

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

Florence, New Jersey  
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**FLORENCE, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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**INTRODUCTORY SECTION**

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**FLORENCE TOWNSHIP SCHOOL SYSTEM**

201 CEDAR STREET  
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Business Administrator/Board Secretary  
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February 19, 2019

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Florence Township School District for the fiscal year ended June 30, 2018, 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 Florence Township School District. 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, 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 district as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

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Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, *“Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid”*. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

**REPORTING ENTITY AND ITS SERVICES**

The Florence Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Preschool 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. The School District’s enrollment, as of October 15<sup>th</sup>, for the current and past nine fiscal years are detailed below:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-2018	1,569	-2.43%
2016-2017	1,608	-9.26%
2015-2016	1,772	-0.73%
2014-2015	1,785	9.71%
2013-2014	1,627	0.99%
2012-2013	1,611	-6.50%
2011-2012	1,723	-0.12%
2010-2011	1,725	0.52%
2009-2010	1,716	3.00%
2008-2009	1,666	2.02%

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**ECONOMIC CONDITION AND OUTLOOK**

The district has worked persistently to utilize local funds to create a thorough and efficient education system. To extend opportunities for our students we have applied for various grant funds and program as well as looked to utilize federal and state grants. The district has encountered a significant increase in special education costs due to enrollment of special education students and the related service needs.

Despite enrollment numbers plateauing we have encountered a decrease in the numbers of students applying for and being eligible for Free & Reduced lunch services.

2017/2018: FREE LUNCH 37% REDUCED LUNCH 9% OR TOTAL FREE/REDUCED LUNCH 46%

2018/2019: FREE LUNCH 28% REDUCED LUNCH 4% OR TOTAL FREE/REDUCED LUNCH 32%

A demographic study was recently conducted to identify trends for enrollment. The district anticipates a small growth due to changes in the community and housing developments that are also anticipated in the next few years.

**MAJOR INITIATIVES**

The 2017-2018 school year focused on the integration of our Future Ready Initiative and data analysis. To launch this initiative, the district provided ongoing support to staff, students, and parents as we look for ways to enhance our programs and better prepare our students for an ever changing world. The district was awarded with the New Jersey Future Ready Certification recognition

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 (SCIP and DEAC). Special attention has been given to professional development in the area of technology, higher level thinking, and differentiated instruction to reach all students. Data driven practices are utilized to try to reach all students.

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.

**INTERNAL ACCOUNTING CONTROLS**

Management of the School 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 and misuse and to ensure that adequate accounting data are completed 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,

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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 delivered; and (2) the valuation of costs and benefits require 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 evaluations by the district management.

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

### **BUDGETARY CONTROLS**

In addition to internal accounting controls, the School 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 cancelled or included as re-appropriations of fund balance in the subsequent year.

### **ACCOUNTING SYSTEM AND REPORTS**

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

### **OTHER INFORMATION**

#### ***INDEPENDENT AUDIT***

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman Frenia Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the

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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.

**ACKNOWLEDGEMENTS**

We would like to express our appreciation to the members of the 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 accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,

A large, cursive handwritten signature in black ink, which appears to be "Donna Ambrosius".

Superintendent

A cursive handwritten signature in black ink, which appears to be "Melissa Livengood".

School Business Administrator/Board Secretary

**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	



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

**ROSTER OF OFFICIALS**

**JUNE 30, 2018**

**MEMBERS OF THE BOARD OF EDUCATION** **TERM EXPIRES**

Emma Cartier, President	2019
Christine Skinner, Vice President	2018
Toby Popso	2019
Anthony Nutter	2019
Debbie Reyes	2020
Jane Collins	2019
Michele Boracci	2018
Christopher Conti	2020
Christopher Popso	2020

**OTHER DISTRICT OFFICIALS**

Donna Ambrosius, Superintendent

Melissa Livengood, Business Administrator

Donald J. Cammus, Treasurer of School Monies

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

**Consultants and Advisors**

**Board Auditor**

Holman Frenia Allison, P.C.  
618 Stokes Road  
Medford, New Jersey 08055

**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

**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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

### 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, 2018, and the related notes to the financial statements, which collectively comprise the School 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 statement

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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2018 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions - an Amendment of GASB Statement No. 45, 57, & 74. Our opinion is not modified with respect to this matter.

## **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 information, and the schedules related to accounting and reporting for pensions and other post employment benefits, 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 schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules 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 related major fund supporting statements and schedules and schedules 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 February 19, 2019 on our consideration of the 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 the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
February 19, 2019

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

**Management's Discussion and Analysis**

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**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited)**

As management of the Florence Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund and Extended Day Program

**Fund Financial Statements**

*Fund financial statements* are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

*Governmental funds* account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

**Overview of the Basic Financial Statements (continued)**

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited) (Continued)**

**Fund Financial Statements (continued)**

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

*Proprietary funds* are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District's enterprise funds (Food Service Fund and Extended Day Program) is listed individually and is considered to be a major fund

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's programs.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited) (Continued)**

**Financial Analysis of the School District as a Whole**

Table 1 provides a summary of the School Districts net position for the fiscal years 2018 compared to fiscal year 2017.

**Table 1**  
**Summary of Net Position**

	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 2,807,009	\$ 2,100,362	\$ 706,647	33.6%
Capital Assets, Net	<u>33,293,277</u>	<u>34,603,147</u>	<u>(1,309,870)</u>	-3.8%
Total Assets	<u>36,100,286</u>	<u>36,703,509</u>	<u>(603,223)</u>	-1.6%
Deferred Outflow of Resources	<u>3,434,225</u>	<u>4,778,491</u>	<u>(1,344,266)</u>	-28.1%
Current and other Liabilities	628,476	650,523	(22,047)	-3.4%
Noncurrent Liabilities	<u>30,543,622</u>	<u>35,786,302</u>	<u>(5,242,680)</u>	-14.6%
Total Liabilities	<u>31,172,098</u>	<u>36,436,825</u>	<u>(5,264,727)</u>	-14.4%
Deferred Inflow of Resources	<u>2,728,758</u>	<u>472,738</u>	<u>2,256,020</u>	477.2%
Net Position:				
Net Investment in Capital Assets	14,390,536	14,036,963	353,573	2.5%
Restricted	2,713,333	1,938,022	775,311	40.0%
Unrestricted (Deficit)	<u>(11,470,214)</u>	<u>(11,402,548)</u>	<u>(67,666)</u>	0.6%
Total Net Position	<u>\$ 5,633,655</u>	<u>\$ 4,572,437</u>	<u>\$ 1,061,218</u>	23.2%

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited) (Continued)**

Table 2 shows the changes in net position for fiscal year 2018 compared to fiscal year 2017.

**Table 2**  
**Summary of Changes in Net Position**

	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 585,264	\$ 614,363	\$ (29,099)	-4.7%
Operating Grants & Contributions	10,411,359	4,215,931	6,195,428	147.0%
General Revenues:				
Property Taxes	18,831,589	18,580,367	251,222	1.4%
Federal & State Aid	9,802,340	9,908,612	(106,272)	-1.1%
Other General Revenues	380,040	323,159	56,881	17.6%
Special Items:				
Gain/(Loss) on Capital Asset Adjustment	33,504	(92,315)	125,819	100.0%
<b>Total Revenues</b>	<b>40,044,096</b>	<b>33,550,117</b>	<b>6,493,979</b>	<b>19.4%</b>
<b>Function/Program Expenditures:</b>				
Regular Instruction	7,912,177	8,133,504	(221,327)	-2.7%
Special Education Instruction	4,091,014	3,539,887	551,127	15.6%
Other Instruction	983,643	948,774	34,869	3.7%
Tuition	1,765,498	1,537,242	228,256	14.8%
Student & Instruction Related Services	3,447,540	3,429,065	18,475	0.5%
General Administrative	580,432	590,851	(10,419)	-1.8%
School Administrative Services	1,289,900	1,204,123	85,777	7.1%
Central Services	497,137	531,675	(34,538)	-6.5%
Administrative Info. Technology	499,553	432,504	67,049	15.5%
Plant Operations & Maintenance	2,702,903	2,883,819	(180,916)	-6.3%
Pupil Transportation	1,532,797	1,644,647	(111,850)	-6.8%
Unallocated Benefits	3,604,386	487,856	3,116,530	638.8%
On Behalf TPAF Pension and Social				
Security Contributions	5,470,054	2,811,383	2,658,671	94.6%
Transfer to Charter Schools	1,280,618	1,357,915	(77,297)	-5.7%
Interest & Other Charges	893,985	957,696	(63,711)	-6.7%
Unallocated Depreciation	1,469,917	1,497,377	(27,460)	-1.8%
Food Service	634,038	685,063	(51,025)	-7.4%
Daycare	327,286	306,549	20,737	6.8%
<b>Total Expenditures</b>	<b>38,982,878</b>	<b>32,979,930</b>	<b>6,002,948</b>	<b>18.2%</b>
<b>Change In Net Position</b>	<b>1,061,218</b>	<b>570,187</b>	<b>491,031</b>	<b>86.1%</b>
Net Position - Beginning	4,572,437	4,002,250	570,187	14.2%
<b>Net Position - Ending</b>	<b>\$ 5,633,655</b>	<b>\$ 4,572,437</b>	<b>\$ 1,061,218</b>	<b>23.2%</b>

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited) (Continued)**

**Governmental Activities**

During the fiscal year 2018, the net position of governmental activities increased by \$1,118,471 or 26.13%. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$5,397,830, with an unrestricted deficit balance of \$11,450,088. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

**Table 3**  
**GASB 68 Effect on Unrestricted Net Position**

Unrestricted Net Position (With GASB 68)	\$ (11,450,088)
Add back: PERS Pension Liability	7,309,683
Less: Deferred Outflows related to pensions	(2,012,536)
Add back: Deferred Inflows related to pensions	2,728,758
Unrestricted Net Position (Without GASB 68)	\$ (3,424,183)

**Business-type Activities**

During the fiscal year 2018, the net position of business-type activities decreased by \$57,253 or -19.54%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$235,825.

**General Fund Budgeting Highlights**

Final budgeted revenues was \$26,160,612, which was an increase of \$9,245 from the original budget. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$392,425.

Final budgeted appropriations was \$26,990,444, which was an increase of \$114,569 from the original budget. The increase is primarily due to prior year reserve for encumbrances, which increases the budget appropriations in the subsequent fiscal year's budget. Excluding nonbudgeted revenues, the School District's budget appropriations exceeded actual expenditures by \$1,042,268.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$3,479,825 at June 30, 2018, an increase of \$772,287 from the prior year.

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited) (Continued)**

**Governmental Funds**

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$2,589,244, an increase of \$732,938 from the prior year.

*General fund* - During the current fiscal year, the fund balance of the School District's general fund increased by \$732,937 to \$2,589,240 at June 30, 2018. The net position increased in the prior year by \$633,936. The primary factor(s) affecting the change in fund balance of the general fund compared to the change in fund balance in the prior year is as follows:

- Local revenues increased by 377,103 or 2.31% from the prior year. The biggest component of local revenues being the local tax levy increased \$320,222 or 2.00%.
- State revenues increased by \$390,620 or 3.09% from the prior year

*Special revenue fund* – There was no change in the fund balance for the special revenue fund.

*Capital projects fund* – There was no activity in the capital project fund for the fiscal year 2018.

*Debt service fund* - During the current fiscal year, the fund balance of the School District's debt service fund increased by \$1 to \$4 at June 30, 2018.

**Proprietary Funds**

*Food service fund* - During the current fiscal year, the net position of the School District's food service fund decreased by \$18,878 to \$174,101 at June 30, 2018. The net position increased in the prior year by \$224. The primary factor(s) affecting the change in net position of the food service fund compared to the change in net position in the prior year is as follows:

- In the prior fiscal year, there was a gain on adjustment to capital assets based on the School District's appraisal report
- Operating revenues decreased by \$25,165 from prior year.
- The District's Federal and State reimbursements decreased by \$44,962 compared to the prior year.

*Extended Day Program* - During the current fiscal year, the net position of the School District's Extended Day Program decreased by \$38,375 to \$61,724 at June 30, 2018. The net position decreased in the prior by \$13,704. The primary factor(s) affecting the change in net position compared to the prior year change in net position is as follows:

- Operating expenses increased by \$20,737 from the prior year to \$3327,286 in current fiscal year.



**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited) (Continued)**

**Capital Assets**

The School District's capital assets for its governmental and business-type activities as of June 30, 2018, totaled \$33,293,277 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net increase in the School District's investment in capital assets for the current fiscal year in the amount of \$353,573. Table 4 shows fiscal 2018 balances compared to 2017.

**Table 4**  
**Summary of Capital Assets**

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 918,785	\$ 918,785	\$ -	0.0%
Land Improvements	693,239	804,624	(111,385)	-13.8%
Building and Improvements	30,260,866	31,417,866	(1,157,000)	-3.7%
Equipment	1,420,387	1,461,872	(41,485)	-2.8%
	<u>\$ 33,293,277</u>	<u>\$ 34,603,147</u>	<u>\$ (1,309,870)</u>	<u>-3.8%</u>

Depreciation expense for the year was \$1,469,917. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

**Debt Administration**

**Long-term debt** – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$18,800,000, which is a decrease of \$1,725,000 from the prior year.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

**Factors on the 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, 2018.

**Contacting the School Districts Financial Management**

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School Business Administrator, Florence Township School District, 201 Cedar Street, Florence, New Jersey 08518-1599.

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**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, 2018**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS:</b>			
Cash & Cash Equivalents	\$ 2,206,494	\$ 92,929	\$ 2,299,423
Receivables, Net (Note 4)	466,594	22,265	488,859
Inventory		17,567	17,567
Restricted Cash & Cash Equivalents	1,160		1,160
Capital Assets, Net (Note 5)			
Non-depreciable	918,785		918,785
Depreciable	32,245,034	129,458	32,374,492
<b>Total Assets</b>	<b>35,838,067</b>	<b>262,219</b>	<b>36,100,286</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	2,012,536	-	2,012,536
Related to Loss on Debt Refunding	1,019,697		1,019,697
Related to Water & Sewer Special Assessment	401,992		401,992
<b>Total Deferred Outflow of Resources</b>	<b>3,434,225</b>	<b>-</b>	<b>3,434,225</b>
<b>LIABILITIES:</b>			
Accounts Payable	27,280	390	27,670
Due to Other Governments	319,799		319,799
Unearned Revenue	19,576	26,004	45,580
Accrued Interest	235,427		235,427
Noncurrent Liabilities (Note 7):			
Due within one year	2,147,969		2,147,969
Due in more than one year	28,395,653		28,395,653
<b>Total Liabilities</b>	<b>31,145,704</b>	<b>26,394</b>	<b>31,172,098</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	2,728,758	-	2,728,758
<b>Total Deferred Inflow of Resources</b>	<b>2,728,758</b>	<b>-</b>	<b>2,728,758</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	14,261,078	129,458	14,390,536
Restricted for:			
Capital Projects	1,160		1,160
Debt Service	4		4
Excess Surplus	2,585,676		2,585,676
Unrestricted (Deficit)	(11,450,088)	106,367	(11,343,721)
<b>Total Net Position</b>	<b>\$ 5,397,830</b>	<b>\$ 235,825</b>	<b>\$ 5,633,655</b>

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 7,912,177				(7,912,177)		\$ (7,912,177)
Special Education Instruction	4,091,014		\$ 1,149,274		(2,941,740)		(2,941,740)
Other Instruction	983,643				(983,643)		(983,643)
Support Services:							
Tuition	1,765,498				(1,765,498)		(1,765,498)
Student & Instruction Related Services	3,447,540				(3,447,540)		(3,447,540)
General Administrative	580,432				(580,432)		(580,432)
School Administrative Services	1,289,900				(1,289,900)		(1,289,900)
Central Services	497,137				(497,137)		(497,137)
Administrative Info. Technology	499,553				(499,553)		(499,553)
Plant Operations & Maintenance	2,702,903				(2,702,903)		(2,702,903)
Pupil Transportation	1,532,797				(1,532,797)		(1,532,797)
Unallocated Benefits	3,604,386		3,473,224		(131,162)		(131,162)
On Behalf TPAF Pension and Social Security Contributions	5,470,054		5,470,054		-		-
Transfer to Charter Schools	1,280,618				(1,280,618)		(1,280,618)
Interest & Other Charges	893,985				(893,985)		(893,985)
Unallocated Depreciation	1,469,917				(1,469,917)		(1,469,917)
<b>Total Governmental Activities</b>	<b>38,021,554</b>	<b>-</b>	<b>10,092,552</b>	<b>-</b>	<b>(27,929,002)</b>	<b>-</b>	<b>(27,929,002)</b>
Business-Type Activities:							
Food Service	634,038	\$ 296,353	318,807		-	(18,878)	(18,878)
Extended Day Program	327,286	288,911			-	(38,375)	(38,375)
<b>Total Business-Type Activities</b>	<b>961,324</b>	<b>585,264</b>	<b>318,807</b>	<b>-</b>	<b>-</b>	<b>(57,253)</b>	<b>(57,253)</b>
<b>Total Primary Government</b>	<b>\$ 38,982,878</b>	<b>\$ 585,264</b>	<b>\$ 10,411,359</b>	<b>\$ -</b>	<b>(27,929,002)</b>	<b>(57,253)</b>	<b>(27,986,255)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					16,331,307		16,331,307
Property Taxes, Levied for Debt Service					2,500,282		2,500,282
Federal & State Aid Not Restricted					9,802,340		9,802,340
Tuition Charges					160,275		160,275
Miscellaneous					219,765		219,765
Special Items:							
Gain/(Loss) on Capital Asset Adjustment					33,504		33,504
<b>Total General Revenues</b>					<b>29,047,473</b>	<b>-</b>	<b>29,047,473</b>
Change in Net Position					1,118,471	(57,253)	1,061,218
Net Position - Beginning					4,279,359	293,078	4,572,437
<b>Net Position - Ending</b>					<b>\$ 5,397,830</b>	<b>\$ 235,825</b>	<b>\$ 5,633,655</b>

