

**SCHOOL DISTRICT OF  
FLORENCE TOWNSHIP**

FLORENCE TOWNSHIP SCHOOL DISTRICT  
Florence, New Jersey  
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**FLORENCE, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**



**OUTLINE OF CAFR**

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**INTRODUCTORY SECTION**

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**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](http://www.Florence.K12.NJ.US)

MELISSA LIVENGOOD  
Business Administrator/Board Secretary  
609-499-4600 Ext. 1007  
(Fax) 609-499-0129

October 29, 2016

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, 2016 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 related Uniform Guidance, 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 a separate section as indicated in the table of contents.

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, 2016 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 2015-2016 school year enrollment of 1772 students as of June 30, 2016 represents a decrease of twenty-six students.

### 2) MAJOR INITIATIVES

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

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

The Coordinator of Technology has continued to upgrade the bandwidth and infrastructure. This has expanded to further technology throughout the school community.

Curriculum development, research, feedback and articulation are through PLC and faculty meetings implemented in support of the necessary modifications, enhancements and extensions of curricular programs and course offerings. An emphasis in designated unit assessments was placed for this school year.

### 3) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are 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, 2016.

#### 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.

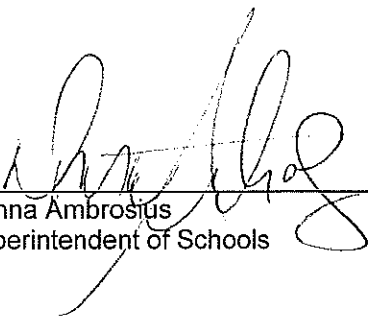
#### 8) OTHER INFORMATION:

State statutes require an annual audit by independent certified public accountants or registered municipality accountants. The accounting firm of Holman Frenia Allison, P.C., John J. Maley, Jr. C.P.A. 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 Uniform Guidance and NJ OMB Circular 15-08. 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:



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Donna Ambrosius  
Superintendent of Schools



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Melissa Livengood  
Business Administrator/Secretary  
to the Board

**Superintendent of Schools**

▼ Business Administrator	▼ Educational Facilities Manager	▼ Director Special Services	▼ Principal High School	▼	▼ Principal Riverfront	▼ Principal Roebling	▼ 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	

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**FLORENCE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**201 Cedar Street**  
**Florence, New Jersey 08518**

**ROSTER OF OFFICIALS**

**JUNE 30, 2016**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Emma Cartier, President	2016
Christine S. Skinner, Vice President	2018
Debbie Reyes	2017
Toby Popso	2016
Anne Lipsett	2018
Anthony Nutter	2016
Joseph Valdora	2018
Christopher Conti	2017
Laurie Tindall	2017

**OTHER DISTRICT OFFICIALS**

Donna Ambrosius, Superintendent  
Melissa Livengood, Business Administrator  
Donald J. Cammus, Treasurer

**FLORENCE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**201 Cedar Street**  
**Florence, New Jersey 08518**

**Consultants and Advisors**

**Board Auditor**

Holman Frenia Allison, P.C.  
6 East Park Street, PO Box 614  
Bordentown, New Jersey 08505

**Board Solicitor**

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

**Official Depositories**

Investors Bank  
2150 Route 130 North  
Burlington, New Jersey 08016



## INDEPENDENT AUDITOR’S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Florence Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2016, 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; 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 District’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 District’s internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Florence Township School District, County of Burlington, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and schedules relating to accounting and reporting for pensions information as listed in the table of contents 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Florence Township School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying

combining statements and Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2016 on our consideration of the Florence Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Florence Township School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

John J. Maley, Jr.  
Certified Public Accountant  
Public School Accountant, No. 454

October 29, 2016  
Bordentown, New Jersey

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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**FLORENCE TOWNSHIP SCHOOL SYSTEM**  
 201 CEDAR STREET  
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MELISSA LIVENGOOD  
 Business Administrator/Board Secretary  
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**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, 2016**. 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 **2016**. 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 six thousand seventeen dollars (\$506,017)** for Basic and **ten thousand dollars (\$10,000)** for Preschool. The combined IDEA-B total was **five hundred sixteen thousand seventeen dollars (\$516,017)**. 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 **two hundred eighty-two thousand seven hundred fifty-five dollars (\$282,755)** 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 **sixty-five thousand fifty-nine dollars (\$65,059)**. The remaining large special revenue funding source for the fiscal year was from the NJ Nonpublic C192/193 auxiliary and handicapped services totaling **fifty-two thousand eight hundred fifteen dollars (\$52,815)**.

As reported on the Application for State School Aid (ASSA), enrollment decreased from **one thousand six hundred twenty seven students (1,627) as of October 15, 2014**, to **one thousand five hundred ninety-five students (1,595) as of October 15, 2015**. This represents a decrease of **thirty-two (32)** students. The below summary chart shows ASSA reported enrollments for the last ten (10) years:

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	10/15/15
1629	1638	1666	1705	1707	1724	1723	1611	1627	1595

## 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 **four million seven thousand five hundred thirty-eight dollars (\$4,007,538)** on June 30, 2016. **TABLE A-1** shows the comparison of the Florence Township School District's net position.

**TABLE A-1**  
**Florence Township School District**  
**Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Total % Change
	2015	2016	2015	2016	2015	2016	2015-2016
Current & Other Assets	1,346,141	1,291,599	196,021	224,223	1,542,162	1,515,822	-2%
Capital Assets - Net	30,834,094	35,884,354	81,888	155,184	30,915,982	36,039,538	17%
Deferred Outflows	2,502,345	2,946,773	-	-	2,502,345	2,946,773	18%
<b>Total Assets &amp; Deferred Outflows</b>	<b>34,682,580</b>	<b>40,122,726</b>	<b>277,909</b>	<b>379,407</b>	<b>34,960,489</b>	<b>40,502,133</b>	16%
Long-Term Debt Outstanding	35,979,860	35,693,928	-	-	35,979,860	35,693,928	-1%
Other Liabilities	792,901	345,371	58,145	72,849	851,046	418,220	-51%
Deferred Inflows	721,601	382,447	-	-	721,601	382,447	-47%
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>37,494,362</b>	<b>36,421,746</b>	<b>58,145</b>	<b>72,849</b>	<b>37,552,507</b>	<b>36,494,595</b>	-3%
Net Investment in Capital Assets	14,035,431	13,846,277	81,888	155,184	14,117,319	14,001,461	-1%
Restricted	1,030,393	1,352,626	-	-	1,030,393	1,352,626	31%
Unrestricted	(11,877,606)	(11,503,211)	137,876	151,374	(11,739,730)	(11,351,837)	-3%
<b>Total Net Position</b>	<b>3,188,218</b>	<b>3,695,692</b>	<b>219,764</b>	<b>306,558</b>	<b>3,407,982</b>	<b>4,002,250</b>	17%

Note: Totals may not add due to rounding

**Net Assets Changes:** Local purpose property taxes of eighteen million three hundred thirty-three thousand six hundred twenty-four dollars (\$18,333,624) accounted for the highest percentage of revenues in the Florence Township School District's **2015-2016** budget statement. The second largest funding source for the Florence Township School District was categorical state aid. The aid categories funded for the **2015-2016** 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
	2015	2016	2015	2016	2015	2016	2015-2016
<b>Revenues:</b>							
Program Revenues							
Charges for Services	-	-	588,546	605,029	588,546	605,029	3%
Federal & State	5,598,286	8,053,530	345,157	341,659	5,943,443	8,395,189	41%
General Revenues							
Local Purpose Property Taxes	18,088,336	18,333,624	-	-	18,088,336	18,333,624	1%
Federal or State Aid	9,855,832	9,581,584	-	-	9,855,832	9,581,584	-3%
Tuition	-	-	-	-	-	-	
Other	223,000	285,101	-	-	223,000	285,101	28%
<b>Total Revenues</b>	<b>33,765,454</b>	<b>36,253,839</b>	<b>933,703</b>	<b>946,688</b>	<b>34,699,157</b>	<b>37,200,527</b>	<b>7%</b>
<b>Expenses:</b>							
Instruction Related	12,025,643	12,675,754	-	-	12,025,643	12,675,754	5%
Tuition	1,567,872	1,847,144	-	-	1,567,872	1,847,144	18%
Student & Inst. Related Serv.	3,149,700	3,190,840	-	-	3,149,700	3,190,840	1%
Administrative Services	2,578,325	2,662,029	-	-	2,578,325	2,662,029	3%
Maintenance	3,245,387	2,950,827	-	-	3,245,387	2,950,827	-9%
Transportation	1,811,605	1,746,825	-	-	1,811,605	1,746,825	-4%
Benefits	4,496,614	7,275,693	-	-	4,496,614	7,275,693	62%
Other	3,745,805	3,862,433	978,931	955,666	4,724,736	4,818,099	2%
<b>Total Expenses</b>	<b>32,620,951</b>	<b>36,211,545</b>	<b>978,931</b>	<b>955,666</b>	<b>33,599,882</b>	<b>37,167,211</b>	<b>11%</b>
Incr (Decr) Net Position	1,144,503	42,294	(45,228)	(8,978)	1,099,275	33,316	-97%

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 Roebing 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 Roebing Elementary School No. 5 and the Riverfront School.

**TABLE A-3** provides a summary of the cost of all governmental activities for the **2015-2016** 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
	2015	2016	2015-2016	2015	2016	2015-2016
Instruction Related	12,025,643	12,675,754	5%	11,237,653	11,842,035	5%
Tuition	1,567,872	1,847,144	18%	1,567,872	1,657,885	6%
Student Inst. Related Services	3,149,700	3,190,840	1%	2,836,018	3,190,840	13%
Administrative Services	2,578,325	2,662,029	3%	2,578,325	2,662,029	3%
Maintenance	3,245,387	2,950,827	-9%	3,245,387	2,950,827	-9%
Transportation	1,811,605	1,746,825	-4%	1,811,605	1,746,825	-4%
Benefits	4,496,614	7,275,693	62%	-	245,141	0%
Other	3,745,805	3,862,433	3%	3,745,805	3,862,433	3%
<b>Total</b>	<b>32,620,951</b>	<b>36,211,545</b>	<b>11%</b>	<b>27,022,665</b>	<b>28,158,015</b>	<b>4%</b>

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, 2016**. 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 two hundred twenty-seven thousand three hundred sixty-seven dollars (\$1,227,367)** in total fund balances. A portion of the unreserved fund balance will be used for tax relief in its 2016-2017 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 **2015-2016** 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
	2015	2016	2015	2016	2015	2016	2015-2016
Land	918,785	918,785	-	-	918,785	918,785	0%
Construction in Progress	-	-	-	-	-	-	0%
Site Improvements	1,027,389	916,008	-	-	1,027,389	916,008	-11%
Buildings	33,734,070	32,575,646	-	-	33,734,070	32,575,646	-3%
Equipment & Furniture	1,461,830	1,473,913	177,660	155,184	1,639,490	1,629,097	-1%
<b>Total</b>	<b>37,142,074</b>	<b>35,884,352</b>	<b>177,660</b>	<b>155,184</b>	<b>37,319,734</b>	<b>36,039,536</b>	<b>-3%</b>

Note: Totals may not add due to rounding.

### LONG TERM DEBT

At year end the Florence Township School District had twenty-two million two hundred fifty thousand dollars (\$22,250,000) 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 8 to the financial statements. In the 2015-2016 budget/school year, the Florence Township School District issued two hundred fifty-six thousand one hundred twenty (\$256,120) and retired one hundred nine thousand nine hundred seventy-eight dollars (\$109,978) in debt for New Jersey Commissioner of Education approved lease purchase agreements and one million seven hundred forty dollars (\$1,740,000) in debt on general obligation bonds.

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

	Total School District		Total % Change
	2015	2016	2015-2016
General Obligation Bonds	23,990,000	22,250,000	-7%
Commissioner-Approved Lease Purchase	111,941	258,083	131%
Compensated Absences Restated	3,295,668	3,318,233	1%
Other	8,582,251	9,867,612	15%
<b>Total</b>	<b>35,979,860</b>	<b>35,693,928</b>	<b>-1%</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, 2016**.





**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).

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Melissa Livengood  
Business Administrator/Secretary to the Board

**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 938,554	\$ 160,916	\$ 1,099,470
Receivables, Net	346,609	50,676	397,285
Inventory	-	12,631	12,631
Restricted Cash & Cash Equivalents	1,150	-	1,150
Capital Assets, Non-Depreciable (Note 6)	918,785	-	918,785
Capital Assets, Depreciable (Note 6)	34,965,567	155,184	35,120,751
<b>Total Assets</b>	<b>37,170,665</b>	<b>379,407</b>	<b>37,550,072</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflows Related to Pensions	1,189,182	-	1,189,182
Deferred Charge on Refunding of Debt	1,327,875	-	1,327,875
Unamortized Utility Assessment	429,716	-	429,716
<b>Total Deferred Outflow of Resources</b>	<b>2,946,773</b>	<b>-</b>	<b>2,946,773</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>40,117,438</b>	<b>379,407</b>	<b>40,496,845</b>
<b>LIABILITIES</b>			
Cash Deficit	-	22,256	22,256
Unearned Revenues	11,762	50,593	62,355
Accrued Interest Payable	281,427	-	281,427
Payable to Federal Government	22,197	-	22,197
Payable to State Government	29,985	-	29,985
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,356,954	-	2,356,954
Due Beyond One Year	33,336,974	-	33,336,974
<b>Total Liabilities</b>	<b>36,039,299</b>	<b>72,849</b>	<b>36,112,148</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflows Related to Pensions	382,447	-	382,447
<b>Total Deferred Inflow of Resources</b>	<b>382,447</b>	<b>-</b>	<b>382,447</b>
<b>Total Liabilities and Deferred Outflow of Resources</b>	<b>36,421,746</b>	<b>72,849</b>	<b>36,494,595</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	13,846,277	155,184	14,001,461
Restricted For:			
Other Purposes	1,351,474	-	1,351,474
Capital Projects	1,150	-	1,150
Debt Service	2	-	2
Unrestricted	(11,503,211)	151,374	(11,351,837)
<b>Total Net Position</b>	<b>\$ 3,695,692</b>	<b>\$ 306,558</b>	<b>\$ 4,002,250</b>

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, 2016**

	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	NET POSITION	
				GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
<b>FUNCTIONS/PROGRAMS</b>					
Governmental Activities:					
Instruction:					
Regular	\$ 8,841,351	\$	833,719	\$ (8,007,632)	\$ (8,007,632)
Special Education	2,757,934			(2,757,934)	(2,757,934)
Other Special Instruction	1,028,996			(1,028,996)	(1,028,996)
Other Instruction	47,473			(47,473)	(47,473)
Support Services & Undistributed Costs:					
Instruction	1,847,144		189,259	(1,657,885)	(1,657,885)
Related Services	545,306			(545,306)	(545,306)
Health Services	418,265			(418,265)	(418,265)
Student & Instruction Related Services	2,077,327			(2,077,327)	(2,077,327)
Educational Media Services/School Library	149,942			(149,942)	(149,942)
School Administrative Services	1,553,289			(1,553,289)	(1,553,289)
Central Services	524,546			(524,546)	(524,546)
Other Administrative Services	584,194			(584,194)	(584,194)
Plant Operations & Maintenance	2,950,827			(2,950,827)	(2,950,827)
Pupil Transportation	1,746,825			(1,746,825)	(1,746,825)
Unallocated Benefits	7,275,693		7,030,552	(245,141)	(245,141)
Charter School	1,377,669			(1,377,669)	(1,377,669)
Interest & Other Charges on Long-Term Debt	994,387			(994,387)	(994,387)
Amortization of Intangible Assets	13,862			(13,862)	(13,862)
Decrease in Compensated Absences - Unallocated	22,565			(22,565)	(22,565)
Unallocated Depreciation	1,453,950			(1,453,950)	(1,453,950)
Total Governmental Activities	36,211,545		8,053,530	(28,158,015)	(28,158,015)
Business-Type Activities:					
Food Service	\$ 664,885	\$ 300,829	\$ 341,659	\$ -	\$ (22,397)
Extended Day Program	290,781	304,200	-	-	13,419
Total Business-Type Activities	955,666	605,029	341,659	-	(8,978)
<b>Total Primary Government</b>	<b>\$ 37,167,211</b>	<b>\$ 605,029</b>	<b>\$ 8,395,189</b>	<b>(28,158,015)</b>	<b>(8,978)</b>

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, 2016**

	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	15,697,142		15,697,142
Taxes Levied for Debt Service	2,636,482		2,636,482
Federal & State Aid Not Restricted	9,581,584		9,581,584
Miscellaneous Income	285,101		285,101
Total General Revenues, Special Items, Extraordinary Items & Transfers	<u>28,200,309</u>	<u>-</u>	<u>28,200,309</u>
Change In Net Position	42,294	(8,978)	33,316
Net Position - as previously stated	3,188,218	219,764	3,407,982
Prior Period Adjustment	465,180	95,772	560,952
Net Position Restated	<u>3,653,398</u>	<u>315,536</u>	<u>3,968,934</u>
Net Position- Ending	<u>\$ 3,695,692</u>	<u>\$ 306,558</u>	<u>\$ 4,002,250</u>

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

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**B. Fund Financial Statements**

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## Governmental Funds

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**FLORENCE TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
COMBINED BALANCE SHEET  
JUNE 30, 2016**

EXHIBIT B-1

ASSETS	GENERAL	SPECIAL REVENUE	DEBT SERVICE	TOTALS
Cash & Cash Equivalents	\$ 920,192	\$ 18,360	\$ 2	\$ 938,554
Accounts Receivable:				
State	52,742	-	-	52,742
Federal	34,936	219,836	-	254,772
Interfund	195,745	-	-	195,745
Other	25,304	3,610	-	28,914
Restricted Cash & Cash Equivalents	1,150	-	-	1,150
 Total Assets	 <u>\$ 1,230,069</u>	 <u>\$ 241,806</u>	 <u>\$ 2</u>	 <u>\$ 1,471,877</u>
 <b>LIABILITIES &amp; FUND BALANCES</b>				
Liabilities:				
Interfund Payables	\$ -	\$ 185,564	\$ -	\$ 185,564
Payable to Federal Government	-	22,197	-	22,197
Payable to State Government	4,342	25,643	-	29,985
Unearned Revenues	3,360	8,402	-	11,762
 Total Liabilities	 <u>7,702</u>	 <u>241,806</u>	 <u>-</u>	 <u>249,508</u>
Fund Balances:				
Restricted for:				
Capital Reserve Account	1,150	-	-	1,150
Excess Surplus	724,508	-	-	724,508
Excess Surplus Designated for				
Subsequent Year's Expenditures	626,966	-	-	626,966
Debt Service	-	-	2	2
Committed to:				
Other Purposes	11,887	-	-	11,887
Assigned to:				
Designated for Subsequent				
Year's Expenditures	181,796	-	-	181,796
Unassigned Fund Balance	(323,940)	-	-	(323,940)
 Total Fund Balances	 <u>1,222,367</u>	 <u>-</u>	 <u>2</u>	 <u>1,222,369</u>
 Total Liabilities & Fund Balances	 <u>\$ 1,230,069</u>	 <u>\$ 241,806</u>	 <u>\$ 2</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources & therefore are not reported in the funds. The cost of the assets is \$57,937,563 and the accumulated depreciation is \$22,053,211.	35,884,352
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	806,735
Accrued interest payable is not recorded in the fund financial Statements due to the fact that the payables are not due in the period.	(281,427)
Deferred charges on refunding of debt is not recorded in the fund financials but is recorded on the government-wide financials.	1,327,875
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	<u>(124,758)</u>
Long-term liabilities, including net pension liability, bonds payable, compensated absences payable, bond premium, other post employment benefits and capital leases payable are not due and payable in the current period and, therefore, are not reported as a liability in the funds (Illustrative Note 7).	<u>(35,693,928)</u>
Net Position of Governmental Activities	<u>\$ 3,695,692</u>

