
Health Benefits	60,652	-	60,652	60,652	-
<b>Total Support Services - General Administration</b>	<b>83,126</b>	<b>(3,501)</b>	<b>79,625</b>	<b>79,625</b>	
<b>Support Services - School Administration</b>					
Social Security Contributions	26,982	-	26,982	26,982	-
Other Retirement - Regular	27,211	-	27,211	27,211	-
Workmen's Compensation	13,412	(2,410)	11,002	11,002	-
Health Benefits	252,826	-	252,826	252,826	-
Other Employee Benefits	46,199	(1,833)	44,366	44,366	-
<b>Total Support Services - School Administration</b>	<b>366,630</b>	<b>(4,243)</b>	<b>362,387</b>	<b>362,387</b>	
<b>Business and Other Support Services</b>					
Social Security Contributions	30,434	-	30,434	30,434	-
Other Retirement - Regular	31,946	-	31,946	31,946	-
Workmen's Compensation	7,094	-	7,094	7,094	-
Health Benefits	87,300	-	87,300	87,300	-
Tuition Reimbursement	15,515	(4,366)	11,149	11,025	124
Other Employee Benefits	10,508	(17)	10,491	10,491	-
<b>Total Business and Other Support Services</b>	<b>182,797</b>	<b>(4,383)</b>	<b>178,414</b>	<b>178,290</b>	<b>124</b>
<b>Undist. Expend. - Support Serv. - Administration Information Serv.</b>					
Social Security Contributions	15,721	-	15,721	15,721	-
Other Retirement - Regular	10,814	-	10,814	10,814	-
Workmen's Compensation	1,475	-	1,475	1,475	-
Health Benefits	36,194	-	36,194	36,194	-
Other Employee Benefits	10,378	(1,701)	8,677	8,677	-
<b>Total Undist. Expend. - Support Serv. - Administration Information Serv.</b>	<b>74,582</b>	<b>(1,701)</b>	<b>72,881</b>	<b>72,881</b>	
<b>Operation and Maintenance of Plant Services</b>					
Social Security Contributions	141,395	(2,033)	139,362	139,362	-
Other Retirement - Regular	134,210	-	134,210	134,210	-
Workmen's Compensation	19,186	-	19,186	19,186	-
Health Benefits	437,874	53,266	491,140	461,079	30,061
Other Employee Benefits	54,064	7,765	61,829	61,655	174
<b>Total Operation and Maintenance of Plant Services</b>	<b>786,729</b>	<b>58,998</b>	<b>845,727</b>	<b>815,492</b>	<b>30,235</b>
<b>Student Transportation Services</b>					
Social Security Contributions	67,319	-	67,319	47,580	19,739
Other Retirement - Regular	58,687	-	58,687	58,154	533
Workmen's Compensation	8,005	(2,112)	5,893	5,893	-
Health Benefits	442,389	-	442,389	442,389	-
Tuition Reimbursement	-	1,832	1,832	1,832	-
Other Employee Benefits	36,699	(414)	36,285	36,285	-
<b>Total Student Transportation Services</b>	<b>613,099</b>	<b>(694)</b>	<b>612,405</b>	<b>592,133</b>	<b>20,272</b>
<b>School-Spon. Cocurricular Actvts. - Inst.</b>					
Social Security Contributions	9,239	-	9,239	-	9,239
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<b>9,239</b>	<b>-</b>	<b>9,239</b>	<b>-</b>	<b>9,239</b>

FLORENCE TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>School Sponsored Athletics</b>					
Social Security Contributions	43,495	-	43,495	36,690	6,805
Other Retirement - Regular	18,033	-	18,033	-	18,033
Workmen's Compensation	2,774	(2,774)	-	-	-
Health Benefits	39,263	(7,707)	31,556	30,036	1,520
<b>Total School Sponsored Athletics</b>	<b>103,565</b>	<b>(10,481)</b>	<b>93,084</b>	<b>66,726</b>	<b>26,358</b>
<b>Other Instructional Programs</b>					
Workmen's Compensation	1,160	(1,160)	-	-	-
Health Benefits	30,182	(3,117)	27,065	20,616	6,449
<b>Total Other Instructional Programs</b>	<b>31,342</b>	<b>(4,277)</b>	<b>27,065</b>	<b>20,616</b>	<b>6,449</b>
<b>TOTAL ALLOCATED BENEFITS</b>	<b>5,585,251</b>	<b>(389,078)</b>	<b>5,196,173</b>	<b>4,998,615</b>	<b>197,558</b>
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>					
On-Behalf TPAF Pension (Non-Budgeted)	-	-	-	522,526	(522,526)
On-Behalf OPEB Post Retirement Medical Contributions (Non-Budgeted)	-	-	-	829,512	(829,512)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	751,767	(751,767)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,103,805</b>	<b>(2,103,805)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>5,585,251</b>	<b>(389,078)</b>	<b>5,196,173</b>	<b>7,102,420</b>	<b>(1,906,247)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>15,064,728</b>	<b>(82,060)</b>	<b>14,982,668</b>	<b>16,462,436</b>	<b>(1,479,768)</b>
<b>TRANSFER TO CHARTER SCHOOLS</b>	<b>1,315,997</b>	<b>118,180</b>	<b>1,434,177</b>	<b>1,434,177</b>	<b>-</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>25,942,309</b>	<b>79,384</b>	<b>26,021,693</b>	<b>27,412,233</b>	<b>(1,390,540)</b>
<b>CAPITAL OUTLAY</b>					
Equipment					
Regular Programs - Instruction					
Other Operation & Maintenance of Plant	8,843	6,642	15,485	13,608	1,877
Security	-	43,288	43,288	43,288	-
<b>Total Equipment</b>	<b>8,843</b>	<b>49,930</b>	<b>58,773</b>	<b>56,896</b>	<b>1,877</b>
Increase in Capital Reserve					
Interest Deposit to Capital Reserve	-	-	-	-	-
<b>Facilities Acquisition and Construction Services</b>					
Undistributed Expenditures	117,952	-	117,952	117,952	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>117,952</b>	<b>-</b>	<b>117,952</b>	<b>117,952</b>	<b>-</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>126,795</b>	<b>49,930</b>	<b>176,725</b>	<b>174,848</b>	<b>1,877</b>
<b>TOTAL EXPENDITURES</b>	<b>26,069,104</b>	<b>129,314</b>	<b>26,198,418</b>	<b>27,587,081</b>	<b>(1,388,663)</b>
<b>Excess (Deficiency) of Revenues</b>					
Over (Under) Expenditures	(975,186)	(129,314)	(1,104,500)	(16,721)	1,087,779
<b>Excess (Deficiency) of Revenues and Other Financing Sources</b>					
Over (Under) Expenditures and Other Financing Sources (Uses)	(975,186)	(129,314)	(1,104,500)	(16,721)	1,087,779
<b>Fund Balance, July 1</b>	<b>2,193,756</b>	<b>-</b>	<b>2,193,756</b>	<b>2,193,756</b>	<b>-</b>
<b>Fund Balance, June 30</b>	<b>\$ 1,218,570</b>	<b>\$ (129,314)</b>	<b>\$ 1,089,256</b>	<b>\$ 2,177,035</b>	<b>\$ 1,087,779</b>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve				1,148	
Excess Surplus Designated for Subsequent Year's Expenditures				402,279	
Excess Surplus - Current Year				626,966	
<b>Assigned Fund Balance:</b>					
Other Purposes - Year End Encumbrances				186,473	
Designated for Subsequent Year's Expenditures				256,619	
<b>Unassigned Fund Balance</b>				<b>703,550</b>	
				<b>2,177,035</b>	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Extraordinary Aid not recognized on GAAP basis				(157,200)	
Last State Aid Payment not recognized on GAAP basis				(839,165)	
<b>Fund Balance per Governmental Funds (GAAP) B-2</b>				<b>\$ 1,180,670</b>	



Florence Township School District  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	\$ 708,247	\$ 287,311	\$ 995,558	\$ 964,998	\$ (30,560)
State Sources	-	139,021	139,021	105,676	(33,345)
Local Sources	-	59,952	59,952	30,998	(28,954)
<b>Total Revenues</b>	<b>708,247</b>	<b>486,284</b>	<b>1,194,531</b>	<b>1,101,672</b>	<b>(92,859)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries	-	53,213	53,213	45,010	8,203
Salaries of Teachers	265,515	(43,654)	221,861	219,998	1,863
Other Purchased Services (400-500 series)	442,732	25,000	467,732	442,732	25,000
General Supplies	-	65,458	65,458	63,985	1,473
Textbooks	-	16,265	16,265	16,265	-
<b>Total Instruction</b>	<b>708,247</b>	<b>116,282</b>	<b>824,529</b>	<b>787,990</b>	<b>36,539</b>
<b>Support Services</b>					
Salaries	-	2,000	2,000	2,000	-
Personal Services - Employee Benefits	-	121,308	121,308	111,075	10,233
Purchased Professional - Technical Services	-	96,640	96,640	85,505	11,135
Purchased Professional Services	-	114,062	114,062	80,675	33,387
Other Purchased Services (400-500 series)	-	32,114	32,114	30,549	1,565
Supplies & Materials	-	3,878	3,878	3,878	-
<b>Total Support Services</b>	<b>-</b>	<b>370,002</b>	<b>370,002</b>	<b>313,682</b>	<b>56,320</b>
<b>Facilities Acquisition and Construction Services:</b>					
Non-Instructional Equipment	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>708,247</b>	<b>486,284</b>	<b>1,194,531</b>	<b>1,101,672</b>	<b>92,859</b>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Outflows</b>	<b>708,247</b>	<b>486,284</b>	<b>1,194,531</b>	<b>1,101,672</b>	<b>92,859</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