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



## **B. Fund Financial Statements**

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**FLORENCE TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>				
Cash & Cash Equivalents	\$ 2,206,813		\$ 4	\$ 2,206,817
Receivables, Net:				
Interfund Receivable	195,627			195,627
Due from Other Governments:				
State	156,913			156,913
Federal	119	223,654		223,773
Other Receivables	65,755	6,838		72,593
Restricted Cash & Cash Equivalents	1,160			1,160
Total Assets	\$ 2,626,387	\$ 230,492	\$ 4	\$ 2,856,883
<b>LIABILITIES &amp; FUND BALANCES:</b>				
<b>Liabilities:</b>				
Cash Deficit		\$ 323		\$ 323
Accounts Payable	\$ 27,280	-		27,280
Due to Other Governments	4,342	33,806		38,148
Interfund Payable	-	182,312	-	182,312
Unearned Revenue	5,525	14,051		19,576
Total Liabilities	37,147	230,492	-	267,639
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Capital Reserve	1,160			1,160
Excess Surplus - Current year	1,373,318			1,373,318
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	1,212,358			1,212,358
Capital Projects				-
Debt Service			4	4
<b>Assigned to:</b>				
Designated for Subsequent Year's Expenditures	126,493			126,493
Other Purposes	130,744			130,744
Unassigned	(254,833)			(254,833)
Total Fund Balances	\$ 2,589,240	-	4	2,589,244
Total Liabilities & Fund Balances	\$ 2,626,387	\$ 230,492	\$ 4	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$57,906,327 and the accumulated depreciation is \$24,742,508.	33,163,819
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows related to pensions	2,012,536
Deferred Inflows related to pensions	(2,728,758)
Deferred Outflow related to the loss on bond refunding of debt	1,019,697
Deferred Outflow related to Water & Sewer Special Assessment	401,992
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(235,427)
Accrued pension contributions for the June 30, 2018 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(281,651)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(30,543,622)
Net Position of Governmental Activities	\$ 5,397,830

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
Revenues:				
Local Sources:				
Local Tax Levy	\$ 16,331,307		\$ 2,500,282	\$ 18,831,589
Tuition Charges	160,275			160,275
Miscellaneous	219,765	\$ 103,522		323,287
Total Local Sources	16,711,347	103,522	2,500,282	19,315,151
State Sources	13,019,789	123,691		13,143,480
Federal Sources	48,673	922,061	-	970,734
Total Revenues	29,779,809	1,149,274	2,500,282	33,429,365
Expenditures:				
Instruction:				
Regular Instruction	7,912,177			7,912,177
Special Education Instruction	2,947,258	1,143,756		4,091,014
Other Instruction	983,643			983,643
Support Services:				
Tuition	1,765,498			1,765,498
Student & Instruction Related Services	3,447,540			3,447,540
General Administrative	580,432			580,432
School Administrative Services	1,289,900			1,289,900
Central Services	497,137			497,137
Administrative Info. Technology	499,553			499,553
Plant Operations & Maintenance	2,645,213			2,645,213
Pupil Transportation	1,532,797			1,532,797
Unallocated Benefits	99,975			99,975
On Behalf TPAF Pension and Social Security Contributions	3,266,122			3,266,122
Transfer to Charter Schools	1,280,618			1,280,618
Capital Outlay	185,615	5,518		191,133
Debt Service:				
Principal	148,836		1,725,000	1,873,836
Interest & Other Charges	131,984		775,281	907,265
Total Expenditures	29,214,298	1,149,274	2,500,281	32,863,853
Excess/(Deficiency) of Revenues over Expenditures	565,511	-	1	565,512
Other Financing Sources (Uses):				
Capital Lease (non-budgeted)	167,426			167,426
Total Other Financing Sources (Uses)	167,426	-	-	167,426
Net changes in fund balances	732,937	-	1	732,938
Fund Balance, July 1	1,856,303	-	3	1,856,306
Fund Balance, June 30	\$ 2,589,240	\$ -	\$ 4	\$ 2,589,244

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 FISCAL YEAR ENDED JUNE 30, 2018**

Total Net Changes in Fund Balances - Governmental Funds (B-2)		732,938
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	(1,469,917)
	Adjustment to Capital Assets	33,504
	Capital Outlays	<u>147,305</u>
		(1,289,108)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		69,533
Repayment of long-term debt principal, assessments and obligation of lease purchase agreements are 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.		
		1,873,836
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
	Capital lease proceeds	<u>(167,426)</u>
		(167,426)
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
	Amortization of premium on bonds	141,347
	Amortization of loss on Bond Refunding	<u>(151,067)</u>
		(9,720)
In the statement of activities, 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. The accrued interest is an addition in the reconciliation (+).		
		23,000
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		(100,720)
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.		
	Amortization of Special Assessment	<u>(13,862)</u>
Change in Net Position of Governmental Activities		<u><u>\$ 1,118,471</u></u>

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2018**

ASSETS	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	EXTENDED	FOOD	TOTAL
	DAY PROGRAM	SERVICE	
Current Assets:			
Cash & Cash Equivalents	\$ 88,118	\$ 4,811	\$ 92,929
Accounts Receivable:			
State	-	501	501
Federal	-	21,764	21,764
Inventories	-	17,567	17,567
Total Current Assets	<u>88,118</u>	<u>44,643</u>	<u>132,761</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	-	466,019	466,019
Less: Accumulated Depreciation	-	(336,561)	(336,561)
Total Capital Assets	<u>-</u>	<u>129,458</u>	<u>129,458</u>
Total Assets	<u>88,118</u>	<u>174,101</u>	<u>262,219</u>
LIABILITIES			
Unearned Revenue	26,004	-	26,004
Accounts Payable	390	-	390
Total Liabilities	<u>26,394</u>	<u>-</u>	<u>26,394</u>
NET POSITION			
Net Investment in Capital Assets	-	129,458	129,458
Unrestricted	61,724	44,643	106,367
Total Net Position	<u>\$ 61,724</u>	<u>\$ 174,101</u>	<u>\$ 235,825</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 THE FISCAL YEAR ENDED JUNE 30, 2018**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	EXTENDED		<u>TOTAL</u>
	<u>DAY PROGRAM</u>	<u>FOOD SERVICE</u>	
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ -	\$ 173,814	\$ 173,814
Daily Sales - Nonreimbursable Programs	-	113,766	113,766
Miscellaneous	-	323	323
Special Functions	-	8,450	8,450
Tuition	288,911	-	288,911
Total Operating Revenue	288,911	296,353	585,264
Operating Expenses:			
Salaries & Wages	251,768	221,044	472,812
Employee Benefits	51,307	51,553	102,860
Management Fee	-	61,000	61,000
Miscellaneous Expenses	24,211	25,743	49,954
Supplies and Materials	-	17,214	17,214
Cost of Sales - Reimbursable	-	151,931	151,931
Cost of Sales - Nonreimbursable	-	84,791	84,791
Depreciation	-	20,762	20,762
Total Operating Expenses	327,286	634,038	961,324
Operating Income/(Loss)	(38,375)	(337,685)	(376,060)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	-	6,512	6,512
Federal Sources:			
National School Lunch Program	-	220,850	220,850
National School Breakfast Program	-	47,453	47,453
National School Lunch HHFKA	-	7,432	7,432
Food Distribution Program	-	36,560	36,560
Gain/(Loss) on Capital Asset Adjustment	-	-	-
Total Nonoperating Revenues/(Expenses)	-	318,807	318,807
Change in Net Position	(38,375)	(18,878)	(57,253)
Net Position - Beginning	100,099	192,979	293,078
Total Net Position - Ending	\$ 61,724	\$ 174,101	\$ 235,825

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	EXTENDED DAY	FOOD	<u>TOTAL</u>
	<u>PROGRAM</u>	<u>SERVICE</u>	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 283,082	\$ 292,613	\$ 575,695
Payments to Employees	(251,768)	(221,044)	(472,812)
Payments for Employee Benefits	(51,307)	(51,553)	(102,860)
Payments to Suppliers	(23,821)	(345,421)	(369,242)
Net Cash Provided/(Used) by Operating Activities	(43,814)	(325,405)	(369,219)
Cash Flows From Noncapital Financing Activities:			
State Sources	-	6,425	6,425
Federal Sources	-	310,246	310,246
Net Cash Provided/(Used) by Noncapital Financing Activities	-	316,671	316,671
Net Increase/(Decrease) in Cash & Cash Equivalents	(43,814)	(8,734)	(52,548)
Balances - Beginning of Year	131,932	13,545	145,477
Balances - End of Year	\$ 88,118	\$ 4,811	\$ 92,929

**Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:**

Operating Income/(Loss)	\$ (38,375)	\$ (337,685)	\$ (376,060)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	-	20,762	20,762
Increase/(Decrease) in Unearned Revenue	(5,829)	(3,740)	(9,569)
(Increase)/Decrease in Inventories	-	(4,742)	(4,742)
Total Adjustments	(5,439)	12,280	6,841
Net Cash Provided/(Used) by Operating Activities	\$ (43,814)	\$ (325,405)	\$ (369,219)

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



**FLORENCE TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2018**

ASSETS	PRIVATE PURPOSE TRUST FUNDS				AGENCY FUNDS		TOTAL
	SCHOLARSHIP ACCOUNT	UNEMPLOYMENT COMPENSATION TRUST	FLEXIBLE SPENDING TRUST	STUDENT ACTIVITY	PAYROLL	SUMMER PAY	
Cash & Cash Equivalents	\$ 10,691	\$ 94,515	\$ 696	\$ 60,777	\$ 22,025	\$ 528,667	\$ 717,371
Interfund Receivable	-	-	-	-	-	-	-
Total Assets	10,691	94,515	696	60,777	22,025	528,667	717,371
<b>LIABILITIES</b>							
Payroll Deductions & Withholdings					13,392	528,667	542,059
Due to Student Groups				60,777	-	-	60,777
Accounts Payable				-	-	-	-
Interfund Payable		4,683			8,633		13,316
Total Liabilities	-	4,683	-	60,777	22,025	528,667	616,152
<b>NET POSITION</b>							
Held in Trust for Unemployment Claims & Other Purposes	10,691	89,832	696				101,219
Total Net Position	\$ 10,691	\$ 89,832	\$ 696	\$ -	\$ -	\$ -	\$ 101,219

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ADDITIONS	PRIVATE PURPOSE TRUST FUNDS			<u>TOTAL</u>
	<u>SCHOLARSHIP ACCOUNT</u>	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>FLEXIBLE SPENDING TRUST</u>	
Contributions:				
Plan Members	\$ -	\$ 37,811	\$ -	\$ 37,811
Other	-	66,846	2,111	68,957
Total Contributions	-	104,657	2,111	106,768
Investment Earnings:				
Interest	52	237	-	289
Net Investment Earnings	52	237	-	289
Total Additions	52	104,894	2,111	107,057
DEDUCTIONS				
Unemployment Claims	-	46,182	-	46,182
Dependent Care Payments	-	-	2,100	2,100
Scholarships Awarded	2,066	-	-	2,066
Total Deductions	2,066	46,182	2,100	50,348
Change in Net Position	(2,014)	58,712	11	56,709
Net Position - Beginning of the Year	12,705	31,120	685	44,510
Net Position - End of the Year	\$ 10,691	\$ 89,832	\$ 696	\$ 101,219

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 1. Summary of Significant Accounting Policies**

The financial statements of the Board of Education of Florence Township School District (the ‘District’) have been prepared in conformity with generally accepted accounting principles (GAAP) as 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, 2018 of 1,558 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: Omnibus - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2018.

**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 accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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 FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**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 assets 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 FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**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 non-operating 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 C.D.A. 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 non-operating 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 non-instructional 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 FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**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.

**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** – 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 Fund – 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, Summer Pay 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, 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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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 FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**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, 2018 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 FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**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.

**Interfund Receivables/Payables**

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.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**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.

**Accounting 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 reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

**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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

- 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, 2018.
- 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 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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2018:

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.

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.

Recently Issued Accounting Pronouncements

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

Statement No. 83, Certain Asset Retirement Obligations. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 84, Fiduciary Activities. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 87, Leases. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after December 15, 2019. Management has not yet determined the potential impact on the School District's financial statements.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The Governmental Accounting Standards Board (GASB) has issued a new standard with guidance the GASB believes will enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard clarifies which liabilities governments should include in their note disclosures related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has not yet determined the potential impact on the School 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 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.

**Pensions**

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.



**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**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, 2018, the District’s bank balance of \$4,109,311 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	3,616,320
Uninsured and Uncollateralized		492,991
		\$ 4,109,311

**Investments**

The School District has no investments at June 30, 2018.

**Note 3. Reserve Accounts**

**A. Capital Reserve**

A capital reserve account was established by the 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 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 1, 2017 to June 30, 2018 fiscal year is as follows:

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**A. Capital Reserve (Continued):**

Beginning Balance, July 1, 2017	\$	1,153
Increased by:		
Interest Earnings		7
Ending Balance, June 30, 2018	\$	1,160

The June 30, 2018 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2018 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>Description</u>	Governmental Funds			Proprietary Funds	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ 119	\$ 223,654	\$ 223,773	\$ 21,764	\$ 21,764
State Awards	156,913	-	156,913	501	501
Other	79,070	6,838	85,908	-	-
<b>Total</b>	<b>\$ 236,102</b>	<b>\$ 230,492</b>	<b>\$ 466,594</b>	<b>\$ 22,265</b>	<b>\$ 22,265</b>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2018 was as follows:

	Balance July 1, <u>2017</u>	<u>Additions</u>	Retirements and Adjustments	Balance June 30, <u>2018</u>
<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:				
Land Improvements	2,299,876	-	-	2,299,876
Buildings and Improvements	48,208,218	-	-	48,208,218
Equipment	6,434,506	147,305	(102,363)	6,479,448
Total Capital Assets being depreciated	<u>56,942,600</u>	<u>147,305</u>	<u>(102,363)</u>	<u>56,987,542</u>
Less: Accumulated Depreciation:				
Land Improvements	(1,495,252)	(111,385)	-	(1,606,637)
Buildings and Improvements	(16,790,352)	(1,157,000)	-	(17,947,352)
Equipment	(5,122,854)	(201,532)	135,867	(5,188,519)
Total Accumulated Depreciation	<u>(23,408,458)</u>	<u>(1,469,917)</u>	<u>135,867</u>	<u>(24,742,508)</u>
Total Capital Assets being depreciated, net	<u>33,534,142</u>	<u>(1,322,612)</u>	<u>33,504</u>	<u>32,245,034</u>
Total Governmental Activities Capital Assets, net	<u>\$ 34,452,927</u>	<u>\$ (1,322,612)</u>	<u>\$ 33,504</u>	<u>\$ 33,163,819</u>
	Balance July 1, <u>2017</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2018</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 466,019	\$ -	\$ -	\$ 466,019
	<u>466,019</u>	<u>-</u>	<u>-</u>	<u>466,019</u>
Less: Accumulated Depreciation:				
Equipment	(315,799)	(20,762)	-	(336,561)
	<u>(315,799)</u>	<u>(20,762)</u>	<u>-</u>	<u>(336,561)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 150,220</u>	<u>\$ (20,762)</u>	<u>\$ -</u>	<u>\$ 129,458</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

Individual fund receivables/payables balances at June 30, 2018 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 195,628	\$ -
Special Revenue Fund	-	182,312
Payroll Fund	4,683	13,316
Unemployment Fund	-	4,683
	<u>\$ 200,311</u>	<u>\$ 200,311</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.

There were no interfund transfers during the fiscal year.

**Note 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2018 the following changes occurred in long-term obligations:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 20,525,000	\$ -	\$ 1,725,000	\$ 18,800,000	\$ 1,725,000
Capital Leases	250,405	167,426	115,589	302,242	94,300
Unamortized Bond Premiums	961,543	-	141,347	820,196	130,727
Compensated Absences	3,102,319	446,065	345,345	3,203,039	163,282
Net Pension Liability	10,805,326		3,495,643	7,309,683	-
Florence Township Water & Sewer Line Assessment	141,709		33,247	108,462	34,660
	<u>\$ 35,786,302</u>	<u>\$ 613,491</u>	<u>\$ 5,856,171</u>	<u>\$ 30,543,622</u>	<u>\$ 2,147,969</u>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences, capital leases, unamortized bond premiums, assessments and net pension liability 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, 2018, bonds payable consisted of the following individual issues:

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

<u>Purpose</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
2012 Refunding Bonds	2.50% - 5.00%	3/1/2029	\$ 26,065	\$ 18,800,000
				<u>\$ 18,800,000</u>

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

Fiscal Year Ending

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,715,000	509,081	2,224,081
2023	1,735,000	423,331	2,158,331
2024-2028	8,540,000	1,187,438	9,727,438
2029-2033	1,660,000	66,400	1,726,400
	<u>\$ 18,800,000</u>	<u>\$ 4,123,893</u>	<u>\$ 22,923,893</u>

**Bonds Authorized But Not Issued:**

As of June 30, 2018, the District had no authorized but not issued bonds.

**B. Deferred PERS Pension Obligation**

In accordance with P.L. 2010, c19, districts could elect to defer 50% of the 2008-09 regular PERS pension liability. The district elected to defer 50%, amounting to \$137,303, by resolution dated May 6, 2009. The district began repaying the deferred amount in April 2012, over 15 years. The total payment for the April 2018 bill amounted to \$21,577 with \$11,115 attributed to principal. The amount to be paid will fluctuate based on pension system investment earnings. The liability accrues interest at “regular interest” rates as defined by N.J.S.A. 43:15A-24b which is currently 8.25%. Districts are permitted to pay off the obligation at any time.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**C. Capital Leases**

On July 20, 2012, the District entered into a lease purchase agreement in the amount of \$85,313 for one 54-passenger school bus. The lease obligation was issued at an interest rate of 1.95% and matures on July 20, 2017.