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Revenues:				
Local Sources:				
Local Tax Levy	\$ 15,697,142	\$ -	\$ 2,636,482	\$ 18,333,624
Tuition	46,316	-	-	46,316
Interest Earned on Reserve Funds	2	-	-	2
Miscellaneous	184,532	54,251	-	238,783
<b>Total Revenues - Local Sources</b>	<b>15,927,992</b>	<b>54,251</b>	<b>2,636,482</b>	<b>18,618,725</b>
State Sources	12,077,375	104,896	-	12,182,271
Federal Sources	56,832	863,831	-	920,663
<b>Total Revenues</b>	<b>28,062,199</b>	<b>1,022,978</b>	<b>2,636,482</b>	<b>31,721,659</b>
Expenditures:				
Current Expense:				
Instruction - Regular Programs	8,007,632	833,719	-	8,841,351
Special Education	2,757,934	-	-	2,757,934
Other Special Instruction	1,028,996	-	-	1,028,996
Other Instruction	47,473	-	-	47,473
Undistributed Expense:				
Instruction	1,680,585	166,559	-	1,847,144
Related Services	545,306	-	-	545,306
Health Services	418,265	-	-	418,265
Attendance & Social Work	11,460	-	-	11,460
Other Support Services	1,737,416	-	-	1,737,416
Improvement of Instructional Staff	328,451	-	-	328,451
Educational Media Services	149,942	-	-	149,942
Support Services General Administration	584,194	-	-	584,194
Support Services School Administration	1,553,289	-	-	1,553,289
Maintenance for School Facilities	1,031,178	-	-	1,031,178
Operation & Maintenance of Plant Services	1,950,241	-	-	1,950,241
Student Transportation Services	1,774,211	-	-	1,774,211
Central Services	524,546	-	-	524,546
Unallocated Benefits	52,590	-	-	52,590
Nonbudgeted Expenditures	2,498,372	-	-	2,498,372
Capital Outlay	374,072	22,700	-	396,772
Transfer To Charter Schools	1,377,669	-	-	1,377,669
Debt Service:				
Principal	-	-	1,740,000	1,740,000
Interest & Other Charges	-	-	896,482	896,482
<b>Total Expenditures</b>	<b>28,433,822</b>	<b>1,022,978</b>	<b>2,636,482</b>	<b>32,093,282</b>

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



**FLORENCE TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(371,623)	-	-	(371,623)
Other Financing Sources/(Uses): Capital Lease Proceeds	256,120	-	-	256,120
Total Other Financing Sources/(Uses)	256,120	-	-	256,120
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(115,503)	-	-	(115,503)
Fund Balance - July 1, as previously stated	1,180,670	-	2	1,180,672
Prior Period Adjustment	157,200	-	-	157,200
Fund Balance - July 1, as restated	1,337,870	-	2	1,337,872
Fund Balance - June 30	<u>\$ 1,222,367</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 1,222,369</u>

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, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	(115,503)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:		
Depreciation Expense	\$ (1,536,668)	
Capital Outlays	<u>278,946</u>	(1,257,722)
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
Pension Expense - PERS Contribution - 2016	328,605	
Unfunded TPAF Pension Expense	(4,532,180)	
State Share of Unfunded TPAF Pension Expense	4,532,180	
Pension Expense	<u>(521,156)</u>	(192,551)
Repayment of bond principal and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
Payment of Bond Principal	1,740,000	
Payment of Capital Lease Principal	109,978	
Payment of Water & Sewer Assessment	<u>30,592</u>	1,880,570
In the governmental funds, Bond proceeds and Capital Lease proceeds are reported as an other financing source. These proceeds are liabilities and are a reduction to the reconciliation.		
Capital Lease Proceeds		(256,120)
Deferred Charge on Retirement of Debt, cost of issuance on refunding, and original issue premiums are recorded when incurred in the governmental funds but are deferred and recognized in the statement of activities over the life of the refunding:		
Amortization of Loss on Early Retirement of Debt	(179,596)	
Amortization of Bond Premiums	<u>182,243</u>	2,647
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.		
Accrued Interest Prior Year	298,827	
Accrued Interest Current Year	<u>(281,427)</u>	17,400
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)
Increase of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		
Prior Year	3,295,668	
Current Year	<u>(3,318,233)</u>	(22,565)
Change in Net Position of Governmental Activities	<u>\$</u>	<u>42,294</u>

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

## Proprietary Funds

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**FLORENCE TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2016**

ASSETS	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	EXTENDED DAY PROGRAM	FOOD SERVICE	TOTALS
Current Assets:			
Cash & Cash Equivalents	\$ 160,916	\$ -	\$ 160,916
Accounts Receivable:			
State	-	1,047	1,047
Federal	-	49,629	49,629
Inventories	-	12,631	12,631
Total Current Assets	<u>160,916</u>	<u>63,307</u>	<u>224,223</u>
Capital Assets:			
Equipment	-	475,879	475,879
Less: Accumulated Depreciation	-	(320,695)	(320,695)
Total Capital Assets	<u>-</u>	<u>155,184</u>	<u>155,184</u>
Total Assets	<u>160,916</u>	<u>218,491</u>	<u>379,407</u>
LIABILITIES			
Cash Deficit	-	22,256	22,256
Unearned Revenue	47,113	3,480	50,593
Total Liabilities	<u>47,113</u>	<u>25,736</u>	<u>72,849</u>
NET POSITION			
Net Position:			
Net Investment in Capital Assets	-	155,184	155,184
Unrestricted	113,803	37,571	151,374
Total Net Position	<u>\$ 113,803</u>	<u>\$ 192,755</u>	<u>\$ 306,558</u>

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		TOTALS
	EXTENDED DAY PROGRAM	FOOD SERVICE	
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ -	\$ 177,747	\$ 177,747
Daily Sales - Nonreimbursable Programs	-	113,207	113,207
Vending Machine Sales	-	2,081	2,081
Special Functions	-	7,794	7,794
Tuition	304,200	-	304,200
Total Operating Revenue	304,200	300,829	605,029
Operating Expenses:			
Salaries	216,380	224,465	440,845
Employee Benefits	54,754	55,396	110,150
Management Fee	-	63,458	63,458
Insurance	-	7,199	7,199
Repairs & Miscellaneous Expenses	19,647	9,622	29,269
Supplies and Materials	-	26,515	26,515
Cost of Sales	-	255,754	255,754
Depreciation	-	22,476	22,476
Total Operating Expenses	290,781	664,885	955,666
Operating Income/(Loss)	13,419	(364,056)	(350,637)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	-	6,129	6,129
Federal Sources:			
National School Lunch Program	-	220,467	220,467
National School Breakfast Program	-	55,611	55,611
Special Milk Program	-	7,674	7,674
Food Distribution Program	-	51,778	51,778
Total Nonoperating Revenues/Expenses	-	341,659	341,659
Net Income/(Loss) Before Other			
Financing Sources/(Uses)	13,419	(22,397)	(8,978)
Change in Net Position	13,419	(22,397)	(8,978)
Fund Balance - July 1, as previously stated	100,384	119,380	219,764
Prior Period Adjustment		95,772	95,772
Fund Balance - July 1, as restated	100,384	215,152	315,536
Total Net Position - Ending	\$ 113,803	\$ 192,755	\$ 306,558

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	EXTENDED DAY PROGRAM	FOOD SERVICE	TOTALS
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 293,168	\$ 304,309	\$ 597,477
Payments to Employees	(216,380)	(224,465)	(440,845)
Payments for Employee Benefits	(54,754)	(55,396)	(110,150)
Payments to Suppliers	(19,647)	(362,016)	(381,663)
Net Cash Provided/(Used) by Operating Activities	2,387	(337,568)	(335,181)
Cash Flows From Noncapital Financing Activities:			
State Sources	-	5,448	5,448
Federal Sources	-	302,147	302,147
Net Cash Provided/(Used) by Noncapital Financing Activities	-	307,595	307,595
Net Increase/(Decrease) in Cash & Cash Equivalents	2,387	(29,973)	(27,586)
Balances - Beginning of Year	158,529	7,717	166,246
Balances - End of Year	\$ 160,916	\$ (22,256)	\$ 138,660
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>			
Operating Income/(Loss)	\$ 13,419	\$ (364,056)	\$ (350,637)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	-	22,476	22,476
Increase/(Decrease) in Unearned Revenue	(11,032)	3,480	(7,552)
(Increase)/Decrease in Inventories	-	532	532
Total Adjustments	(11,032)	26,488	15,456
Net Cash Provided/(Used) by Operating Activities	\$ 2,387	\$ (337,568)	\$ (335,181)

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

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## Fiduciary Fund

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**FLORENCE TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE			AGENCY		JUNE 30, 2016
	SCHOLARSHIP ACCOUNT	UNEMPLOYMENT COMPENSATION TRUST	FLEXIBLE SPENDING TRUST	STUDENT ACTIVITY	PAYROLL PAY	
Cash & Cash Equivalents	\$ 14,733	\$ 8,277	\$ 1,767	\$ 62,237	\$ 22,485	\$ 571,839
Accounts Receivable	-	-	-	-	1,548	1,548
Interfund Receivable	-	3,327	-	-	-	3,327
Total Assets	14,733	11,604	1,767	62,237	24,033	576,714
<b>LIABILITIES</b>						
Payroll Deductions & Withholdings	-	-	-	-	10,525	472,865
Due to Student Groups	-	-	-	62,237	-	62,237
Interfund Payable	-	-	-	-	13,508	13,508
Total Liabilities	-	-	-	62,237	24,033	548,610
<b>NET POSITION</b>						
Restricted	14,733	-	-	-	-	14,733
Unrestricted	-	11,604	1,767	-	-	13,371
Total Net Position	\$ 14,733	\$ 11,604	\$ 1,767	\$ -	\$ -	\$ 28,104

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016**

ADDITIONS	PRIVATE PURPOSE			TOTALS
	SCHOLARSHIP ACCOUNT	UNEMPLOYMENT COMPENSATION TRUST	FLEXIBLE SPENDING TRUST	
Contributions:				
Plan Members	\$ -	\$ 26,027	\$ 1,244	\$ 27,271
Other	10,000	-	-	10,000
Total Contributions	10,000	26,027	1,244	37,271
Investment Earnings:				
Interest	25	26	1	52
Net Investment Earnings	25	26	1	52
Total Additions	10,025	26,053	1,245	37,323
DEDUCTIONS				
Unemployment Claims	-	68,454	-	68,454
Scholarships Awarded	12,050	-	-	12,050
Total Deductions	12,050	68,454	-	80,504
Change in Net Position	(2,025)	(42,401)	1,245	(43,181)
Net Position - Beginning of the Year	16,758	54,005	522	71,285
Net Position - End of the Year	\$ 14,733	\$ 11,604	\$ 1,767	\$ 28,104

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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# FLORENCE TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2016

### Note 1. Summary of Significant Accounting Policies

The financial statements of the Florence Township School District (the ‘District’) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

#### **Reporting Entity**

The Florence Township School District (hereafter referred to as the “District”) is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the District is to educate students in grades kindergarten through twelfth at its three schools. The District has an approximate enrollment at June 30, 2016 of 2,951 students.

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 whether:

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

#### **Component Units**

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2016.

#### **Government-Wide Financial Statements**

The District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an “economic resources” measurement focus and the accrual basis of

## FLORENCE TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): YEAR ENDED JUNE 30, 2016

#### **Note 1. Summary of Significant Accounting Policies (continued):**

accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

#### **Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

#### **Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized



## FLORENCE TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): YEAR ENDED JUNE 30, 2016

#### Note 1. Summary of Significant Accounting Policies (continued):

in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

#### **Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as

## FLORENCE TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): YEAR ENDED JUNE 30, 2016

#### Note 1. Summary of Significant Accounting Policies (continued):

revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund and the Extended Day Program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

**General Fund** - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt

## FLORENCE TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): YEAR ENDED JUNE 30, 2016

#### Note 1. Summary of Significant Accounting Policies (continued):

Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

The District reports the following major proprietary funds:

**Food Service Fund** – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

**Extended Day Program (EDP)** – This fund accounts for the revenues and expenses pertaining to the District’s extended day care program.

Additionally, the District reports the following major fiduciary funds:

**Private Purpose Trust Funds** - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Flexible Spending Trust – Revenues consist of payroll withholdings and interest income. Expenditures consist of dependent day care reimbursements.

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

**Agency Funds** - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll funds, Summer Pay fund and Student Activity funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly,

## FLORENCE TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): YEAR ENDED JUNE 30, 2016

#### Note 1. Summary of Significant Accounting Policies (continued):

balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

#### **Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund

Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued):**

**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 assigned 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 a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

**Cash and Cash Equivalents**

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.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from 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 must 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.

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2016 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Inventories**

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

**Short-Term Interfund Receivables/Payables**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

**Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

**Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

## FLORENCE TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): YEAR ENDED JUNE 30, 2016

#### Note 1. Summary of Significant Accounting Policies (continued):

##### Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

##### Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

##### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can

## FLORENCE TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): YEAR ENDED JUNE 30, 2016

#### Note 1. Summary of Significant Accounting Policies (continued):

be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

#### Net Position

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

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

#### Impact of Recently Issued Accounting Principles

##### Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.



## FLORENCE TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): YEAR ENDED JUNE 30, 2016

#### Note 1. Summary of Significant Accounting Policies (continued):

The District implemented GASB Statement No. 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*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

#### Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 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. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This

## FLORENCE TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): YEAR ENDED JUNE 30, 2016

#### Note 1. Summary of Significant Accounting Policies (continued):

Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 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*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

#### **Bond Premiums, Discounts and Issuance Costs**

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

#### **Deferred Loss on Refunding Debt**

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

#### **Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized

FLORENCE TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**Subsequent Events**

The District has evaluated subsequent events occurring after June 30, 2016 through the date of October 29, 2016, which is the date the financial statements were available to be issued.

**Pensions Section**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Note 2. Cash Deposits and Investments

**Cash Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2016, the District’s bank balance of \$2,192,091 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$	500,000
Collateralized by securities held by Pledging financial institution		1,692,091
		<hr/>
Total	\$	<u>2,192,091</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 2. Cash Deposits and Investments (continued):**

**Investments**

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

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentrations - The District places no limit in the amount the District may invest in any one issuer

The District did not hold any investments at June 30, 2016.

**Note 3. Reserve Accounts**

**A. Capital Reserve**

A capital reserve account was established by the Florence Township School District by inclusion of \$1,000 on June 30, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) 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

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 3. Reserve Accounts (continued):**

proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$	1,148
Interest Earnings		2
Ending Balance, June 30, 2016	\$	1,150

The June 30, 2016 LRFP balance of local support costs of uncompleted capital projects at June 30, 2016 is \$4,565,707. There were no withdrawals from the capital reserve account during the year.

**B. Maintenance Reserve Account**

The District has not established a Maintenance Reserve Account as of June 30, 2016.

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2016 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District’s individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 87,678	\$ 219,836	\$ 50,676	\$ 358,190
Other	221,049	3,610	-	224,659
Total	\$ 308,727	\$ 223,446	\$ 50,676	\$ 582,849

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2016 was as follows:

	<b>Balance June 30, 2015 - Restated</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2016</b>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 918,785	\$ -	\$ -	\$ 918,785
Total capital assets not being depreciated	<u>918,785</u>	<u>-</u>	<u>-</u>	<u>918,785</u>
Capital Assets being depreciated:				
Site Improvements	2,299,876	-	-	2,299,876
Buildings & Building Improvements	48,208,218	-	-	48,208,218
Machinery & Equipment	6,231,738	278,946	-	6,510,684
Total capital assets being depreciated	<u>56,739,832</u>	<u>278,946</u>	<u>-</u>	<u>57,018,778</u>
Less: accumulated depreciation:				
Site Improvements	(1,272,487)	(111,381)	-	(1,383,868)
Buildings & Building Improvements	(14,474,148)	(1,158,424)	-	(15,632,572)
Machinery & Equipment	(4,769,908)	(266,863)	-	(5,036,771)
Total accumulated depreciation	<u>(20,516,543)</u>	<u>(1,536,668)</u>	<u>-</u>	<u>(22,053,211)</u>
Total capital assets being depreciated, net	<u>36,223,289</u>	<u>(1,257,722)</u>	<u>-</u>	<u>34,965,567</u>
Total Governmental Activities capital assets, net	<u>\$ 37,142,074</u>	<u>\$ (1,257,722)</u>	<u>\$ -</u>	<u>\$ 35,884,352</u>

	<b>Balance June 30, 2015 - Restated</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2016</b>
<b>Business-Type Activities:</b>				
Capital assets being depreciated:				
Machinery & Equipment	\$ 475,879	\$ -	\$ -	\$ 475,879
Total capital assets being depreciated	<u>475,879</u>	<u>-</u>	<u>-</u>	<u>475,879</u>
Less: accumulated depreciation:				
Machinery & Equipment	(298,219)	(22,476)	-	(320,695)
Total accumulated depreciation	<u>(298,219)</u>	<u>(22,476)</u>	<u>-</u>	<u>(320,695)</u>
Total capital assets being depreciated, net	<u>177,660</u>	<u>(22,476)</u>	<u>-</u>	<u>155,184</u>
Total Business-type activities capital assets, net	<u>\$ 177,660</u>	<u>\$ (22,476)</u>	<u>\$ -</u>	<u>\$ 155,184</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 5. Capital Assets (continued):**

Depreciation expense was charged to governmental functions/programs as follows:

<b>Governmental Activities:</b>	
Pupil Transportation	\$ 82,718
Unallocated	1,453,950
	<u>1,453,950</u>
 Total Depreciation Expense - Governmental Activities	 \$ 1,536,668
	<u><u>1,536,668</u></u>

**Note 6. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at June 30, 2016 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 195,745	\$ -
Special Revenue Fund	-	185,564
Fiduciary Funds	3,327	13,508
	<u>199,072</u>	<u>199,072</u>
	<u><u>\$ 199,072</u></u>	<u><u>\$ 199,072</u></u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 4,342	\$ -
Special Revenue Fund	-	4,342
Fiduciary Funds	5,146	5,146
	<u>9,488</u>	<u>9,488</u>
	<u><u>\$ 9,488</u></u>	<u><u>\$ 9,488</u></u>

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2016 the following changes occurred in long-term obligations:

	<b>June 30, 2015</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2016</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 3,295,668	\$ 214,036	\$ (191,471)	\$ 3,318,233	\$ 196,402
Township of Florence Water & Sewer Line Extension	204,193	-	(30,592)	173,601	31,892
Capital Leases	111,941	256,120	(109,978)	258,083	79,547
General Obligation Bonds	23,990,000	-	(1,740,000)	22,250,000	1,725,000
Net Pension Liability	7,081,833	1,826,801	(328,605)	8,580,029	324,113
Unamortized Bond Premiums	1,296,225	-	(182,243)	1,113,982	-
<b>Total</b>	<b>\$ 35,979,860</b>	<b>\$ 2,296,957</b>	<b>\$ (2,582,889)</b>	<b>\$ 35,693,928</b>	<b>\$ 2,356,954</b>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences and capital leases are liquidated by the general fund.