4. The following information is required to be submitted with the required supplementary information in accordance with the instructions:

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Florence Township School District  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to RSI  
For the Fiscal Year Ended June 30, 2015**

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

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 27,570,360	[C-2] \$ 1,101,672
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	848,083	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(839,165)	-
Extraordinary aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes	149,916	-
Extraordinary aid payments recognized for budgetary purposes, not recognized for GAAP statements	(157,200)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 27,571,994	[B-2] \$ 1,101,672
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 27,587,081	[C-2] \$ 1,101,672
Differences - budget to GAAP		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 27,587,081	[B-2] \$ 1,101,672

**REQUIRED SUPPLEMENTARY INFORMATION - Part III**

**Florence Township School District**  
**Schedules of Required Supplementary Information**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Public Employess Retirement System**  
**Last 10 Fiscal Years\***  
**For Fiscal Year Ended June 30, 2015**

	<u>2015</u>		<u>2014</u>
	Measurement date		Measurement date
	June 30, 2014		June 30, 2013
Proportion of the net pension liability	0.40%		0.40%
Proportionate share of the net pension liability	\$ 7,583,695	\$	7,081,833
Covered-employee payroll	\$ 2,597,869	\$	2,646,666
Proportionate share of the net pension liability as a percentage of covered employee payroll	291.92%		267.58%
Plan fiduciary net position	\$ 7,691,822	\$	7,209,642
Plan fiduciary net position as a percentage of the total pension liability	52.08%		48.72%

\*- Fiscal year 2015 was the first year of implementation. Only the last two years information was provided by the state and is shown above.

Florence Township School District  
 Schedules of Required Supplementary Information  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
 Public Employment Retirement System  
 Last 10 Fiscal Years  
 (Dollar amounts in thousands)  
 For Fiscal Year Ended June 30, 2015

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution (1)	\$ 311,822	\$ 298,983	\$ 301,281	\$ 300,751	\$ 282,699	\$ 218,047	\$ 185,431	\$ 129,234	\$ 69,334	\$ 36,368
Contributions in relation to the contractually required contribution	311,822	298,983	301,281	300,751	282,699	218,047	185,431	129,234	69,334	36,368
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 2,597,869	\$ 2,646,666	\$ 2,618,784	\$ 2,596,776	\$ 2,650,186	\$ 2,667,760	\$ 2,575,541	\$ 2,410,621	\$ 2,263,005	\$ 2,074,111
Contributions as a percentage of covered-employee payroll	12.00%	11.30%	11.50%	11.58%	10.67%	8.17%	7.20%	5.36%	3.06%	1.75%

(1) Includes Group Life insurance Premiums

**Florence Township School District**  
**Schedules of Required Supplementary Information**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Teacher's Pension And Annuity Fund**  
**Last 10 Fiscal Years\***  
**For Fiscal Year Ended June 30, 2015**

	<u>2015</u>	<u>2014</u>
	Measurement date	Measurement date
	June 30, 2014	June 30, 2013
District's proportion of the net pension liability (asset)	0.10%	0.11%
State's proportionate share of the net pension liability	\$ 54,178,933	\$ 55,586,266
District's covered employee payroll	\$ 10,047,441	\$ 9,794,918
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	539.23%	567.50%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

\*- Fiscal year 2015 was the first year of implementation. Only the last two years information was provided by the state and is shown above.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION- PART III**



**Florence Township School District  
Notes to Required Supplementary Information  
For the Year Ended June 30, 2015**

**Changes in benefit terms:** None

**Changes in assumptions:** The discount rate changed from the rate as of June 30, 2013 to June 30, 2014, in accordance with GASB Statement No. 67.

**Method and assumptions used in calculations of actuarially determined contributions:** The actuarially determined contributions are calculated as of July 1, preceding the fiscal year in which the contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions

	<u>TPAF</u>	<u>PERS</u>
Actuarial cost method	Entry age normal	Entry Age Normal
Amortization method	Level dollar, open	Level dollar, open
Remaining amortization period	30 years	30 years
Asset valuation method	20% of the difference between the expected actuarial value and market value is recognized each year	Five-year average of market values
Inflation rate	2.50%	3.01%
Projected salary increases 2012-2021	Varies based on experience	2.15 – 4.40% based on age
Thereafter	Varies based on experience	3.15 – 5.40% based on age
Projected COLAs	N/A*	N/A*
Investment rate of return	7.90%	7.90%

\*Pursuant to the provisions of Chapter 78, P.L. 2011, cost of living adjustment (COLA) increases were suspended for all current and future retirees of all retirement systems.

**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.

Florence Township School District  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1a)	Title I Improving Basic Programs Operated By LEA's	Title I Basic Programs Oper. by LEA's 13/14 Summer	Title II-A Teacher and Prin. Train. & Recruiting 13/14 Summer	Title II-A Principal Training & Recruiting	Title II-A Teacher and Prin. Train. & Recruiting 13/14 Summer	Totals 2015
<b>REVENUES</b>							
Federal Sources	\$ 517,826	\$ 310,681	\$ 51,341	\$ 74,977	\$ 10,173	\$ 964,998	
State Sources	105,676	-	-	-	-	105,676	
Local Sources	30,998	-	-	-	-	30,998	
<b>Total Revenues</b>	<b>654,500</b>	<b>310,681</b>	<b>51,341</b>	<b>74,977</b>	<b>10,173</b>	<b>1,101,672</b>	
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries	-	45,010	-	-	-	45,010	
Salaries of Teachers	-	174,293	-	45,705	-	219,998	
Other Purchased Services (400-500 series)	442,732	-	-	-	-	442,732	
General Supplies	23,404	40,581	-	-	-	63,985	
Textbooks	16,265	-	-	-	-	16,265	
<b>Total Instruction</b>	<b>482,401</b>	<b>259,884</b>	<b>-</b>	<b>45,705</b>	<b>-</b>	<b>787,990</b>	
<b>Support services:</b>							
Salaries	-	2,000	-	-	-	2,000	
Personal Services - Employee Benefits	2,041	37,647	51,341	9,873	10,173	111,075	
Purchased Professional - Technical Services	85,505	-	-	-	-	85,505	
Purchased Professional Services	80,675	-	-	-	-	80,675	
Other Purchased Services (400-500 series)	-	11,150	-	19,399	-	30,549	
Supplies & Materials	3,878	-	-	-	-	3,878	
<b>Total support services</b>	<b>172,099</b>	<b>50,797</b>	<b>51,341</b>	<b>29,272</b>	<b>10,173</b>	<b>313,682</b>	
<b>Facilities acquisition and construction services:</b>							
Instructional Equipment	-	-	-	-	-	-	
Non-Instructional Equipment	-	-	-	-	-	-	
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Expenditures</b>	<b>654,500</b>	<b>310,681</b>	<b>51,341</b>	<b>74,977</b>	<b>10,173</b>	<b>1,101,672</b>	
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

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, 2014

	Total Brought Forward (Ex. E-1b)	I.D.E.A. Part B Basic	I.D.E.A. Part B Preschool	Southern N.J. Empl. Benefits Wellness Grant	N.J. School Boards Assoc. Ins. Grp. Safety Grant	Total Carried Forward
<b>REVENUES</b>						
Federal Sources	\$ -	\$ 504,719	\$ 13,107	-	-	\$ 517,826
State Sources	105,676	-	-	-	-	105,676
Local Sources	-	-	-	21,046	9,952	30,998
<b>Total Revenues</b>	<b>105,676</b>	<b>504,719</b>	<b>13,107</b>	<b>21,046</b>	<b>9,952</b>	<b>654,500</b>
<b>EXPENDITURES</b>						
<b>Instruction:</b>						
Other Purchased Services (400-500 Series)	-	442,732	-	-	-	442,732
General Supplies	8,736	13,168	1,500	-	-	23,404
Textbooks	16,265	-	-	-	-	16,265
<b>Total Instruction</b>	<b>25,001</b>	<b>455,900</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>482,401</b>
<b>Support services:</b>						
Personal Services - Employee Benefits	-	2,041	-	-	-	2,041
Purchased Professional - Technical Services	-	44,507	10,000	21,046	9,952	85,505
Purchased Professional Services	80,675	-	-	-	-	80,675
Supplies & Materials	-	2,271	1,607	-	-	3,878
<b>Total support services</b>	<b>80,675</b>	<b>48,819</b>	<b>11,607</b>	<b>21,046</b>	<b>9,952</b>	<b>172,099</b>
<b>Facilities acquisition and construction services:</b>						
Instructional Equipment	-	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-	-
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>105,676</b>	<b>504,719</b>	<b>13,107</b>	<b>21,046</b>	<b>9,952</b>	<b>654,500</b>
<b>Excess (Deficiency) of Revenues over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2015**