On January 16, 2014, the District entered into a lease purchase agreement in the amount of \$119,631 for one blue bird wheelchair accessible school bus. The lease obligation was issued at an interest rate of 2.547% and matures on January 16, 2019.

On August 10, 2015, the District entered into a lease purchase agreement in the amount of \$206,000 for one 54-passenger school bus and one 46-passenger/lift school bus. The lease obligation was issued at an interest rate of 2.250% and matures on August 10, 2021.

On September 1, 2015, the District entered into a lease purchase agreement in the amount of \$20,120 for one 16-passenger school bus. The lease obligation was issued at an interest rate of 2.300% and matures on September 1, 2020

On September 16, 2016, the District entered into a lease purchase agreement in the amount of \$91,388 for one 54-passenger school bus. The lease obligation was issued at an interest rate of 4.470% and matures on September 16, 2021.

On October 10, 2017 the District entered into a lease purchase agreement in the amount of \$167,426 for one 54-passenger school bus and one 25-passenger/lift school bus. The lease obligation was issued at an interest rate of 2.49% and matures on October 10, 2021.

Fiscal Year Ending <u>June 30,</u>	
2019	97,759
2020	97,759
2021	89,949
2022	<u>35,152</u>
Total Minimum Lease Payments	320,619
Less: Amount Representing Interest	<u>(18,377)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 302,242</u></u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**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 1/55<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 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.

**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 2017, 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

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (continued)**

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

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.

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2018, the School District reported a liability of \$7,309,683 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. 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, 2016, to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The School District's proportion measured as of June 30, 2018, was .03140%, which was a decrease of .00508% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the School District recognized full accrual pension expense of \$226,729 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date. At June 30, 2018 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 172,118	\$ -
Changes of Assumptions	1,472,649	1,467,250
Net Difference between Projected and Actual Earnings on Pension Plan Investments	49,774	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	36,344	1,261,508
School District contributions subsequent to measurement date	281,651	-
	\$ 2,012,536	\$ 2,728,758



**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

\$281,651 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2017-2018 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.99%. The payable is due on April 1, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Client Year Ending</b>	<b>Amount</b>
<b><u>June 30,</u></b>	
2019	\$ (57,902)
2020	47,606
2021	(44,995)
2022	(672,205)
2023	<u>(270,377)</u>
	<u>\$ (997,873)</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between Bordentown Regional School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for the 2017, 2016, 2015, and 2014 amounts, respectively.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 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 contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net pension liability as of June 30, 2017, calculated using the discount rate of 5.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>1% Decrease (4.00%)</b>	<b>Current Discount Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
District's Proportionate Share of the Net Pension Liability	\$ 9,068,158	\$ 7,309,683	\$ 5,844,655

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2018 and 2017

**Collective Balances at June 30, 2018 and June 30, 2017**

	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 1,730,885	\$ 2,900,954
Deferred Inflows of Resources	2,728,758	472,738
Net Pension Liability	7,309,683	10,805,326
District's portion of the Plan's total net pension Liability	0.03140%	0.03648%

**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/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

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 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.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.2% in State fiscal year 2017. 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 2017, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, 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, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the School District does 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.

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2017 was \$67,954,593. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the TPAF net pension liability attributable to the School District was .10079%, which was an increase of .00058% from its proportion measured as of June 30, 2016.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

For the fiscal year ended June 30, 2018, the School District recognized \$1,521,144 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

**Actuarial Assumptions** – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2016 are summarized in the following table:

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (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>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 contribution rate in the most recent fiscal year. The State contributed 40% of the 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 4.25% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:



**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

	<b>1% Decrease (3.25%)</b>	<b>Current Discount Rate (4.25%)</b>	<b>1% Increase (5.25%)</b>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	\$ 80,732,188	\$ 67,954,593	\$ 57,428,355
	\$ 80,732,188	\$ 67,954,593	\$ 57,428,355

**Pension Plan Fiduciary Net Position** - 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 employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Additional Information** – The following is a summary of the collective balances of the local group at June 30, 2018 and 2017:

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective Deferred Outflows of Resources	\$ 14,353,461,035.00	\$ 17,581,004,496.00
Collective Deferred Inflows of Resources	\$ 11,992,821,439.00	\$ 300,836,088.00
Collective Net Pension Liability	\$ 67,670,209,171.00	\$ 79,028,907,033.00
School District's portion	0.10079%	0.10020%

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

**Plan Description** - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

**Contributions** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% 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% contribution from the School District.

For the year ended June 30, 2018, employee contributions totaled \$9,777 and the District recognized pension expense of \$5,020.

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

**General Information about the OPEB Plan**

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

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 9. Other Post-Retirement Benefits (Continued):**

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

**Basis of Presentation**

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey 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.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

<b>Inflation Rate</b>	2.50%		
	<u><b>TPAF/ABP</b></u>	<u><b>PERS</b></u>	<u><b>PFRS</b></u>
Salary Increases:			
Through 2026	1.55 - 4.55%	2.15 - 4.15%	2.10 - 8.98%
	based on years of service	based on age	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%	3.10 - 9.98%
	based on years of service	based on age	based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount- Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 9. Other Post-Retirement Benefits (Continued):**

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2017 was \$64,153,225. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2017, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the OPEB Obligation attributable to the School District was 0.001195995%, which was a decrease of 0.0000085343% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized an OPEB expense in the amount of \$3,473,224 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2017 measurement date.

**Health Care Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**Discount Rate**

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate**

The following presents the total nonemployer OPEB liability as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 9. Other Post-Retirement Benefits (Continued):**

	<b>June 30, 2017</b>		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 76,154,506.49	\$ 64,153,225.00	\$ 54,633,694.46
State of New Jersey's Total Nonemployer OPEB Liability	\$ 63,674,362,200.00	\$ 53,639,841,858.00	\$ 45,680,364,953.00
	<b>June 30, 2016</b>		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 83,454,568.44	\$ 69,660,342.00	\$ 58,802,517.69
State of New Jersey's Total Nonemployer OPEB Liability	\$ 69,283,705,084.00	\$ 57,831,784,184.00	\$ 48,817,654,566.00

**Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate**

The following presents the total nonemployer OPEB liability as of June 30, 2017 and 2016, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1- percentage point higher than the current rate:

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 9. Other Post-Retirement Benefits (Continued):**

	<b>June 30, 2017</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 52,759,825.86	\$ 64,153,225.00	\$ 79,283,524.99
State of New Jersey's Total Nonemployer OPEB Liability	\$ 44,113,584,560.00	\$ 53,639,841,858.00	\$ 66,290,599,457.00
	<b>June 30, 2016</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 57,158,250.20	\$ 69,660,342.00	\$ 86,374,447.50
State of New Jersey's Total Nonemployer OPEB Liability	\$ 47,452,589,164.00	\$ 57,831,784,184.00	\$ 71,707,778,970.00

\* See Healthcare Cost Trend Assumptions for details of rates.

**Additional Information**

Collective balances of the Local Group at June 30, 2017 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 99,843,255.00	\$ (99,843,255.00)
Change in Assumptions	-	(6,343,769,032.00)
Contributions Made in Fiscal Year Year Ending 2018 After June 30, 2017 Measurement Date **	1,190,373,242.00	-
	\$ 1,290,216,497.00	\$ (6,443,612,287.00)

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 9. Other Post-Retirement Benefits (Continued):**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recongnized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2018	\$ (742,830,097.00)
2019	(742,830,097.00)
2020	(742,830,097.00)
2021	(742,830,097.00)
2022	(742,830,097.00)
Thereafter	(2,629,618,547.00)
	\$ (6,343,769,032.00)

\*\* Employer Contributions made after June 30, 2017 are reported as a deferred outflow of resources, but are not amortized in expense.

**Plan Membership**

At June 30, 2016, the Program membership consisted of the following:

	June 30, 2016
Active Plan Members	223,747.00
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331.00
	366,078.00

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

<b>Total OPEB Liability</b>	
Service Cost	\$ 2,391,878,884.00
Interest Cost	1,699,441,736.00
Changes of Assumptions	(7,086,599,129.00)
Contributions: Member	45,748,749.00
Gross Benefit Payments	(1,242,412,566.00)
Net Change in Total OPEB Liability	(4,191,942,326.00)
Total OPEB Liability (Beginning)	57,831,784,184.00
Total OPEB Liability (Ending)	\$ 53,639,841,858.00
Total Covered Employee Payroll	13,493,400,208.00
Net OPEB Liability as a Percentage of Payroll	398%

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 10. On-Behalf Payments for Fringe Benefits and Salaries**

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2018, the on-behalf payments for normal costs, post-retirement medical costs, and long-term disability were \$1,521,144, \$982,474 and \$2,858, respectively.

**Note 11. 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 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:

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 66,846	\$ 37,811	\$ 237	\$ 46,182	\$ 89,832
2016-2017	75,000	30,403	99	85,986	31,120
2015-2016	-	26,027	26	68,454	11,604

**Joint Insurance Pool** – The 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 12. 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, 2018 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.



**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 12. Contingencies (continued)**

**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 13. Economic Dependency**

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

**Note 14. 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(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts 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  
Syracusa Benefits Program  
VALIC and Equitable Life

**Note 15. 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 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, 2018, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$3,203,039 and \$0, respectively.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 16. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

**Note 17. Commitments**

The School District has contractual commitments at June 30, 2017 to various vendors, which are recorded in the general fund as assigned to other purposes in the amount of \$105,324.

**Note 18. Operating Leases**

The School District has a commitment to lease copier equipment under an operating lease which expires July 2020. The District also has a commitment to lease chrome books under two operating leases which expire June 2019. These leases contain a cancellation provision and is subject to annual appropriation. Normal operating lease payments made during the year ended June 30, 2017 totaled \$144,693. Future minimum lease payments are as follows:

Fiscal Year Ending	
<u>June 30,</u>	
2019	\$ 144,694
2020	<u>59,011</u>
Total Minimum Lease Payments	<u><u>\$ 203,705</u></u>

**Note 19. 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. 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, 2018 was \$1,373,318.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 20. Fund Balance**

**General Fund** – Of the \$2,589,240 General Fund fund balance at June 30, 2018, \$1,160 has been reserved in the Capital Reserve Account; \$1,373,318 is restricted for current year excess surplus; \$1,338,851 is restricted for prior year excess surplus – designated for subsequent year’s expenditures; \$130,744 has been assigned to other purposes; and (\$254,833) is unassigned.

**Debt Service Fund** – Of the \$4 Debt Service Fund fund balance at June 30, 2018, \$4 is restricted for future debt service payments.

**Note 21. Deficit Fund Balances**

The School District has a deficit fund balance of \$128,340 in the General Fund as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

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 June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the fund statements (modified accrual basis) of \$254,833 is less than the last state aid payment.

**Note 22. Deficit in Net Position**

**Unrestricted Net Position** – The School District’s governmental activities had a deficit in unrestricted net position in the amount of \$11,576,581. The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees’ Retirement System (PERS) as of June 30, 2018. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**Note 23. Subsequent Events**

The Board of Education has evaluated subsequent events occurring after the financial statement date through February 19, 2019 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events that need to be disclosed.

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**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 THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210	\$ 16,331,307	\$ -	\$ 16,331,307	\$ 16,331,307	\$ -
Tuition	10-1300	25,000	-	25,000	160,275	135,275
Unrestricted Miscellaneous Revenues	10-1900	101,569	-	101,569	219,765	118,196
<b>Total Local Sources</b>		<b>16,457,876</b>	<b>-</b>	<b>16,457,876</b>	<b>16,711,347</b>	<b>253,471</b>
<b>State Sources:</b>						
Categorical Special Education Aid	10-3132	1,015,559	9,245	1,024,804	1,024,804	-
Equalization Aid	10-3176	8,371,715	-	8,371,715	8,371,715	-
Categorical Security Aid	10-3177	110,028	-	110,028	110,028	-
Categorical Transportation Aid	10-3121	104,945	-	104,945	104,945	-
Under Adequacy Aid	10-3178	7,868	-	7,868	7,868	-
PARCC Readiness Aid	10-3179	17,910	-	17,910	17,910	-
Per Pupil Growth Aid	10-3175	17,910	-	17,910	17,910	-
Professional Learning Community Aid	10-3183	17,700	-	17,700	17,700	-
Extraordinary Aid	10-3131	-	-	-	94,425	94,425
Nonpublic Transportation Aid	10-3190	-	-	-	25,712	25,712
<b>Nonbudgeted:</b>						
On-Behalf TPAF Pension Contributions		-	-	-	1,521,144	1,521,144
On-Behalf TPAF Post Retirement Medical Contributions		-	-	-	982,474	982,474
On-Behalf TPAF Disability Insurance Contributions		-	-	-	2,858	2,858
Reimbursed TPAF Social Security Contributions		-	-	-	759,646	759,646
<b>Total State Sources</b>		<b>9,663,635</b>	<b>9,245</b>	<b>9,672,880</b>	<b>13,059,139</b>	<b>3,386,259</b>
<b>Federal Sources:</b>						
Special Education Medicaid Initiative (SEMI)	10-4200	29,856	-	29,856	48,673	18,817
<b>Total Federal Sources</b>		<b>29,856</b>	<b>-</b>	<b>29,856</b>	<b>48,673</b>	<b>18,817</b>
<b>Total Revenues</b>		<b>\$ 26,151,367</b>	<b>\$ 9,245</b>	<b>\$ 26,160,612</b>	<b>\$ 29,819,159</b>	<b>\$ 3,658,547</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Preschool	11-105-100-101	\$ -	\$ -	\$ -	\$ -	\$ -
Kindergarten	11-110-100-101	352,463	55,446	407,909	393,355	14,554
Grades 1 - 5	11-120-100-101	2,462,977	(138,792)	2,324,185	2,287,476	36,709
Grades 6 - 8	11-130-100-101	1,641,227	(12,808)	1,628,419	1,612,940	15,479
Grades 9 - 12	11-140-100-101	1,794,550	(3,061)	1,791,489	1,760,547	30,942
<b>Regular Programs - Home Instruction:</b>						
Salaries of Teachers	11-150-100-101	34,500	72	34,572	34,572	-
Purchased Professional/Educational Services	11-150-100-320	17,000	8,178	25,178	16,164	9,014
<b>Regular Programs - Undistributed Instruction:</b>						
Purchased Professional/Educational Services	11-190-100-320	12,075	25,324	37,399	37,399	-
Purchased Technical Services	11-190-100-340	185,000	5,725	190,725	190,725	-
Cleaning, Repair & Maintenance Services	11-190-100-420	3,375	(2,816)	559	559	-
Other Purchased Services	11-190-100-440	81,920	(3,989)	77,931	77,423	508
General Supplies	11-190-100-610	114,535	(35,654)	78,881	73,867	5,014
Textbooks	11-190-100-640	50,910	33,064	83,974	47,429	36,545
Field trip - Nurse Coverage	11-190-100-890	10,900	40	10,940	10,940	-
<b>Total Regular Programs</b>		<b>6,761,432</b>	<b>(69,271)</b>	<b>6,692,161</b>	<b>6,543,396</b>	<b>148,765</b>
<b>Special Education:</b>						
<b>Learning and/or Language Disabilities:</b>						
Salaries of Teachers	11-204-100-101	77,074	399	77,473	77,473	-
Other Salaries for Instruction	11-204-100-106	22,839	(29)	22,810	22,810	-
General Supplies	11-204-100-610	300	-	300	171	129
<b>Total Learning and/or Language Disabilities</b>		<b>100,213</b>	<b>370</b>	<b>100,583</b>	<b>100,454</b>	<b>129</b>
<b>Multiple Disabilities:</b>						
Salaries of Teachers	11-212-100-101	284,991	54,356	339,347	339,153	194
Other Salaries for Instruction	11-212-100-106	46,678	(450)	46,228	46,228	-
Purchased Professional/Educational Services	11-212-100-320	-	-	-	-	-
General Supplies	11-212-100-610	2,543	7,707	10,250	9,800	450
<b>Total Learning and/or Language Disabilities</b>		<b>334,212</b>	<b>61,613</b>	<b>395,825</b>	<b>395,181</b>	<b>644</b>
<b>Resource Room/ Resource Center:</b>						
Salaries of Teachers	11-213-100-101	978,736	46,471	1,025,207	1,022,333	2,874
Other Salaries for Instruction	11-213-100-106	46,378	14,475	60,853	60,426	427
General Supplies	11-213-100-610	2,980	-	2,980	2,716	264
<b>Total Resource Room</b>		<b>1,028,094</b>	<b>60,946</b>	<b>1,089,040</b>	<b>1,085,475</b>	<b>3,565</b>
<b>Autism:</b>						
Salaries of Teachers	11-214-100-101	81,955	(20,771)	61,184	61,184	-