**A. Bonds Payable:**

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2016, bonds payable consisted of the following individual issues:

<b>Purpose</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Amount Issued</b>	<b>Amount Outstanding</b>
Refunding Bonds	2.00% - 5.00%	3/1/2012	\$ 26,065,000	\$ 22,250,000
<b>Total</b>				<b>\$ 22,250,000</b>

Principal and Interest due on the outstanding bonds is as follows:

<b>Year-ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	1,700,000	594,081	2,294,081
2022-2026	8,610,000	1,820,882	10,430,882
2027-2029	5,040,000	365,369	5,405,369
<b>Total</b>	<b>\$ 22,250,000</b>	<b>\$ 5,743,456</b>	<b>\$ 27,993,456</b>



**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 7. Long-Term Obligations (continued):**

**B. Bonds Authorized But Not Issued:**

As of June 30, 2016, the District had no authorized but not issued bonds.

**C. Capital Leases**

The District approved a lease purchase agreements in the 2015-16 year in the amount of \$256,120 at a 2.25% and 2.30% interest rate maturing in 2021 to finance the acquisition of Buses. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2016:

Year-ending June 30,	Amount
2017	\$ 85,460
2018	67,732
2019	42,587
2020	42,588
2021	<u>34,778</u>
Minimum Lease Payments	273,145
Less: Interest	<u>(15,062)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 258,083</u></u>

**D. Operating Leases**

The District has a commitment to lease copier equipment under an operating lease which expires July 2020. The lease contains a cancellation provision and is subject to annual appropriation. Normal operating lease payments made during the year ended June 30, 2016 totaled \$50,586. Future minimum lease payments are as follows:

Year-ending June 30,	Amount
2017	\$ 59,011
2018	59,011
2019	59,011
2020	<u>59,011</u>
Total Future Minimum Lease Payments	<u><u>\$ 236,044</u></u>

**E. 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, 2016 was \$173,601.

FLORENCE TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

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

The following represents the membership tiers for PERS:

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

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 8. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Three-Year Trend Information for PERS**

<b>Year Funded</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/2016	\$ 328,605	100%	\$ 8,580,029
6/30/2015	292,042	100%	7,081,833
6/30/2014	327,919	100%	7,583,695

**Components of Pension Liability** - At June 30, 2016, the District reported a liability of \$8,580,029 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.03822% percent, which was an increase of 0.00040% from its proportion measured as of June 30, 2014.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 8. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

Balances at June 30, 2016 and June 30, 2015		
	<u>6/30/2016</u>	<u>6/30/2015</u>
Actuarial valuation date	July 1, 2015	July 1, 2014
Deferred Outflows of Resources	1,189,182	222,691
Deferred Inflows of Resources	382,447	721,601
Net Pension Liability	8,580,029	7,081,833
District's portion of the Plan's total net pension Liability	0.03822%	0.03782%

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2016, the District recognized pension expense of \$521,156. At June 30, 2016, 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	921,427	-
Net difference between expected and actual experience	204,689	-
Net difference between projected and actual earnings or pension plan investments	-	137,950
Changes in proportion and differences between District contributions and proportionate share of contributions	63,066	244,497
Total	\$ 1,189,182	\$ 382,447

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2017	144,636
2018	144,636
2019	144,636
2020	250,146
2021	122,682

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

FLORENCE TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40%
Inflation rate	Based on Age 3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 8. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.21%
Total	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals 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 actuarially determined 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 District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate as disclosed above, as well as what the District's

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 8. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 10,663,926	\$ 8,580,029	\$ 6,832,905

**B. Teachers' Pension and Annuity Fund (TPAF)**

**Plan Description** - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 8. Pension Obligations (continued):**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued):**

his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

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

**Three-Year Trend Information for TPAF & Post Retirement Medical Contributions  
(Paid on behalf of the District)**

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$ 1,757,547	100%	-
6/30/2015	1,352,038	100%	-
6/30/2014	1,131,967	100%	-

**Teachers Pensions and Annuity Fund (TPAF)** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of



FLORENCE TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016

Note 8. Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

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 projected 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, 2014 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 (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 8. Pension Obligations (continued):**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued):**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
Total	<u>100%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals 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 employers' 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 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.

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

**C. Defined Contribution Retirement Plan (DCRP)**

**Plan Description** – The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

## FLORENCE TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): YEAR ENDED JUNE 30, 2016

#### **Note 8. Pension Obligations (continued):**

##### **Defined Contribution Retirement Plan (DCRP) (continued):**

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2016, employee contributions totaled \$11,527, and the District recognized pension expense of \$6,288.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2016, the District did not apply forfeitures to reduce the District's pension expense.

#### **Note 9. Post-Retirement Benefits**

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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 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 benefits changed from a pre-funding 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 employer paid 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

#### **Note 10. Risk Management**

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

**Property and Liability Insurance** – The District maintains commercial insurance coverage 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

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 10. Risk Management (continued):**

former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<b>Fiscal Year</b>	<b>District Contributions</b>	<b>Employee Contributions</b>	<b>Amount Reimbursed</b>	<b>Ending Balance</b>
2015-2016	\$ 26	\$ 26,027	\$ 68,454	\$ 11,604
2014-2015	\$ 49	\$ 24,375	\$ 22,309	\$ 54,005
2013-2014	\$ 49	\$ 60,995	\$ 35,691	\$ 51,890

**Joint Insurance Pool** – The Florence Township School District participates in the School Alliance Insurance Fund and, public entity risk pool. The Fund provides its members with the following coverage’s:

Property – Blanket Building & Grounds	General & Automobile Liability
Boiler & Machinery	Workers’ Compensation
School Board Legal Liability	Crime Coverage

**Note 11. Contingencies**

**State and Federal Grantor Agencies** - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

**Pending Litigation** – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

**Note 12. Economic Dependency**

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

**Note 13. Deferred Compensation**

The District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts

## FLORENCE TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): YEAR ENDED JUNE 30, 2016

#### Note 13. Deferred Compensation (continued):

deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

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

#### Note 14. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$3,318,233.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016 no liability existed for compensated absences in the proprietary fund types.

#### Note 15. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A.18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$724,508.

#### Note 16. Fund Balance

**General Fund** – Of the \$1,222,367 General Fund fund balance at June 30, 2016, \$1,150 has been reserved in the Capital Reserve Account; \$181,796 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; \$724,508 is restricted for current year excess surplus; \$626,966 is restricted for excess surplus designated for subsequent year's expenditures; \$11,887 has been reserved for encumbrances; and \$(323,940) is unassigned.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 16. Fund Balance (continued):**

**Debt Service Fund** – Of the \$2 Debt Service Fund fund balance at June 30, 2016, \$2 has been restricted for future debt service payments.

**Note 17. Deficit in Net Position and Fund Balance**

**Unrestricted Net Position** – The School District had a deficit in unrestricted net position for the Governmental Activities in the amount of \$11,503,211 at June 30, 2016. The primary causes of this deficit includes the District not recognizing the receivable for the last two state aid payments and the recording of long-term liabilities for compensated absences and net pension liability. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

**Unassigned Fund Balance** – The School District had a deficit in unassigned fund balance of \$323,940 in the General Fund shown on Exhibit B-1. Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned 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 GAAP fund statements of \$323,940 is less than state aid payments.

**Note 18. Prior Period Adjustment**

It was determined that a prior period adjustment was needed to include \$157,200 of Extraordinary Aid in both the GAAP based financial statements and the government wide financial statements as of July 1, 2015. This amount was received in September of 2015 and was recognized in budgetary fund balance.

Additionally, capital assets reported in prior periods were adjusted to increase capital assets by \$984,212 and to increase accumulated depreciation by \$676,232 resulting in a net book value increase of \$307,980. The food service fund capital asset adjustment increased capital assets by \$95,772.

	General Fund-	Governmental
	Fund Balance	Activities Net Position
Balance July 1, 2015, as previously stated	\$ 1,180,670	\$ 3,188,218
Prior Period Adjustments	<u>157,200</u>	<u>465,180</u>
Balance July 1, 2015, restated	<u>\$ 1,337,870</u>	<u>\$ 3,653,398</u>
		Food Service
		Net Position
Balance July 1, 2015, as previously stated		\$ 119,380
Prior Period Adjustment		<u>95,772</u>
Balance July 1, 2015, restated		<u>\$ 215,152</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:					
Local Sources:					
Local Tax Levy	10-1210	\$ 15,697,142	\$ -	\$ 15,697,142	\$ -
Tuition	10-1300	46,000	-	46,316	316
Interest Earned on Current Expense Maintenance Reserve	10-1510-458	1	-	1	1
Interest on Investments	10-1510	5,117	-	5,201	84
Unrestricted Miscellaneous Revenues	10-1900	70,992	-	179,331	108,339
Total Local Sources		15,819,252	-	15,927,992	108,740
State Sources:					
Categorical Special Education Aid	10-3132	998,852	-	998,852	-
Equalization Aid	10-3176	8,343,214	-	8,343,214	-
Categorical Security Aid	10-3177	101,727	-	101,727	-
Categorical Transportation Aid	10-3121	89,884	-	89,884	-
Under Adequacy Aid	10-3178	7,868	-	7,868	-
PARCC Readiness Aid	10-3179	17,910	-	17,910	-
Per Pupil Growth Aid	10-3175	17,910	-	17,910	-
Nonbudgeted:					
Nonpublic Transportation Aid	10-3190	-	-	15,842	15,842
On-Behalf TPAF Pension Contributions		-	-	802,268	802,268
On-Behalf Post Retirement Medical Contributions		-	-	955,279	955,279
Reimbursed TPAF Social Security Contributions		-	-	740,825	740,825
Total State Sources		9,577,365	-	12,091,579	2,514,214
Federal Sources:					
Special Education Medicaid Initiative (SEMI) - 13/14 Cost Settlement	10-xxxx	-	-	30,780	30,780
Special Education Medicaid Initiative (SEMI)	10-4200	32,206	-	22,056	(10,150)
Special Education Medicaid Initiative (SEMI) - MAC	10-4210	-	-	3,996	3,996
Total Federal Sources		32,206	-	56,832	24,626
Total Revenues		\$ 25,428,823	\$ -	\$ 28,076,403	\$ 2,647,580
Expenditures:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	11-105-100-101	\$ 55,980	\$ (3,313)	\$ 52,667	\$ -
Kindergarten	11-110-100-101	339,993	(561)	339,432	14,005
Grades 1 - 5	11-120-100-101	2,513,018	(74,140)	2,438,878	2,625
Grades 6 - 8	11-130-100-101	1,584,067	22,945	1,607,012	12,926
Grades 9 - 12	11-140-100-101	1,870,519	(48,408)	1,822,111	16,965
Other Purchased Professional & Technical Services	11-140-100-390	-	50	50	50
Regular Programs - Home Instruction:					
Salaries of Teachers	11-150-100-101	33,000	14,413	47,413	790
Purchased Professional/Educational Services	11-150-100-320	18,000	(11,314)	6,686	2,343
Regular Programs - Undistributed Instruction:					
Purchased Professional/Educational Services	11-190-100-320	-	11,875	11,875	-
Purchased Technical Services	11-190-100-340	-	212,157	212,157	-
Cleaning, Repair & Maintenance Services	11-190-100-420	3,509	(578)	2,931	231
Other Purchased Services	11-190-100-440 ->580	73,560	256	73,816	732
General Supplies	11-190-100-610	158,809	(26,671)	132,138	3,001
Textbooks	11-190-100-640	81,411	(32,285)	49,126	1,500
Field trip - Nurse Coverage	11-190-100-890	-	10,707	10,707	-
Total Regular Programs		6,731,866	75,133	6,806,999	55,168

FLORENCE TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR FISCAL YEAR ENDED JUNE 30, 2016

ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Education:				
Learning and/or Language Disabilities:				
Salaries of Teachers	72,811	(36)	72,775	72,775
Other Salaries for Instruction	21,931	(221)	21,710	21,710
General Supplies	300	(151)	149	149
Total Learning and/or Language Disabilities	95,042	(408)	94,634	94,634
Multiple Disabilities:				
Salaries of Teachers	303,644	14,274	317,918	317,918
Other Salaries for Instruction	92,208	(26,533)	65,675	64,590
Purchased Professional/Educational Services	24,210	-	24,210	24,210
General Supplies	2,635	(1,009)	1,626	1,626
Total Learning and/or Language Disabilities	422,697	(13,268)	409,429	408,344
Resource Room/ Resource Center:				
Salaries of Teachers	816,744	(44,378)	772,366	749,829
Other Salaries for Instruction	22,081	229	22,310	21,751
Purchased Professional/Educational Services	48,420	-	48,420	48,420
General Supplies	2,980	(1,466)	1,514	1,514
Total Resource Room	890,225	(45,615)	844,610	821,514
Autism:				
Salaries of Teachers	158,828	(5,723)	153,105	151,605
Other Salaries for Instruction	69,142	(1,184)	67,958	67,958
General Supplies	500	(350)	150	150
Total Autism	228,470	(7,257)	221,213	219,713
Preschool Disabilities - Part-Time:				
Salaries of Teachers	209,248	(2,122)	207,126	207,126
Other Salaries for Instruction	45,944	(313)	45,631	45,631
Purchased Professional/Educational Services	48,420	(650)	47,770	47,770
General Supplies	1,130	142	1,272	1,272
Total Preschool Disabilities - Part-Time	304,742	(2,943)	301,799	301,799
Total Special Education	1,941,176	(69,491)	1,871,685	1,846,004
Basic Skills/Remedial:				
Salaries of Teachers	412,615	19	412,634	409,199
General Supplies	869	(125)	744	744
Total Basic Skills/Remedial	413,484	(106)	413,378	409,943
				25,681
				3,435
				744
				3,435

FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Bilingual Education - Instruction:					
Salaries of Teachers	11-240-100-100	80,961	281	81,242	-
Purchased Technical Services	11-240-100-340	50	-	50	50
Other Purchased Services	11-240-100-500	600	-	600	336
General Supplies	11-240-100-610	830	(10)	820	264
<b>Total Bilingual Education - Instruction</b>		<b>82,441</b>	<b>271</b>	<b>82,712</b>	<b>314</b>
School Sponsored Cocurricular Activities:					
Salaries	11-401-100-100	64,295	3,578	67,873	6,759
Purchased Technical Services	11-401-100-340	150	-	150	150
Supplies & Materials	11-401-100-610	3,400	(1,125)	2,275	463
Other Objects		200	285	485	5
<b>Total School Sponsored Cocurricular Activities</b>		<b>68,045</b>	<b>2,738</b>	<b>70,783</b>	<b>7,377</b>
School Sponsored Athletics:					
Salaries	11-402-100-100	351,102	(5,022)	346,080	14,010
Purchased Technical Services	11-402-100-340	19,202	6,885	26,087	6,086
Cleaning, Repair & Maintenance Services	11-402-100-420	3,950	(12)	3,938	-
Purchased Services	11-402-100-500	31,795	(4,492)	27,303	3,586
Supplies & Materials	11-402-100-600	26,300	(2,305)	23,995	120
Other Objects	11-402-100-800	17,800	(1,330)	16,470	5,031
<b>Total School Sponsored Athletics</b>		<b>450,149</b>	<b>(6,276)</b>	<b>443,873</b>	<b>28,833</b>
Other Instruction Programs					
Salaries	11-4XX-100-100	66,096	(43,020)	23,076	-
<b>Total Other Instructional Programs</b>		<b>66,096</b>	<b>(43,020)</b>	<b>23,076</b>	<b>-</b>
<b>Total - Instruction</b>		<b>9,753,257</b>	<b>(40,751)</b>	<b>9,712,506</b>	<b>120,808</b>
Undistributed Expenditures:					
Instruction:					
Tuition Other LEA's - In State - Regular	11-000-100-561	50,035	210,547	260,582	5,439
Tuition to County Voc. School Dist.-Regular	11-000-100-563	124,840	34,360	159,200	-
Tuition to County Voc. School Dist.-Special	11-000-100-564	22,295	15,913	38,208	-
Tuition to CSSD & Reg. Day Schools	11-000-100-565	874,104	(121,024)	753,080	3,068
Tuition to Private Schools for the Handicapped - In State	11-000-100-566	355,997	90,098	446,095	4,879
Tuition - State Facilities	11-000-100-568	36,806	-	36,806	-
<b>Total Instruction</b>		<b>1,464,077</b>	<b>229,894</b>	<b>1,693,971</b>	<b>13,386</b>
Attendance & Social Work Services:					
Salaries	11-000-211-100	8,221	(199)	8,022	-
Purchased Profess & Technical Services	11-000-211-300	1,210	-	1,210	-
<b>Total Attendance &amp; Social Work Services</b>		<b>9,431</b>	<b>(199)</b>	<b>9,232</b>	<b>-</b>

FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2016

ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Health Services:				
Salaries	232,895	(24,957)	207,938	207,938
Purchased Professional & Technical Services	35,895	(8,096)	27,799	25,773
Other Purchased Professional Services	153,031	(57,825)	95,206	94,677
Supplies and Materials	7,646	(493)	7,153	6,153
<b>Total Health Services</b>	<b>429,467</b>	<b>(91,371)</b>	<b>338,096</b>	<b>334,541</b>
Other Support Services - Students - Related Services:				
Salaries	236,039	(52,771)	183,268	183,268
Purchased Professional & Educational Services	91,280	225,205	316,485	285,961
Supplies & Materials	2,000	(896)	1,104	1,104
<b>Total Other Services - Students - Related Services</b>	<b>329,319</b>	<b>171,538</b>	<b>500,857</b>	<b>470,333</b>
Other Support Services - Students - Extra Services:				
Salaries	87,249	482	87,731	74,285
Purchased Professional - Educational Services	127,829	169,459	297,288	297,288
<b>Total Other Services - Students - Extra Services</b>	<b>215,078</b>	<b>169,941</b>	<b>385,019</b>	<b>371,573</b>
Other Support Services - Students - Guidance				
Salaries of Other Professional Staff	401,831	4,958	406,789	406,789
Salaries of Secretarial and Clerical Assistants	48,046	(695)	47,351	47,351
Other Purchased Professional & Technical Services	4,200	-	4,200	3,800
Supplies & Materials	5,975	172	6,147	5,902
<b>Total Other Support Services - Students - Guidance</b>	<b>460,052</b>	<b>4,435</b>	<b>464,487</b>	<b>463,842</b>
Other Support Services - Students - Child Study Team:				
Salaries of Other Professional Staff	382,697	(4,624)	378,073	366,076
Salaries of Secretarial & Clerical Assistants	85,925	(27,096)	58,829	58,612
Other Salaries	6,838	425	7,263	7,263
Other Purchased Prof. & Technical Services	12,226	13,836	26,062	24,681
Miscellaneous Purchased Services	6,862	-	6,862	6,862
Supplies & Materials	1,018	3,333	4,351	4,351
Other Objects	271	549	820	820
<b>Total Other Support Services - Students - Child Study Team</b>	<b>495,837</b>	<b>(13,577)</b>	<b>482,260</b>	<b>468,665</b>
Improvement of Instructional Staff				
Salaries of Supervisors of Instruction	71,355	(6,716)	64,639	64,639
Salaries of Secretarial & Clerical Assistants	47,646	(8,937)	38,709	38,709
Other Salaries	37,024	2,046	39,070	38,348
Other Purchased Professional & Technical Services	3,741	(192)	3,549	3,549
Other Purchased Services	10	(10)	-	-
Supplies & Materials	2,644	(2,644)	-	-
Other Objects	1,500	(2,921)	820	820
<b>Total Instructional Staff Training</b>	<b>163,920</b>	<b>(19,374)</b>	<b>146,787</b>	<b>146,065</b>

FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2016

ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Educational Media Services/School Library:				
Salaries	108,451	(15,273)	93,178	93,178
Supplies and Materials	24,429	(4,153)	20,276	18,176
	132,880	(19,426)	113,454	111,354
Total Educational Media Services/School Library				2,100
Instructional Staff Training:				
Salaries of Supervisors of Instruction	3,991	(1,299)	2,692	2,692
Other Purchased Professional & Technical Services	5,138	(338)	4,800	4,800
Other Objects	1,400	3,563	4,963	4,963
	10,529	1,926	12,455	12,455
Total Instructional Staff Training				-
Support Services General Administration:				
Salaries	219,689	-	219,689	219,689
Other Purchased Professional & Technical Services	-	3,850	3,850	3,850
Legal Services	41,000	25,000	66,000	45,955
Audit Fees	31,500	810	32,310	32,310
Architectural/Engineering Services	10,000	8,290	18,290	15,035
Purchased Technical Services	32,503	(4,014)	28,489	28,489
Communications/Telephone	106,762	18,844	125,606	122,951
Other Purchased Services	14,550	(3,442)	11,108	11,108
General Supplies	5,902	(1,172)	4,730	4,730
Miscellaneous Expenditures	3,474	431	3,905	3,905
BOE Membership Dues & Fees	11,140	-	11,140	11,140
	476,520	48,597	525,117	499,142
Total Support Services General Administration				25,975
Support Services School Administration:				
Salaries of Principals & Assistant Principals	515,187	8,897	524,084	524,084
Salaries of Secretarial & Clerical Assistants	236,279	(476)	235,803	235,510
Salaries - Earned Vacation Pay	9,348	(1,373)	7,975	7,975
Purchased Professional & Technical Services	7,848	(3,663)	4,185	3,185
Other Purchased Services	2,397	-	2,397	2,397
Supplies and Materials	20,082	411	20,493	20,409
Other Objects	5,200	(401)	4,799	4,799
	796,341	3,395	799,736	798,359
Total Support Services School Administration				1,377
Central Services:				
Salaries	333,331	1,407	334,738	334,738
Salaries - Earned Vacation Pay	4,931	-	4,931	4,931
Purchased Technical Services	33,200	(263)	32,937	31,647
Other Purchased Professional & Technical Services	-	2,000	2,000	2,000
Miscellaneous Purchased Services	5,719	(1,293)	4,426	4,426
Supplies and Materials	8,262	(1,570)	6,692	6,605
Miscellaneous Expenditures	1,400	(996)	404	404
	386,843	(715)	386,128	384,751
Total Central Services				1,377
Administrative Information Technology:				
Salaries	129,067	(162)	128,905	128,905
Purchased Technical Services	114,956	1,075	116,031	114,210
Supplies and Materials	78,207	(995)	77,212	77,141
Other Objects	450	-	450	450
	322,680	(82)	322,598	320,706
Total Administrative Information Technology				1,892

FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Required Maintenance for School Facilities:					
Salaries	11-000-261-100	360,732	(6,372)	354,360	353,614
Cleaning, Repair & Maintenance Services	11-000-261-420 + 580	325,921	102,280	428,201	396,961
General Supplies	11-000-261-610	71,500	(16,328)	55,172	43,650
Other Objects	11-000-261-800	5,500	(713)	4,787	3,074
<b>Total Required Maintenance for School Facilities</b>		<b>763,653</b>	<b>78,867</b>	<b>842,520</b>	<b>797,299</b>
Custodial Services:					
Salaries - Aides	11-000-262-107	56,728	(2,225)	54,503	53,744
Other Salaries	11-000-262-110	205,957	(9,078)	196,879	196,879
Cleaning, Repair & Maintenance Services	11-000-262-420	333,919	(3,285)	330,634	329,134
Insurance	11-000-262-520	159,000	(6,406)	152,594	152,594
General Supplies	11-000-262-610	50,500	(6,751)	43,749	43,749
Energy (Natural Gas)	11-000-262-621	170,914	(25,632)	145,282	96,854
Energy (Electricity)	11-000-262-622	525,667	936	526,603	497,998
Other Objects	11-000-262-800	39,270	-	39,270	39,270
<b>Total Custodial Services</b>		<b>1,541,955</b>	<b>(52,441)</b>	<b>1,489,514</b>	<b>1,370,952</b>
Care and Upkeep of Grounds:					
Cleaning, Repair & Maintenance Services	11-000-263-420	128,910	48,588	177,498	175,493
General Supplies	11-000-263-610	28,985	(1,083)	27,902	21,567
<b>Total Care and Upkeep of Grounds:</b>		<b>157,895</b>	<b>47,505</b>	<b>205,400</b>	<b>197,060</b>
Security:					
Salaries	11-000-266-100	126,729	(23,450)	103,279	101,779
Other Purchased Professional Services	11-000-266-330	-	19,796	19,796	18,375
Purchased Technical Services	11-000-266-340	725	460	1,185	1,185
General Supplies	11-000-266-610	300	(300)	-	-
Other Objects	11-000-266-800	810	90	900	900
<b>Total Security</b>		<b>128,564</b>	<b>(3,404)</b>	<b>125,160</b>	<b>122,239</b>
<b>Total Operation &amp; Maintenance of Plant Services</b>		<b>2,592,067</b>	<b>70,527</b>	<b>2,662,594</b>	<b>2,487,550</b>
Student Transportation Services:					
Salaries - Non Instruction	11-000-270-107	85,860	6,057	91,917	91,845
Salaries - Pupil Transport - (Between Home & School) - Regular	11-000-270-160	311,569	(5,193)	306,376	303,137
Salaries - Pupil Transport - (Between Home & School) - Special	11-000-270-161	169,019	(7,859)	161,160	154,713
Salaries - Pupil Transport - (Other than Between Home & School)	11-000-270-162	15,600	325	15,925	14,979
Other Purchased Professional & Technical Services	11-000-270-390	12,797	1,867	14,664	12,042
Cleaning, Repair & Maintenance Services	11-000-270-420	173,981	57,752	231,733	198,809
Lease Purchase Payments - School Buses	11-000-270-443	86,131	20,423	106,554	106,554
Contracted Services - (Aid in Lieu of Payments)	11-000-270-503	45,525	19,007	64,532	59,503
Contracted Services (Special Education Students) - Joint Agreement	11-000-270-513	86,531	(11,971)	74,560	72,369
Miscellaneous Purchased Services - Transportation	11-000-270-580 + 593	31,000	766	31,766	31,766
General Supplies	11-000-270-610	12,550	(5,769)	6,781	6,781
Transportation Supplies	11-000-270-615	114,744	5,519	120,263	78,411
Other Objects	11-000-270-890	5,344	(2,323)	3,021	2,936
<b>Total Student Transportation Services</b>		<b>1,150,651</b>	<b>78,601</b>	<b>1,229,252</b>	<b>1,133,845</b>
<b>Total</b>		<b>11,541,955</b>	<b>(52,441)</b>	<b>11,489,514</b>	<b>11,370,952</b>
					<b>118,562</b>
					<b>2,005</b>
					<b>6,335</b>
					<b>8,340</b>
					<b>1,500</b>
					<b>1,421</b>
					<b>-</b>
					<b>-</b>
					<b>-</b>
					<b>2,921</b>
					<b>175,044</b>
					<b>72</b>
					<b>3,239</b>
					<b>6,447</b>
					<b>946</b>
					<b>2,622</b>
					<b>32,924</b>
					<b>-</b>
					<b>5,029</b>
					<b>2,191</b>
					<b>-</b>
					<b>-</b>
					<b>41,852</b>
					<b>85</b>
					<b>95,407</b>



FLORENCE TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
<b>ALLOCATED BENEFITS</b>					
Regular Programs - Instruction					
Workmen's Compensation	11-1XX-100-260	94,299	5,954	100,253	100,253
Health Benefits	11-1XX-100-270	1,038,584	(202,894)	835,690	835,690
Tuition Reimbursement	11-1XX-100-280	19,511	3,268	22,779	22,779
Other Employee Benefits	11-1XX-100-290	263,277	34,974	298,251	297,079
Total Regular Programs - Instruction		1,415,671	(158,698)	1,256,973	1,255,801
Special Programs - Instruction					
Social Security Contributions	11-2XX-100-220	30,124	-	30,124	-
Other Retirement - Regular	11-2XX-100-249	32,414	(5,283)	27,131	27,131
Workmen's Compensation	11-2XX-100-260	35,112	(13,310)	21,802	21,802
Health Benefits	11-2XX-100-270	874,244	(109,414)	764,830	738,081
Other Employee Benefits	11-2XX-100-290	114,763	10,153	124,916	124,916
Total Special Programs - Instruction		1,086,657	(117,854)	968,803	911,930
Attendance/Social Work Services					
Social Security Contributions	11-000-211-220	985	-	985	985
Other Retirement Regular	11-000-211-241	1,118	-	1,118	1,118
Workmen's Compensation	11-000-211-260	125	-	125	125
Total Attendance/Social Work Services		2,228	-	2,228	2,228
Health Services					
Workmen's Compensation	11-000-213-260	3,493	-	3,493	3,493
Health Benefits	11-000-213-270	84,102	(6,979)	77,123	77,123
Other Employee Benefits	11-000-213-299	3,108	-	3,108	3,108
Total Health Services		90,703	(6,979)	83,724	83,724
Other Support Services - Students - Related Services					
Workmen's Compensation	11-000-216-260	3,533	-	3,533	3,533
Health Benefits	11-000-216-270	61,380	-	61,380	61,380
Other Employee Benefits	11-000-216-290 + 299	10,060	-	10,060	10,060
Total Other Support Services - Students - Related Services		74,973	-	74,973	74,973
Other Support Services - Students - Extra Services					
Social Security Contributions	11-000-217-220	10,458	-	10,458	10,458
Other Retirement Regular	11-000-217-241	11,861	-	11,861	11,861
Workmen's Compensation	11-000-217-260	1,326	-	1,326	1,326
Health Benefits	11-000-217-270	70,779	(22,125)	48,654	48,654
Other Employee Benefits	11-000-217-290	9,102	-	9,102	9,102
Total Other Support Services - Students - Extra Services		103,526	(22,125)	81,401	81,401
Other Support Services - Students - Guidance					
Social Security Contributions	11-000-218-220	5,759	-	5,759	5,759
Other Retirement - Regular	11-000-218-241	6,532	-	6,532	6,532
Workmen's Compensation	11-000-218-260	7,280	-	7,280	7,280
Health Benefits	11-000-218-270	154,695	(39,938)	114,757	112,175
Other Employee Benefits	11-000-218-290 + 299	23,563	6,702	30,265	29,432
Total Other Support Services - Students - Guidance		197,829	(33,236)	164,593	161,178
					3,415

FLORENCE TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Support Services - Students - Child Study Team					
Social Security Contributions	11-000-219-220	11,107	-	11,107	11,107
Other Retirement - Regular	11-000-219-241	11,681	-	11,681	11,681
Workmen's Compensation	11-000-219-260	7,528	-	7,528	7,528
Health Benefits	11-000-219-270	173,423	(19,223)	154,200	154,200
Other Employee Benefits	11-000-219-290 + 299	6,834	(593)	6,241	6,241
<b>Total Other Support Services - Students - Child Study Team</b>		<b>210,573</b>	<b>(19,816)</b>	<b>190,757</b>	<b>190,757</b>
Improvement of Instruction Services					
Social Security Contributions	11-000-221-220	5,711	-	5,711	5,711
Other Retirement - Regular	11-000-221-241	6,477	-	6,477	6,477
Workmen's Compensation	11-000-221-260	1,808	-	1,808	1,808
Health Benefits	11-000-221-270	69,359	71,920	141,279	141,279
Other Employee Benefits	11-000-221-290 + 299	7,448	7,208	14,656	14,656
<b>Total Improvement of Instruction Services</b>		<b>90,803</b>	<b>79,128</b>	<b>169,931</b>	<b>169,931</b>
Educational Media Services - School Library					
Workmen's Compensation	11-000-222-260	1,944	-	1,944	1,944
Health Benefits	11-000-222-270	31,644	-	31,644	31,644
Other Employee Benefits	11-000-222-290 + 299	9,954	(4,954)	5,000	5,000
<b>Total Educational Media Services - School Library</b>		<b>43,542</b>	<b>(4,954)</b>	<b>38,588</b>	<b>38,588</b>
Support Services - General Administration					
Social Security Contributions	11-000-230-220	8,883	-	8,883	8,883
Other Retirement - Regular	11-000-230-241	10,075	-	10,075	10,075
Workmen's Compensation	11-000-230-260	3,342	-	3,342	3,342
Health Benefits	11-000-230-270	59,752	-	59,752	59,752
Tuition Reimbursement	11-000-230-280	3,000	-	3,000	3,000
<b>Total Support Services - General Administration</b>		<b>85,052</b>	<b>-</b>	<b>85,052</b>	<b>85,052</b>
Support Services - School Administration					
Social Security Contributions	11-000-240-220	28,321	-	28,321	27,191
Other Retirement - Regular	11-000-240-241	31,871	-	31,871	31,871
Workmen's Compensation	11-000-240-260	11,393	-	11,393	11,393
Health Benefits	11-000-240-270	282,548	(10,219)	272,329	272,329
Other Employee Benefits	11-000-240-290	18,568	14,194	32,762	32,762
<b>Total Support Services - School Administration</b>		<b>372,701</b>	<b>3,975</b>	<b>376,676</b>	<b>375,546</b>
Business and Other Support Services					
Social Security Contributions	11-000-251-220	25,038	-	25,038	23,038
Other Retirement - Regular	11-000-251-241	28,398	-	28,398	28,398
Workmen's Compensation	11-000-251-260	4,612	-	4,612	4,612
Health Benefits	11-000-251-270	72,023	-	72,023	72,023
Tuition Reimbursement	11-000-251-280	-	1,140	1,140	1,140
Other Employee Benefits	11-000-251-290	11,477	(893)	10,584	10,584
<b>Total Business and Other Support Services</b>		<b>141,548</b>	<b>247</b>	<b>141,795</b>	<b>139,795</b>
<b>Total</b>		<b>1,130</b>	<b>-</b>	<b>1,130</b>	<b>2,000</b>

FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undist. Expend. - Support Serv. - Administration Information Serv.					
Social Security Contributions	11-000-252-220	15,469	-	15,469	-
Other Retirement - Regular	11-000-252-241	17,545	-	17,545	-
Workmen's Compensation	11-000-252-260	1,961	-	1,961	-
Health Benefits	11-000-252-270	14,177	-	14,177	-
Other Employee Benefits	11-000-252-290	10,846	(1,320)	9,526	-
<b>Total Undist. Expend. - Support Serv. - Administration Info Serv.</b>		<b>59,998</b>	<b>(1,320)</b>	<b>58,678</b>	<b>-</b>
Operation and Maintenance of Plant Services					
Social Security Contributions		83,404	-	83,404	-
Other Retirement - Regular		110,849	-	110,849	-
Workmen's Compensation		16,567	-	16,567	-
Health Benefits		264,445	(29,817)	234,628	-
Other Employee Benefits		40,317	8,104	48,421	-
<b>Total Operation and Maintenance of Plant Services</b>		<b>515,582</b>	<b>(21,713)</b>	<b>493,869</b>	<b>-</b>
Student Transportation Services					
Social Security Contributions	11-000-270-220	69,045	-	69,045	2,188
Other Retirement - Regular	11-000-270-241	65,067	-	65,067	-
Workmen's Compensation	11-000-270-260	7,276	-	7,276	-
Health Benefits	11-000-270-270	473,172	(9,037)	464,135	-
Tuition Reimbursement	11-000-270-280	1,894	(288)	1,606	-
Other Employee Benefits	11-000-270-290 + 299	38,422	(2,910)	35,512	87
<b>Total Student Transportation Services</b>		<b>654,876</b>	<b>(12,235)</b>	<b>642,641</b>	<b>2,275</b>
School-Spon. Cocurricular Actvts. - Inst.					
Social Security Contributions	11-401-100-220	8,606	-	8,606	8,196
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>		<b>8,606</b>	<b>-</b>	<b>8,606</b>	<b>8,196</b>
School Sponsored Athletics					
Social Security Contributions	11-402-100-220	38,850	-	38,850	25,994
Other Retirement - Regular	11-402-100-241	18,986	(18,986)	-	-
Workmen's Compensation	11-402-100-260	2,393	(2,393)	-	-
Health Benefits	11-402-100-270	41,813	(10,008)	31,805	-
<b>Total School Sponsored Athletics</b>		<b>102,042</b>	<b>(31,387)</b>	<b>70,655</b>	<b>12,856</b>
Other Instructional Programs					
Workmen's Compensation	11-404-100-260	1,004	(1,004)	-	-
Health Benefits	11-404-100-270	32,155	-	32,155	24,397
<b>Total Other Instructional Programs</b>		<b>33,159</b>	<b>(1,004)</b>	<b>32,155</b>	<b>7,758</b>
<b>TOTAL ALLOCATED BENEFITS</b>		<b>5,290,069</b>	<b>(347,971)</b>	<b>4,942,098</b>	<b>95,675</b>
Unallocated Benefits - Employee Benefits:					
Other Employee Benefits	11-000-291-290	52,590	-	52,590	-
<b>Total Unallocated Benefits - Employee Benefits</b>		<b>52,590</b>	<b>-</b>	<b>52,590</b>	<b>-</b>
Nonbudgeted:					
On-Behalf TPAF Pension Contributions		-	-	-	802,268
On-Behalf Post Retirement Medical Contributions		-	-	-	955,279
Reimbursed TPAF Social Security Contributions		-	-	-	(740,825)
<b>Total Undistributed Expenditures</b>		<b>14,778,351</b>	<b>286,139</b>	<b>15,066,731</b>	<b>(2,023,652)</b>
Transfer to Charter Schools		1,438,161	(60,492)	1,377,669	-
<b>Total Expenditures - Current Expense</b>		<b>25,969,769</b>	<b>184,896</b>	<b>26,156,906</b>	<b>(1,902,844)</b>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