	Total Brought Forward (Ex. E-1c)	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Technology Initiative Aid	Total Carried Forward
<b>REVENUES</b>					
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	54,117	16,265	26,558	8,736	105,676
<b>Total Revenues</b>	<b>54,117</b>	<b>16,265</b>	<b>26,558</b>	<b>8,736</b>	<b>105,676</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
General Supplies	-	-	-	8,736	8,736
Textbooks	-	16,265	-	-	16,265
<b>Total instruction</b>	<b>-</b>	<b>16,265</b>	<b>-</b>	<b>8,736</b>	<b>25,001</b>
<b>Support services:</b>					
Purchased Professional Services	54,117	-	26,558	-	80,675
<b>Total support services</b>	<b>54,117</b>	<b>-</b>	<b>26,558</b>	<b>-</b>	<b>80,675</b>
<b>Facilities acquisition and construction services:</b>					
Instructional Equipment	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>54,117</b>	<b>16,265</b>	<b>26,558</b>	<b>8,736</b>	<b>105,676</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2015

	N.J. Nonpublic Auxiliary Services Ch. 192				N.J. Nonpublic Handicapped Services Ch. 193		Total Carried Forward
	Compensatory Education	Transportation	Supplemental Instruction	Examination & Classification	Corrective Speech		
REVENUES							
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	15,229	9,759	8,004	14,941	6,184	54,117	54,117
<b>Total Revenues</b>	<b>15,229</b>	<b>9,759</b>	<b>8,004</b>	<b>14,941</b>	<b>6,184</b>	<b>54,117</b>	<b>54,117</b>
EXPENDITURES:							
Support services:							
Purchased Professional Services	15,229	9,759	8,004	14,941	6,184	54,117	54,117
<b>Total support services</b>	<b>15,229</b>	<b>9,759</b>	<b>8,004</b>	<b>14,941</b>	<b>6,184</b>	<b>54,117</b>	<b>54,117</b>
Facilities acquisition and construction services:							
Instructional Equipment	-	-	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-	-	-
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>15,229</b>	<b>9,759</b>	<b>8,004</b>	<b>14,941</b>	<b>6,184</b>	<b>54,117</b>	<b>54,117</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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.



Exhibit G-1

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2015  
(With comparative totals for June 30, 2014)**

	Food Service Fund	Extended Day Program	2015	2014
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 7,717	\$ 158,529	\$ 166,246	\$ 144,601
Accounts receivable:				
Federal	16,246	-	16,246	21,575
State	366	-	366	910
Inventories	13,163	-	13,163	11,399
Total current assets	37,492	158,529	196,021	178,485
Capital assets:				
Equipment	380,107	-	380,107	378,862
Accumulated depreciation	(298,219)	-	(298,219)	(270,139)
Total fixed assets	81,888	-	81,888	108,723
Total assets	119,380	158,529	277,909	287,208
<b>LIABILITIES</b>				
Current liabilities:				
Unearned revenue	-	58,145	58,145	22,216
Total liabilities	-	58,145	58,145	22,216
<b>NET POSITION</b>				
Net investment in capital assets	81,888	-	81,888	108,723
Unreserved retained earnings	37,492	100,384	137,876	156,269
Total net position	\$ 119,380	\$ 100,384	\$ 219,764	\$ 264,992

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(With comparative totals for the fiscal year ended June 30, 2014)**

	Food Service Fund	Extended Day Program	2015	2014
<b>OPERATING REVENUES:</b>				
Local sources:				
Daily sales - reimbursable programs:				
School lunch program	\$ 293,663	\$ -	\$ 293,663	\$ 331,078
Tuition	-	283,197	283,197	313,719
Total local sources	293,663	283,197	576,860	644,797
Miscellaneous	11,686	-	11,686	9,744
Total operating revenue	305,349	283,197	588,546	654,541
<b>OPERATING EXPENSES:</b>				
Salaries	-	221,801	221,801	222,332
Employee benefits	-	46,908	46,908	41,276
Equipment	1,245	-	1,245	3,682
Depreciation	28,080	-	28,080	13,788
Miscellaneous expenditures	-	23,694	23,694	23,486
Cost of sales	657,203	-	657,203	710,793
Total operating expenses	686,528	292,403	978,931	1,015,357
Operating income (loss)	(381,179)	(9,206)	(390,385)	(360,817)
<b>NON-OPERATING REVENUES:</b>				
State sources:				
State school lunch program	6,370	-	6,370	8,043
Federal sources:				
National school lunch program	230,989	-	230,989	249,405
National school breakfast program	48,354	-	48,354	49,061
Food distribution program	59,444	-	59,444	28,251
Total non-operating income	345,157	-	345,157	334,760
Net income (loss) before operating transfers	(36,022)	(9,206)	(45,228)	(26,056)
Operating transfer in/(out) - General Fund	-	-	-	(343)
Change in net position	(36,022)	(9,206)	(45,228)	(26,399)
Total net position - July 1	155,402	109,590	264,992	291,391
Total net position - June 30	\$ 119,380	\$ 100,384	\$ 219,764	\$ 264,992

FLORENCE TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 201  
(With comparative totals for the fiscal year ended June 30, 2014)

	Food Service Fund	Extended Day Program	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 364,793	\$ 319,126	\$ 683,919	\$ 626,319
Payments to employees	-	(221,801)	(221,801)	(222,332)
Payments for employee benefits	-	(46,908)	(46,908)	(41,276)
Payments to suppliers	(660,211)	(23,694)	(683,905)	(705,506)
Net cash provided by (used for) operating activities	<u>(295,418)</u>	<u>26,723</u>	<u>(268,695)</u>	<u>(342,796)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	6,914	-	6,914	7,529
Federal Sources	284,671	-	284,671	293,671
Operating subsidies and transfers (to)/from other funds	-	-	-	(343)
Net cash provided by (used for) non-capital financing activities	<u>291,585</u>	<u>-</u>	<u>291,585</u>	<u>300,857</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets transferred to general fund	(1,245)	-	(1,245)	-
Net cash provided by (used for) capital and related financing activities	<u>(1,245)</u>	<u>-</u>	<u>(1,245)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(5,078)	26,723	21,645	(41,939)
Balances—beginning of year	12,795	131,806	144,601	186,539
Balances—end of year	<u>7,717</u>	<u>\$ 158,529</u>	<u>\$ 166,246</u>	<u>\$ 144,601</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (381,179)	\$ (9,206)	\$ (390,385)	\$ (360,817)
Adjustments to reconcile operating income (loss) to net cash provided by operations:				
Depreciation	28,080	-	28,080	13,788
Food distribution program	59,444	-	59,444	28,251
(Increase) decrease in inventories	(1,763)	-	(1,763)	7,885
(Increase) decrease in capital assets	-	-	-	(3,682)
Increase (decrease) in deferred revenue	-	35,929	35,929	(28,222)
Total adjustments	<u>85,761</u>	<u>35,929</u>	<u>121,690</u>	<u>18,020</u>
Net cash provided by (used for) operating activities	<u>\$ (295,418)</u>	<u>\$ 26,723</u>	<u>\$ (268,695)</u>	<u>\$ (342,796)</u>

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.

**Florence Township School District**  
**Combining Statement Of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2015**  
**(With Comparative Totals For June 30, 2014)**

	Expendable Trusts			Agency			Totals	
	Unemployment Insurance	Flexible Spending	Scholarship	Student Activity	Payroll	Summer Pay	2015	2014
<b>ASSETS:</b>								
Cash and cash equivalents	\$ 45,532	\$ 522	\$ 16,758	\$ 61,595	\$ 23,179	\$ 380,765	\$ 528,351	\$ 561,288
Accounts receivable	-	-	-	-	1,548	-	1,548	1,548
Interfund receivable	8,473	-	-	-	-	-	8,473	9,190
<b>Total assets</b>	<b>54,005</b>	<b>522</b>	<b>16,758</b>	<b>61,595</b>	<b>24,727</b>	<b>380,765</b>	<b>538,372</b>	<b>572,026</b>
<b>LIABILITIES:</b>								
Payroll deductions and withholdings	-	-	-	-	6,073	380,765	386,838	328,226
Interfunds payable	-	-	-	-	18,654	-	18,654	123,507
Accounts payable	-	-	-	-	-	-	-	1,610
Due to student groups	-	-	-	61,595	-	-	61,595	47,394
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,595</b>	<b>24,727</b>	<b>380,765</b>	<b>467,087</b>	<b>500,737</b>
<b>NET POSITION:</b>								
Held in trust for unemployment claims and other purposes	\$ 54,005	\$ 522	\$ 16,758	\$ -	\$ -	\$ -	\$ 71,285	\$ 71,289

**Florence Township School District**  
**Combining Statement Of Changes In Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2015**

	Unemployment Insurance Expendable Trust Fund	Flexible Spending Expendable Trust Fund	Scholarship Expendable Trust Fund
<b>ADDITIONS</b>			
Local sources:			
Payroll withholding	\$ 24,375	\$ -	\$ -
Contributions	-	-	3,650
Interest and investment income	49	4	30
<b>Total additions</b>	<b>24,424</b>	<b>4</b>	<b>3,680</b>
<b>DEDUCTIONS</b>			
Unemployment claims	22,309	-	-
Dependent day care payments	-	3	-
Scholarship payments	-	-	5,800
<b>Total deductions</b>	<b>22,309</b>	<b>3</b>	<b>5,800</b>
Change in net position	2,115	1	(2,120)
Net position, July 1	51,890	521	18,878
Net position, June 30	<b>\$ 54,005</b>	<b>\$ 522</b>	<b>\$ 16,758</b>

Exhibit H-3

Florence Township School District  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Accounts Payable June 30, 2014	Balance June 30, 2015
<b>MIDDLE SCHOOL/SENIOR HIGH SCHOOL:</b>					
Florence Middle School/Memorial High School	\$ 47,394	\$ 156,690	\$ 142,489	\$ -	\$ 61,595
Total Middle School/Senior High School	47,394	156,690	142,489	-	61,595
Total All Schools	\$ 47,394	\$ 156,690	\$ 142,489	\$ -	\$ 61,595

**Florence Township School District  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2015**

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 124,651	\$ 7,619,113	\$ 7,720,585	\$ 23,179
Accounts receivable	1,548	-	-	1,548
<b>Total assets</b>	<b>\$ 126,199</b>	<b>\$ 7,619,113</b>	<b>\$ 7,720,585</b>	<b>\$ 24,727</b>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ 1,082	\$ 7,610,640	\$ 7,605,649	\$ 6,073
Accounts payable	1,610	-	1,610	-
Interfund payable	123,507	8,473	113,326	18,654
<b>Total liabilities</b>	<b>\$ 126,199</b>	<b>\$ 7,619,113</b>	<b>\$ 7,720,585</b>	<b>\$ 24,727</b>



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.