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Salaries for Instruction	11-214-100-106	48,678	(1,790)	46,888	35,483	11,405
General Supplies	11-214-100-610	500	-	500	-	500
<b>Total Autism</b>		<b>131,133</b>	<b>(22,561)</b>	<b>108,572</b>	<b>96,667</b>	<b>11,905</b>
Preschool Disabilities - Part-Time:						
Salaries of Teachers	11-215-100-101	139,740	4,061	143,801	143,801	-
<b>Total Preschool Disabilities - Part-Time</b>		<b>139,740</b>	<b>4,061</b>	<b>143,801</b>	<b>143,801</b>	<b>-</b>
Preschool Disabilities - Full-Time:						
Salaries of Teachers	11-216-100-101	82,781	(1,133)	81,648	81,448	200
Other Salaries for Instruction	11-216-100-106	22,314	221	22,535	22,285	250
General Supplies	11-216-100-610	1,000	-	1,000	222	778
<b>Total Preschool Disabilities - Full-Time</b>		<b>106,095</b>	<b>(912)</b>	<b>105,183</b>	<b>103,955</b>	<b>1,228</b>
<b>Total Special Education</b>		<b>1,839,487</b>	<b>103,517</b>	<b>1,943,004</b>	<b>1,925,533</b>	<b>17,471</b>
Other Instruction:						
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	263,742	(29,010)	234,732	234,532	200
General Supplies	11-230-100-610	870	28	898	740	158
<b>Total Basic Skills/Remedial</b>		<b>264,612</b>	<b>(28,982)</b>	<b>235,630</b>	<b>235,272</b>	<b>358</b>
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-100	84,926	35,547	120,473	120,473	-
Purchased Technical Services	11-240-100-340	50	-	50	-	50
Other Purchased Services	11-240-100-500	600	-	600	492	108
General Supplies	11-240-100-610	1,800	-	1,800	309	1,491
<b>Total Bilingual Education - Instruction</b>		<b>87,376</b>	<b>35,547</b>	<b>122,923</b>	<b>121,274</b>	<b>1,649</b>
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	66,056	10,616	76,672	72,511	4,161
Purchased Technical Services	11-401-100-340	150	262	412	262	150
Supplies & Materials	11-401-100-610	3,400	(850)	2,550	1,560	990
Other Objects	11-401-100-800	485	-	485	95	390
<b>Total School Sponsored Cocurricular Activities</b>		<b>70,091</b>	<b>10,028</b>	<b>80,119</b>	<b>74,428</b>	<b>5,691</b>
School Sponsored Athletics:						
Salaries	11-402-100-100	356,619	(5,651)	350,968	342,548	8,420
Purchased Technical Services	11-402-100-340	21,800	3,860	25,660	24,276	1,384
Cleaning, Repair & Maintenance Services	11-402-100-420	3,950	(2,400)	1,550	549	1,001
Purchased Services	11-402-100-500	30,100	4,390	34,490	30,998	3,492
Supplies & Materials	11-402-100-600	58,500	(705)	57,795	45,821	11,974
Other Objects	11-402-100-800	275	-	275	254	21
<b>Total School Sponsored Athletics</b>		<b>471,244</b>	<b>(506)</b>	<b>470,738</b>	<b>444,446</b>	<b>26,292</b>
Other Instruction Programs:						
Salaries of Teachers	11-404-100-101	54,365	380	54,745	54,745	-
<b>Total Other Instruction Programs</b>		<b>54,365</b>	<b>380</b>	<b>54,745</b>	<b>54,745</b>	<b>-</b>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Total Other Instruction		947,688	16,467	964,155	930,165	33,990
Total - Instruction		9,548,607	50,713	9,599,320	9,399,094	200,226
Undistributed Expenditures:						
Tuition:						
Tuition Other LEA's - In State - Regular	11-000-100-561	78,526	(71,593)	6,933	6,933	-
Tuition Other LEA's - In State - Special Education	11-000-100-562	170,688	130,261	300,949	299,688	1,261
Tuition to County Voc. School Dist-Regular	11-000-100-563	149,085	16,565	165,650	165,650	-
Tuition to County Voc. School Dist.-Special	11-000-100-564	33,130	(16,565)	16,565	16,565	-
Tuition to CSSD & Reg. Day Schools	11-000-100-565	1,036,529	(268,526)	768,003	767,398	605
Tuition to Private Schools for the Handicapped - In State	11-000-100-566	176,711	363,309	540,020	509,264	30,756
Total Tuition		1,644,669	153,451	1,798,120	1,765,498	32,622
Student & Instruction Related Services:						
Attendance & Social Work Services:						
Salaries	11-000-211-100	8,438	(238)	8,200	8,200	-
Travel	11-000-211-580	1,210	-	1,210	1,210	-
Total Attendance & Social Work Services		9,648	(238)	9,410	9,410	-
Health Services:						
Salaries	11-000-213-100	243,632	(32,734)	210,898	208,060	2,838
Purchased Professional & Technical Services	11-000-213-300	26,300	13,624	39,924	39,171	753
Other Purchased Professional Services	11-000-213-330	237,538	(28,259)	209,279	109,101	100,178
Supplies and Materials	11-000-213-610	5,700	4,407	10,107	8,069	2,038
Total Health Services		513,170	(42,962)	470,208	364,401	105,807
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	193,211	641	193,852	184,707	9,145
Purchased Professional & Educational Services	11-000-216-320	576,830	4,985	581,815	516,191	65,624
Supplies & Materials	11-000-216-610	1,550	(872)	678	576	102
Total Other Services - Students - Related Services		771,591	4,754	776,345	701,474	74,871
Other Support Services - Students - Extra Services:						
Other Salaries for Instruction	11-000-217-106	68,567	(87)	68,480	68,364	116
Purchased Professional & Educational Services	11-000-217-320	456,000	(15,164)	440,836	365,475	75,361
Total Other Services - Students - Extra Services		524,567	(15,251)	509,316	433,839	75,477
Other Support Services - Students - Guidance:						
Salaries of Other Professional Staff	11-000-218-104	413,552	8,094	421,646	421,118	528
Salaries of Secretarial and Clerical Assistants	11-000-218-105	49,229	(241)	48,988	48,988	-
Other Purchased Professional & Technical Services	11-000-218-390	4,300	262	4,562	4,476	86
Supplies & Materials	11-000-218-600	6,300	(79)	6,221	4,560	1,661
Total Other Support Services - Students - Guidance		473,381	8,036	481,417	479,142	2,275
Other Support Services - Students - Child Study Team:						
Salaries of Other Professional Staff	11-000-219-104	393,199	7,893	401,092	400,492	600
Salaries of Secretarial & Clerical Assistants	11-000-219-105	89,269	2,258	91,527	91,527	-
Other Salaries	11-000-219-110	5,466	3,111	8,577	8,526	51
Other Purchased Prof. & Technical Services	11-000-219-390	23,900	14,795	38,695	38,206	489
Miscellaneous Purchased Services	11-000-219-4XX	13,666	208	13,874	13,874	-
Supplies & Materials	11-000-219-600	3,000	(464)	2,536	2,536	-
Other Objects	11-000-219-800	7,032	(820)	6,212	6,212	-
Total Other Support Services - Students - Child Study Team		535,532	26,981	562,513	561,373	1,140
Other Support Services - Students - Extraordinary Services:						
Supplies & Materials	11-000-220-600	2,860	(443)	2,417	639	1,778
Total Other Support Services - Students - Extraordinary Services		2,860	(443)	2,417	639	1,778

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Improvement of Instructional Staff</b>						
Salaries of Supervisors of Instruction	11-000-221-102	103,388	1,756	105,144	104,273	871
Other Salaries	11-000-221-110	24,050	(11,877)	12,173	5,289	6,884
Other Purchased Professional & Technical Services	11-000-221-390	3,705	-	3,705	3,305	400
<b>Total Instructional Staff Training</b>		<b>131,143</b>	<b>(10,121)</b>	<b>121,022</b>	<b>112,867</b>	<b>8,155</b>
<b>Educational Media Services/School Library:</b>						
Salaries	11-000-222-100	57,680	2,740	60,420	60,420	-
Supplies and Materials	11-000-222-610	14,325	(6,385)	7,940	5,928	2,012
<b>Total Educational Media Services/School Library</b>		<b>72,005</b>	<b>(3,645)</b>	<b>68,360</b>	<b>66,348</b>	<b>2,012</b>
<b>Instructional Staff Training:</b>						
Other Salaries	11-000-223-110	2,450	2,505	4,955	4,705	250
Other Purchased Professional & Technical Services	11-000-223-390	4,500	(946)	3,554	800	2,754
Other Objects	11-000-223-600	650	-	650	600	50
<b>Total Instructional Staff Training</b>		<b>7,600</b>	<b>1,559</b>	<b>9,159</b>	<b>6,105</b>	<b>3,054</b>
<b>Total Student &amp; Instruction Related Services</b>		<b>3,041,497</b>	<b>(31,330)</b>	<b>3,010,167</b>	<b>2,735,598</b>	<b>274,569</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	247,774	(2,189)	245,585	245,585	-
Legal Services	11-000-230-331	52,000	-	52,000	31,441	20,559
Audit Fees	11-000-230-332	35,120	(500)	34,620	33,350	1,270
Architectural/Engineering Services	11-000-230-334	10,000	-	10,000	2,271	7,729
Purchased Technical Services	11-000-230-340	22,663	500	23,163	22,521	642
Communications/Telephone	11-000-230-530	121,475	530	122,005	120,514	1,491
Other Purchased Services	11-000-230-5XX	13,560	123	13,683	10,657	3,026
General Supplies	11-000-230-610	6,300	(369)	5,931	4,896	1,035
Miscellaneous Expenditures	11-000-230-890	2,420	1,938	4,358	3,268	1,090
BOE Membership Dues & Fees	11-000-230-895	11,140	-	11,140	11,140	-
<b>Total Support Services General Administration</b>		<b>522,452</b>	<b>33</b>	<b>522,485</b>	<b>485,643</b>	<b>36,842</b>
<b>Support Services School Administration:</b>						
Salaries of Principals & Assistant Principals	11-000-240-103	603,525	(9,423)	594,102	592,110	1,992
Salaries of Secretarial & Clerical Assistants	11-000-240-105	230,963	(2,933)	228,030	228,030	-
Salaries - Earned Vacation Pay	11-000-240-199	10,139	(1,299)	8,840	8,840	-
Purchased Technical Services	11-000-240-340	5,000	(2,543)	2,457	2,457	-
Other Purchased Services	11-000-240-500	2,760	-	2,760	2,760	-
Supplies and Materials	11-000-240-600	10,500	557	11,057	10,878	179
Other Objects	11-000-240-800	5,400	702	6,102	5,552	550
<b>Total Support Services School Administration</b>		<b>868,287</b>	<b>(14,939)</b>	<b>853,348</b>	<b>850,627</b>	<b>2,721</b>
<b>Central Services:</b>						
Salaries	11-000-251-100	291,941	(10,652)	281,289	281,289	-
Purchased Technical Services	11-000-251-340	34,620	-	34,620	34,219	401
Miscellaneous Purchased Services	11-000-251-440	3,803	-	3,803	3,802	1
Other Purchased Services	11-000-251-500	2,500	(553)	1,947	-	1,947
Supplies and Materials	11-000-251-600	8,450	(30)	8,420	7,128	1,292
Miscellaneous Expenditures	11-000-251-800	1,600	-	1,600	1,179	421
<b>Total Central Services</b>		<b>342,914</b>	<b>(11,235)</b>	<b>331,679</b>	<b>327,617</b>	<b>4,062</b>
<b>Administrative Information Technology:</b>						
Salaries	11-000-252-100	135,711	472	136,183	136,183	-
Purchased Professional Services	11-000-252-330	-	340	340	340	-
Purchased Technical Services	11-000-252-340	153,396	37,714	191,110	189,373	1,737
Supplies and Materials	11-000-252-600	97,877	49,131	147,008	109,717	37,291
Other Objects	11-000-252-800	450	-	450	450	-
<b>Total Administrative Information Technology</b>		<b>387,434</b>	<b>87,657</b>	<b>475,091</b>	<b>436,063</b>	<b>39,028</b>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Required Maintenance for School Facilities:</b>						
Salaries	11-000-261-100	370,059	185	370,244	366,451	3,793
Cleaning, Repair & Maintenance Services	11-000-261-420	299,016	57,712	356,728	268,706	88,022
General Supplies	11-000-261-610	68,800	531	69,331	58,514	10,817
Other Objects	11-000-261-800	6,805	(270)	6,535	2,478	4,057
<b>Total Required Maintenance for School Facilities</b>		<b>744,680</b>	<b>58,158</b>	<b>802,838</b>	<b>696,149</b>	<b>106,689</b>
<b>Custodial Services:</b>						
Salaries - Aides	11-000-262-107	50,067	7,301	57,368	54,909	2,459
Other Salaries	11-000-262-110	207,281	5,346	212,627	212,627	-
Cleaning, Repair & Maintenance Services	11-000-262-420	332,000	609	332,609	331,065	1,544
Insurance	11-000-262-520	167,500	(2,851)	164,649	163,977	672
General Supplies	11-000-262-610	46,100	1,723	47,823	48,310	1,513
Energy (Natural Gas)	11-000-262-621	130,001	5,803	135,804	121,813	13,991
Energy (Electricity)	11-000-262-622	544,397	(41,231)	503,166	419,352	83,814
Other Objects	11-000-262-800	39,270	-	39,270	39,270	-
<b>Total Custodial Services</b>		<b>1,516,616</b>	<b>(23,300)</b>	<b>1,493,316</b>	<b>1,389,323</b>	<b>103,993</b>
<b>Care and Upkeep of Grounds:</b>						
Cleaning, Repair & Maintenance Services	11-000-263-420	32,500	18,710	51,210	39,385	11,825
General Supplies	11-000-263-610	28,985	(5,693)	23,292	20,347	2,945
<b>Total Care and Upkeep of Grounds:</b>		<b>61,485</b>	<b>13,017</b>	<b>74,502</b>	<b>59,732</b>	<b>14,770</b>
<b>Security:</b>						
Salaries	11-000-266-100	115,462	(20,011)	95,451	93,851	1,600
Purchased Technical Services	11-000-266-340	1,045	114	1,159	1,159	-
General Supplies	11-000-266-610	1,000	12,728	13,728	12,702	1,026
Other Objects	11-000-266-800	900	(355)	545	450	95
<b>Total Security</b>		<b>118,407</b>	<b>(7,524)</b>	<b>110,883</b>	<b>108,162</b>	<b>2,721</b>
<b>Total Operation &amp; Maintenance of Plant Services</b>		<b>2,441,188</b>	<b>40,351</b>	<b>2,481,539</b>	<b>2,253,366</b>	<b>228,173</b>
<b>Student Transportation Services:</b>						
Salaries - Non Instruction	11-000-270-107	81,116	27,489	108,605	103,469	5,136
Salaries - Other	11-000-270-110	1,250	21	1,271	1,271	-
Salaries - Pupil Transport. - (Between Home & School) - Regular	11-000-270-160	320,190	(722)	319,468	305,433	14,035
Salaries - Pupil Transport. - (Between Home & School) - Special	11-000-270-161	175,938	(12,352)	163,586	153,918	9,668
Salaries - Pupil Transport. - (Other than Between Home & School)	11-000-270-162	14,307	531	14,838	12,592	2,246
Other Purchased Professional & Technical Services	11-000-270-390	15,073	1,216	16,289	15,677	612
Cleaning, Repair & Maintenance Services	11-000-270-420	187,953	29,182	217,135	217,135	-
Lease Purchase Payments - School Buses	11-000-270-443	123,753	(155)	123,598	123,598	-
Contracted Services - (Aid in Lieu of Payments)	11-000-270-503	62,184	(307)	61,877	61,877	-
Contracted Services (Special Education Students) - Joint Agreement	11-000-270-513	67,524	11,319	78,843	68,964	9,879
Miscellaneous Purchased Services - Transportation	11-000-270-593	35,000	(4,501)	30,499	30,499	-
General Supplies	11-000-270-610	13,827	(4,191)	9,636	9,636	-
Transportation Supplies	11-000-270-615	126,902	(18,877)	108,025	88,721	19,304
Other Objects	11-000-270-890	4,500	95	4,595	4,069	526
<b>Total Student Transportation Services</b>		<b>1,229,517</b>	<b>28,748</b>	<b>1,258,265</b>	<b>1,196,859</b>	<b>61,406</b>
<b>ALLOCATED BENEFITS</b>						
<b>Regular Programs - Instruction</b>						
Workmen's Compensation	11-1XX-100-260	117,888	(16,900)	100,988	100,988	-
Health Benefits	11-1XX-100-270	1,085,880	(36,338)	1,049,542	877,963	171,579
Tuition Reimbursement	11-1XX-100-280	25,000	4,156	29,156	26,710	2,446
Other Employee Benefits	11-1XX-100-290	294,120	69,002	363,122	363,120	2
<b>Total Regular Programs - Instruction</b>		<b>1,522,888</b>	<b>19,920</b>	<b>1,542,808</b>	<b>1,368,781</b>	<b>174,027</b>
<b>Special Programs - Instruction</b>						
Social Security Contributions	11-2XX-100-220	24,773	-	24,773	17,408	7,365
Other Retirement - Regular	11-2XX-100-241	28,726	(3,178)	25,548	6,053	19,495
Workmen's Compensation	11-2XX-100-260	36,648	(3,558)	33,090	33,090	-
Health Benefits	11-2XX-100-270	824,898	-	824,898	824,277	621
Other Employee Benefits	11-2XX-100-290	156,834	(15,934)	140,900	140,897	3
<b>Total Special Programs - Instruction</b>		<b>1,071,879</b>	<b>(22,670)</b>	<b>1,049,209</b>	<b>1,021,725</b>	<b>27,484</b>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Other Instruction:</b>						
School-Spon. Cocurricular Actvts. - Inst.						
Social Security Contributions	11-401-100-220	8,032	-	8,032	6,039	1,993
Health Benefits	11-401-100-270	44,286	-	44,286	32,399	11,887
Total School-Spon. Cocurricular Actvts. - Inst.		52,318	-	52,318	38,438	13,880
School Sponsored Athletics						
Social Security Contributions	11-402-100-220	38,982	-	38,982	-	38,982
Other Retirement - Regular	11-402-100-241	26,249	-	26,249	-	26,249
Workmen's Compensation	11-402-100-260	2,857	-	2,857	2,857	-
Total School Sponsored Athletics		68,088	-	68,088	2,857	65,231
Other Instructional Programs						
Workmen's Compensation	11-404-100-260	971	-	971	971	-
Health Benefits	11-404-100-270	12,725	-	12,725	524	12,201
Other Employee Benefits	11-404-100-290	-	10,688	10,688	10,688	-
Total Other Instructional Programs		13,696	10,688	24,384	12,183	12,201
Total Other Instruction		134,102	10,688	144,790	53,478	91,312
<b>Student &amp; Instruction Related Services:</b>						
Attendance/Social Work Services						
Social Security Contributions	11-000-211-220	1,013	-	1,013	1,013	-
Other Retirement Regular	11-000-211-241	1,174	-	1,174	1,174	-
Workmen's Compensation	11-000-211-260	151	-	151	151	-
Total Attendance/Social Work Services		2,338	-	2,338	2,338	-
Health Services						
Workmen's Compensation	11-000-213-260	5,286	-	5,286	5,286	-
Health Benefits	11-000-213-270	88,810	-	88,810	88,810	-
Other Employee Benefits	11-000-213-299	3,108	-	3,108	3,108	-
Total Health Services		97,204	-	97,204	97,204	-
Other Support Services - Students - Related Services						
Workmen's Compensation	11-000-216-260	3,416	-	3,416	3,416	-
Health Benefits	11-000-216-270	81,375	-	81,375	81,017	358
Total Other Support Services - Students - Related Services		84,791	-	84,791	84,433	358
Other Support Services - Students - Extra Services						
Social Security Contributions	11-000-217-220	8,228	-	8,228	8,228	-
Other Retirement Regular	11-000-217-241	9,542	-	9,542	9,542	-
Workmen's Compensation	11-000-217-260	1,225	-	1,225	1,225	-
Health Benefits	11-000-217-270	61,370	-	61,370	61,370	-
Other Employee Benefits	11-000-217-29X	10,617	(322)	10,295	10,295	-
Total Other Support Services - Students - Extra Services		90,982	(322)	90,660	90,660	-
Other Support Services - Students - Guidance						
Social Security Contributions	11-000-218-220	5,907	-	5,907	5,907	-
Other Retirement - Regular	11-000-218-241	6,851	-	6,851	6,851	-
Workmen's Compensation	11-000-218-260	8,266	-	8,266	8,266	-
Health Benefits	11-000-218-270	133,972	-	133,972	133,972	-
Other Employee Benefits	11-000-218-29X	20,617	7,623	28,240	28,240	-
Total Other Support Services - Students - Guidance		175,613	7,623	183,236	183,236	-
Other Support Services - Students - Child Study Team						
Social Security Contributions	11-000-219-220	10,712	-	10,712	10,712	-
Other Retirement - Regular	11-000-219-241	12,423	-	12,423	12,423	-
Workmen's Compensation	11-000-219-260	8,618	-	8,618	8,618	-
Health Benefits	11-000-219-270	187,636	-	187,636	187,636	-
Other Employee Benefits	11-000-219-29X	3,521	(3,521)	-	-	-
Total Other Support Services - Students - Child Study Team		222,910	(3,521)	219,389	219,389	-