ACCOUNT NUMBERS	JUNE 30, 2016		POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS FINAL BUDGET	
Capital Outlay:			
Facilities Acquisition & Construction Services:			
Assessment of Debt Service on SDA Funding	117,952	-	117,952
Total Facilities Acquisition & Construction Services	117,952	-	117,952
Assets Acquired Under Capital Leases (Nonbudgeted):			
Undistributed Expenditures:			
Transportation	-	-	256,120
Total Assets Acquired Under Capital Leases (Nonbudgeted)	-	-	(256,120)
Total Capital Outlay	117,952	-	(256,120)
Total Expenditures	26,087,721	184,896	28,433,822
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(658,898)	(184,896)	488,616
Other Financing Sources/(Uses):			
Capital Lease Proceeds (Nonbudgeted)	-	-	256,120
Total Other Financing Uses	-	-	256,120
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses) Fund Balances, July 1	(658,898)	(184,896)	744,736
Fund Balances, June 30	2,177,035	-	2,177,035
	\$ 1,518,137	\$ (184,896)	\$ 2,075,736
		\$ 1,331,000	\$ 2,075,736
			\$ 744,736

**RECAPITULATION OF BUDGET TRANSFERS**

Prior Year Encumbrances	\$ (186,473)
Cancellation of Prior Year Encumbrance	1,577
Total	<u>\$ (184,896)</u>

**RECAPITULATION OF FUND BALANCE:**

Restricted Fund Balance:	
Capital Reserve	\$ 1,150
Excess Surplus	724,508
Reserved Excess Surplus Designated for Subsequent Year's Expenditures	626,966
Committed Fund Balance:	
Year-end Encumbrances	11,887
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	181,796
Unassigned Fund Balance	<u>529,429</u>
Subtotal	2,075,736
Reconciliation to Governmental Funds Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(853,369)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 1,222,367</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

REVENUES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Local Sources	\$ -	\$ 84,043	\$ 84,043	\$ 61,251	\$ (22,792)
State Sources	-	130,539	130,539	104,896	(25,643)
Federal Sources	698,153	286,196	984,349	863,831	(120,518)
<b>Total Revenues</b>	<b>698,153</b>	<b>500,778</b>	<b>1,198,931</b>	<b>1,029,978</b>	<b>(168,953)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries	-	23,862	23,862	17,541	6,321
Salaries of Teachers	253,879	9,767	263,646	263,311	335
Purchased Professional & Educational Services	-	319	319	319	-
Purchased Professional & Technical Services	-	179,880	179,880	176,323	3,557
Tuition	444,274	(156,444)	287,830	287,830	-
Other Purchased Services	-	36,938	36,938	36,506	432
General Supplies	-	52,865	52,865	44,043	8,822
Textbooks	-	14,846	14,846	14,846	-
<b>Total Instruction</b>	<b>698,153</b>	<b>162,033</b>	<b>860,186</b>	<b>840,719</b>	<b>19,467</b>
<b>Support Services:</b>					
Salaries	-	3,642	3,642	3,642	-
Personal Services - Employee Benefits	-	73,838	73,838	-	73,838
Purchased Professional & Technical Services	-	115,739	115,739	67,415	48,324
Other Purchased Services	-	122,826	122,826	95,502	27,324
<b>Total Support Services</b>	<b>-</b>	<b>316,045</b>	<b>316,045</b>	<b>166,559</b>	<b>149,486</b>
<b>Facilities Acquisition &amp; Construction Services:</b>					
Non-Instructional Equipment	-	22,700	22,700	22,700	-
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>22,700</b>	<b>22,700</b>	<b>22,700</b>	<b>-</b>
<b>Total Expenditures</b>	<b>698,153</b>	<b>500,778</b>	<b>1,198,931</b>	<b>1,029,978</b>	<b>168,953</b>
<b>Total Outflows</b>	<b>698,153</b>	<b>500,778</b>	<b>1,198,931</b>	<b>1,029,978</b>	<b>168,953</b>
<b>Excess/(Deficiency) of Revenues Over/ (Under) Expenditures &amp; Other Financing Sources/(Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

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**FLORENCE TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 28,076,403	\$ 1,029,978
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	839,165	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(853,369)	-
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Current Year	-	(7,000)
Prior Year	-	-
<hr/>		
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 28,062,199	\$ 1,022,978
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 28,433,822	\$ 1,029,978
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
	-	(7,000)
<hr/>		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 28,433,822	\$ 1,022,978

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

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**LAST THREE FISCAL YEARS**

	<u>2016</u>		<u>2015</u>		<u>2014</u>
District's proportion of the net pension liability (asset)	0.038%		0.038%		0.040%
District's proportionate share of the net pension liability (asset)	\$ 8,580,029	\$	7,081,833	\$	7,583,695
District's covered-employee payroll	\$ 2,217,516	\$	2,597,869	\$	2,646,666
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	386.92%		272.60%		286.54%
Plan fiduciary net position as a percentage of the total pension liability	38.21%		52.08%		48.72%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 328,605	\$ 311,822	298,983
Contributions in relation to the contractually required contribution	<u>328,605</u>	<u>311,822</u>	<u>298,983</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,217,516	\$ 2,597,869	2,646,666
Contributions as a percentage of covered-employee payroll	14.82%	12.00%	11.30%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.



**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT'S**  
**TEACHERS' PENSION AND ANNUITY FUND**  
**LAST THREE FISCAL YEARS**

	2016	2015	2014
District's proportion of the net pension liability (asset)	0.097%	0.101%	0.110%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 61,087,012	\$ 54,178,933	\$ 55,586,266
District's covered-employee payroll	\$ 10,243,835	\$ 10,047,441	\$ 9,794,918
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	596.33%	539.23%	567.50%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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

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**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2016**

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

**Basis of Presentation.** The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 28, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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

**Changes of assumptions.** 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 projected 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.

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

**Basis of Presentation.** The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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

**Changes of assumptions.** Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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D. School Based Budget Schedules

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E. Special Revenue Fund

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**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	NO CHILD LEFT BEHIND			I.D.E.A.	
	TITLE I	TITLE I 14/15 SUMMER	TITLE II - PART A	PART B BASIC	PART B BASIC 14/15 SUMMER
Revenues:					
Federal Sources	\$ 274,994	\$ 7,761	\$ 65,059	\$ 504,785	\$ 1,232
State Sources	-	-	-	-	-
Local Sources	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 274,994</b>	<b>\$ 7,761</b>	<b>\$ 65,059</b>	<b>\$ 504,785</b>	<b>\$ 1,232</b>
Expenditures:					
Instruction:					
Salaries	\$ 9,780	\$ 7,761	\$ -	\$ -	\$ -
Salaries of Teachers	217,089	-	46,222	-	-
Purchased Professional - Technical Services	-	-	-	176,323	-
Tuition	-	-	-	287,830	-
Other Purchased Services	14,206	-	-	-	-
General Supplies	30,419	-	-	5,632	1,232
<b>Total Instruction</b>	<b>271,494</b>	<b>7,761</b>	<b>46,222</b>	<b>469,785</b>	<b>1,232</b>
Support Services:					
Purchased Professional - Technical Services	3,500	-	-	35,000	-
Other Purchased Services	-	-	18,837	-	-
<b>Total Support Services</b>	<b>3,500</b>	<b>-</b>	<b>18,837</b>	<b>35,000</b>	<b>-</b>
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 274,994</b>	<b>\$ 7,761</b>	<b>\$ 65,059</b>	<b>\$ 504,785</b>	<b>\$ 1,232</b>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	NJ NONPUBLIC AUXILIARY SERVICES CH. 192			
	I.D.E.A. PART B PRESCHOOL	NJ NONPUBLIC TEXTBOOK AID	NJ NONPUBLIC NURSING AID	COMPENSATORY EDUCATION TRANSPORTATION
Revenues:				
Federal Sources	\$ 10,000	\$ -	\$ -	\$ -
State Sources	-	14,846	23,850	17,343
Local Sources	-	-	-	-
<b>Total Revenues</b>	<b>\$ 10,000</b>	<b>\$ 14,846</b>	<b>\$ 23,850</b>	<b>\$ 17,343</b>
Expenditures:				
Instruction:				
Salaries	-	-	-	-
Textbooks	-	14,846	-	-
Total Instruction	-	14,846	-	-
Support Services:				
Purchased Professional - Technical Services	10,000	-	-	-
Other Purchased Services	-	-	23,850	17,343
<b>Total Support Services</b>	<b>10,000</b>	<b>-</b>	<b>23,850</b>	<b>17,343</b>
Facilities Acquisition & Construction Services:				
Instructional Equipment	-	-	-	-
Non-Instructional Equipment	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 10,000</b>	<b>\$ 14,846</b>	<b>\$ 23,850</b>	<b>\$ 17,343</b>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	NJ NONPUBLIC HANDICAPPED SERVICES CH. 193				NJ NONPUBLIC	
	SUPPLEMENTAL INSTRUCTION	EXAMINATION & CLASSIFICATION	CORRECTIVE SPEECH	TECHNOLOGY INITIATIVE AID	NJ NONPUBLIC SECURITY AID	
Revenues:						
Federal Sources	-	-	-	-	-	-
State Sources	9,802	8,018	11,037	6,760	6,625	
Local Sources	-	-	-	-	-	
<b>Total Revenues</b>	<b>9,802</b>	<b>8,018</b>	<b>11,037</b>	<b>6,760</b>	<b>6,625</b>	
Expenditures:						
Instruction:						
Salaries	-	-	-	-	-	-
General Supplies	-	-	-	6,760	-	-
<b>Total Instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,760</b>	<b>-</b>	<b>-</b>
Support Services:						
Purchased Professional - Technical Services	-	-	-	-	-	6,625
Other Purchased Services	9,802	8,018	11,037	-	-	-
<b>Total Support Services</b>	<b>9,802</b>	<b>8,018</b>	<b>11,037</b>	<b>-</b>	<b>-</b>	<b>6,625</b>
Facilities Acquisition & Construction Services:						
Instructional Equipment	-	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-	-
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>9,802</b>	<b>8,018</b>	<b>11,037</b>	<b>6,760</b>	<b>6,625</b>	

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	KIDS IN NEED GRANT	NI SCHOOLS INSURANCE GROUP SAFETY GRANT	FLORENCE TOWNSHIP TECHNOLOGY GRANT	NFI SITE IMPROVEMENT GRANT	PSE&G STEAMING UP SUMMER GRANT
Revenues:					
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Local Sources	319	3,453	20,000	25,000	4,598
<b>Total Revenues</b>	<b>\$ 319</b>	<b>\$ 3,453</b>	<b>\$ 20,000</b>	<b>\$ 25,000</b>	<b>\$ 4,598</b>
Expenditures:					
Instruction:					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Professional - Educational Services	319	-	-	-	-
Other Purchased Services	-	-	-	22,300	-
<b>Total Instruction</b>	<b>319</b>	<b>-</b>	<b>-</b>	<b>22,300</b>	<b>-</b>
Support Services:					
Purchased Professional - Technical Services	-	3,453	-	-	4,598
<b>Total Support Services</b>	<b>-</b>	<b>3,453</b>	<b>-</b>	<b>-</b>	<b>4,598</b>
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	-	-	-	-
Non-Instructional Equipment	-	-	20,000	2,700	-
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>2,700</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 319</b>	<b>\$ 3,453</b>	<b>\$ 20,000</b>	<b>\$ 25,000</b>	<b>\$ 4,598</b>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	SOUTHERN NJ REGIONAL EMPLOYEE WELLNESS GRANT 15/16	SOUTHERN NJ REGIONAL EMPLOYEE WELLNESS GRANT 14/15	TOTALS
<b>Revenues:</b>			
Federal Sources	-	-	863,831
State Sources	-	-	104,896
Local Sources	3,610	4,271	61,251
<b>Total Revenues</b>	<b>\$ 3,610</b>	<b>\$ 4,271</b>	<b>\$ 1,029,978</b>
<b>Expenditures:</b>			
Instruction:			
Salaries	-	-	17,541
Salaries of Teachers	-	-	263,311
Purchased Professional - Educational Services	-	-	319
Purchased Professional - Technical Services	-	-	176,323
Tuition	-	-	287,830
Other Purchased Services	-	-	36,506
General Supplies	-	-	44,043
Textbooks	-	-	14,846
<b>Total Instruction</b>	<b>-</b>	<b>-</b>	<b>840,719</b>
<b>Support Services:</b>			
Salaries	-	3,642	3,642
Purchased Professional - Technical Services	3,610	629	67,415
Other Purchased Services	-	-	95,502
<b>Total Support Services</b>	<b>3,610</b>	<b>4,271</b>	<b>166,559</b>
<b>Facilities Acquisition &amp; Construction Services:</b>			
Instructional Equipment	-	-	-
Non-Instructional Equipment	-	-	22,700
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>22,700</b>
<b>Total Expenditures</b>	<b>\$ 3,610</b>	<b>\$ 4,271</b>	<b>\$ 1,029,978</b>

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## G. Proprietary Funds

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**FLORENCE TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2016**

ASSETS	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	EXTENDED		2016
	DAY PROGRAM	FOOD SERVICE	
Current Assets:			
Cash & Cash Equivalents	\$ 160,916	\$ -	\$ 160,916
Accounts Receivable			
State	-	1,047	1,047
Federal	-	49,629	49,629
Inventories	-	12,631	12,631
Total Current Assets	<u>160,916</u>	<u>63,307</u>	<u>224,223</u>
Capital Assets:			
Equipment	-	475,879	475,879
Less: Accumulated Depreciation	-	(320,695)	(320,695)
Total Capital Assets	<u>-</u>	<u>155,184</u>	<u>155,184</u>
Total Assets	<u>160,916</u>	<u>218,491</u>	<u>379,407</u>
LIABILITIES			
Cash Deficit	-	22,256	22,256
Unearned Revenue	47,113	3,480	50,593
Total Liabilities	<u>47,113</u>	<u>25,736</u>	<u>72,849</u>
NET POSITION			
Net Investment in Capital Assets	-	155,184	155,184
Unrestricted	113,803	37,571	151,374
Total Net Position	<u>\$ 113,803</u>	<u>\$ 192,755</u>	<u>\$ 306,558</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		2016
	EXTENDED DAY PROGRAM	FOOD SERVICE	
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ -	\$ 177,747	\$ 177,747
Daily Sales - Nonreimbursable Programs	-	113,207	113,207
Vending Machine Sales	-	2,081	2,081
Special Functions	-	7,794	7,794
Tuition	304,200	-	304,200
	<u>304,200</u>	<u>300,829</u>	<u>605,029</u>
Total Operating Revenue	304,200	300,829	605,029
Operating Expenses:			
Salaries	216,380	224,465	440,845
Employee Benefits	54,754	55,396	110,150
Management Fee	-	63,458	63,458
Insurance	-	7,199	7,199
Repairs & Miscellaneous Expenses	19,647	9,622	29,269
Supplies and Materials	-	26,515	26,515
Cost of Sales	-	255,754	255,754
Depreciation	-	22,476	22,476
	<u>290,781</u>	<u>664,885</u>	<u>955,666</u>
Total Operating Expenses	290,781	664,885	955,666
Operating Income/(Loss)	<u>13,419</u>	<u>(364,056)</u>	<u>(350,637)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	-	6,129	6,129
Federal Sources:			
National School Lunch Program	-	220,467	220,467
National School Breakfast Program	-	55,611	55,611
National School Lunch HHFKA	-	7,674	7,674
Food Distribution Program	-	51,778	51,778
	<u>-</u>	<u>341,659</u>	<u>341,659</u>
Total Nonoperating Revenues/ (Expenses)	-	341,659	341,659
Net Income/(Loss) Before Other Financing Sources/(Uses)	<u>13,419</u>	<u>(22,397)</u>	<u>(8,978)</u>
Change in Net Position	13,419	(22,397)	(8,978)
Net Position - July 1, as previously stated	100,384	119,380	219,764
Prior Period Adjustment	-	95,772	95,772
	<u>100,384</u>	<u>215,152</u>	<u>315,536</u>
Net Position - July 1, as restated	100,384	215,152	315,536
Total Net Position - Ending	<u>\$ 113,803</u>	<u>\$ 192,755</u>	<u>\$ 306,558</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	EXTENDED DAY PROGRAM	FOOD SERVICE	2016
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 293,168	\$ 304,309	\$ 597,477
Payments to Employees	(216,380)	(224,465)	(440,845)
Payments for Employee Benefits	(54,754)	(55,396)	(110,150)
Payments to Suppliers	(19,647)	(362,016)	(381,663)
Net Cash Provided/(Used) by Operating Activities	<u>2,387</u>	<u>(337,568)</u>	<u>(335,181)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	-	5,448	5,448
Federal Sources	-	302,147	302,147
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>-</u>	<u>307,595</u>	<u>307,595</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	2,387	(29,973)	(27,586)
Balances - Beginning of Year	<u>158,529</u>	<u>7,717</u>	<u>166,246</u>
Balances - End of Year	<u>\$ 160,916</u>	<u>\$ (22,256)</u>	<u>\$ 138,660</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>			
Operating Income/(Loss)	\$ 13,419	\$ (364,056)	\$ (350,637)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	-	22,476	22,476
Increase/(Decrease) in Unearned Revenue	(11,032)	3,480	(7,552)
(Decrease)/Increase in Accounts Payable	-	-	-
(Increase)/Decrease in Inventories	-	532	532
Total Adjustments	<u>(11,032)</u>	<u>26,488</u>	<u>15,456</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 2,387</u>	<u>\$ (337,568)</u>	<u>\$ (335,181)</u>

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## H. Fiduciary Fund

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**FLORENCE TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE			AGENCY			2016
	SCHOLARSHIP ACCOUNT	FLEXIBLE SPENDING EXPENDABLE TRUST	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL	SUMMER PAY	
Cash & Cash Equivalents	\$ 14,733	\$ 1,767	\$ 8,277	\$ 62,237	\$ 22,485	\$ 462,340	\$ 571,839
Accounts Receivable	-	-	-	-	1,548	-	1,548
Interfund Receivable	-	-	3,327	-	-	-	3,327
<b>Total Assets</b>	<b>14,733</b>	<b>1,767</b>	<b>11,604</b>	<b>62,237</b>	<b>24,033</b>	<b>462,340</b>	<b>576,714</b>
<b>LIABILITIES</b>							
Payroll Deductions & Withholdings	-	-	-	-	10,525	462,340	472,865
Due to Student Groups	-	-	-	62,237	-	-	62,237
Interfund Payable	-	-	-	-	13,508	-	13,508
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,237</b>	<b>24,033</b>	<b>462,340</b>	<b>548,610</b>
<b>NET POSITION:</b>							
Restricted	14,733	-	-	-	-	-	14,733
Held in Trust for Unemployment Claims & Other Purposes	-	1,767	11,604	-	-	-	13,371
<b>Total Net Position</b>	<b>\$ 14,733</b>	<b>\$ 1,767</b>	<b>\$ 11,604</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,104</b>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016**