FLORENCE TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance June 30, 2014	Issued	Retired/Refunded	Balance June 30, 2015
General Obligation Refunding Bonds	3/1/2012	\$ 26,065,000	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%	\$ 25,740,000		\$ 1,750,000	\$ 23,990,000
						\$ 25,740,000	\$ -	\$ 1,750,000	\$ 23,990,000

FLORENCE TOWNSHIP SCHOOL DISTRICT  
 GENERAL LONG-TERM DEBT ACCOUNT GROUP  
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2014	Issued	Retired	Balance June 30, 2015
			Principal	Interest					
1 16 Passenger School Bus and 2 54 Passenger School Buses, 2010-2011	8/23/2010	5 Years	\$ 204,073	\$ 17,412	4.270%	\$ 42,483	\$ -	42,483	\$ -
1 F-350 Maintenance Truck, 20010-2011	6/3/2011	5 Years	31,569	1,918	2.950%	12,273	-	6,525	5,748
1 54 Passenger School Bus 2012-2013	7/20/2012	5 Years	85,313	4,895	1.950%	51,175	-	16,730	34,445
1 Blue Bird Wheelchair Accessible School Bus	1/16/2014	5 Years	119,631	6,092	2.547%	94,486	-	22,738	71,748
						\$ 200,417	\$ -	\$ 88,476	\$ 111,941

**Florence Township School District**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 2,698,981	-	\$ 2,698,981	\$ 2,698,981	\$ -
Total - state sources	-	-	-	-	-
<b>Total revenues</b>	<u>2,698,981</u>	<u>-</u>	<u>2,698,981</u>	<u>2,698,981</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest on bonds	948,982	-	948,982	948,981	1
Redemption of principal	1,750,000	-	1,750,000	1,750,000	-
Total regular debt service	2,698,982	-	2,698,982	2,698,981	1
<b>Total expenditures</b>	<u>2,698,982</u>	<u>-</u>	<u>2,698,982</u>	<u>2,698,981</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	(1)	-	(1)	-	1
Fund balance, July 1	2	-	2	2	-
Fund balance, June 30	<u>1</u>	<u>-</u>	<u>1</u>	<u>2</u>	<u>1</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	(1)	-	(1)	-	1

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.*

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

Exhibit J-1

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
<b>Governmental activities</b>										
Net investment in capital assets										
Restricted	\$ (14,109,350)	\$ 10,992,298	\$ 12,318,078	\$ 10,543,414	\$ 10,537,181	\$ 10,691,880	\$ 10,790,353	\$ 11,597,939	\$ 12,057,653	\$ 14,035,431
Unrestricted	13,993,155	2,036,533	1,065,041	1,585,853	1,548,226	1,154,995	1,671,227	1,867,658	1,105,990	1,030,393
Total governmental activities net position	\$ 4,237,144	\$ (3,227,662)	\$ (3,492,170)	\$ (4,097,268)	\$ (4,321,808)	\$ (3,581,795)	\$ (3,270,322)	\$ (3,410,658)	\$ (3,536,231)	\$ (11,877,606)
	\$ 4,120,949	\$ 9,801,169	\$ 9,890,949	\$ 8,031,999	\$ 7,763,599	\$ 8,265,080	\$ 9,191,258	\$ 9,994,939	\$ 9,627,412	\$ 3,188,218
<b>Business-type activities</b>										
Net investment in capital assets	\$ 11,373	\$ 213,508	\$ 188,764	\$ 171,809	\$ 155,534	\$ 139,936	\$ 133,954	\$ 118,829	\$ 108,723	\$ 81,888
Restricted	93,582	74,997	145,310	263,887	337,827	246,241	134,299	172,562	156,269	137,876
Unrestricted	(104,955)	(288,305)	(334,074)	(435,696)	(493,361)	(386,177)	(268,253)	(291,391)	(264,992)	(219,764)
Total business-type activities net position	\$ (104,955)	\$ 288,305	\$ 334,074	\$ 435,696	\$ 493,361	\$ 386,177	\$ 268,253	\$ 291,391	\$ 264,992	\$ 219,764
<b>District-wide</b>										
Net investment in capital assets	\$ (14,097,977)	\$ 11,205,806	\$ 12,506,842	\$ 10,715,223	\$ 10,697,715	\$ 10,831,816	\$ 10,934,307	\$ 11,656,768	\$ 12,166,376	\$ 14,117,319
Restricted	13,993,155	2,036,533	1,065,041	1,585,853	1,548,226	1,154,995	1,671,227	1,867,658	1,105,990	1,030,393
Unrestricted	4,330,726	(3,152,665)	(3,346,860)	(3,833,381)	(3,983,981)	(3,335,554)	(3,136,023)	(3,238,096)	(3,379,962)	(11,739,730)
Total district net position	\$ 4,225,904	\$ 10,089,674	\$ 10,225,023	\$ 8,467,695	\$ 8,256,960	\$ 8,651,257	\$ 9,489,511	\$ 10,286,330	\$ 9,892,404	\$ 3,407,982

\*- For the first time, the financial statements as of June 30, 2015 include transactions relating to pension expense in accordance with GASB 68.

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 7,423,295	\$ 8,033,624	\$ 8,602,122	\$ 8,787,047	\$ 9,450,710	\$ 8,618,827	\$ 8,896,535	\$ 8,796,474	\$ 8,972,615	\$ 8,030,336
Special education	1,893,592	2,052,761	2,205,302	2,424,889	2,339,663	2,814,569	2,654,929	2,671,300	2,872,957	2,951,366
Other special education	96,452	73,827	282,822	501,075	464,071	378,510	531,061	520,295	463,522	394,667
Other instruction	591,751	620,502	694,096	625,748	670,079	554,375	385,207	538,924	591,747	564,052
Gifted and talented	95,197	99,861	98,022	93,168	88,487	78,990	74,553	65,156	105,979	85,222
Support Services:										
Tuition	1,009,123	1,235,072	960,420	1,188,188	1,059,333	1,032,473	1,193,891	1,698,507	1,654,028	1,567,872
Student & instruction related services	2,874,720	2,727,257	2,944,604	2,947,425	3,213,847	2,947,254	2,981,191	2,988,470	2,972,028	3,149,700
General administration	428,579	460,777	487,733	484,915	439,454	512,970	543,113	541,174	486,031	610,755
School administrative services	934,770	985,356	1,062,792	1,106,041	992,477	1,023,489	853,090	1,053,881	1,071,002	1,133,673
Central services	493,637	383,230	414,597	418,837	462,700	484,163	559,423	589,964	634,069	519,672
Administrative information technology	235,806	242,173	244,682	204,297	170,982	136,866	145,268	129,446	263,835	314,225
Plant operations and maintenance	1,873,854	2,311,208	2,483,679	2,670,424	2,683,126	2,849,752	2,918,232	3,065,679	3,290,210	3,245,387
Pupil transportation	992,600	1,179,426	1,252,255	1,221,317	1,308,279	1,356,646	1,603,444	1,544,363	1,654,051	1,811,605
Employee benefits	1,448,032	2,129,832	2,239,632	1,423,132	1,537,890	1,519,838	1,814,277	2,253,652	1,872,505	4,496,614
Charter schools	-	-	-	-	559,701	847,036	1,126,585	1,277,448	1,347,452	1,434,177
Interest on long-term debt	1,577,821	1,500,374	1,446,040	1,384,936	1,339,285	1,262,967	1,155,542	763,980	951,416	919,198
Unallocated depreciation	428,849	1,375,463	1,134,464	1,530,463	1,538,180	1,551,286	1,392,022	1,338,300	1,362,042	1,378,568
Amortization of debt issue costs	12,347	12,211	12,114	12,018	11,922	11,876	11,730	13,518	-	-
Amortization of intangible assets	-	-	13,862	13,862	13,862	13,862	13,862	13,862	13,862	13,862
Total governmental activities expenses	22,410,445	25,422,904	26,579,238	27,057,782	28,344,048	27,995,699	28,853,955	29,884,393	30,579,351	32,620,931