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Improvement of Instruction Services</b>						
Workmen's Compensation	11-000-221-260	1,847	-	1,847	1,847	-
Health Benefits	11-000-221-270	13,166	-	13,166	13,166	-
<b>Total Improvement of Instruction Services</b>		<b>15,013</b>	<b>-</b>	<b>15,013</b>	<b>15,013</b>	<b>-</b>
<b>Educational Media Services - School Library</b>						
Workmen's Compensation	11-000-222-260	1,503	-	1,503	1,503	-
Health Benefits	11-000-222-270	13,166	-	13,166	13,166	-
Other Employee Benefits	11-000-222-29X	5,000	-	5,000	5,000	-
<b>Total Educational Media Services - School Library</b>		<b>19,669</b>	<b>-</b>	<b>19,669</b>	<b>19,669</b>	<b>-</b>
<b>Total Student &amp; Instruction Related Services</b>		<b>708,520</b>	<b>3,780</b>	<b>712,300</b>	<b>711,942</b>	<b>358</b>
<b>Support Services - General Administration</b>						
Social Security Contributions	11-000-230-220	9,370	-	9,370	9,370	-
Other Retirement - Regular	11-000-230-241	10,867	-	10,867	10,867	-
Workmen's Compensation	11-000-230-260	4,102	-	4,102	4,102	-
Health Benefits	11-000-230-270	62,161	(426)	61,735	61,735	-
Tuition Reimbursement	11-000-230-280	3,000	5,715	8,715	8,715	-
<b>Total Support Services - General Administration</b>		<b>89,500</b>	<b>5,289</b>	<b>94,789</b>	<b>94,789</b>	<b>-</b>
<b>Support Services - School Administration</b>						
Social Security Contributions	11-000-240-220	27,595	-	27,595	27,595	-
Other Retirement - Regular	11-000-240-241	32,002	-	32,002	32,001	1
Workmen's Compensation	11-000-240-260	14,909	-	14,909	14,909	-
Health Benefits	11-000-240-270	323,540	-	323,540	323,540	-
Other Employee Benefits	11-000-240-290	24,106	17,165	41,271	41,228	43
<b>Total Support Services - School Administration</b>		<b>422,152</b>	<b>17,165</b>	<b>439,317</b>	<b>439,273</b>	<b>44</b>
<b>Central Services</b>						
Social Security Contributions	11-000-251-220	22,193	-	22,193	22,193	-
Other Retirement - Regular	11-000-251-241	25,737	-	25,737	25,737	-
Workmen's Compensation	11-000-251-260	5,179	-	5,179	5,179	-
Health Benefits	11-000-251-270	116,411	-	116,411	116,411	-
Tuition Reimbursement	11-000-251-280	1,000	(1,000)	-	-	-
Other Employee Benefits	11-000-251-290	425	-	425	-	425
<b>Total Central Services</b>		<b>170,945</b>	<b>(1,000)</b>	<b>169,945</b>	<b>169,520</b>	<b>425</b>
<b>Undist. Expend. - Support Serv. - Administration Information Serv.</b>						
Social Security Contributions	11-000-252-220	16,285	-	16,285	16,285	-
Other Retirement - Regular	11-000-252-241	18,886	-	18,886	18,886	-
Workmen's Compensation	11-000-252-260	2,424	-	2,424	2,424	-
Health Benefits	11-000-252-270	14,853	-	14,853	14,853	-
Other Employee Benefits	11-000-252-290	12,832	(1,790)	11,042	11,042	-
<b>Total Undist. Expend. - Support Serv. - Administration Info Serv.</b>		<b>65,280</b>	<b>(1,790)</b>	<b>63,490</b>	<b>63,490</b>	<b>-</b>
<b>Operation and Maintenance of Plant Services</b>						
Social Security Contributions	11-000-260-220	87,739	-	87,739	87,739	-
Other Retirement - Regular	11-000-260-241	101,752	-	101,752	101,752	-
Workmen's Compensation	11-000-260-260	13,060	-	13,060	13,060	-
Health Benefits	11-000-260-270	191,487	(26,488)	164,999	164,999	-
Other Employee Benefits	11-000-260-290	63,841	100	63,941	63,567	374
<b>Total Operation and Maintenance of Plant Services</b>		<b>457,879</b>	<b>(26,388)</b>	<b>431,491</b>	<b>431,117</b>	<b>374</b>
<b>Student Transportation Services</b>						
Social Security Contributions	11-000-270-220	70,644	-	70,644	70,644	-
Other Retirement - Regular	11-000-270-241	67,568	-	67,568	67,568	-
Workmen's Compensation	11-000-270-260	8,606	-	8,606	8,606	-
Health Benefits	11-000-270-270	296,931	(37,105)	259,826	259,826	-
Other Employee Benefits	11-000-270-29X	59,019	(6,127)	52,892	52,892	-
<b>Total Student Transportation Services</b>		<b>502,768</b>	<b>(43,232)</b>	<b>459,536</b>	<b>459,536</b>	<b>-</b>
<b>TOTAL ALLOCATED BENEFITS</b>		<b>5,145,913</b>	<b>(38,238)</b>	<b>5,107,675</b>	<b>4,813,651</b>	<b>294,024</b>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Unallocated Benefits - Employee Benefits:						
Unemployment Compensation	11-000-291-250	75,000	-	75,000	75,000	-
Other Employee Benefits	11-000-291-290	24,976	-	24,976	24,975	1
Total Unallocated Benefits - Employee Benefits		99,976	-	99,976	99,975	1
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	1,521,144	(1,521,144)
On-Behalf TPAF Post Retirement Medical Contributions		-	-	-	982,474	(982,474)
On-Behalf TPAF Disability Insurance Contributions		-	-	-	2,858	(2,858)
Reimbursed TPAF Social Security Contributions		-	-	-	759,646	(759,646)
Total Nonbudgeted		-	-	-	3,266,122	(3,266,122)
Total Undistributed Expenditures		15,723,847	214,498	15,938,345	18,231,019	(2,292,674)
Transfer to Charter Schools	10-000-100-56X	1,485,469	(168,831)	1,316,638	1,280,618	36,020
Total Expenditures - Current Expense		26,757,923	96,380	26,854,303	28,910,731	(2,056,428)
Capital Outlay:						
Equipment:						
Upkeep of Grounds	12-000-263-730	-	18,189	18,189	18,189	-
Total Equipment		-	18,189	18,189	18,189	-
Facilities Acquisition & Construction Services:						
Assessment of Debt Service on SDA Funding	12-000-400-896	117,952	-	117,952	117,952	-
Total Facilities Acquisition & Construction Services		117,952	-	117,952	117,952	-
Assets Acquired Under Capital Leases (Nonbudgeted):						
Undistributed Expenditures:						
Transportation	12-000-270-732	-	-	-	167,426	(167,426)
Total Assets Acquired Under Capital Leases (Nonbudgeted)		-	-	-	167,426	(167,426)
Total Capital Outlay		117,952	18,189	136,141	303,567	(167,426)
Total Expenditures		26,875,875	114,569	26,990,444	29,214,298	(2,223,854)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(724,508)	(105,324)	(829,832)	604,861	1,434,693
Other Financing Sources/(Uses):						
Capital Lease Proceeds (Nonbudgeted)		-	-	-	167,426	167,426
Total Other Financing Sources/(Uses)		-	-	-	167,426	167,426
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses)		(724,508)	(105,324)	(829,832)	772,287	1,602,119
Fund Balances, July 1		2,707,538	-	2,707,538	2,707,538	-
Fund Balances, June 30		\$ 1,983,030	\$ (105,324)	\$ 1,877,706	\$ 3,479,825	\$ 1,602,119

**RECAPITULATION OF BUDGET TRANSFERS**

Prior Year Encumbrances	\$ (105,324)
Total	<u>\$ (105,324)</u>

**RECAPITULATION OF FUND BALANCE:**

Restricted Fund Balance:	
Capital Reserve	\$ 1,160
Excess Surplus	1,373,318
Reserved Excess Surplus Designated for Subsequent Year's Expenditures	1,212,358
Assigned Fund Balance:	
Surplus Designated for Subsequent Year's Expenditures	126,493
Year-end Encumbrances	130,744
Unassigned Fund Balance	<u>635,752</u>
Subtotal	3,479,825
Reconciliation to Governmental Funds Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(890,585)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 2,589,240</u>



**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

REVENUES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Local Sources	\$ -	\$ 111,943	\$ 111,943	\$ 103,552	\$ (8,391)
State Sources	-	148,804	148,804	121,162	(27,642)
Federal Sources	727,389	332,922	1,060,311	923,312	(136,999)
<b>Total Revenues</b>	<b>727,389</b>	<b>593,669</b>	<b>1,321,058</b>	<b>1,148,026</b>	<b>(173,032)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries	-	45,197	45,197	28,568	16,629
Salaries of Teachers	302,261	(82,706)	219,555	219,355	200
Purchased Professional & Technical Services	-	629	629	629	-
Tuition	425,128	(60,551)	364,577	364,577	-
General Supplies	-	138,706	138,706	133,623	5,083
Textbooks	-	13,476	13,476	12,790	686
<b>Total Instruction</b>	<b>727,389</b>	<b>54,751</b>	<b>782,140</b>	<b>759,542</b>	<b>22,598</b>
<b>Support Services:</b>					
Personal Services - Employee Benefits	-	133,016	133,016	71,541	61,475
Purchased Professional & Technical Services	-	356,838	356,838	287,972	68,866
Other Purchased Services	-	1,145	1,145	1,145	-
General Supplies	-	22,838	22,838	14,397	8,441
Other Objects	-	19,563	19,563	7,911	11,652
<b>Total Support Services</b>	<b>-</b>	<b>533,400</b>	<b>533,400</b>	<b>382,966</b>	<b>150,434</b>
<b>Facilities Acquisition &amp; Construction Services:</b>					
Instructional Equipment	-	5,518	5,518	5,518	-
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>5,518</b>	<b>5,518</b>	<b>5,518</b>	<b>-</b>
<b>Total Expenditures</b>	<b>727,389</b>	<b>593,669</b>	<b>1,321,058</b>	<b>1,148,026</b>	<b>173,032</b>
<b>Total Outflows</b>	<b>727,389</b>	<b>593,669</b>	<b>1,321,058</b>	<b>1,148,026</b>	<b>173,032</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>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION - PART II  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI - PART II  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 29,819,159	\$ 1,148,026
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	851,235	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(890,585)	-
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	-	(5,658)
Prior Year	-	6,906
<hr/>		
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 29,779,809</u>	<u>\$ 1,149,274</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 29,214,298	\$ 1,148,026
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.	-	1,248
<hr/>		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 29,214,298</u>	<u>\$ 1,149,274</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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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 SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**  
**LAST FIVE FISCAL YEARS\***

	<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>
School District's proportion of the net pension liability	0.03140%		0.03648%		0.03822%		0.03782%		0.03968%
School District's proportionate share of the net pension liability	\$ 7,309,683	\$	10,805,326	\$	8,580,029	\$	7,081,833	\$	7,583,695
School District's covered payroll	\$ 2,217,516	\$	2,597,869	\$	2,646,666	\$	2,618,784	\$	2,579,352
School District's proportionate share of the net pension liability as a percentage of its covered payroll	329.63%		415.93%		324.18%		270.42%		294.02%
Plan fiduciary net position as a percentage of the total pension liability	48.10%		40.14%		47.93%		52.08%		48.72%

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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 SCHOOL DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
LAST FIVE FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's contractually required contribution	\$ 281,651	\$ 290,898	\$ 324,113	\$ 328,605	\$ 311,822
Contributions in relation to the contractually required contribution	<u>(281,651)</u>	<u>(290,898)</u>	<u>(324,113)</u>	<u>(328,605)</u>	<u>(311,822)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 2,051,361	\$ 2,217,516	\$ 2,597,869	\$ 2,646,666	\$ 2,618,784
Contributions as a percentage of covered payroll	13.73%	13.12%	12.48%	12.42%	11.91%

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 THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS' PENSION AND ANNUITY FUND (TPAF)**  
**LAST FIVE FISCAL YEARS\***

	2017	2016	2015	2014	2013
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	67,954,593	78,826,344	61,087,012	54,178,933	55,586,266
	<u>\$ 67,954,593</u>	<u>\$ 78,826,344</u>	<u>\$ 61,087,012</u>	<u>\$ 54,178,933</u>	<u>\$ 55,586,266</u>
School District's covered payroll	\$ 10,070,865	\$ 10,243,835	\$ 10,047,441	\$ 9,794,918	\$ 9,687,546
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	40.10%	22.33%	28.71%	33.64%	33.76%

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST  
EMPLOYMENT BENEFITS (GASB 75)**

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**FLORENCE TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB**  
**LAST FISCAL YEAR\***

	2018
<b>District's Total OPEB Liability</b>	
Service Cost	\$ 2,374,784
Interest Cost	2,032,750
Changes of Assumptions	(8,483,441)
Contributions: Member	54,715
Gross Benefit Payments	(1,485,925)
Net Change in Total OPEB Liability	(5,507,117)
District's Total OPEB Liability (Beginning)	69,660,342
District's Total OPEB Liability (Ending)	\$ 64,153,225
District's Covered Employee Payroll***	\$ 12,122,226
 District's Net OPEB Liability as a Percentage of Payroll	529%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date)

\*\*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 REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.22% as of June 30, 2016, to 4.25% as of June 30, 2017.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.98% as of June 30, 2016, to 5.00% as of June 30, 2017.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 2.85% as of June 30, 2016, to 3.58% as of June 30, 2017.