ADDITIONS	PRIVATE PURPOSE			2016
	SCHOLARSHIP ACCOUNT	UNEMPLOYMENT COMPENSATION TRUST	FLEXIBLE SPENDING EXPENDABLE TRUST	
Payroll withholdings	\$ -	\$ 26,027	\$ -	\$ 26,027
Contributions:				
Other	10,000	-	1,244	11,244
Total Contributions	10,000	26,027	1,244	37,271
Investment Earnings:				
Interest	25	26	1	52
Net Investment Earnings	25	26	1	52
Total Additions	10,025	26,053	1,245	37,323
DEDUCTIONS				
Unemployment Claims	-	68,454	-	68,454
Scholarship payments	12,050	-	-	12,050
Total Deductions	12,050	68,454	-	80,504
Change in Net Position	(2,025)	(42,401)	1,245	(43,181)
Net Position - Beginning of the Year	16,758	54,005	522	71,285
Net Position - End of the Year	\$ 14,733	\$ 11,604	\$ 1,767	\$ 28,104

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BALANCE JULY 1, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2016
Florence Middle School/Memorial High School	\$ 61,595	\$ 146,519	\$ 145,877	\$ 62,237
Total All Activity	<u>\$ 61,595</u>	<u>\$ 146,519</u>	<u>\$ 145,877</u>	<u>\$ 62,237</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$ 23,179	\$ 7,482,873	\$ 7,483,567	\$ 22,485
Accounts Receivable	1,548	-	-	1,548
Total Assets	<u>\$ 24,727</u>	<u>\$ 7,482,873</u>	<u>\$ 7,483,567</u>	<u>\$ 24,033</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 6,073	\$ 7,479,546	\$ 7,475,094	\$ 10,525
Interfund Payable	18,654	3,327	8,473	13,508
Total Liabilities	<u>\$ 24,727</u>	<u>\$ 7,482,873</u>	<u>\$ 7,483,567</u>	<u>\$ 24,033</u>

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## I. Long-Term Debt

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**FLORENCE TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT ACCOUNT GROUP  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2016**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JUNE 30, 2015	ISSUED	RETIRED	BALANCE JUNE 30, 2016
General Obligation Refunding Bonds	3/1/2012	26,065,000	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%				
						\$ 23,990,000	\$ -	\$ 1,740,000	\$ 22,250,000
					Total	\$ 23,990,000	\$ -	\$ 1,740,000	\$ 22,250,000

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL LONG-TERM DEBT ACCOUNT GROUP  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2015	Issued	Retired	Balance June 30, 2016
			Principal	Interest					
1 F-350 Maintenance Truck, 2010-11	6/3/2011	5 Years	\$ 31,569	\$ 1,918	2.950%	\$ 5,748	\$ -	5,748	\$ -
1 54 Passenger School Bus 2012-13	7/20/2012	5 Years	85,313	4,895	1.950%	34,445	-	17,056	17,389
1 Blue Bird Wheelchair Accessible School Bus 2013-14	1/16/2014	5 Years	119,631	6,092	2.547%	71,748	-	23,317	48,431
1 54 Passenger School Bus and 1 46 Passenger/Lift School Bus 2015-16	8/10/2015	6 Years	206,000	11,148	2.250%	-	206,000	43,257	162,743
1 16 Passenger School Bus 2015-16	9/1/2015	5 Years	50,120	1,717	2.300%	-	50,120	20,600	29,520
						<u>\$ 111,941</u>	<u>\$ 256,120</u>	<u>\$ 109,978</u>	<u>\$ 258,083</u>



**FLORENCE TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	JUNE 30, 2016			ACTUAL (GAAP BASIS)	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,636,481	\$ -	\$ 2,636,481	\$ 2,636,482	\$ 1
Total Revenues	2,636,481	-	2,636,481	2,636,482	1
Expenditures:					
Regular Debt Service:					
Interest	896,482	-	896,482	896,482	-
Redemption of Principal	1,740,000	-	1,740,000	1,740,000	-
Total Expenditures	2,636,482	-	2,636,482	2,636,482	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1)	-	(1)	-	1
Fund Balance, July 1	1		1	2	(1)
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 2	\$ -

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
 LONG-TERM DEBT  
 SCHEDULE OF COMPENSATED ABSENCES  
 JUNE 30, 2016**

	OUTSTANDING BALANCE 2015	ADDITIONS	REDUCTIONS	OUTSTANDING BALANCE 2016
Compensated Absences	\$ 3,295,668	\$ 214,036	\$ 191,471	\$ 3,318,233

**STATISTICAL SECTION (Unaudited)**

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FINANCIAL TRENDS/INFORMATION SCHEDULES

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**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*Unaudited*

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 13,846,277	\$ 14,035,431	\$ 12,057,653	\$ 11,537,939	\$ 10,790,353	\$ 10,691,880	\$ 10,537,181	\$ 10,543,414	\$ 12,318,078	\$ 10,992,298
Restricted	1,352,626	1,030,393	1,105,990	1,867,658	1,671,227	1,154,995	1,548,226	1,585,853	1,065,041	2,036,533
Unrestricted	(11,503,211)	(11,877,606)	(3,536,231)	(3,410,658)	(3,270,322)	(3,581,795)	(4,321,808)	(4,097,268)	(3,492,170)	(3,227,662)
<b>Total Governmental Activities</b>	<b>\$ 3,695,692</b>	<b>\$ 3,188,218</b>	<b>\$ 9,627,412</b>	<b>\$ 9,994,939</b>	<b>\$ 9,191,258</b>	<b>\$ 8,265,080</b>	<b>\$ 7,763,599</b>	<b>\$ 8,031,999</b>	<b>\$ 9,890,949</b>	<b>\$ 9,801,169</b>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ 155,184	\$ 81,888	\$ 108,723	\$ 118,829	\$ 133,954	\$ 139,936	\$ 155,534	\$ 171,809	\$ 188,764	\$ 213,508
Unrestricted	151,374	137,876	156,269	172,562	134,299	246,241	337,827	263,887	145,310	74,997
<b>Total Business-Type Activities</b>	<b>\$ 306,558</b>	<b>\$ 219,764</b>	<b>\$ 264,992</b>	<b>\$ 291,391</b>	<b>\$ 268,253</b>	<b>\$ 386,177</b>	<b>\$ 493,361</b>	<b>\$ 435,696</b>	<b>\$ 334,074</b>	<b>\$ 288,505</b>
<b>Government-Wide:</b>										
Net Investment in Capital Assets	\$ 14,001,461	\$ 14,117,319	\$ 12,166,376	\$ 11,656,768	\$ 10,924,307	\$ 10,831,816	\$ 10,692,715	\$ 10,715,223	\$ 12,506,842	\$ 11,205,806
Restricted	1,352,626	1,030,393	1,105,990	1,867,658	1,671,227	1,154,995	1,548,226	1,585,853	1,065,041	2,036,533
Unrestricted	(11,351,837)	(11,739,730)	(3,379,962)	(3,238,096)	(3,136,023)	(3,335,554)	(3,983,981)	(3,833,381)	(3,346,860)	(3,152,665)
<b>Total District Net Position</b>	<b>\$ 4,002,250</b>	<b>\$ 3,407,982</b>	<b>\$ 9,892,404</b>	<b>\$ 10,286,330</b>	<b>\$ 9,459,511</b>	<b>\$ 8,651,257</b>	<b>\$ 8,256,960</b>	<b>\$ 8,467,695</b>	<b>\$ 10,225,023</b>	<b>\$ 10,089,674</b>

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 8,841,351	\$ 8,030,336	\$ 8,972,615	\$ 8,796,474	\$ 8,896,535	\$ 8,618,827	\$ 9,450,710	\$ 8,787,047	\$ 8,602,122	\$ 8,033,624
Special Education	2,757,934	2,951,366	2,872,957	2,671,300	2,654,929	2,814,569	2,339,663	2,424,889	2,205,302	2,052,761
Other Special Education	1,028,996	394,667	463,522	520,295	531,061	378,510	464,071	501,075	282,822	73,827
Other Instruction	47,473	564,052	591,747	538,924	385,207	554,375	670,079	625,748	694,096	620,502
Gifted and talented	-	85,222	105,979	65,156	74,553	78,990	88,487	93,168	98,022	99,861
Support Services:										
Tuition	1,847,144	1,567,872	1,654,028	1,698,507	1,193,891	1,032,473	1,059,333	1,188,188	960,420	1,235,072
Student & Instruction Related Services	3,040,898	3,149,700	2,972,028	2,988,470	2,981,191	2,947,254	3,213,847	2,947,425	2,944,604	2,727,257
General Administration	584,194	610,755	486,031	541,174	543,113	512,970	439,454	484,915	487,733	460,777
School Administrative Services	1,553,289	1,133,673	1,071,002	1,053,881	853,090	1,023,489	992,477	1,106,041	1,062,792	985,356
Central Services	524,546	519,672	634,069	589,964	559,423	484,163	462,700	418,837	414,597	383,230
Administration Information Technology	149,942	314,225	263,835	129,446	145,268	136,866	170,982	204,297	244,682	242,173
Plant Operations & Maintenance	2,950,827	3,245,387	3,290,210	3,065,679	2,918,232	2,849,752	2,683,126	2,670,424	2,483,679	2,311,208
Pupil Transportation	1,746,825	1,811,605	1,654,051	1,544,363	1,603,444	1,356,646	1,308,279	1,221,317	1,252,255	1,179,426
Employee Benefits	7,275,693	4,496,614	1,872,505	2,253,652	1,814,277	1,519,838	1,537,890	1,423,132	2,239,632	2,129,832
Charter Schools	1,377,669	1,434,177	1,347,452	1,277,448	1,126,585	847,036	559,701	604,297	1,446,040	1,500,324
Interest on Long-term Debt	994,387	919,198	951,416	763,980	1,155,542	1,262,967	1,339,285	1,384,936	1,446,040	1,500,324
Unallocated Depreciation	1,453,950	1,378,568	1,362,042	1,358,300	1,392,022	1,551,286	1,538,180	1,550,463	1,134,464	1,375,463
Amortization of Debt Issue Costs	-	-	-	13,518	11,730	11,826	11,922	12,018	12,114	12,211
Amortization of Intangible Assets	13,862	13,862	13,862	13,862	13,862	13,862	13,862	13,862	13,862	-
Decrease in Compensated Absences	22,565	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>36,211,545</b>	<b>32,620,951</b>	<b>30,579,351</b>	<b>29,884,393</b>	<b>28,853,955</b>	<b>27,995,699</b>	<b>28,344,048</b>	<b>27,057,782</b>	<b>26,579,238</b>	<b>25,422,904</b>
Business-Type Activities:										
Food Service	664,885	686,528	728,263	732,537	719,845	718,651	756,719	748,748	664,311	628,591
Cable TV Access	-	-	-	6,000	2,000	4,000	8,000	8,000	8,000	8,488
Extended Day Program	290,781	292,403	287,094	282,878	262,653	301,205	278,457	261,832	267,614	279,231
<b>Total Business-Type Activities Expense</b>	<b>955,666</b>	<b>978,931</b>	<b>1,015,357</b>	<b>1,021,415</b>	<b>984,498</b>	<b>1,023,856</b>	<b>1,043,176</b>	<b>1,018,580</b>	<b>939,925</b>	<b>916,310</b>
<b>Total District Expenses</b>	<b>\$ 37,167,211</b>	<b>\$ 33,599,882</b>	<b>\$ 31,594,708</b>	<b>\$ 30,905,808</b>	<b>\$ 29,838,453</b>	<b>\$ 29,019,555</b>	<b>\$ 29,387,224</b>	<b>\$ 28,076,362</b>	<b>\$ 27,519,163</b>	<b>\$ 26,339,214</b>
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 8,053,530	\$ 5,598,286	\$ 3,124,194	\$ 3,433,779	\$ 3,050,132	\$ 2,775,547	\$ 3,107,579	\$ 2,599,032	\$ 3,845,523	\$ 3,518,958
<b>Total Governmental Activities Program Revenues</b>	<b>8,053,530</b>	<b>5,598,286</b>	<b>3,124,194</b>	<b>3,433,779</b>	<b>3,050,132</b>	<b>2,775,547</b>	<b>3,107,579</b>	<b>2,599,032</b>	<b>3,845,523</b>	<b>3,518,958</b>



**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Business-Type Activities:</b>										
Charges for Services:										
Food Service	300,829	305,349	340,822	349,458	358,147	358,609	451,833	438,894	392,175	351,706
Cable TV Access	-	-	-	-	5,313	4,000	3,779	9,976	6,999	3,000
Extended Day Program	304,200	283,197	313,719	321,422	270,266	232,617	311,311	330,602	318,473	288,628
Operating Grants & Contributions	341,659	345,157	334,760	373,659	366,243	321,439	333,845	300,563	275,584	234,751
Total Business Type Activities Program Revenues	946,688	933,703	989,301	1,044,539	999,969	916,665	1,100,768	1,080,035	993,231	878,085
Total District Program Revenues	\$ 9,000,218	\$ 6,531,989	\$ 4,113,495	\$ 4,478,318	\$ 4,050,101	\$ 3,692,212	\$ 4,208,347	\$ 3,679,067	\$ 4,838,754	\$ 4,397,043
Net (Expense)/Revenue:										
Governmental Activities	\$ (28,158,015)	\$ (27,022,665)	\$ (27,455,157)	\$ (26,450,614)	\$ (25,803,823)	\$ (25,220,152)	\$ (25,236,469)	\$ (24,458,750)	\$ (22,733,715)	\$ (21,903,946)
Business-Type Activities	(8,978)	(45,228)	(26,056)	23,124	15,471	(107,191)	57,592	61,455	53,306	(38,225)
Total Government-Wide Net Expense	\$ (28,166,993)	\$ (27,067,893)	\$ (27,481,213)	\$ (26,427,490)	\$ (25,788,352)	\$ (25,327,343)	\$ (25,178,877)	\$ (24,397,295)	\$ (22,680,409)	\$ (21,942,171)
<b>General Revenues &amp; Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 15,697,142	\$ 15,389,355	\$ 15,065,536	\$ 14,594,866	\$ 14,222,554	\$ 13,917,990	\$ 13,221,502	\$ 12,583,617	\$ 12,613,700	\$ 11,893,286
Taxes Levied for Debt Service	2,636,482	2,698,981	2,624,379	2,747,490	2,667,640	2,682,415	2,578,665	2,596,872	2,351,563	2,224,883
Unrestricted Grants & Contributions	9,581,584	9,855,832	9,701,360	9,542,117	9,436,856	8,810,926	9,126,706	9,696,833	7,397,360	7,052,847
SCC Grant Not Restricted to Specific Functions	-	-	-	-	-	-	-	-	1,113,985	2,361,519
Tuition Received	-	39,989	20,975	67,236	177,065	58,438	46,958	81,643	119,088	216,782
Investment Earnings	285,101	4,525	6,537	7,784	15,135	21,232	27,234	27,007	107,480	366,131
Miscellaneous Income	-	178,486	311,014	298,771	77,337	226,562	127,217	141,870	99,950	218,583
Loss on Sale of Capital Assets	-	-	-	(3,969)	-	(8,470)	-	-	(15,758)	-
Transfer	-	-	343	-	133,414	-	-	(40,128)	-	-
Special item - Prior Period Adjustment	465,180	-	-	-	-	-	-	-	(963,673)	-
Total Governmental Activities	28,665,489	28,167,168	27,730,144	27,254,295	26,730,001	25,709,093	25,128,282	25,087,714	22,823,495	24,334,031
<b>Business-Type Activities:</b>										
Investment Earnings	-	-	-	14	19	7	74	39	53	82
Transfers	-	-	(343)	-	(133,414)	-	-	40,128	-	-
Special item - Prior Period Adjustment	95,772	-	-	-	-	-	-	-	(7,790)	-
Total Business-Type Activities	95,772	-	(343)	14	(133,395)	7	74	40,167	(7,737)	82
Total Government-Wide	\$ 28,761,261	\$ 28,167,168	\$ 27,729,801	\$ 27,254,309	\$ 26,596,606	\$ 25,709,100	\$ 25,128,356	\$ 25,127,881	\$ 22,815,758	\$ 24,334,113
<b>Change in Net Position:</b>										
Governmental Activities	\$ 507,474	\$ 1,144,503	\$ 274,987	\$ 803,681	\$ 926,178	\$ 488,941	\$ (108,187)	\$ 628,964	\$ 89,780	\$ 2,430,085
Business-Type Activities	86,794	(45,228)	(26,399)	23,138	(117,924)	(107,184)	57,666	101,622	45,569	(38,143)
Total District	\$ 594,268	\$ 1,099,275	\$ 248,588	\$ 826,819	\$ 808,254	\$ 381,757	\$ (50,521)	\$ 730,586	\$ 135,349	\$ 2,391,942