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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
<b>Business-type activities:</b>										
Food service	539,323	628,591	664,311	748,748	756,719	718,651	719,845	732,537	728,263	686,528
Cable TV access	-	8,488	8,000	8,000	8,000	4,000	2,000	5,000	-	-
Extended day program	226,944	279,231	267,614	261,832	278,457	301,205	262,653	282,878	287,094	292,403
Total business-type activities expense	766,267	916,310	939,925	1,018,580	1,043,176	1,023,856	984,498	1,021,415	1,015,357	978,931
Total district expenses	\$ 23,176,712	\$ 26,339,214	\$ 27,519,163	\$ 28,076,362	\$ 29,387,224	\$ 29,019,555	\$ 29,838,453	\$ 30,905,808	\$ 31,594,708	\$ 33,599,882
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Instruction (tuition)	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	3,141,986	3,518,958	3,845,523	2,599,032	3,107,579	2,775,547	3,050,132	3,433,779	3,124,194	5,598,286
Total governmental activities program revenues	3,141,986	3,518,958	3,845,523	2,599,032	3,107,579	2,775,547	3,050,132	3,433,779	3,124,194	5,598,286
<b>Business-type activities:</b>										
Charges for services:										
Food service	307,611	351,706	392,175	438,894	451,833	358,609	358,147	349,458	340,822	305,349
Cable TV access	11,477	3,000	6,999	9,976	3,779	4,000	5,313	-	-	-
Extended day program	200,340	288,628	318,473	330,602	311,311	232,617	270,266	321,422	313,719	283,197
Operating grants and contributions	225,095	234,751	275,584	300,563	333,845	321,439	366,243	373,659	334,760	345,157
Total business type activities program revenues	744,523	878,085	993,231	1,080,035	1,100,768	916,665	999,969	1,044,539	989,301	933,703
Total district program revenues	\$ 3,886,509	\$ 4,397,043	\$ 4,838,754	\$ 3,679,067	\$ 4,208,347	\$ 3,692,212	\$ 4,050,101	\$ 4,478,318	\$ 4,113,495	\$ 6,531,989
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (19,268,459)	\$ (21,903,946)	\$ (22,733,715)	\$ (24,458,750)	\$ (25,236,469)	\$ (25,220,152)	\$ (25,803,823)	\$ (26,450,614)	\$ (27,455,157)	\$ (27,022,665)
Business-type activities	(21,744)	(38,225)	53,306	61,455	57,592	(107,191)	15,471	23,124	(26,056)	(45,228)
Total district-wide net expense	\$ (19,290,203)	\$ (21,942,171)	\$ (22,680,409)	\$ (24,397,295)	\$ (25,178,877)	\$ (25,327,343)	\$ (25,788,352)	\$ (26,427,490)	\$ (27,481,213)	\$ (27,067,893)

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 10,195,821	\$ 11,893,286	\$ 12,613,700	\$ 12,583,617	\$ 13,221,502	\$ 13,917,990	\$ 14,222,554	\$ 14,594,866	\$ 15,065,536	\$ 15,389,355
Taxes levied for debt service	2,833,691	2,224,883	2,351,363	2,596,872	2,578,665	2,682,415	2,667,640	2,747,490	2,624,379	2,698,981
Unrestricted grants and contributions	7,058,064	7,052,847	7,397,360	9,696,833	9,126,706	8,810,926	9,436,856	9,542,117	9,701,360	9,855,832
SCC Grant not restricted to specific functions	3,831,794	2,361,519	1,113,985	-	-	-	-	-	-	-
Tuition received	179,450	216,782	119,088	81,643	46,958	58,438	177,065	67,236	20,975	39,989
Investment earnings	778,354	366,131	107,480	27,007	27,234	21,232	15,135	7,784	6,537	4,525
Miscellaneous income	90,138	218,583	99,950	141,870	127,217	226,562	77,337	298,771	311,014	178,486
Loss on sale of capital assets	-	-	(15,758)	-	-	(8,470)	-	(3,969)	-	-
Transfer	-	-	-	(40,128)	-	-	133,414	-	343	-
Special Item - Prior period adjustment	-	-	(963,673)	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>24,967,312</b>	<b>24,334,031</b>	<b>22,823,495</b>	<b>25,087,714</b>	<b>25,128,282</b>	<b>25,709,093</b>	<b>26,730,001</b>	<b>27,254,295</b>	<b>27,730,144</b>	<b>28,167,168</b>
Business-type activities:										
Investment earnings	-	82	53	39	74	7	19	14	-	-
Transfer	-	-	-	40,128	-	-	(133,414)	-	(343)	-
Special item - Prior period adjustment	-	-	(7,790)	-	-	-	-	-	-	-
<b>Total business-type activities</b>	<b>-</b>	<b>82</b>	<b>(7,737)</b>	<b>40,167</b>	<b>74</b>	<b>7</b>	<b>(133,395)</b>	<b>14</b>	<b>(343)</b>	<b>-</b>
<b>Total district-wide</b>	<b>\$ 24,967,312</b>	<b>\$ 24,334,113</b>	<b>\$ 22,815,758</b>	<b>\$ 25,127,881</b>	<b>\$ 25,128,356</b>	<b>\$ 25,709,100</b>	<b>\$ 26,596,606</b>	<b>\$ 27,254,309</b>	<b>\$ 27,729,801</b>	<b>\$ 28,167,168</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 5,698,853	\$ 2,430,085	\$ 89,780	\$ 628,964	\$ (108,187)	\$ 488,941	\$ 926,178	\$ 803,681	\$ 274,987	\$ 1,144,503
Business-type activities	(21,744)	(38,143)	45,569	101,622	57,666	(107,184)	(117,924)	23,138	(26,399)	(45,228)
<b>Total district</b>	<b>\$ 5,677,109</b>	<b>\$ 2,391,942</b>	<b>\$ 135,349</b>	<b>\$ 730,586</b>	<b>\$ (50,521)</b>	<b>\$ 381,757</b>	<b>\$ 808,254</b>	<b>\$ 826,819</b>	<b>\$ 248,588</b>	<b>\$ 1,099,275</b>

\*. For the first time, the financial statements as of June 30, 2015 include transactions relating to pension expense in accordance with GASB 68.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 377,543	\$ 801,130	\$ 965,416	\$ 1,261,451	\$ 1,409,049	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	686,556	236,383	268,808	(157,563)	(441,818)	1,022,719	1,670,854	1,774,377	1,105,990	1,030,393
Restricted	-	-	-	-	-	32,695	275,370	31,327	401,936	443,092
Assigned	-	-	-	-	-	-	(474,785)	(270,672)	(312,167)	(292,815)
Unassigned	-	-	-	-	-	-	1,471,439	1,535,032	1,195,759	1,180,670
Total general fund	\$ 1,064,099	\$ 1,037,513	\$ 1,234,224	\$ 1,103,888	\$ 967,231	\$ 1,055,414	\$ 1,471,439	\$ 1,535,032	\$ 1,195,759	\$ 1,180,670
All Other Governmental Funds										
Reserved	\$ 14,531,749	\$ 2,874,263	\$ 252,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects fund	(539,693)	(838,842)	(31,894)	356,916	-	-	-	-	-	-
Debt service fund	-	-	1	2	237,825	-	-	-	-	-
Assigned to:										
Debt service fund	-	-	-	-	-	132,233	373	63,281	-	-
Unassigned:										
Debt service fund	-	-	-	-	-	43	-	1	2	2
Total all other governmental funds	\$ 13,992,056	\$ 2,035,421	\$ 220,122	\$ 356,918	\$ 237,825	\$ 132,276	\$ 373	\$ 63,282	\$ 2	\$ 2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tax levy	\$ 13,029,512	\$ 14,118,169	\$ 14,965,063	\$ 15,180,489	\$ 15,800,167	\$ 16,000,405	\$ 16,890,194	\$ 17,342,356	\$ 17,689,915	\$ 18,088,336
Interest earnings	778,354	366,131	107,480	27,007	27,234	21,232	15,135	7,784	6,537	4,525
Miscellaneous	249,588	435,365	219,037	260,125	174,175	270,117	331,110	367,283	332,331	218,475
State sources	13,124,335	12,183,379	11,473,460	11,391,264	9,488,770	10,554,675	11,143,069	11,966,448	11,728,041	11,983,929
Federal sources	907,509	749,945	883,408	904,601	2,745,515	1,031,798	1,343,919	1,009,448	1,097,513	1,077,380
Total revenue	28,089,298	27,852,989	27,648,448	27,763,486	28,235,861	28,478,227	29,723,427	30,693,319	30,854,337	31,372,645
<b>Expenditures</b>										
Instruction										
Regular instruction	7,569,599	7,954,990	8,601,839	8,825,965	9,386,808	8,585,667	8,949,443	8,847,749	8,275,142	8,449,567
Special education instruction	1,852,696	1,998,931	2,144,744	2,405,188	2,291,990	2,791,162	2,672,256	2,697,219	2,894,072	2,953,265
Other special instruction	96,452	120,214	218,158	475,506	473,453	432,480	462,033	476,118	494,968	484,047
Other instruction	576,897	604,869	685,343	615,918	661,223	588,595	515,663	524,883	562,247	532,503
Gifted and talented	93,197	99,861	98,022	93,168	88,487	78,990	74,553	65,156	105,979	85,234
Support Services:										
Tuition	1,009,123	1,235,072	969,420	1,188,188	1,059,333	1,032,473	1,193,891	1,698,507	1,654,028	1,567,872
Student & instruction related services	2,930,357	2,771,632	2,923,494	2,931,892	3,236,115	3,008,914	3,008,784	2,936,047	3,069,329	3,307,507
General administration	608,441	458,471	509,508	473,933	487,155	512,723	540,846	513,696	512,186	522,259
School administrative services	918,962	1,000,948	1,043,485	1,076,651	993,081	1,035,042	954,134	1,040,386	1,072,773	1,142,600
Central services	370,895	388,738	416,221	489,555	458,418	481,364	557,586	584,585	618,605	614,741
Administrative information technology	230,376	240,460	239,908	200,274	170,048	134,498	141,715	123,627	261,165	310,872
Plant operations and maintenance	1,871,650	2,324,990	2,461,087	2,655,553	2,727,870	2,921,048	2,900,941	3,012,090	3,147,929	3,219,830
Pupil transportation	1,073,346	1,175,986	1,261,149	1,220,184	1,319,105	1,388,032	1,486,839	1,571,913	1,732,820	1,783,786
Employee benefits	1,448,032	2,129,832	2,239,632	1,423,132	1,519,838	1,814,277	2,353,652	2,353,652	1,872,505	2,103,805
Charter schools	-	-	-	-	559,701	847,036	1,126,583	1,277,448	1,347,452	1,434,177
Capital outlay	25,288,508	14,277,026	2,475,359	673,068	195,650	332,888	66,799	224,239	238,605	174,848
Debt service:										
Principal	1,640,000	1,634,000	1,650,000	1,645,000	1,640,000	1,635,000	1,700,000	2,000,000	1,790,000	1,750,000
Interest and other charges	1,598,997	1,528,085	1,468,667	1,407,561	1,361,904	1,285,485	1,224,525	802,815	1,006,716	948,981
Total expenditures	49,179,428	39,946,125	29,397,036	27,800,716	28,648,231	28,731,235	29,390,870	30,652,130	31,376,521	31,387,734
Excess (Deficiency) of revenues over (under) expenditures	(21,090,130)	(12,093,136)	(1,748,588)	(37,220)	(412,370)	(253,008)	332,557	41,189	(522,184)	(15,089)
Other Financing sources (uses)										
Sale of capital asset - Duffy School	-	-	130,000	-	-	-	-	-	-	-
Capital leases (non-budgeted)	74,071	109,915	-	43,690	156,620	235,642	-	85,313	119,631	-
Proceeds from refunding	-	-	-	-	-	-	27,966,204	-	-	-
Payments to escrow agent	-	-	-	-	-	-	(27,966,204)	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	20,000	633,733	590,316	286,309	483,321	-	-	-	-	-
Unrealized Accounts Receivable	-	(633,733)	(590,316)	(286,309)	(483,321)	-	-	-	-	-
Florence Typ sever agreement obligation	-	-	-	-	-	-	(48,435)	-	-	-
Florence Typ sever agreement	-	-	554,474	-	-	-	-	-	-	-
Total other financing sources (uses)	94,071	109,915	130,000	43,690	156,620	235,642	(48,435)	85,313	119,631	-
Net change in fund balances	\$ (20,996,059)	\$ (11,983,221)	\$ (1,618,588)	\$ 6,460	\$ (255,750)	\$ (17,366)	\$ 284,122	\$ 126,502	\$ (402,533)	\$ (15,089)
Debt service as a percentage of noncapital expenditures	15.68%	14.05%	13.10%	12.68%	11.79%	11.46%	11.08%	10.15%	9.87%	9.47%