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**OTHER SUPPLEMENTARY INFORMATION**

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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 THE FISCAL YEAR ENDED JUNE 30, 2018**

	NO CHILD LEFT BEHIND							I.D.E.A. PART B BASIC
	TITLE I PRIOR YEAR	TITLE I PRIOR YEAR	TITLE II - PART A	TITLE II - PART A PRIOR YEAR	TITLE III	TITLE IV	TITLE IV	
Revenues:								
Federal Sources	\$ 277,328	\$ 76,997	\$ 33,449	\$ 13,906	\$ 373	\$ 8,527	\$ 502,100	
State Sources	-	-	-	-	-	-	-	
Local Sources	-	-	-	-	-	-	-	
<b>Total Revenues</b>	<b>\$ 277,328</b>	<b>\$ 76,997</b>	<b>\$ 33,449</b>	<b>\$ 13,906</b>	<b>\$ 373</b>	<b>\$ 8,527</b>	<b>\$ 502,100</b>	
Expenditures:								
Instruction:								
Salaries	\$ 15,271	\$ 9,417	\$ -	\$ -	\$ -	\$ -	\$ -	
Salaries of Teachers	219,355	-	-	-	-	-	-	
Tuition	-	-	-	-	-	-	364,577	
General Supplies	35,002	3,900	-	-	-	8,527	8,949	
<b>Total Instruction</b>	<b>269,628</b>	<b>13,317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,527</b>	<b>373,526</b>	
Support Services:								
Salaries	-	-	-	-	-	-	-	
Employee Benefits	-	58,780	-	12,761	-	-	-	
Purchased Professional - Technical Services	7,700	4,900	32,498	-	-	-	128,574	
Purchased Professional Services	-	-	-	-	-	-	-	
Other Purchased Services	-	-	-	1,145	-	-	-	
General Supplies	-	-	951	-	-	-	-	
Other Objects	-	-	-	-	373	-	-	
<b>Total Support Services</b>	<b>7,700</b>	<b>63,680</b>	<b>33,449</b>	<b>13,906</b>	<b>373</b>	<b>-</b>	<b>128,574</b>	
<b>Total Expenditures</b>	<b>\$ 277,328</b>	<b>\$ 76,997</b>	<b>\$ 33,449</b>	<b>\$ 13,906</b>	<b>\$ 373</b>	<b>\$ 8,527</b>	<b>\$ 502,100</b>	

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	I.D.E.A.		I.D.E.A.		NJ NONPUBLIC AUXILIARY SERVICES CH. 192	
	PART B BASIC	PART B	NJ NONPUBLIC	NJ NONPUBLIC	COMPENSATORY	
	<u>PRIOR YEAR</u>	<u>PRESCHOOL</u>	<u>TEXTBOOK AID</u>	<u>NURSING AID</u>	<u>EDUCATION</u>	<u>TRANSPORTATION</u>
Revenues:						
Federal Sources	\$ 629	\$ 10,003	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	12,790	24,250	28,169	7,043
Local Sources	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 629</b>	<b>\$ 10,003</b>	<b>\$ 12,790</b>	<b>\$ 24,250</b>	<b>\$ 28,169</b>	<b>\$ 7,043</b>
Expenditures:						
Instruction:						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries of Teachers	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-	-
Purchased Professional - Technical Services	629	-	-	-	-	-
Tuition	-	\$ -	\$ -	\$ -	\$ -	\$ -
Other Purchased Services	-	-	-	-	-	-
General Supplies	-	3,575	-	-	-	-
Textbooks	-	-	12,790	-	-	-
<b>Total Instruction</b>	<b>629</b>	<b>3,575</b>	<b>12,790</b>	<b>-</b>	<b>-</b>	<b>-</b>
Support Services:						
Purchased Professional - Technical Services	-	6,428	-	24,250	28,169	7,043
Purchased Professional Services	-	-	-	-	-	-
<b>Total Support Services</b>	<b>-</b>	<b>6,428</b>	<b>-</b>	<b>24,250</b>	<b>28,169</b>	<b>7,043</b>
<b>Total Expenditures</b>	<b>\$ 629</b>	<b>\$ 10,003</b>	<b>\$ 12,790</b>	<b>\$ 24,250</b>	<b>\$ 28,169</b>	<b>\$ 7,043</b>



**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	NJ NONPUBLIC HANDICAPPED SERVICES			NJ NONPUBLIC TECHNOLOGY INITIATIVE AID	NJ NONPUBLIC SECURITY AID
	CH. 193				
	<u>SUPPLEMENTAL INSTRUCTION</u>	<u>EXAMINATION &amp; CLASSIFICATION</u>	<u>CORRECTIVE SPEECH</u>		
Revenues:					
Federal Sources	\$ -	\$ -	\$ -	\$ -	-
State Sources	7,216	18,746	9,642	8,830	4,476
Local Sources	-	-	-	-	-
Total Revenues	<u>\$ 7,216</u>	<u>\$ 18,746</u>	<u>\$ 9,642</u>	<u>\$ 8,830</u>	<u>\$ 4,476</u>
Expenditures:					
Instruction:					
General Supplies	\$ -	\$ -	\$ -	\$ 8,830	-
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,830</u>	<u>-</u>
Support Services:					
Purchased Professional - Technical Service	7,216	18,746	9,642	-	4,476
Purchased Professional Services	-	-	-	-	-
Total Support Services	<u>7,216</u>	<u>18,746</u>	<u>9,642</u>	<u>-</u>	<u>4,476</u>
Total Expenditures	<u>\$ 7,216</u>	<u>\$ 18,746</u>	<u>\$ 9,642</u>	<u>\$ 8,830</u>	<u>\$ 4,476</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>CHROME BOOK DONATION</u>	<u>CHROME BOOK DONATION PRIOR YEAR</u>	<u>NJ SCHOOLS INSURANCE GROUP SAFETY GRANT</u>	<u>NJ SCHOOLS INSURANCE GROUP SAFETY GRANT PRIOR YEAR</u>	<u>FLORENCE TOWNSHIP TECHNOLOGY DONATION</u>	<u>PSE&amp;G STEAMING UP SUMMER GRANT</u>
Revenues:						
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-
Local Sources	12,500	9,495	6,839	5,518	40,000	342
<b>Total Revenues</b>	<b>\$ 12,500</b>	<b>\$ 9,495</b>	<b>\$ 6,839</b>	<b>\$ 5,518</b>	<b>\$ 40,000</b>	<b>\$ 342</b>
Expenditures:						
Instruction:						
General Supplies	\$ 12,500	\$ 9,495	\$ -	\$ -	\$ 40,000	\$ -
<b>Total Instruction</b>	<b>12,500</b>	<b>9,495</b>	<b>-</b>	<b>-</b>	<b>40,000</b>	<b>-</b>
Support Services:						
Salaries	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-
Purchased Professional - Technical Services	-	-	-	-	-	342
Purchased Professional Services	-	-	-	-	-	-
General Supplies	-	-	6,839	-	-	-
Other Objects	-	-	-	-	-	-
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>6,839</b>	<b>-</b>	<b>-</b>	<b>342</b>
Facilities Acquisition & Construction Services:						
Instructional Equipment	-	-	-	5,518	-	-
Non-Instructional Equipment	-	-	-	-	-	-
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,518</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 12,500</b>	<b>\$ 9,495</b>	<b>\$ 6,839</b>	<b>\$ 5,518</b>	<b>\$ 40,000</b>	<b>\$ 342</b>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	SOUTHERN NJ REGIONAL EMPLOYEE WELLNESS GRANT 17/18	FLORENCE TOWNSHIP EDUCATION FOUNDATION DONATION	CAFETERIA GRANT	TOTALS
<b>Revenues:</b>				
Federal Sources	\$ -	\$ -	\$ -	923,312
State Sources	-	-	-	121,162
Local Sources	19,406	2,845	6,607	103,552
<b>Total Revenues</b>	<b>\$ 19,406</b>	<b>\$ 2,845</b>	<b>\$ 6,607</b>	<b>\$ 1,148,026</b>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Salaries	\$ 3,880	\$ -	\$ -	28,568
Salaries of Teachers	-	-	-	219,355
Purchased Professional - Technical Services	-	-	-	629
Tuition	-	-	-	364,577
General Supplies	-	2,845	-	133,623
Textbooks	-	-	-	12,790
<b>Total Instruction</b>	<b>3,880</b>	<b>2,845</b>	<b>-</b>	<b>759,542</b>
<b>Support Services:</b>				
Employee Benefits	-	-	-	71,541
Purchased Professional - Technical Services	7,988	-	-	287,972
Purchased Professional Services	-	-	-	-
Other Purchased Services	-	-	-	1,145
General Supplies	-	-	6,607	14,397
Other Objects	7,538	-	-	7,911
<b>Total Support Services</b>	<b>15,526</b>	<b>-</b>	<b>6,607</b>	<b>382,966</b>
<b>Facilities Acquisition &amp; Construction Services:</b>				
Instructional Equipment	-	-	-	5,518
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,518</b>
<b>Total Expenditures</b>	<b>\$ 19,406</b>	<b>\$ 2,845</b>	<b>\$ 6,607</b>	<b>\$ 1,148,026</b>

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## **G. Proprietary Funds**

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## **Enterprise Funds**

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**FLORENCE TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF NET POSITION  
JUNE 30, 2018**

ASSETS	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	EXTENDED		
	DAY <u>PROGRAM</u>	FOOD <u>SERVICE</u>	<u>TOTAL</u>
Current Assets:			
Cash & Cash Equivalents	\$ 88,118	\$ 4,811	\$ 92,929
Accounts Receivable			
State	-	501	501
Federal	-	21,764	21,764
Inventories	-	17,567	17,567
Total Current Assets	<u>88,118</u>	<u>44,643</u>	<u>132,761</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	-	466,019	466,019
Less: Accumulated Depreciation	-	(336,561)	(336,561)
Total Capital Assets	<u>-</u>	<u>129,458</u>	<u>129,458</u>
Total Assets	<u>88,118</u>	<u>174,101</u>	<u>262,219</u>
LIABILITIES			
Unearned Revenue	26,004	-	26,004
Accounts Payable	390	-	390
Total Liabilities	<u>26,394</u>	<u>-</u>	<u>26,394</u>
NET POSITION			
Investment in Capital Assets	-	129,458	129,458
Unrestricted	61,724	44,643	106,367
Total Net Position	<u>\$ 61,724</u>	<u>\$ 174,101</u>	<u>\$ 235,825</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	EXTENDED		
	DAY PROGRAM	FOOD SERVICE	TOTAL
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs		\$ 173,814	\$ 173,814
Daily Sales - Nonreimbursable Programs		113,766	113,766
Miscellaneous		323	323
Special Functions		8,450	8,450
Tuition	\$ 288,911	-	288,911
Total Operating Revenue	288,911	296,353	585,264
Operating Expenses:			
Salaries & Wages	251,768	221,044	472,812
Employee Benefits	51,307	51,553	102,860
Management Fee		61,000	61,000
Miscellaneous Expenses	24,211	25,743	49,954
Supplies and Materials		17,214	17,214
Cost of Sales - Reimbursable		151,931	151,931
Cost of Sales - Nonreimbursable		84,791	84,791
Depreciation		20,762	20,762
Total Operating Expenses	327,286	634,038	961,324
Operating Income/(Loss)	(38,375)	(337,685)	(376,060)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program		6,512	6,512
Federal Sources:			
National School Lunch Program		220,850	220,850
National School Breakfast Program		47,453	47,453
National School Lunch HHFKA		7,432	7,432
Food Distribution Program		36,560	36,560
Total Nonoperating Revenues/(Expenses)	-	318,807	318,807
Change in Net Position	(38,375)	(18,878)	(57,253)
Net Position - July 1	100,099	192,979	293,078
Total Net Position - Ending	\$ 61,724	\$ 174,101	\$ 235,825

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	EXTENDED		
	DAY PROGRAM	FOOD SERVICE	TOTAL
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 283,082	\$ 292,613	\$ 575,695
Payments to Employees	(251,768)	(221,044)	(472,812)
Payments for Employee Benefits	(51,307)	(51,553)	(102,860)
Payments to Suppliers	(23,821)	(345,421)	(369,242)
Net Cash Provided/(Used) by Operating Activities	(43,814)	(325,405)	(369,219)
Cash Flows From Noncapital Financing Activities:			
State Sources	-	6,425	6,425
Federal Sources	-	310,246	310,246
Net Cash Provided/(Used) by Noncapital Noncapital Financing Activities	-	316,671	316,671
Net Increase/(Decrease) in Cash & Cash Equivalents	(43,814)	(8,734)	(52,548)
Balances - Beginning of Year	131,932	13,545	145,477
Balances - End of Year	\$ 88,118	\$ 4,811	\$ 92,929
 <b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>			
Operating Income/(Loss)	\$ (38,375)	\$ (337,685)	\$ (376,060)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	-	20,762	20,762
Increase/(Decrease) in Unearned Revenue	(5,829)	(3,740)	(9,569)
(Decrease)/Increase in Accounts Payable	390	-	390
(Increase)/Decrease in Inventories	-	(4,742)	(4,742)
Total Adjustments	(5,439)	12,280	6,841
Net Cash Provided/(Used) by Operating Activities	\$ (43,814)	\$ (325,405)	\$ (369,219)

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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, 2018**

ASSETS	PRIVATE PURPOSE TRUST FUNDS							TOTAL
	SCHOLARSHIP ACCOUNT	FLEXIBLE SPENDING EXPENDABLE TRUST	UNEMPLOYMENT		AGENCY FUNDS		SUMMER PAY	
			TRUST	COMPENSATION	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$ 10,691	\$ 696	\$ 94,515	\$ 60,777	\$ 22,025	\$ 528,667	\$ 717,371	
Total Assets	10,691	696	94,515	60,777	22,025	528,667	717,371	
<b>LIABILITIES</b>								
Payroll Deductions & Withholdings					13,392	528,667	542,059	
Due to Student Groups				60,777			60,777	
Interfund Payable			4,683		8,633		13,316	
Total Liabilities	-	-	4,683	60,777	22,025	528,667	616,152	
<b>NET POSITION:</b>								
Held in Trust for Unemployment								
Claims & Other Purposes	10,691	696	89,832	-	-	-	101,219	
Total Net Position	\$ 10,691	\$ 696	\$ 89,832	\$ -	\$ -	\$ -	\$ 101,219	

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	PRIVATE PURPOSE TRUST FUNDS			
	SCHOLARSHIP	UNEMPLOYMENT COMPENSATION	FLEXIBLE SPENDING	TOTAL
	<u>ACCOUNT</u>	<u>TRUST</u>	<u>EXPENDABLE TRUST</u>	
ADDITIONS				
Payroll withholdings	\$ -	\$ 37,811	\$ -	\$ 37,811
Contributions:				
Other		66,846	2,111	68,957
Total Contributions	-	104,657	2,111	106,768
Investment Earnings:				
Interest	52	237	-	289
Net Investment Earnings	52	237	-	289
Total Additions	52	104,894	2,111	107,057
DEDUCTIONS				
Unemployment claims	-	46,182	-	46,182
Dependent day care payments	-	-	2,100	2,100
Scholarship payments	2,066	-	-	2,066
Total Deductions	2,066	46,182	2,100	50,348
Change in Net Position	(2,014)	58,712	11	56,709
Net Position - Beginning of the Year	12,705	31,120	685	44,510
Net Position - End of the Year	\$ 10,691	\$ 89,832	\$ 696	\$ 101,219



**FLORENCE TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUND  
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	BALANCE JULY 1, <u>2017</u>	CASH <u>RECEIPTS</u>	CASH <u>DISBURSEMENTS</u>	BALANCE JUNE 30, <u>2018</u>
Florence Middle School/Memorial High School	\$ 52,966	\$ 137,362	\$ 129,551	\$ 60,777
Total All Activity	<u>\$ 52,966</u>	<u>\$ 137,362</u>	<u>\$ 129,551</u>	<u>\$ 60,777</u>

**FIDUCIARY FUND  
SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ASSETS	BALANCE JULY 1, <u>2017</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	BALANCE JUNE 30, <u>2018</u>
Cash & Cash Equivalents	\$ 124,613	\$ 7,358,930	\$ 7,461,518	\$ 22,025
Total Assets	<u>\$ 124,613</u>	<u>\$ 7,358,930</u>	<u>\$ 7,461,518</u>	<u>\$ 22,025</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 11,140	\$ 7,358,930	\$ 7,356,678	\$ 13,392
Interfund Payable	113,473	-	104,840	8,633
Total Liabilities	<u>\$ 124,613</u>	<u>\$ 7,358,930</u>	<u>\$ 7,461,518</u>	<u>\$ 22,025</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, 2018**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2017</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2018</u>
			<u>DATE</u>	<u>AMOUNT</u>					
General Obligation Refunding Bonds	3/1/2012	\$ 26,065,000	3/1/2019	1,725,000	4.000%	\$ 20,525,000	\$ -	\$ 1,725,000	\$ 18,800,000
			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%				
Total						\$ 20,525,000	\$ -	\$ 1,725,000	\$ 18,800,000

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
GENERAL LONG-TERM DEBT ACCOUNT GROUP  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2017	Issued	Retired	Balance June 30, 2018
			Principal	Interest					
1 Blue Bird Wheelchair Accessible School Bus	1/16/2014	5 Years	119,631	6,092	2.547%	24,520		24,520	-
1 54 Passenger School Bus and 1 46 Passenger/Lift School Bus	8/10/2015	6 Years	206,000	11,148	2.250%	131,627		31,817	99,810
1 16 Passenger School Bus	9/1/2015	5 Years	50,120	1,717	2.300%	22,390		7,294	15,096
1 54 Passenger School Bus	9/16/2016	5 Years	91,388	8,706	4.470%	71,868	\$ -	16,806	55,062
1 54 Passenger School Bus and 1 25 Passenger/Lift School Bus	8/24/2017	5 Years	167,426	8,335	2.490%	-	167,426	35,152	132,274
						\$ 250,405	\$ 167,426	\$ 115,589	\$ 302,242

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,500,282	\$ -	\$ 2,500,282	\$ 2,500,282	\$ -
Total Revenues	2,500,282	-	2,500,282	2,500,282	-
Expenditures:					
Regular Debt Service:					
Interest	775,281	-	775,281	775,281	-
Redemption of Principal	1,725,000	-	1,725,000	1,725,000	-
Total Expenditures	2,500,281	-	2,500,281	2,500,281	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1	-	1	1	-
Fund Balance, July 1	3		3	3	-
Fund Balance, June 30	\$ 4	\$ -	\$ 4	\$ 4	\$ -

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT ACCOUNT GROUP  
SCHEDULE OF WATER & SEWER ASSESSMENTS  
JUNE 30, 2018**

<u>PURPOSE</u>	<u>DATE OF ASSESSMENT</u>	<u>AMOUNT OF ASSESSMENT</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2016</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2017</u>
			<u>DATE</u>	<u>AMOUNT</u>					
Florence Township Water & Sewer Assessment	3/15/2008	\$ 554,474	3/13/2019	34,660	4.250%	\$ 141,709	\$ -	\$ 33,247	\$ 108,462
			3/13/2020	36,133	4.250%				
			3/13/2021	37,669	4.250%				
Total						\$ 141,709	\$ -	\$ 33,247	\$ 108,462



**STATISTICAL SECTION (Unaudited)**

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time.