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
FUND BALANCES AND GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
Unaudited**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Fund:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,409,049	\$ 1,261,451	\$ 965,416	\$ 801,130
Unreserved	-	-	-	-	-	-	(441,818)	157,563	268,808	236,383
Restricted	1,352,624	1,030,393	1,105,990	1,774,377	1,670,854	1,022,719	-	-	-	-
Committed	11,887	-	-	-	-	-	-	-	-	-
Assigned	181,796	443,092	401,936	31,327	275,370	32,695	-	-	-	-
Unassigned	(323,940)	(292,815)	(312,167)	(270,672)	(474,785)	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 1,222,367</b>	<b>\$ 1,180,670</b>	<b>\$ 1,195,759</b>	<b>\$ 1,535,032</b>	<b>\$ 1,471,439</b>	<b>\$ 1,055,414</b>	<b>\$ 967,231</b>	<b>\$ 1,419,014</b>	<b>\$ 1,234,224</b>	<b>\$ 1,037,513</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252,015	\$ 2,874,263
Unreserved, reported in:										
Capital Projects Fund	-	-	-	-	-	-	-	356,916	(31,894)	(838,842)
Debt Service Fund	-	-	-	-	-	-	237,825	2	1	-
Assigned to:										
Debt Service Fund	-	-	-	63,281	373	132,233	-	-	-	-
Unassigned:										
Debt Service Fund	2	2	2	-	-	43	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 2</b>	<b>\$ 2</b>	<b>\$ 2</b>	<b>\$ 63,281</b>	<b>\$ 373</b>	<b>\$ 132,276</b>	<b>\$ 237,825</b>	<b>\$ 356,918</b>	<b>\$ 220,122</b>	<b>\$ 2,035,421</b>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
Unaudited**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues:</b>										
Tax Levy	\$ 18,333,624	\$ 18,088,336	\$ 17,689,915	\$ 17,342,356	\$ 16,890,194	\$ 16,600,405	\$ 15,800,167	\$ 15,180,489	\$ 14,965,063	\$ 14,118,169
Tuition Charges	46,316									
Interest Earnings	2	4,525	6,537	7,784	15,135	21,232	27,234	27,007	107,480	366,131
Miscellaneous	238,783	218,475	332,331	367,283	331,110	270,117	174,175	260,125	219,037	435,365
State Sources	12,182,271	11,983,929	11,728,041	11,966,448	11,143,069	10,554,675	9,488,770	11,391,264	11,473,460	12,183,379
Federal Sources	920,663	1,077,380	1,097,513	1,009,448	1,343,919	1,031,798	2,745,515	904,601	883,408	749,945
<b>Total Revenue</b>	<b>31,721,659</b>	<b>31,372,645</b>	<b>30,854,337</b>	<b>30,693,319</b>	<b>29,723,427</b>	<b>28,478,227</b>	<b>28,235,861</b>	<b>27,763,486</b>	<b>27,648,448</b>	<b>27,852,989</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	8,841,351	8,449,567	8,975,142	8,847,749	8,949,443	8,685,667	9,386,808	8,825,965	8,601,839	7,954,990
Special Education Instruction	2,757,934	2,953,265	2,894,072	2,697,219	2,672,256	2,791,162	2,291,990	2,405,188	2,144,744	1,998,931
Other Special Instruction	1,028,996	484,047	494,968	476,118	462,033	452,480	473,453	475,506	218,158	120,214
Other Instruction	47,473	532,303	562,247	524,883	515,663	588,595	661,223	615,918	685,343	604,869
Gifted and Talented	-	85,234	105,979	65,156	74,553	78,990	88,487	93,168	98,022	99,861
<b>Support Services:</b>										
Tuition	1,847,144	1,567,872	1,654,028	1,698,507	1,193,891	1,032,473	1,059,333	1,188,188	960,420	1,235,072
Student & Instruction Related	3,040,898	3,307,507	3,069,329	2,936,047	3,008,784	3,008,914	3,236,115	2,931,892	2,923,494	2,773,652
General Administration	584,194	522,299	512,186	513,696	540,846	512,723	487,155	473,933	509,508	458,471
School Administrative Services	1,553,289	1,142,600	1,072,773	1,040,386	954,134	1,035,042	993,081	1,076,651	1,043,485	1,000,948
Central Services	524,546	614,741	618,605	584,585	557,586	481,364	458,418	489,555	416,221	388,738
Administrative Information Technology	149,942	310,872	261,165	125,627	141,715	134,498	170,048	200,274	239,908	240,460
Plant Operations & Maintenance	2,981,419	3,219,830	3,147,929	3,012,090	2,900,941	2,921,048	2,727,870	2,655,533	2,461,087	2,324,990
Pupil Transportation	1,774,211	1,785,786	1,732,820	1,571,913	1,486,839	1,388,032	1,319,105	1,220,184	1,261,149	1,175,986
Employee Benefits	2,550,962	2,103,805	1,872,505	2,253,652	1,814,277	1,519,838	1,537,890	1,423,132	2,239,632	2,129,832
Charter Schools	1,377,669	1,434,177	1,347,452	1,277,448	1,126,585	847,036	559,701	-	-	-
Capital Outlay	396,772	174,848	258,605	224,239	66,799	332,888	195,650	673,068	2,475,359	14,277,026
<b>Debt Service:</b>										
Principal	1,740,000	1,750,000	1,790,000	2,000,000	1,700,000	1,635,000	1,640,000	1,645,000	1,650,000	1,634,000
Interest & Other Charges	896,482	948,981	1,006,716	802,815	1,224,525	1,285,485	1,361,904	1,407,561	1,468,667	1,528,085
<b>Total Expenditures</b>	<b>32,093,282</b>	<b>31,387,734</b>	<b>31,376,521</b>	<b>30,652,130</b>	<b>29,390,870</b>	<b>28,731,235</b>	<b>28,648,231</b>	<b>27,800,716</b>	<b>29,397,036</b>	<b>39,946,125</b>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
Unaudited**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(371,623)	(15,089)	(522,184)	41,189	332,557	(253,008)	(412,370)	(37,230)	(1,748,588)	(12,093,136)
Other Financing Sources/(Uses):										
Sale of Capital Asset - Duffy School	-	-	-	-	-	-	-	-	130,000	-
Capital Leases (non-budgeted)	256,120	-	119,631	85,313	-	235,642	156,620	43,690	-	109,915
Proceeds from Refunding	-	-	-	-	27,966,204	-	-	-	-	-
Payments to Escrow Agent	-	-	-	-	(27,966,204)	-	-	-	-	-
Transfers in	-	-	-	-	-	-	483,321	286,309	590,316	633,733
Transfers Out	-	-	-	-	-	-	(483,321)	(286,309)	(590,316)	(633,733)
Unrealized Accounts Receivable	-	-	-	-	(48,435)	-	-	-	-	-
Florence Twp Sewer Agreement Obligation	-	-	-	-	-	-	-	-	554,474	-
Florence Twp Sewer Agreement	-	-	-	-	-	-	-	-	(554,474)	-
Total Other Financing Sources/ (Uses)	256,120	-	119,631	85,313	(48,435)	235,642	156,620	43,690	130,000	109,915
Net Change in Fund Balances	\$ (115,503)	\$ (15,089)	\$ (402,553)	\$ 126,502	\$ 284,122	\$ (17,366)	\$ (255,750)	\$ 6,460	\$ (1,618,588)	\$ (11,983,221)
Debt Service as a Percentage of Noncapital Expenditures	9.07%	9.47%	9.87%	10.15%	11.08%	11.46%	11.79%	12.68%	13.10%	14.05%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
Unaudited**

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	MISCELLANEOUS	TOTAL
2016	\$ 2	\$ 46,316	\$ 184,532	\$ 230,850
2015	4,525	39,989	147,488	192,002
2014	6,537	20,975	311,356	338,868
2013	7,784	67,236	294,930	369,950
2012	14,806	177,065	143,040	334,911
2011	19,790	58,438	197,428	275,656
2010	25,629	46,958	115,579	188,166
2009	22,121	81,643	171,950	275,714
2008	57,941	119,088	219,034	396,063
2007	81,580	216,782	95,550	393,912

Source: District records

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REVENUE CAPACITY INFORMATION

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**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

FISCAL YEAR ENDED DECEMBER 31,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE	TOTAL DIRECT SCHOOL TAX RATE
2016	\$ 26,237,600	\$ 1,004,456,300	\$ 10,585,600	\$ 1,185,600	\$ 48,471,900	\$ 143,001,800	\$ 11,429,100	\$ 1,245,367,900	\$ -	\$ 2,083,890	\$ 1,247,451,790	\$ 1,196,012,460	\$ 1.479
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
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
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
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
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
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
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
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
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

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs, when ordered by the County Board of Taxation

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

b. Tax rates are per \$100

Total Direct School Tax Rate is a combined total of Southampton Township Board of Education and Lenape Regional High School District as detailed in Exhibit J-7

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Rate per \$100 of Assessed Value)  
Unaudited**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	TOWNSHIP OF FLORENCE	BURLINGTON COUNTY		
2016	\$ 1.335	0.144	1.479	\$ 0.439	0.392	\$	2.310
2015	1.231	0.216	1.447	0.439	0.385		2.271
2014	1.197	0.209	1.406	0.448	0.364		2.218
2013	1.211	0.228	1.439	0.449	0.392		2.280
2012	1.176	0.220	1.396	0.449	0.401		2.246
2011	1.133	0.215	1.348	0.414	0.415		2.177
2010	1.117	0.217	1.334	0.356	0.416		2.106
2009	2.096	0.421	2.517	0.647	0.781		3.945
2008	2.107	0.402	2.509	0.637	0.777		3.923
2007	2.062	0.373	2.435	0.607	0.788		3.830

Source: Municipal Tax Collector

FLORENCE TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAX PAYERS,  
 CURRENT YEAR AND NINE YEARS AGO  
*Unaudited*

TAXPAYER	2016			TAXPAYER	2007		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE		TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Haines Center Florence, LLC	\$ 61,338,800	1	4.88%	RTC Properties Inc.	\$ 8,635,400	1	1.55%
Christmas Tree Shops, Inc.	33,166,000	2	2.64%	Griffin Pipe Products Company	4,352,700	2	0.78%
RTC Properties Inc.	8,596,000	3	0.68%	Academy Woods Apartments	3,250,000	3	0.58%
Foxdale Properties, LLC.	8,212,000	4	0.65%	Foxdale Properties, LLC.	2,610,600	4	0.47%
Individual Taxpayer #1	6,750,000	5	0.54%	Dean Northeast, LLC	2,550,000	5	0.46%
SPAF Cedar Management Co.	5,574,000	6	0.44%	DC Fabricators	2,500,000	6	0.45%
Dean Northeast, LLC	4,941,000	7	0.39%	SPAF Cedar Management Co.	2,394,000	7	0.43%
Turnpike Crossings Urban Renewal, LLC	3,798,000	8	0.30%	Verizon - New Jersey	2,381,700	8	0.43%
DC Fabricators	3,787,500	9	0.30%	Health Care REIT, Inc.	1,898,600	9	0.34%
Griffin Pipe Products Company	3,626,600	10	0.29%	Land O'Lakes Association	1,800,000	10	0.32%
<b>Total</b>	<b>\$ 139,789,900</b>		<b>10.82%</b>		<b>\$ 32,373,000</b>		<b>5.82%</b>

Source: Municipal Tax Assessor

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**  
*Unaudited*

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2016	\$ 18,333,624	\$ 18,333,624	100%	\$ -
2015	18,210,979	18,210,979	100%	-
2014	17,889,126	17,889,126	100%	-
2013	17,516,136	17,516,136	100%	-
2012	17,116,275	17,116,275	100%	-
2011	16,744,999	16,744,999	100%	-
2010	16,200,587	16,200,587	100%	-
2009	15,490,327	15,490,327	100%	-
2008	15,072,777	15,072,777	100%	-
2007	14,541,615	14,541,615	100%	-

Source: Municipal Audit Reports

REVENUE CAPACITY INFORMATION

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**FLORENCE TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
*Unaudited***

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PERSONAL INCOME	PERCENTAGE OF PERSONAL INCOME	POPULATION	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES						
2016	\$ 22,250,000	\$ 258,083	\$ 22,508,083	N/A	N/A	12,109	1,859	
2015	23,990,000	111,941	24,101,941	N/A	N/A	12,109	1,990	
2014	25,740,000	200,417	25,940,417	680,060,791	3.81%	12,357	2,099	
2013	27,530,000	202,115	27,732,115	652,232,075	4.25%	12,323	2,250	
2012	29,530,000	220,066	29,750,066	647,411,220	4.60%	12,332	2,412	
2011	30,961,000	302,968	31,263,968	617,943,350	5.06%	12,282	2,546	
2010	32,596,000	171,617	32,767,617	582,281,593	5.63%	12,135	2,700	
2009	34,236,000	104,709	34,340,709	548,582,937	6.26%	11,513	2,983	
2008	35,881,000	140,293	36,021,293	544,767,688	6.61%	11,393	3,162	
2007	37,531,000	242,389	37,773,389	527,836,464	7.16%	11,428	3,305	

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2016	\$ 22,250,000	\$ -	\$ 22,250,000	1.78%	\$ 1,837.48
2015	23,990,000	-	23,990,000	1.91%	1,981.17
2014	25,740,000	-	25,740,000	2.02%	2,083.03
2013	27,530,000	-	27,530,000	2.26%	2,234.03
2012	29,530,000	-	29,530,000	2.41%	2,394.58
2011	30,961,000	-	30,961,000	2.49%	2,520.84
2010	32,596,000	-	32,596,000	2.69%	2,686.11
2009	34,236,000	-	34,236,000	5.56%	2,973.68
2008	35,881,000	-	35,881,000	5.97%	3,149.39
2007	37,531,000	-	37,531,000	6.28%	3,284.13

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2016**  
*Unaudited*

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Florence:			
Issued	\$ 4,122,037	100.00%	\$ 4,122,037
Authorized But Not Issued	6,378,414	100.00%	6,378,414
Burlington County General Obligation Debt	282,131,755	2.583%	7,288,219
Subtotal, Overlapping Debt			17,788,670
District Direct Debt			22,250,000
Total Direct & Overlapping Debt			<u>\$ 40,038,670</u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation.



**FLORENCE TOWNSHIP SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Dollars in Thousands)  
Unaudited**

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 46,406,178	\$ 46,369,415	\$ 47,490,919	\$ 49,327,760	\$ 50,569,844	\$ 50,196,727	\$ 48,832,871	\$ 45,442,068	\$ 40,720,469	\$ 34,889,889
Total Net Debt Applicable to Limit	22,250,000	23,990,000	25,740,000	27,530,000	29,530,000	30,961,000	32,596,000	34,236,000	35,881,000	37,531,000
Legal Debt Margin	\$ 24,156,178	\$ 22,379,415	\$ 21,750,919	\$ 21,797,760	\$ 21,039,844	\$ 19,235,727	\$ 16,236,871	\$ 11,206,068	\$ 4,839,469	\$ (2,641,111)
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	47.95%	51.74%	54.20%	55.81%	58.39%	61.68%	66.75%	75.34%	88.12%	107.57%

**Legal Debt Margin Calculation for Fiscal Year 2013**

	Equalized Valuation Basis
	2015 \$ 1,186,316,675
	2014 1,157,862,173
	2013 1,136,284,511
	<u>\$ 3,480,463,359</u>
	<u>\$ 1,160,154,453</u>
Average Equalized Valuation of Taxable Property	
Debt Limit (4 % of Average Equalization Value)	\$ 46,406,178
Net Bonded School Debt	<u>22,250,000</u>
Legal Debt Margin	<u>\$ 24,156,178</u>

**Source:** Equalized valuation bases were obtained from the Burlington County Board of Taxation. Abstract of Rates

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DEMOGRAPHIC AND ECONOMIC STATISTICS

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**FLORENCE TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
*Unaudited***

YEAR	POPULATION (a)	PERSONAL INCOME(b)	BURLINGTON COUNTY PER CAPITA		UNEMPLOYMENT RATE (d)
			PERSONAL INCOME (c)		
2016	N/A	N/A	N/A		N/A
2015	12,688	N/A	N/A		5.70%
2014	12,653	680,060,791	53,747		6.10%
2013	12,595	652,232,075	51,785		8.40%
2012	12,598	647,411,220	51,390		12.50%
2011	12,370	617,943,350	49,955		12.10%
2010	12,119	582,281,593	48,047		12.40%
2009	11,513	548,582,937	47,649		11.70%
2008	11,393	544,767,688	47,816		6.90%
2007	11,428	527,836,464	46,188		5.00%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Column (a) x Column (c)

<sup>c</sup> Per Capita Bureau of Economic Analysis: Regional Economic Information System

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

FLORENCE TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO  
*Unaudited*

	2016			2007		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
<i>Information not available</i>	_____		_____	_____		_____
	=====		=====	=====		=====

Source: Township and School District Officials

## OPERATING INFORMATION

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**FLORENCE TOWNSHIP SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEAR**

*Unaudited*

FUNCTION/PROGRAM	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Instruction:</b>										
Regular	104.40	99.50	92.55	91.16	92.95	96.80	102.80	102.00	95.00	97.00
Special Education	32.00	39.00	43.06	44.73	53.20	47.50	55.00	50.00	47.00	30.00
Other Special Education	-	-	-	-	-	-	-	4.00	3.00	18.00
Vocational	-	-	-	-	-	-	-	-	-	-
Other Instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic School Programs	-	-	-	-	-	-	-	-	-	-
Adult/Continuing Education Programs	-	-	-	-	-	-	-	-	-	-
<b>Support Services:</b>										
Student & Instruction Related Services	26.49	29.38	28.94	28.20	27.00	31.00	30.50	30.00	30.00	30.00
General Administration Services	2.00	3.00	3.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50
School Administrative Services	11.00	10.60	9.50	9.80	10.00	9.50	11.00	11.00	11.00	13.00
Other Administrative Services	-	-	-	-	-	-	-	-	-	3.00
Central Services	5.00	5.00	5.50	5.25	5.25	5.25	4.50	4.50	4.50	4.50
Administrative Information Technology	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Plant Operations and Maintenance	17.00	17.00	30.50	31.75	30.75	30.25	30.00	31.00	27.00	27.00
Pupil Transportation	28.00	26.31	24.63	25.00	25.00	26.00	27.00	25.00	23.00	23.00
Other Support Services	-	2.49	3.20	2.00	2.50	2.50	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>227.89</b>	<b>234.28</b>	<b>241.88</b>	<b>241.39</b>	<b>250.15</b>	<b>252.30</b>	<b>264.30</b>	<b>261.00</b>	<b>244.00</b>	<b>249.00</b>

Source: District Personnel Records

FLORENCE TOWNSHIP SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS  
*Unaudited*

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO					AVERAGE DAILY ENROLLMENT (ADE)(c)	AVERAGE DAILY ATTENDANCE (ADA)(c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						MARCELLA L. DUFFY ELEMENTARY	ROEBLING ELEMENTARY	RIVERFRONT SCHOOL	FLORENCE TWP MEMORIAL HIGH SCHOOL					
2016	1,772	\$ 29,060,028	\$ 16,400	2.66%	137	-	1:09	1:10	1:11	1592.5	1512.9	0.095%	95.002%	
2015	1,785	28,513,905	15,974	-8.23%	139	-	1:09	1:10	1:12	1639.2	1546.8	0.094%	94.36%	
2014	1,627	28,321,200	17,407	1.51%	147	-	1:11	1:10	1:08	1556.6	1471.5	1.060%	94.53%	
2013	1,611	27,625,076	17,148	11.92%	148	-	1:10	1:15	1:06	1608.7	1521.3	1.060%	94.57%	
2012	1,723	26,399,546	15,322	3.74%	155	-	1:08	1:09	1:08	1606.4	1539.6	1.040%	95.84%	
2011	1,725	25,477,862	14,770	-0.42%	150	-	1:10	1:11	1:10	1605.3	1508.3	0.099%	93.96%	
2010	1,716	25,450,677	14,831	2.63%	152	-	1:09	1:08	1:09	1624.8	1522.0	0.094%	93.67%	
2009	1,666	24,075,087	14,451	-0.86%	151	-	1:10	1:08	1:10	1637.1	1515.9	1.079%	92.60%	
2008	1,633	23,803,010	14,576	2.84%	153	-	1:10	1:08	1:11	1606.0	1499.7	0.093%	93.38%	
2007	1,588	22,507,014	14,173	9.74%	150	1:08	1:09	1:08	1:09	1596.9	1461.8	1.090%	91.54%	

Sources: District records

Note: Enrollment based on annual October district count.

a. Operating expenditures equal total expenditures less debt service and capital outlay

b. Teaching staff includes only full-time equivalents of certificated staff.

c. Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEAR  
*Unaudited***

DISTRICT BUILDINGS	FISCAL YEAR										
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	
<b>Elementary Schools:</b>											
Marcella L. Duffy Elementary (1901-2007)	-	-	-	-	-	-	-	-	-	-	49,805
Square Feet	-	-	-	-	-	-	-	-	-	-	291
Capacity (Students)	-	-	-	-	-	-	-	-	-	-	223
Enrollment	-	-	-	-	-	-	-	-	-	-	-
Roebling Elementary (1905)	61,648	61,648	61,648	61,648	61,648	61,759	61,759	61,759	61,759	61,759	61,759
Square Feet	497	497	497	497	497	497	497	497	497	497	497
Capacity (Students)	441	472	473	527	647	651	501	517	473	473	500
Enrollment (a)											
<b>Middle School/Elementary Schools:</b>											
Riverfront School (1993/2006)	138,377	138,377	138,377	138,377	132,377	133,858	133,858	133,858	133,858	133,858	133,858
Square Feet	875	875	875	875	875	875	875	875	875	875	875
Capacity (Students)	691	736	691	637	632	619	657	610	649	649	382
Enrollment											
Florence Twp Memorial High School (2006)	132,702	132,702	132,702	132,702	132,702	127,000	127,000	127,000	127,000	127,000	127,000
Square Feet	600	600	600	600	600	600	600	600	600	600	600
Capacity (Students)	411	426	447	447	444	455	452	459	455	455	493
Enrollment											
<b>Other</b>											
Central Administration (1953)	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220
Square Feet											

Number of Schools at June 30, 2016:  
 Elementary = 2 (Roebling Pre-K-3, Riverfront 4-5)  
 Middle School = 1 (Riverfront 6-8)  
 Senior High School = 1 (FTMHS 9-12)

Source: District Facilities Office

Note: Year of original construction is shown in parentheses.  
 Enrollment is based on the annual October district count.  
 Capacity is from five year Long Range Facility Plan October 2005

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS  
*Unaudited***

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-xxx

	Roebling Elementary School	Marcella L. Duffy Elementary School	Riverfront School	Florence Twp Memorial High School	Total
2016	\$ 255,136	\$ -	\$ 279,054	\$ 263,109	\$ 797,299
2015	180,217	-	369,445	351,423	901,085
2014	163,253	-	334,668	318,343	816,264
2013	169,851	-	348,195	331,210	849,256
2012	149,166	-	305,790	290,873	745,829
2011	156,362	-	320,542	304,906	781,810
2010	136,997	-	280,843	267,143	684,983
2009	128,317	-	263,050	250,219	641,586
2008	102,882	-	210,909	200,621	514,412
2007	125,033	100,027	105,028	170,045	500,133

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

Source: District records

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2016**  
*Unaudited*

	COVERAGE	DEDUCTIBLE
School Package Policy (1)		
Building and Contents (All Locations)	\$ 82,167,338	\$ 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	30,000,000	-
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

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**SINGLE AUDIT SECTION**

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EXHIBIT K-1

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

Honorable President and Members  
of the Board of Education  
Florence Township School District  
Florence, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Florence Township School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Florence Township School District’s basic financial statements, and have issued our report thereon dated October 29, 2016 .