Source: District records

Exhibit J-5

Florence Township School District  
 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		E-Rate	Other	Total Miscellaneous
				Reimbursements				
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
2014	20,975	6,537	-	24,849	25,187	-	261,320	338,868
2015	39,989	4,525	-	1,164	38,188	-	108,136	192,002

Source: District records

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

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
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
2014	26,229,800	1,022,637,700	10,774,900	1,383,000	50,131,400	146,639,400	11,568,100	1,269,364,300	-	2,174,145	1,271,538,445	1,207,951,318	1.406
2015	27,317,300	1,009,500,300	11,140,600	1,267,400	49,907,700	145,153,800	11,429,100	1,255,716,200	-	2,228,341	1,257,944,541	1,165,611,174	1.447

Source: County Abstract of Rates

\* 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)

Fiscal Year Ended June 30,	Florence Township School District Direct Rate				Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Township of Florence	Burlington County			
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	
2014	1.197	0.209	1.406	0.448	0.364		2.218	
2015	1.231	0.216	1.447	0.439	0.385		2.271	

Source: Municipal Tax Collector

**Note:** N.J.S.A. 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.

<sup>a</sup> The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

<sup>b</sup> 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	2015			2005		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Haines Center Florence, LLC	\$ 61,316,200	1	4.87%			
Christmas Tree Shops, Inc.	33,166,000	2	2.64%			
RTC Properties Inc.	10,748,000	3	0.85%	\$ 8,635,400	1	1.60%
Foxdale Properties, LLC.	8,212,000	4	0.65%	2,610,600	4	0.48%
Individual Taxpayer #1	6,750,000	5	0.54%			
SPAF Cedar Management Co.	5,574,000	6	0.44%	2,394,000	7	0.44%
Dean Northeast, LLC	4,941,000	7	0.39%	2,550,000	5	0.47%
Turnpike Crossings Urban Renewal, LLC	3,798,000	8	0.30%			
DC Fabricators	3,787,500	9	0.30%	2,500,000	6	0.46%
Griffin Pipe Products Company	3,626,600	10	0.29%	4,352,700	2	0.80%
Academy Woods Appartments				3,250,000	3	0.60%
Verizon - New Jersey				2,381,700	8	0.44%
Health Care REIT, Inc.				1,898,600	9	0.35%
Land O'Lakes Association				1,800,000	10	0.33%
Total	\$ 141,919,300		11.27%	\$ 32,373,000		5.97%

Source: Municipal Tax Assessor



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

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the		Collections in Subsequent Years
		Amount	Levy <sup>a</sup> Percentage of Levy	
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	17,516,136	17,516,136	100.00%	-
2014	17,889,126	17,889,126	100.00%	-
2015	18,210,979	18,210,979	100.00%	-

**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.

Exhibit J-10

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities			Percentage of Personal Income <sup>a</sup>	Population	Per Capita <sup>a</sup>	
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District				Personal Income
2006	\$ 39,165,000	\$ -	\$ 258,532	\$ -	\$ -	\$ 39,423,532	\$ 513,838,298	7.67%	11,542	\$ 3,416
2007	37,531,000	-	242,389	-	-	37,773,389	529,059,260	7.14%	11,428	3,305
2008	35,881,000	-	140,293	-	-	36,021,293	544,106,894	6.62%	11,393	3,162
2009	34,236,000	-	104,709	-	-	34,340,709	545,531,992	6.29%	11,513	2,983
2010	32,596,000	-	171,617	-	-	32,767,617	577,456,110	5.67%	12,135	2,700
2011	30,961,000	-	302,968	-	-	31,263,968	607,602,822	5.15%	12,282	2,546
2012	29,530,000	-	220,066	-	-	29,750,066	630,769,468	4.72%	12,332	2,412
2013	27,530,000	-	202,115	-	-	27,732,115	636,335,074	4.36%	12,323	2,250
2014	25,740,000	-	200,417	-	-	25,940,417	638,090,766	4.07%	12,357	2,099
2015	23,990,000	-	111,941	-	-	24,101,941	625,284,542	3.85%	12,109	1,990

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

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

<sup>b</sup> Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
	\$	\$	\$		
2006	39,165,000	-	39,165,000	7.04%	3,393.26
2007	37,531,000	-	37,531,000	6.28%	3,284.13
2008	35,881,000	-	35,881,000	5.97%	3,149.39
2009	34,236,000	-	34,236,000	5.56%	2,973.68
2010	32,596,000	-	32,596,000	2.69%	2,686.11
2011	30,961,000	-	30,961,000	2.49%	2,527.02
2012	29,530,000	-	29,530,000	2.41%	2,394.58
2013	27,530,000	-	27,530,000	2.26%	2,234.03
2014	25,740,000	-	25,740,000	2.02%	2,083.03
2015	23,990,000	-	23,990,000	1.91%	1,941.41

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, 2015

	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
<b><u>Governmental Unit</u></b>			
Debt repaid with property taxes			
Township of Florence:			
Issued	\$ 5,431,514	100.00%	\$ 5,431,514
Authorized But Not Issued	5,837,878	100.00%	5,837,878
Burlington County General Obligation Debt	691,625,939	2.653%	18,348,836
Subtotal, overlapping debt			29,618,228
<b>Florence Township School District Direct Debt</b>			<u>23,990,000</u>
<b>Total direct and overlapping debt</b>			<u>\$ 53,608,228</u>

**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.

<sup>a</sup> 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.