Please refer to the following exhibits for a historical view of the School District's financial performance. Note the Exhibits are presented for the last ten fiscal years.

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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,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	14,261,078	\$ 13,886,743	\$ 13,846,277	\$ 14,035,431	\$ 12,057,653	\$ 11,537,939	\$ 10,790,353	\$ 10,691,880	\$ 10,537,181	\$ 10,543,414
Restricted	2,586,840	1,938,022	1,352,626	1,030,393	1,105,990	1,867,658	1,671,227	1,154,995	1,548,226	1,585,853
Unrestricted	(11,450,088)	(11,545,406)	(11,503,211)	(11,877,606)	(3,536,231)	(3,410,658)	(3,270,322)	(3,581,795)	(4,321,808)	(4,097,268)
<b>Total Governmental Activities</b>	<b>5,397,830</b>	<b>\$ 4,279,359</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>Business-Type Activities:</b>										
Net Investment in Capital Assets	129,458	\$ 150,220	\$ 155,184	\$ 81,888	\$ 108,723	\$ 118,829	\$ 133,954	\$ 139,936	\$ 155,534	\$ 171,809
Unrestricted	106,367	142,858	151,374	137,876	156,269	172,562	134,299	246,241	337,827	263,887
<b>Total Business-Type Activities</b>	<b>235,825</b>	<b>\$ 293,078</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>Government-Wide:</b>										
Net Investment in Capital Assets	14,390,536	\$ 14,036,963	\$ 14,001,461	\$ 14,117,319	\$ 12,166,376	\$ 11,656,768	\$ 10,924,307	\$ 10,831,816	\$ 10,692,715	\$ 10,715,223
Restricted	2,586,840	1,938,022	1,352,626	1,030,393	1,105,990	1,867,658	1,671,227	1,154,995	1,548,226	1,585,853
Unrestricted	(11,343,721)	(11,402,548)	(11,351,837)	(11,739,730)	(3,379,962)	(3,238,096)	(3,136,023)	(3,335,554)	(3,983,981)	(3,833,381)
<b>Total District Net Position</b>	<b>5,633,655</b>	<b>\$ 4,572,437</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>

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 7,912,177	\$ 8,133,504	\$ 8,841,351	\$ 8,030,336	\$ 8,972,615	\$ 8,796,474	\$ 8,896,535	\$ 8,618,827	\$ 9,450,710	\$ 8,787,047
Special Education	4,091,014	3,539,887	2,757,934	2,951,366	2,872,957	2,671,300	2,654,929	2,814,569	2,339,663	2,424,889
Other Instruction	983,643	948,774	1,076,469	1,043,941	1,161,248	1,124,375	990,821	1,011,875	1,222,637	1,219,991
Support Services:										
Tuition	1,765,498	1,537,242	1,847,144	1,567,872	1,654,028	1,698,507	1,193,891	1,032,473	1,059,333	1,188,188
Student & Instruction Related Services	3,447,540	3,429,065	3,040,898	3,149,700	2,972,028	2,988,470	2,981,191	2,947,254	3,213,847	2,947,425
General Administration	580,432	590,851	584,194	610,755	486,031	541,174	543,113	512,970	439,454	484,915
School Administrative Services	1,289,900	1,204,123	1,553,289	1,133,673	1,071,002	1,053,881	853,090	1,023,489	992,477	1,106,041
Central Services	497,137	531,675	524,546	519,672	634,069	589,964	559,423	484,163	462,700	418,837
Administration Information Technology	499,553	432,504	149,942	314,225	263,835	129,446	145,268	136,866	170,982	204,297
Plant Operations & Maintenance	2,702,903	2,883,819	2,950,827	3,245,387	3,290,210	3,065,679	2,918,232	2,849,752	2,683,126	2,670,424
Pupil Transportation	1,532,797	1,644,647	1,746,825	1,811,605	1,654,051	1,544,363	1,603,444	1,356,646	1,308,279	1,221,317
Employee Benefits	9,074,440	3,299,239	7,275,693	4,496,614	1,872,505	2,253,652	1,814,277	1,519,838	1,537,890	1,423,132
Charter Schools	1,280,618	1,357,915	1,377,669	1,434,177	1,347,452	1,277,448	1,126,585	847,036	559,701	-
Interest & Other Charges	893,985	957,696	994,387	919,198	951,416	763,980	1,155,542	1,262,967	1,339,285	1,384,936
Unallocated Depreciation	1,469,917	1,497,377	1,453,950	1,378,568	1,362,042	1,358,300	1,392,022	1,551,286	1,538,180	1,550,463
Amortization of Debt Issue Costs	-	-	-	-	-	13,518	11,730	11,826	11,922	12,018
Amortization of Intangible Assets	-	-	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>38,021,554</b>	<b>31,988,318</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>
Business-Type Activities:										
Food Service	634,038	685,063	664,885	686,528	728,263	732,537	719,845	718,651	756,719	748,748
Cable TV Access	-	-	-	-	-	6,000	2,000	4,000	8,000	8,000
Extended Day Program	327,286	306,549	290,781	292,403	287,094	282,878	262,653	301,205	278,457	261,832
<b>Total Business-Type Activities Expense</b>	<b>961,324</b>	<b>991,612</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>Total District Expenses</b>	<b>\$ 38,982,878</b>	<b>\$ 32,979,930</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>
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 10,092,552	\$ 3,868,571	\$ 8,053,530	\$ 5,598,286	\$ 3,124,194	\$ 3,433,779	\$ 3,050,132	\$ 2,775,547	\$ 3,107,579	\$ 2,599,032
<b>Total Governmental Activities Program Revenues</b>	<b>10,092,552</b>	<b>3,868,571</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>
Business-Type Activities:										
Charges for Services:										
Food Service	296,353	321,518	300,829	305,349	340,822	349,458	358,147	358,609	451,833	438,894
Cable TV Access	-	-	-	-	-	-	5,313	4,000	3,779	9,976
Extended Day Program	288,911	292,845	304,200	283,197	313,719	321,422	270,266	232,617	311,311	330,602
Operating Grants & Contributions	318,807	347,360	341,659	345,157	334,760	373,659	366,243	321,439	333,845	300,563
<b>Total Business Type Activities Program Revenues</b>	<b>904,071</b>	<b>961,723</b>	<b>946,688</b>	<b>933,703</b>	<b>1,044,539</b>	<b>1,044,539</b>	<b>999,969</b>	<b>916,665</b>	<b>1,100,768</b>	<b>1,080,035</b>

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total District Program Revenues	\$ 10,996,623	\$ 4,830,294	\$ 9,000,218	\$ 6,531,989	\$ 4,113,495	\$ 4,478,318	\$ 4,050,101	\$ 3,692,212	\$ 4,208,347	\$ 3,679,067
Net (Expense)/Revenue:										
Governmental Activities	\$ (27,929,002)	\$ (28,119,747)	\$ (28,158,015)	\$ (27,022,665)	\$ (27,455,157)	\$ (26,450,614)	\$ (25,803,823)	\$ (25,220,152)	\$ (25,236,469)	\$ (24,458,750)
Business-Type Activities	(57,253)	(29,889)	(8,978)	(45,228)	(26,056)	23,124	15,471	(107,191)	57,592	61,455
Total Government-Wide Net Expense	\$ (27,986,255)	\$ (28,149,636)	\$ (28,166,993)	\$ (27,067,893)	\$ (27,481,213)	\$ (26,427,490)	\$ (25,788,352)	\$ (25,327,343)	\$ (25,178,877)	\$ (24,397,295)

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
FISCAL YEAR ENDING JUNE 30,										
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 16,331,307	\$ 16,011,085	\$ 15,697,142	\$ 15,389,355	\$ 15,065,536	\$ 14,594,866	\$ 14,222,554	\$ 13,917,990	\$ 13,221,502	\$ 12,583,617
Taxes Levied for Debt Service	2,500,282	2,569,282	2,636,482	2,698,981	2,624,379	2,747,490	2,667,640	2,682,415	2,578,665	2,596,872
Unrestricted Grants & Contributions	9,802,340	9,908,612	9,581,584	9,855,832	9,701,360	9,542,117	9,436,856	8,810,926	9,126,706	9,696,833
SCC Grant Not Restricted to Specific Functions	-	-	-	-	-	-	-	-	-	-
Payments in Lieu of Taxes	-	-	-	39,989	20,975	67,236	177,065	58,438	46,958	81,643
Tuition Received	160,275	107,071	285,101	4,525	6,537	7,784	15,135	21,232	27,234	27,007
Investment Earnings	219,765	216,088	-	178,486	311,014	298,771	77,337	226,562	127,217	141,870
Miscellaneous Income	-	-	-	-	-	(3,969)	-	(8,470)	-	-
Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Cancellation of Prior Year Accounts Receivable	-	-	-	-	343	-	133,414	-	-	(40,128)
Transfer	33,504	(108,724)	465,180	-	-	-	-	-	-	-
Special items	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	29,047,473	28,703,414	28,665,489	28,167,168	27,730,144	27,254,295	26,730,001	25,709,093	25,128,282	25,087,714
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	14	19	7	74	39
Transfers	-	-	-	-	(343)	-	(133,414)	-	-	40,128
Special items	-	16,409	95,772	-	-	-	-	-	-	-
Total Business-Type Activities	-	16,409	95,772	-	(343)	14	(133,395)	7	74	40,167
Total Government-Wide	\$ 29,047,473	\$ 28,719,823	\$ 28,761,261	\$ 28,167,168	\$ 27,729,801	\$ 27,254,309	\$ 26,596,606	\$ 25,709,100	\$ 25,128,356	\$ 25,127,881
Change in Net Position:										
Governmental Activities	\$ 1,118,471	\$ 583,667	\$ 507,474	\$ 1,144,503	\$ 274,987	\$ 803,681	\$ 926,178	\$ 488,941	\$ (108,187)	\$ 628,964
Business-Type Activities	(57,253)	(13,480)	86,794	(45,228)	(26,399)	23,138	(117,924)	(107,184)	57,666	101,622
Total District	\$ 1,061,218	\$ 570,187	\$ 594,268	\$ 1,099,275	\$ 248,588	\$ 826,819	\$ 808,254	\$ 381,757	\$ (50,521)	\$ 730,586



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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,409,049	\$ 1,261,451
Unreserved	-	-	-	-	-	-	-	-	(441,818)	157,563
Restricted	2,586,836	1,938,019	1,352,624	1,030,393	1,105,990	1,774,377	1,670,854	1,022,719	-	-
Committed			11,887	-	-	-	-	-	-	-
Assigned	257,237	105,324	181,796	443,092	401,936	31,327	275,370	32,695	-	-
Unassigned	(254,833)	(187,040)	(323,940)	(292,815)	(312,167)	(270,672)	(474,785)	-	-	-
<b>Total General Fund</b>	<b>\$ 2,589,240</b>	<b>\$ 1,856,303</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>
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital Projects Fund	-	-	-	-	-	-	-	-	-	356,916
Debt Service Fund	-	-	-	-	-	-	-	-	237,825	2
Assigned to:										
Debt Service Fund	-	-	-	-	-	63,281	373	132,233	-	-
Unassigned:										
Debt Service Fund	4	3	2	2	2	-	-	43	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 4</b>	<b>\$ 3</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>

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues:</b>										
Tax Levy	\$ 18,831,589	\$ 18,580,367	\$ 18,333,624	\$ 18,088,336	\$ 17,689,915	\$ 17,342,356	\$ 16,890,194	\$ 16,600,405	\$ 15,800,167	\$ 15,180,489
Tuition Charges	160,275	107,071	46,316	-	-	-	-	-	-	-
Interest Earnings	323,287	298,731	238,783	2	6,537	7,784	15,135	21,232	27,234	27,007
Miscellaneous	13,143,480	12,740,959	12,182,271	11,983,929	11,728,041	11,966,448	11,143,069	10,554,675	9,488,770	11,391,264
Federal Sources	970,734	953,581	920,663	1,077,380	1,097,513	1,009,448	1,343,919	1,031,798	2,745,515	904,601
<b>Total Revenue</b>	<b>33,429,365</b>	<b>32,680,709</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>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	7,912,177	8,133,504	8,841,351	8,449,567	8,975,142	8,847,749	8,949,443	8,685,667	9,386,808	8,825,965
Special Education Instruction	4,091,014	3,539,887	2,757,934	2,953,265	2,894,072	2,697,219	2,672,256	2,791,162	2,291,990	2,405,188
Other Instruction	983,643	948,774	1,101,584	1,163,194	1,066,157	1,052,249	1,120,065	1,223,163	1,184,592	1,001,523
<b>Support Services:</b>										
Tuition	1,765,498	1,537,242	1,847,144	1,567,872	1,654,028	1,698,507	1,193,891	1,032,473	1,059,333	1,188,188
Student & Instruction Related	3,447,540	3,429,065	3,040,898	3,307,507	3,069,329	2,936,047	3,008,784	3,008,914	3,236,115	2,931,892
General Administration	580,432	590,851	584,194	522,299	512,186	513,696	540,846	512,723	487,155	473,933
School Administrative Services	1,289,900	1,204,123	1,553,289	1,142,600	1,072,773	1,040,386	954,134	1,035,042	993,081	1,076,651
Central Services	497,137	531,675	524,546	614,741	618,605	584,585	557,586	481,364	458,418	489,555
Administrative Information Technology	499,553	432,504	149,942	310,872	261,165	125,627	141,715	134,498	170,048	200,274
Plant Operations & Maintenance	2,645,213	2,869,957	2,981,419	3,219,830	3,147,929	3,012,090	2,900,941	2,921,048	2,727,870	2,655,533
Pupil Transportation	1,532,797	1,644,647	1,774,211	1,785,786	1,732,820	1,571,913	1,486,839	1,388,032	1,319,105	1,220,184
Employee Benefits	3,366,097	2,911,358	2,550,962	2,103,805	1,872,505	2,253,652	1,814,277	1,519,838	1,537,890	1,423,132
Charter Schools	1,280,618	1,357,915	1,377,669	1,434,177	1,347,452	1,277,448	1,126,585	847,036	559,701	-
Capital Outlay	191,133	174,676	396,772	174,848	258,605	224,239	66,799	332,888	195,650	673,068
<b>Debt Service:</b>										
Principal	1,873,836	1,855,958	1,740,000	1,750,000	1,790,000	2,000,000	1,700,000	1,635,000	1,640,000	1,645,000
Interest & Other Charges	907,265	976,024	896,482	948,981	1,006,716	802,815	1,224,525	1,285,485	1,361,904	1,407,561
<b>Total Expenditures</b>	<b>32,863,853</b>	<b>32,138,160</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>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>565,512</b>	<b>542,549</b>	<b>(371,623)</b>	<b>(15,089)</b>	<b>(522,184)</b>	<b>41,189</b>	<b>332,557</b>	<b>(253,008)</b>	<b>(412,370)</b>	<b>(37,230)</b>

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

Other Financing Sources/(Uses):									
Sale of Capital Asset - Duffy School	-	-	-	-	-	-	-	-	-
Capital Leases (non-budgeted)	167,426	91,388	256,120	119,631	85,313	235,642	156,620	43,690	
Proceeds from Refunding	-	-	-	-	27,966,204	-	-	-	-
Payments to Escrow Agent	-	-	-	-	(27,966,204)	-	-	-	-
Transfers in	-	-	-	-	-	-	483,321	286,309	
Transfers Out	-	-	-	-	-	-	(483,321)	(286,309)	
Unrealized Accounts Receivable	-	-	-	-	(48,435)	-	-	-	
Florence Twp Sewer Agreement Obligation	-	-	-	-	-	-	-	-	
Florence Twp Sewer Agreement	-	-	-	-	-	-	-	-	
<b>Total Other Financing Sources/ (Uses)</b>	<b>167,426</b>	<b>91,388</b>	<b>256,120</b>	<b>119,631</b>	<b>85,313</b>	<b>235,642</b>	<b>156,620</b>	<b>43,690</b>	
<b>Net Change in Fund Balances</b>	<b>\$ 732,938</b>	<b>\$ 633,937</b>	<b>\$ (115,503)</b>	<b>\$ (402,553)</b>	<b>\$ 126,502</b>	<b>\$ 284,122</b>	<b>\$ (17,366)</b>	<b>\$ (255,750)</b>	<b>\$ 6,460</b>

Debt Service as a Percentage of Noncapital Expenditures	9.30%	9.72%	9.07%	9.47%	9.87%	10.15%	11.08%	11.46%	11.79%	12.68%
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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								
	<u>INVESTMENTS</u>	<u>TUITION</u>	<u>ERATE REIMB</u>	<u>ATHLETICS</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>			
2018	\$ -	\$ 160,275	\$ 55,725	\$ 11,476	\$ 152,564	\$ 380,040			
2017	-	107,071	40,639	13,194	162,255	323,159			
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			

Source: District records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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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
2018	\$ 27,327,400	\$ 1,008,855,800	\$ 9,732,600	\$ 1,093,500	\$ 52,297,200	\$ 140,029,900	\$ 11,381,100	\$ 1,250,717,500	\$ -	\$ 100	\$ 1,250,717,600	\$ 1,267,367,780	1.516
2017	25,253,700	1,007,111,800	9,900,100	1,156,100	51,904,600	142,517,900	11,429,100	1,249,273,300	-	100	1,249,273,400	1,247,775,969	1.498
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

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

**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	
2018	1.383	0.133	1.516	0.439	0.405	2.360
2017	1.360	0.138	1.498	0.439	0.409	2.346
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

Source: Municipal Tax Collector



FLORENCE TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS,  
 CURRENT YEAR AND NINE YEARS AGO

*Unaudited*

		2017			2008		
TAXPAYER	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXPAYER	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Haines Center Florence, LLC	\$ 60,516,100	1	4.84%	RTC Properties Inc.	\$ 8,635,400	1	1.44%
Christmas Tree Shops, Inc.	33,166,000	2	2.65%	Griffin Pipe Products Company	5,675,500	2	0.94%
RTC Properties Inc.	8,212,000	3	0.66%	Haines Center Florence, LLC	4,772,000	3	0.79%
Foxdale Properties, LLC.	7,700,000	4	0.62%	Academy Woods Apartments	3,250,000	4	0.54%
Individual Taxpayer #1	6,750,000	5	0.54%	Foxdale Properties	3,091,400	5	0.51%
SPAF Cedar Management Co.	4,574,000	6	0.37%	Dean Northeast, LLC	2,550,000	6	0.42%
Dean Northeast, LLC	4,450,000	7	0.36%	DC Fabricators	2,500,000	7	0.42%
Tumpike Crossings Urban Renewal, LLC	3,870,000	8	0.31%	SPAF Cedar Management Co.	2,394,000	8	0.40%
DC Fabricators	3,798,000	9	0.30%	Americo Real Estate Co.	2,250,000	9	0.37%
Griffin Pipe Products Company	3,787,500	10	0.30%	Health Care REIT, Inc.	1,898,600	10	0.32%
<b>Total</b>	<b>\$ 136,823,600</b>		<b>10.94%</b>		<b>\$ 37,016,900</b>		<b>6.16%</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	
2018	\$ 18,831,589	\$ 18,831,589	100%	\$ -
2017	18,580,367	18,580,367	100%	-
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%	-

Source: Municipal Audit Reports

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for historical view of the School District's outstanding debt and its debt capacity.