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Florence Township School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Florence Township School District’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding No. 2016-001 that we consider to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Florence Township School District's financial statements are free from material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

The Florence Township School District's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

John J. Maley, Jr.  
Certified Public Accountant  
Public School Accountant No. 454

October 29, 2016  
Bordentown, New Jersey



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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 and State Program**

We have audited Florence Township School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended June 30, 2016. 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**

Our responsibility is to express an opinion on compliance for each of Florence Township School District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 require that we 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 or state program occurred. An audit includes examining, on a test basis, evidence about Florence Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal and State Program**

In our opinion, Florence Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

### **Report on Internal Control Over Compliance**

Management of Florence Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Florence Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Florence Township School District'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.

Our 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. We did not identify any deficiencies in internal control over compliance that we 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 our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

John J. Maley, Jr.  
Certified Public Accountant  
Public School Accountant, No. 454

October 29, 2016  
Burlington, New Jersey

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FLORENCE TOWNSHIP BOARD OF EDUCATION  
SCHEDULE A - FEDERAL ASSISTANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM/TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	CANCELED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	DEFERRED REVENUE AT JUNE 30, 2016	DUE TO GRANTOR AT JUNE 30, 2016
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>													
<b>Enterprise Fund:</b>													
Child Nutrition Cluster:													
Noncash Assistance:													
	10.555	16161NJ304NI099	\$ 55,258	7/1/15-6/30/16	\$ -	\$ -	\$ 55,258	\$ -	\$ (51,778)	\$ -	\$ -	\$ 3,480	\$ -
Cash Assistance:													
	10.555	16161NJ304NI099	220,467	7/1/15-6/30/16	-	-	182,331	-	(220,467)	-	(38,136)	-	-
	10.555	16161NJ304NI099	48,354	7/1/14-6/30/15	(2,469)	-	2,469	-	-	-	-	-	-
Subtotal					(2,469)	-	184,800	-	(220,467)	-	(38,136)	-	-
National School Breakfast Program													
	10.553	16161NJ304NI099	55,611	7/1/15-6/30/16	-	-	45,424	-	(55,611)	-	(10,187)	-	-
	10.553	16161NJ304NI099	240,464	7/1/14-6/30/15	(13,324)	-	13,324	-	-	-	-	-	-
Subtotal					(13,324)	-	58,748	-	(55,611)	-	(10,187)	-	-
National School Lunch HHHKA Perf. Based Program													
	10.556	16161NJ304NI099	7,674	7/1/15-6/30/16	-	-	6,368	-	(7,674)	-	(1,306)	-	-
	10.556	16161NJ304NI099	8,941	7/1/14-6/30/15	(453)	-	453	-	-	-	-	-	-
Subtotal					(453)	-	6,821	-	(7,674)	-	(1,306)	-	-
Total Child Nutrition Cluster					(16,246)	-	305,627	-	(335,530)	-	(49,629)	3,480	-
Total Enterprise Fund					(16,246)	-	305,627	-	(335,530)	-	(49,629)	3,480	-
Total U.S. Department of Agriculture					(16,246)	-	305,627	-	(335,530)	-	(49,629)	3,480	-
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>													
<b>General Fund:</b>													
	93.778	1605NJSMAP	22,056	9/1/15-8/31/16	-	-	17,900	-	(22,056)	-	(4,156)	-	-
	93.778	1605NJSMAP	3,996	9/1/15-8/31/16	(39,989)	-	3,996	-	(3,996)	-	-	-	-
	93.778	1605NJSMAP	68,120	9/1/14-8/31/15	-	-	39,989	-	-	-	-	-	-
Settlement Revenue 2013-14			30,780	7/1/13-6/30/14	-	-	-	-	(30,780)	-	(30,780)	-	-
Total General Fund					(39,989)	-	61,885	-	(56,832)	-	(34,936)	-	-
Total U.S. Department of Health & Human Services					(39,989)	-	61,885	-	(56,832)	-	(34,936)	-	-
<b>U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>													
<b>Special Revenue Fund:</b>													
	84.010	S010A150030	354,724	7/1/15-6/30/16	-	17,945	159,460	-	(274,994)	-	(97,589)	-	-
	84.010	S010A150030	326,788	7/1/14-6/30/15	(84,107)	(17,945)	109,813	-	(7,761)	-	-	-	-
Subtotal					(84,107)	-	269,273	-	(282,755)	-	(97,589)	-	-
	84.367	S367A150029	78,758	7/1/15-6/30/16	-	3,644	43,561	-	(65,059)	-	(17,854)	-	-
	84.367	S367A150029	75,750	7/1/14-6/30/15	(16,778)	(3,644)	20,421	-	-	-	-	-	-
	84.367	S367A150029	81,922	9/1/12-6/30/13	(747)	-	-	-	-	-	(747)	-	-
Subtotal					(17,525)	-	63,982	-	(65,059)	-	(18,601)	-	-
Special Education Cluster:													
	84.027	H027A150100	528,317	7/1/15-6/30/16	-	8,455	397,684	-	(504,785)	-	(98,646)	-	-
	84.027	H027A150100	513,174	7/1/14-6/30/15	(29,992)	(8,455)	39,679	-	(1,232)	-	-	-	-
	84.027	H027A150100	524,792	7/1/13-6/30/14	(7,795)	-	437,563	-	(506,017)	-	(98,646)	-	22,197
Subtotal					(37,787)	-	875,926	-	(1,012,034)	-	(197,302)	-	22,197
	84.173	H173A150114	13,557	7/1/15-6/30/16	(8,795)	-	5,000	-	(10,000)	-	(5,000)	-	-
	84.173	H173A150114	13,107	7/1/14-6/30/15	(8,795)	-	8,795	-	(10,000)	-	(5,000)	-	-
Subtotal					(16,590)	-	13,795	-	(10,000)	-	(5,000)	-	-
Total Special Education Cluster					(54,377)	-	101,391	-	(111,034)	-	(102,302)	-	22,197
Total Special Revenue Fund Assistance					(118,222)	-	784,413	-	(863,831)	-	(219,836)	-	22,197
Total U.S. Department of Education					(118,222)	-	784,413	-	(863,831)	-	(219,836)	-	22,197
Total Federal Financial Assistance					(174,457)	-	1,151,925	-	(1,256,193)	-	(304,401)	3,480	22,197

FLORENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2016

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	ADJUSTMENTS	BUDGETARY EXPENDITURES	SUB-RECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	DUE TO GRANTOR AT JUNE 30, 2016	MEMO BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>State Department of Education:</b>													
<b>General Fund:</b>													
Equalization Aid	16-495-034-5120-078	\$ 8,343,214	7/1/15-6/30/16	\$ -	\$ 8,343,214	-	\$(8,343,214)	\$ -	\$ -	\$ -	\$ -	\$ 743,403	\$ 8,343,214
Special Education Categorical Aid	16-495-034-5120-089	998,852	7/1/15-6/30/16	-	998,852	-	(998,852)	-	-	-	-	89,000	998,852
Categorical Security Aid	16-495-034-5120-084	101,727	7/1/15-6/30/16	-	101,727	-	(101,727)	-	-	-	-	9,064	101,727
Under Adequacy Aid	16-495-034-5120-096	7,868	7/1/15-6/30/16	-	7,868	-	(7,868)	-	-	-	-	706	7,868
PARCC Readiness Aid	16-495-034-5120-098	17,910	7/1/15-6/30/16	-	17,910	-	(17,910)	-	-	-	-	1,596	17,910
Per Pupil Growth Aid	16-495-034-5120-097	17,910	7/1/15-6/30/16	-	17,910	-	(17,910)	-	-	-	-	1,596	17,910
Total State Aid Cluster		9,487,481		-	9,487,481	-	(9,487,481)	-	-	-	-	845,360	9,487,481
Categorical Transportation Aid	16-495-034-5120-014	89,884	7/1/15-6/30/16	-	89,884	-	(89,884)	-	-	-	-	8,009	89,884
Non Public Transportation Costs	16-495-034-5120-014	15,842	7/1/15-6/30/16	-	15,842	-	(15,842)	-	-	-	-	-	15,842
Non Public Transportation Costs	16-495-034-5120-014	14,178	7/1/15-6/30/16	(14,178)	-	-	-	-	-	-	-	-	-
Non Public Transportation Costs	15-495-034-5120-014	22,506	7/1/14-6/30/15	(22,506)	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contributions	16-495-034-5095-001	802,268	7/1/15-6/30/16	-	802,268	-	(802,268)	-	-	-	-	-	802,268
On-Behalf TPAF Post Retirement	16-495-034-5095-001	955,279	7/1/15-6/30/16	-	955,279	-	(955,279)	-	-	-	-	-	955,279
Reimbursed TPAF Social Security	16-495-034-5095-002	740,825	7/1/15-6/30/16	-	740,825	-	(740,825)	-	-	(36,900)	-	-	740,825
Reimbursed TPAF Social Security	15-495-034-5095-002	751,767	7/1/14-6/30/15	(36,484)	-	-	-	-	-	-	-	-	-
Total General Fund Assistance		12,112,005		(73,168)	12,112,005	-	(12,091,579)	-	-	(52,742)	-	853,369	12,091,579
<b>Special Revenue Fund:</b>													
N.J. Nonpublic Aid:													
Textbook Aid	16-100-034-5120-064	14,846	7/1/15-6/30/16	-	14,846	-	(14,846)	-	-	-	-	-	14,846
C.192 - Auxiliary Services:													
Compensatory Education	16-100-034-5120-067	21,997	7/1/15-6/30/16	-	21,997	-	(17,343)	-	4,654	-	-	-	17,343
Compensatory Education	15-100-034-5120-067	33,145	7/1/14-6/30/15	17,916	-	(881) a.	-	(17,235)	-	-	-	-	-
Transportation	16-100-034-5120-067	6,615	7/1/15-6/30/16	-	6,615	-	(6,615)	-	-	-	-	-	6,615
English As a Second Language	15-100-034-5120-067	3,654	7/1/14-6/30/15	3,654	-	-	-	(3,654)	-	-	-	-	-
C.193 - Handicapped Services													
Examination & Classification	16-100-034-5120-066	13,812	7/1/15-6/30/16	-	13,812	-	(8,018)	-	5,794	-	-	-	8,018
Examination & Classification	15-100-034-5120-066	20,886	7/1/14-6/30/15	5,945	-	-	-	(5,945)	-	-	-	-	-
Corrective Speech	16-100-034-5120-066	23,410	7/1/15-6/30/16	-	23,410	-	(11,037)	-	12,373	-	-	-	11,037
Corrective Speech	15-100-034-5120-066	10,602	7/1/14-6/30/15	4,418	-	(3,593) a.	-	(825)	-	-	-	-	-
Supplemental Instruction	16-100-034-5120-066	12,624	7/1/15-6/30/16	-	12,624	-	(9,802)	-	2,822	-	-	-	9,802
Supplemental Instruction	15-100-034-5120-066	9,416	7/1/14-6/30/15	1,412	-	(69) a.	-	(1,343)	-	-	-	-	-
Other Special Projects:													
Nonpublic Nursing	16-100-034-5120-070	23,850	7/1/15-6/30/16	-	23,850	-	(23,850)	-	-	-	-	-	23,850
Nonpublic Technology Initiative	16-100-034-5120-373	6,760	7/1/15-6/30/16	-	6,760	-	(6,760)	-	-	-	-	-	6,760
Nonpublic Security Aid	16-100-034-5120-509	6,625	7/1/15-6/30/16	-	6,625	-	(6,625)	-	-	-	-	-	6,625
Total Special Revenue Fund Assistance		130,539		33,345	130,539	(4,343)	(104,896)	-	(29,002)	(52,742)	25,643	853,369	104,896
Total State Department of Education		12,242,544		(39,823)	12,242,544	(4,343)	(12,196,475)	-	(29,002)	(52,742)	25,643	853,369	12,196,475
<b>State Department of Agriculture:</b>													
<b>Enterprise Fund:</b>													
National School Lunch Program (State Share)	16-100-010-3350-023	6,129	7/1/15-6/30/16	-	5,082	-	(6,129)	-	-	(1,047)	-	-	6,129
National School Lunch Program (State Share)	15-100-010-3350-023	6,370	7/1/14-6/30/15	(366)	366	-	-	-	-	-	-	-	-
Total Enterprise Fund Assistance		12,500		(366)	5,448	-	(6,129)	-	-	(1,047)	-	-	6,129
Total State Department of Agriculture		12,500		(366)	5,448	-	(6,129)	-	-	(1,047)	-	-	6,129
Total State Financial Assistance		12,242,544		(40,189)	12,247,992	(4,343)	(12,202,604)	-	(29,002)	(53,789)	25,643	853,369	12,202,604
Less: Grants Not Subject to Major Program Determination:													
On-Behalf TPAF Pension and Medical Contributions	16-495-034-5095-001	1,757,547	7/1/15-6/30/16	-	1,757,547	-	-	-	-	-	-	-	-
Total State Financial Assistance Subject to Major Program Determination		10,490,447		(40,189)	10,450,258	(4,343)	(10,445,957)	-	(29,002)	(53,789)	25,643	853,369	12,202,604
a. Due to General Fund.													
See Accompanying Notes to Schedule of State Financial Assistance													



**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2016**

**Note 1. Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Florence Township School District. The School District 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. Summary of Significant Accounting Policies**

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 basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the schedules of expenditures of federal awards and state financial assistance, the Florence Township School District did not provide any federal or state awards to sub recipients.

Noncash assistance is reported in the schedule of expenditures of federal awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016. Unearned revenue represents the value of commodities left in the ending inventory of the District as of June 30, 2016.

Florence Township School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

**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 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 one or more deferred June state aid payments in the current

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2016**

**Note 3. Relationship to Basic Financial Statements (continued):**

budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments 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 one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(14,204) for the general fund. See Exhibit C-3 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 presented as follows:

	<b>State</b>	<b>Federal</b>	<b>Total</b>
General Fund	\$12,077,375	\$ 56,832	\$12,134,207
Special Revenue Fund	104,896	863,831	968,727
Food Service Fund	6,129	335,530	341,659
 Total Financial Assistance	 \$12,188,400	 \$1,256,193	 \$13,445,593

**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, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

**Note 6. Federal and State Loans Outstanding**

The Florence Township School District had no loan balances outstanding at June 30, 2016.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to basic financial Statements noted?	No

**Federal Awards**

Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance?	No

**Identification of major programs:**

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
Special Education Cluster:		
84.027	H027A150100	I.D.E.A., Part B, Basic Regular
84.173A	H173A150114	I.D.E.A., Preschool Program

Dollar threshold used to distinguish between type A and type B programs:[518]	\$750,000
Auditee qualified as low-risk auditee?	No

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016  
(continued)**

**Section I – Summary of Auditor’s Results (continued):**

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance or NJOMB Circular Letter 15-08 as applicable?	No

**Identification of major programs:**

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016  
(continued)**

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

**Finding 2016-001:**

**Criteria or Specific Requirement:**

General ledger control accounts must be reconciled with subsidiary accounts.

**Condition:**

A physical inventory of capital assets was prepared during October 2015; however, the general ledger control account was not adjusted to reflect the results of the physical inventory. Further, a test of transactions indicated that some capital assets were recorded incorrectly.

**Effect:**

There is an increased potential to misstate the District financial statements.

**Cause:**

Weaker internal controls over reporting capital assets.

**Recommendation:**

The District should strengthen internal controls relating to capital assets.

**Views of Responsible Officials and Planned Corrective Actions:**

The District agrees with this finding and will take the appropriate steps to correct this finding.

**Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs**

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

No Current Year Findings

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
For the Fiscal Year Ended June 30, 2016**

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 Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. (¶.511 (a)(b)) and NJOMB's Circular 04-04 and/or 15-08, as applicable.

**Financial Statement Findings**

**Finding 2015-001:**

The District did not comply with the requirement to verify payroll check distribution and employee identification every third year per N.J.A.C. 6A:23A-5.7.

**Status:** Management has taken corrective action on this finding.

**Finding 2015-002:**

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.

**Status:** Management has taken corrective action on this finding.

**Finding 2015-003:**

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

**Status:** Management has taken corrective action on this finding.

**Finding 2015-004:**

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

**Status:** Management has taken corrective action on this finding.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
For the Fiscal Year Ended June 30, 2016  
(continued)**

**Federal Award Finding**

**Finding 2015-005:**

Recorded revenue and associated accounts receivable accounts were understated. Special Education Medicaid Initiative Aid (SEMI) of \$39,989 was not accrued at year-end.

**Status:** Management has taken corrective action on this finding.

**State Award Finding**

**Finding 2015-006:**

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

**Status:** Management has taken corrective action on this finding.