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized valuation basis (12/31)	
2012	\$ 1,183,559,470
2013	1,136,284,511
2014	1,157,862,173
[A]	\$ 3,477,706,154
[A/3]	\$ 1,159,235,385

[B]	46,369,415	a
[C]	23,990,000	
[B-C]	\$ 22,379,415	

Average equalized valuation of taxable property

Debt limit (4 % of average equalization value)

Total Net Debt Applicable to Limit

Legal debt margin

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 33,272,272	\$ 34,889,889	\$ 40,720,469	\$ 45,442,068	\$ 48,832,871	\$ 50,196,727	\$ 50,569,844	\$ 49,327,760	\$ 47,490,919	\$ 46,369,415
Total net debt applicable to limit	39,165,000	37,531,000	35,881,000	34,236,000	32,596,000	30,961,000	29,530,000	27,530,000	25,740,000	23,990,000
Legal debt margin	\$ (5,892,728)	\$ (2,641,111)	\$ 4,839,469	\$ 11,206,068	\$ 16,236,871	\$ 19,235,727	\$ 21,039,844	\$ 21,797,760	\$ 21,750,919	\$ 22,379,415
Total net debt applicable to the limit as a percentage of debt limit	117.71%	107.57%	88.12%	75.34%	66.75%	61.68%	58.39%	55.81%	54.20%	51.74%

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 NUSA 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

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2006	11,542	\$ 513,838,298	\$ 44,519 R	5.60%
2007	11,428	529,059,260	46,295 R	5.00%
2008	11,393	544,106,894	47,758 R	6.90%
2009	11,513	545,531,992	47,384 R	11.70%
2010	12,135	577,456,110	47,586 R	12.40%
2011	12,282	607,602,822	49,471 R	12.10%
2012	12,332	630,769,468	51,149 R	12.50%
2013	12,323	636,335,074	51,638 R	8.40%
2014	12,357	638,090,766	51,638 P	6.10%
2015	12,109	625,284,542	51,638 P	N/A

R = Revised  
 P = Projected

Source:

- <sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development (Estimated July 1, 2004-2013)
- <sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented
- <sup>c</sup> Per capita personal income by county estimated based upon the Census Bureau mid-year population estimates - March 2013.
- <sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development - May 2014.

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

**Exhibit J-15**

<u>Employer</u>	<u>2015</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
<i>Information not available</i>						
	-		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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction										
Regular	100.50	97.00	95.00	102.00	102.80	96.80	92.95	91.16	92.55	99.50
Special education	25.00	30.00	47.00	50.00	55.00	47.50	53.20	44.73	43.06	39.00
Other special education	13.00	18.00	3.00	4.00	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	37.50	30.00	30.00	30.00	30.50	31.00	27.00	28.20	28.94	29.38
General administration	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	3.00	3.00
School administrative services	12.00	13.00	11.00	11.00	11.00	9.50	10.00	9.80	9.50	10.60
Other administrative services	3.00	3.00	-	-	-	-	-	-	-	-
Central services	4.00	4.50	4.50	4.50	4.50	5.25	5.25	5.25	5.50	5.00
Administrative information technology	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Plant operations and maintenance	21.50	27.00	27.00	31.00	30.00	30.25	30.75	31.75	30.50	17.00
Pupil transportation	20.50	23.00	23.00	25.00	27.00	26.00	25.00	25.00	24.63	26.31
Other support services	-	-	-	-	-	2.50	2.50	2.00	3.20	2.49
Special schools	-	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-	-
Child care	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>240.50</b>	<b>249.00</b>	<b>244.00</b>	<b>261.00</b>	<b>264.30</b>	<b>252.30</b>	<b>250.15</b>	<b>241.39</b>	<b>241.88</b>	<b>234.28</b>

Source: District Personnel Records (Budget worksheet - "Projected salary & wages with FTE")



Florence Township School District  
Operating Statistics,  
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures* (Ex. J-4)	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio						Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Marcella L. Duffy Elementary	Roebling Elementary	Riverfront School	Memorial High School	Florence Twp					
2006	1,599	\$ 20,652,023	\$ 12,916	-1.25%	145	1:11	1:15	1:14	1:15	1:15	1,514.5	1,413.5	0.093%	93.33%	
2007	1,588	22,507,014	14,173	9.74%	150	1:08	1:09	1:08	1:09	1:09	1,596.9	1,461.8	1.090%	91.54%	
2008	1,633	23,803,010	14,576	2.84%	153	-	1:10	1:08	1:11	1:11	1,606.0	1,499.7	0.093%	93.58%	
2009	1,666	24,075,087	14,451	-0.86%	151	-	1:10	1:08	1:10	1:10	1,637.1	1,515.9	1.079%	92.60%	
2010	1,716	25,450,677	14,831	2.63%	152	-	1:09	1:08	1:09	1:09	1,624.8	1,522.0	0.094%	93.67%	
2011	1,725	25,477,862	14,770	-0.42%	150	-	1:10	1:11	1:10	1:10	1,605.3	1,508.3	0.099%	93.96%	
2012	1,723	26,399,546	15,322	3.74%	155	-	1:08	1:09	1:08	1:08	1,606.4	1,539.6	1.040%	95.84%	
2013	1,611	27,625,076	17,148	11.92%	148	-	1:10	1:15	1:06	1:06	1,608.7	1,521.3	1.060%	94.57%	
2014	1,627	28,321,200	17,407	1.51%	147	-	1:11	1:10	1:08	1:08	1,556.6	1,471.5	1.060%	94.53%	
2015	1,785	28,513,905	15,974	-8.23%	139	-	1:09	1:10	1:12	1:12	1,639.2	1,546.8	0.094%	94.36%	

Sources: District records

Note: Enrollment based on annual ASSA Student On-Roll count.

a Operating expenditures equal total expenditures less debt service and capital outlay. (Exhibit J-4)

b Teaching staff includes only full-time equivalents of certificated staff. (Budget worksheet - "projected salary and wages with FTE")

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

District Building	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Elementary Schools</b>										
Marcella L. Druffy Elementary (1901-2007)										
Square Feet	49,805	49,805	-	-	-	-	-	-	-	-
Capacity (students)	291	291	-	-	-	-	-	-	-	-
Enrollment	222	223	-	-	-	-	-	-	-	-
Roebling Elementary (1905)										
Square Feet	61,759	61,759	61,759	61,759	61,759	61,759	61,648	61,648	61,648	61,648
Capacity (students)	497	497	497	497	497	497	497	497	497	497
Enrollment	472	500	473	517	501	651	647	527	473	472
<b>Middle School/Elementary Schools</b>										
Riverfront School (1993/2006)										
Square Feet	50,248	133,858	133,858	133,858	133,858	133,858	132,377	138,377	138,377	138,377
Capacity (students)	359	875	875	875	875	875	875	875	875	875
Enrollment	387	382	649	610	657	619	632	637	691	736
<b>High Schools</b>										
Florence Twp Memorial High School (1953-2006)										
Square Feet	83,610	-	-	-	-	-	-	-	-	-
Capacity (students)	516	-	-	-	-	-	-	-	-	-
Enrollment	434	-	-	-	-	-	-	-	-	-
Florence Twp Memorial High School (2006)										
Square Feet	-	127,000	127,000	127,000	127,000	127,000	132,702	132,702	132,702	132,702
Capacity (students)	-	600	600	600	600	600	600	600	600	600
Enrollment	-	493	455	459	452	455	444	447	447	426
<b>Other</b>										
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, 2015  
 Elementary = 2 (Roebling Pre-K-3, Riverfront 4-5)  
 Middle School = 1 (Riverfront 6-8)  
 High School = 1 (FTMHS 9-12)

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 ASSA Student On-Roll 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)	Roebing Elementary School 25 / 20	Marcella L. Duffy Elementary School 20 / -	Riverfront School 21 / 41	Florence Twp Memorial High School 34 / 39	Total
2006	\$ 127,410	\$ 101,928	\$ 107,025	\$ 173,278	\$ 509,641
2007	125,033	100,027	105,028	170,045	500,133
2008	102,882	-	210,909	200,621	514,412
2009	128,317	-	263,050	250,219	641,586
2010	136,997	-	280,843	267,143	684,983
2011	156,362	-	320,542	304,906	781,810
2012	149,166	-	305,790	290,873	745,829
2013	169,851	-	348,195	331,210	849,256
2014	163,253	-	334,668	318,343	816,264
2015	180,217	-	369,445	351,423	901,085
<b>Total School Facilities</b>	<b>\$ 1,439,488</b>	<b>\$ 201,955</b>	<b>\$ 2,645,495</b>	<b>\$ 2,658,061</b>	<b>\$ 6,944,999</b>

\* 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 (Form M-1, 10/27/14)

**Florence Township School District  
Insurance Schedule  
June 30, 2015**

**Exhibit J-20**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Building and Contents (All Locations)	\$ 80,556,214	\$ 1,000
School Board Legal Liability	1,000,000	10,000
Commercial Crime/Blanket Employee Dishonesty	200,000	-
Umbrella Declarations	15,000,000	10,000
Excess Umberalla (2) Effective 7/1/2013	50,000,000	-
Workers' Compensation (3)	2,000,000	-
Student Accident Insurance (4)	5,000,000	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

**REPORT IN ACCORDANCE WITH GOVERNMENT AUDIT STANDARDS**

**JOHN J. MALEY, JR.**

*Certified Public Accountant*

Registered Municipal Accountant

P.O. BOX 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

FAX: (609) 298-1198

EXHIBIT K-1

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLAINE 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 the financial statements 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 year ended June 30, 2015, and have issued my report thereon dated December 11, 2015. I conducted my audit 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; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

My Consideration of internal control over financial reporting 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. However, as described in the accompanying schedule of findings and questioned costs, I identified a deficiencies in internal control that I consider to be material weaknesses and significant deficiencies.

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 a 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. I consider the deficiency described in the accompanying schedule of findings and questioned costs as 2015-3 to be a material weakness.

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. I consider the deficiencies described in the accompanying schedule of findings and questioned cost to bas 2015-2 and 2015-4 to be significant deficiencies.

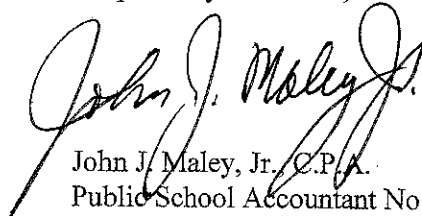
#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Florence Township School District Board of Education's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2015-1.

I noted certain matters that I have reported to management of the Florence Township School District Board of Education in a separate *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated December 11, 2015.

This report is intended solely for the information of the management of the Florence Township School District Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



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

December 11, 2015



**JOHN J. MALEY, JR.**

*Certified Public Accountant*

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

FAX: (609) 298-1198

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 15-08-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, 2015. 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 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey Circular 15-08-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, 2015.

## Report on Internal Control Over Compliance

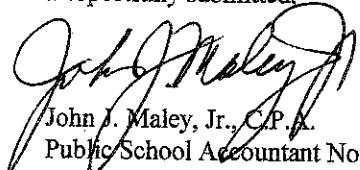
Management of the Board of Education of the Florence Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing my 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 15-08-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 15-08-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

December 11, 2015

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

Federal CFDA Number	Program or Grant or State Project Number	Program or Award Amount	From	To	Balance at June 30, 2014	Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2013				
											Accounts Receivable	Due to Grantor			
<b>U.S. Department of Health and Human Services</b> <b>Passed-Through State Department of Human Services</b> <b>General Fund:</b>															
93.778	N/A	\$ 38,939	10/1/08	12/31/10		\$	\$ 38,939	\$ (38,939)			\$	\$			
93.778	N/A	68,120	9/1/14	8/31/13			28,131	(68,120)			(39,989)				
93.778	N/A	5,303	9/1/14	8/31/13			5,303	(5,303)							
<b>Total General Fund</b>															
<b>U.S. Department of Education</b> <b>Passed-Through State Department of Education:</b> <b>Special Revenue Fund:</b>															
84.010	NCLB-132B-15	226,574	9/1/14	6/30/15			226,574	(310,681)			(84,107)				
84.010	NCLB-132B-14	374,249	9/1/13	6/30/14			51,341	(51,341)	2						
84.010	NCLB-132B-14	374,249	9/1/13	6/30/14			34,823	(34,823)			(16,778)				
84.367	NCLB-132B-15	75,750	9/1/14	6/30/15			58,199	(74,973)							
84.367	NCLB-132B-14	80,461	9/1/13	6/30/14			10,173	(10,173)							
84.367	NCLB-132B-14	80,461	9/1/13	6/30/14			15,088				(347)				
84.027	IDEA-150B-15	81,922	9/1/12	6/30/13			468,619	(394,719)			(29,992)				
84.027	IDEA-150B-14	513,174	8/21/14	6/30/15		6,108	206,204		22,196	a,b		21,197			
84.027	IDEA-150B-13	533,225	9/1/12	8/31/13		(6,108)	29,372								
84.027	IDEA-150B-13	533,225	9/1/12	8/31/13		(101)	101				(8,795)				
84.173	IDEA-152B-14	13,107	8/21/14	6/30/15			4,312			(1)					
84.173	IDEA-152B-14	13,993	8/21/13	6/30/14			11,266								
84.173	IDEA-152B-13	14,029	9/1/12	8/31/13		(787)	787								
<b>Total Special Revenue Fund</b>															
											(388,140)	22,197	(140,419)	22,197	
<b>U.S. Department of Agriculture</b> <b>Passed-Through State Department of Education:</b> <b>Enterprise Fund:</b>															
10.550	N/A	59,444	7/1/14	6/30/15		1,586	59,444	(68,438)			(2,469)	2,602			
10.555	N/A	46,334	7/1/14	6/30/15			43,885	(48,334)							
10.555	N/A	49,061	7/1/13	6/30/14		(4,182)	4,182								
10.555	N/A	223,921	7/1/14	6/30/15			209,697	(22,021)			(13,334)				
10.592	N/A	240,664	7/1/13	6/30/14		(16,782)	16,782				(453)				
10.592	N/A	298	7/1/14	6/30/15			2,215	(7,966)							
10.592	N/A	8,541	7/1/13	6/30/14		(611)	611								
<b>Total Enterprise Fund</b>															
											(19,989)	(337,771)	(16,246)	2,602	
											\$ (308,129)	\$ 1,329,228	\$ (1,445,151)	\$ 22,197	\$ 2,602

a. Rounding adjustment.  
 b. Prior year purchase orders cancelled.  
 The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.



FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2015

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 \$1,634 for the general fund and \$-0- 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:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 112,382	\$11,878,253	\$11,990,635
Special Revenue Fund	964,998	105,676	1,070,674
Debt Service Fund	0	0	0
Food Service Fund	<u>338,787</u>	<u>6,370</u>	<u>345,157</u>
Total Financial Assistance	<u>\$1,416,167</u>	<u>\$11,990,299</u>	<u>\$13,406,466</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. 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, 2015.

\*\*\*\*\*

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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?   X   yes    no

Noncompliance material to basic financial statements noted?   X   yes    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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>93.778</u>	<u>Special Education Medicaid Initiative (SEMI)</u>
<u>84.010</u>	<u>Title I, Improving Basic Programs Operated by LEA's</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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, 2015**

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

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: \$ 320,029

Auditee qualified as low-risk auditee?  yes  no

Internal Control over major programs:

1) Material weakness(es) identified?  yes  no

2) Significant deficiencies identified that are not considered to be material weaknesses?  yes  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 15-08?  yes  no

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
<u>15-495-034-5120-078</u>	<u>State Aid Cluster: Equalization Aid</u>
<u>15-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>15-495-034-5120-084</u>	<u>Security Aid</u>
<u>15-495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>15-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>15-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>15-100-034-5120-064</u>	<u>Non Public Textbook Aid</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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**

**Finding 2015-1**

**Criteria:**

The District is required to verify payroll check distribution and employee identification every third year, required by N.J.A.C. 6A:23A-5.7.

**Condition:**

The District did not timely comply with the above requirement.

**Effect:**

Non compliance with requirements.

**Cause:**

**Recommendation:**

Internal controls over payroll check distribution and employee identification must be assessed in order to be completed on a timely basis.

**Views of responsible officials and planned corrective action:**

Management is in agreement with the finding and will prepare a corrective action plan. No matters are reported.

**Finding 2015-2**

**Criteria:**

Subsidiary ledgers must reconcile to the general ledger on a regular basis.

**Condition:**

The analysis of payroll withholding's due to various agencies as reflected in the line-item status report did not reconcile to the general ledger control account. Further, the payroll agency general ledger was not properly reconciled, reflecting incorrect balances.

**Effect:**

There were inaccurate financial statement amounts which were corrected.

**Cause:**

Internal controls were not followed properly.

**Recommendation:**

Internal controls over payroll reconciliations must be assessed and designed to prevent or detect misstatements on a timely basis.

**Views of responsible officials and planned corrective action:**

Management is in agreement with the finding and will prepare a corrective action plan.



**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Section II - Financial Statement Findings (Continued)**

**Finding 2015-3**

**Criteria:**

Revenue/receivables must be recorded in the appropriate accounting period.

**Condition:**

Recorded revenue and the associated accounts receivable account were understated by \$197,189. Extraordinary Aid of \$157,200 and Special Education Medical Initiative aid (SEMI) of \$39,989 were not accrued at year-end.

**Effect:**

General Fund revenue was under reported.

**Cause:**

Internal controls over cut-off procedures were not followed properly.

**Recommendation:**

Internal controls over financial reporting should be more closely followed.

**Views of responsible officials and planned corrective action:**

Management is in agreement with the finding and will prepare a corrective action plan.

**Finding 2015-4**

**Criteria:**

Revenues and receivables should be recorded accurately.

**Condition:**

The revenue subsidiary ledger did not reconcile to the general ledger. The general ledger showed \$11,248 more than reported in the revenue report.

**Cause:**

This error resulted from inappropriate year-end closing entries.

**Recommendation:**

The revenue subsidiary ledger should be reconciled to the general ledger regularly.

**Views of responsible officials and planned corrective action:**

Management is in agreement with the finding and will prepare a corrective action plan.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

*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 15-08-OMB.]

**FEDERAL AWARDS**

**Finding 2015-3Federal**

**Criteria:**

Revenue/receivables must be recorded in the appropriate accounting period.

**Condition:**

Recorded revenue and the associated accounts receivable account were understated. Medical Initiative aid (SEMI) of \$39,989 were not accrued at year-end.

**Effect:**

General Fund revenue was under reported. The financial statements were corrected.

**Cause:**

Internal controls over cut-off procedures were not followed properly.

**Recommendation:**

Internal controls over cut-off procedures should be more closely followed.

**STATE AWARDS**

**Finding 2015-3State**

**Criteria:**

Revenue/receivables must be recorded in the appropriate accounting period.

**Condition:**

Recorded revenue and the associated accounts receivable account were understated by Extraordinary Aid of \$157,200.

**Effect:**

General Fund revenue was under reported. The financial statements were corrected.

**Cause:**

Internal controls over cut-off procedures were not followed properly.

**Recommendation:**

Internal controls over financial reporting should be more closely followed.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

[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 15-08-OMB.]

**STATUS OF PRIOR YEAR FINDINGS**

**FINANCIAL STATEMENTS**

No matters are reported.

**FEDERAL AWARDS**

No matters are reported.

**STATE AWARDS**

No matters are reported.