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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						
2018	\$ 18,800,000	\$ 302,242	\$	\$ 19,102,242	N/A	N/A	12,664 *	1,508
2017	20,525,000	250,405	\$	\$ 20,775,405	N/A	N/A	12,664	1,641
2016	22,250,000	258,083		22,508,083	N/A	N/A	12,664	1,777
2015	23,990,000	111,941		24,101,941	N/A	N/A	12,688	1,900
2014	25,740,000	200,417		25,940,417	680,060,791	3.81%	12,653	2,050
2013	27,530,000	202,115		27,732,115	652,232,075	4.25%	12,595	2,202
2012	29,530,000	220,066		29,750,066	647,411,220	4.60%	12,598	2,361
2011	30,961,000	302,968		31,263,968	617,943,350	5.06%	12,370	2,527
2010	32,596,000	171,617		32,767,617	582,281,593	5.63%	12,119	2,704
2009	34,236,000	104,709		34,340,709	548,582,937	6.26%	11,513	2,983

\* Estimated

**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		
2018	\$ 18,800,000	\$ -	\$ 18,800,000	1.50%	\$ 1,485
2017	20,525,000	-	20,525,000	1.65%	1,621
2016	22,250,000	-	22,250,000	1.78%	1,756.95
2015	23,990,000	-	23,990,000	1.91%	1,890.76
2014	25,740,000	-	25,740,000	2.02%	2,034.30
2013	27,530,000	-	27,530,000	2.26%	2,185.79
2012	29,530,000	-	29,530,000	2.41%	2,344.02
2011	30,961,000	-	30,961,000	2.49%	2,502.91
2010	32,596,000	-	32,596,000	2.69%	2,689.66
2009	34,236,000	-	34,236,000	5.56%	2,973.68

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2018**  
*Unaudited*

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Florence:			
Issued	\$ 2,880,881	100.00%	\$ 2,880,881
Authorized But Not Issued	10,221,664	100.00%	10,221,664
Burlington County General Obligation Debt	297,399,680	2.835%	8,432,168
Subtotal, Overlapping Debt			21,534,713
District Direct Debt			18,800,000
Total Direct & Overlapping Debt			\$ 40,334,713

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	\$ 48,561,995	\$ 47,202,551	\$ 46,406,178	\$ 46,369,415	\$ 47,490,919	\$ 49,327,760	\$ 50,569,844	\$ 50,196,727	\$ 48,832,871	\$ 45,442,068
Total Net Debt Applicable to Limit	18,800,000	20,525,000	22,250,000	23,990,000	25,740,000	27,530,000	29,530,000	30,961,000	32,596,000	34,236,000
Legal Debt Margin	\$ 29,761,995	\$ 26,677,551	\$ 24,156,178	\$ 22,379,415	\$ 21,750,919	\$ 21,797,760	\$ 21,039,844	\$ 19,235,727	\$ 16,236,871	\$ 11,206,068

Total Net Debt Applicable to the Limit  
as a Percentage of Debt Limit

	38.71%	43.48%	47.95%	51.74%	54.20%	55.81%	58.39%	61.68%	66.75%	75.34%
--	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

**Legal Debt Margin Calculation for Fiscal Year 2018**

Equalized Valuation Basis	
2017	\$ 1,259,820,473
2016	1,196,012,460
2015	1,186,316,675
	<u>\$ 3,642,149,608</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,214,049,869</u>
Debt Limit (4 % of Average Equalization Value)	\$ 48,561,995
Net Bonded School Debt	<u>18,800,000</u>
Legal Debt Margin	<u>\$ 29,761,995</u>

**Source:** Equalized valuation bases were obtained from the Burlington County Board of Taxation, Abstract of Ratables (Net Valuation)

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## Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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

FISCAL YEAR ENDED <u>JUNE 30,</u>	<u>POPULATION (a)</u>	PERSONAL <u>INCOME(b)</u>	BURLINGTON COUNTY PER CAPITA PERSONAL <u>INCOME (c)</u>	UNEMPLOYMENT <u>RATE (d)</u>
2018	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A
2016	12,664	N/A	N/A	4.50%
2015	12,688	700,720,176	55,227	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%

**Source:**

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

b Column (a) x Column (c)

c 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***

2017			2008		
EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
<i>Information not available</i>					
0		0.00%	0		0.00%

**Source:** Township and School District Officials

## Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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

*Unaudited*

FUNCTION/PROGRAM	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Instruction:</b>										
Regular	87.37	93.12	104.40	99.50	92.55	91.16	92.95	96.80	102.80	102.00
Special Education	34.00	35.00	32.00	39.00	43.06	44.73	53.20	47.50	55.00	50.00
Other Special Education	9.00	10.00	-	-	-	-	-	-	-	4.00
Vocational	-	-	-	-	-	-	-	-	-	-
Other Instruction	1.00	2.00	-	-	-	-	-	-	-	-
Nonpublic School Programs	-	-	-	-	-	-	-	-	-	-
Adult/Continuing Education Programs	-	-	-	-	-	-	-	-	-	-
<b>Support Services:</b>										
Student & Instruction Related Services	25.50	26.50	26.49	29.38	28.94	28.20	27.00	31.00	30.50	30.00
General Administration Services	3.00	3.00	2.00	3.00	3.00	2.50	2.50	2.50	2.50	2.50
School Administrative Services	11.00	11.00	11.00	10.60	9.50	9.80	10.00	9.50	11.00	11.00
Other Administrative Services	-	-	-	-	-	-	-	-	-	-
Central Services	4.00	4.00	5.00	5.00	5.50	5.25	5.25	5.25	4.50	4.50
Administrative Information Technology	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Plant Operations and Maintenance	19.94	22.00	17.00	17.00	30.50	31.75	30.75	30.25	30.00	31.00
Pupil Transportation	26.14	26.56	28.00	26.31	24.63	25.00	25.00	26.00	27.00	25.00
Other Support Services	-	-	-	2.49	3.20	2.00	2.50	2.50	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>222.95</b>	<b>235.18</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>

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				FLORENCE TWP MEMORIAL HIGH SCHOOL	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ROEBLING ELEMENTARY SCHOOL	RIVERFRONT SCHOOL	FLORENCE TWP MEMORIAL HIGH SCHOOL	AVERAGE DAILY ENROLLMENT (ADE) (c)					
2018	1,569	\$ 29,891,619	\$ 19,051	16.17%	129	1:09	1:10	1:11	1,586.2	1,494.6	1.060%	94.23%		
2017	1,608	29,131,502	18,117	10.47%	129	1:09	1:10	1:11	1,586.2	1,494.6	1.060%	94.23%		
2016	1,772	29,060,028	16,400	2.66%	137	1:09	1:10	1:11	1,592.5	1,512.9	0.099%	94.90%		
2015	1,785	28,513,905	15,974	-8.23%	139	1:09	1:10	1:12	1,639.2	1,546.8	0.094%	94.36%		
2014	1,627	28,321,200	17,407	1.51%	147	1:11	1:10	1:08	1,556.6	1,471.5	1.060%	94.53%		
2013	1,611	27,625,076	17,148	11.92%	148	1:10	1:15	1:06	1,608.7	1,521.3	1.060%	94.57%		
2012	1,723	26,399,546	15,322	3.74%	155	1:08	1:09	1:08	1,606.4	1,539.6	1.040%	95.84%		
2011	1,725	25,477,862	14,770	-0.42%	150	0:05	1:11	1:10	1,605.3	1,508.3	0.099%	93.96%		
2010	1,716	25,450,677	14,831	2.63%	152	2:09	1:08	1:09	1,624.8	1,522.0	0.094%	93.67%		
2009	1,666	24,075,087	14,451	-0.86%	151	1:10	1:08	1:10	1,637.1	1,515.9	1.079%	92.60%		

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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



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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>DISTRICT BUILDINGS</b>										
Elementary Schools:										
Roebling Elementary (1905)										
Square Feet	61,648	61,648	61,648	61,648	61,648	61,648	61,648	61,759	61,759	61,759
Capacity (Students)	497	497	497	497	497	497	497	497	497	497
Enrollment (a)	446	450	441	472	473	527	647	651	501	517
Middle School/Elementary Schools:										
Riverfront School (1993/2006)										
Square Feet	138,377	138,377	138,377	138,377	138,377	138,377	132,377	133,858	133,858	133,858
Capacity (Students)	875	875	875	875	875	875	875	875	875	875
Enrollment	691	719	691	736	691	637	632	619	657	610
High Schools										
Florence Twp Memorial High School (2006)										
Square Feet	132,702	132,702	132,702	132,702	132,702	132,702	132,702	127,000	127,000	127,000
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	421	404	411	426	447	447	444	455	452	459
Other										
Central Administration (1953)										
Square Feet	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220

Number of Schools at June 30, 2018:  
 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

	<u>Roebling Elementary School</u>	<u>Riverfront School</u>	<u>Florence Twp Memorial High School</u>	<u>Total</u>
2018	\$ 127,966	\$ 284,831	\$ 283,352	\$ 696,149
2017	180,247	369,507	351,482	901,236
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

\* 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, 2018**  
*Unaudited*

	COVERAGE	DEDUCTIBLE
School Package Policy (1)		
Building and Contents (All Locations)	\$ 83,723,064	\$ 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 Umbrella (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  
County of Burlington  
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 activities, the 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, 2018, and the related notes to the financial statements, which collectively comprise the Florence Township School District’s basic financial statements, and have issued our report thereon dated February 19, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Florence Township School District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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.

## **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 School 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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
February 19, 2019



EXHIBIT K-2

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND 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

**Report on Compliance for Each Major Federal and State Program**

We have audited the 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 School District's major federal and state programs for the fiscal year ended June 30, 2018. The 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the 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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 the 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 the School District's compliance.

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

In our opinion, the 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, 2018.

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

Management of the 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 the 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 the 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.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
February 19, 2019

FLORENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

FEDERAL CFDA NUMBER	FEDERAL AWARD NUMBER	FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	UNEARNED REVENUE
93.778	1705NJ5MAP		\$ 48,673	7/1/17-6/30/18	-	48,673	-(48,673)	-	-	-	-	-
						48,673	(48,673)					
		<b>U.S. Department of Health and Human Services</b>										
		Passed Through New Jersey Department of Human Services: Medical Assistance Program (SEMI)										
		<b>Total U.S. Department of Health and Human Services</b>										
		<b>U.S. Department of Agriculture</b>										
		Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster:										
		School Breakfast Program	47,453	7/1/17-6/30/18	(4,325)	43,041	(47,453)	-	-	(4,412)	-	-
		School Breakfast Program	57,122	7/1/16-6/30/17	(4,325)	47,366	(47,453)	-	-	(4,412)	-	-
		National School Lunch Program	220,850	7/1/17-6/30/18	(14,868)	204,069	(220,850)	-	-	(16,781)	-	-
		National School Lunch Program	224,002	7/1/16-6/30/17	-	14,868	-	-	-	-	-	-
		Healthy Hunger-Free Kids Act	7,432	7/1/17-6/30/18	(522)	6,860	(7,432)	-	-	(572)	-	-
		Healthy Hunger-Free Kids Act	7,742	7/1/16-6/30/17	-	522	-	-	-	-	-	-
		Food Distribution Program (Noncash Assistance)	36,560	7/1/17-6/30/18	-	36,560	(36,560)	-	-	-	-	-
		Food Distribution Program (Noncash Assistance)	52,338	7/1/16-6/30/17	(11,650)	262,879	(268,582)	-	-	(17,353)	-	-
		Total Child Nutrition Cluster	(15,975)		(15,975)	310,245	(316,035)	-	-	(21,765)	-	-
		<b>Total U.S. Department of Agriculture</b>										
		<b>U.S. Department of Education</b>										
		Passed Through New Jersey Department of Education: I.D.E.A. Part B (Special Education Cluster)										
		Basic	524,863	7/1/17-6/30/18	-	395,285	(502,100)	-	-	(106,815)	-	-
		Basic	523,683	7/1/16-6/30/17	(4,195)	4,195	(629)	-	-	(629)	-	-
		Preschool	27,469	7/1/17-6/30/18	-	5,023	(10,003)	-	-	(4,980)	-	-
		Preschool	14,121	7/1/16-6/30/17	3,146	-	-	-	-	-	3,146	-
		Total Special Education Cluster	(1,049)		(1,049)	404,503	(512,732)	-	-	(112,424)	3,146	-
		No Child Left Behind (N.C.L.B.):										
		Title I - Part A	84,010	7/1/17-6/30/18	-	181,282	(277,328)	-	-	(96,046)	-	-
		Title I - Part A	84,010	7/1/16-6/30/17	(22,669)	99,666	(76,997)	-	-	-	-	-
		Title I - Part A	84,010	7/1/15-6/30/16	3,000	-	-	-	-	-	3,000	-
		Title II - Part A, Supporting Effective Instruction	84,367	7/1/17-6/30/18	(5,920)	27,913	(33,449)	-	-	(5,536)	-	-
		Title II - Part A, Supporting Effective Instruction	84,367	7/1/16-6/30/17	(5,920)	19,097	(13,906)	-	-	(747)	18	-
		Title III, English Language Acquisition	84,365	7/1/16-6/30/17	-	-	(373)	-	-	(373)	-	-
		Title IV, Student Support and Academic Enrichment (ESSA)	84,424	7/1/17-6/30/18	-	-	(8,527)	-	-	(8,527)	-	-
		Total U.S. Department of Education										
		<b>Total Expenditures of Federal Awards</b>										
			\$ (42,613)		\$ 1,091,379	-(1,288,020)	\$ (1,288,020)	-	-	-(245,418)	\$ 6,164	-

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

FLORENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

GRANT OR STATE PROJECT NUMBER	TITLE OR CLUSTER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS' BALANCES	ACCOUNTS RECEIVABLE	BALANCE JUNE 30, 2018	MEMO							
											BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES						
<b>New Jersey Department of Education:</b>																		
General Fund:																		
495-034-5120-078	State Aid Public:	\$ 8,371,715	7/1/17-6/30/18	\$ -	\$ 8,371,715	\$ (8,371,715)	\$ -	\$ -	\$ -	\$ -	\$ 736,730	\$ 8,371,715						
495-034-5120-084	Equitization Aid	110,028	7/1/17-6/30/18		110,028	(110,028)					9,683	110,028						
495-034-5120-089	Security Aid	1,024,804	7/1/17-6/30/18		1,024,804	(1,024,804)					90,185	1,024,804						
495-034-5120-096	Special Education Categorical Aid	7,868	7/1/17-6/30/18		7,868	(7,868)					692	7,868						
495-034-5120-097	Under Adequacy Aid	17,910	7/1/17-6/30/18		17,910	(17,910)					1,576	17,910						
495-034-5120-098	Per Pupil Growth Aid	17,910	7/1/17-6/30/18		17,910	(17,910)					1,576	17,910						
495-034-5120-101	PARCC Readiness	17,700	7/1/17-6/30/18		17,700	(17,700)					1,588	17,700						
495-034-5120-101	Professional Learning Community Aid	17,700	7/1/17-6/30/18		17,700	(17,700)					1,588	17,700						
Total State Aid Public																		
495-034-5120-014	Transportation Aid	104,945	7/1/17-6/30/18		104,945	(104,945)					9,235	104,945						
495-034-5120-014	Additional Nonpublic School Transportation Aid	25,712	7/1/17-6/30/18		25,712	(25,712)						25,712						
495-034-5120-014	Additional Nonpublic School Transportation Aid	12,702	7/1/17-6/30/17	(12,702)	12,702							12,702						
495-034-5120-044	Extraordinary Aid	9,425	7/1/17-6/30/18		9,425	(9,425)						9,425						
495-034-5120-044	Extraordinary Aid	139,315	7/1/17-6/30/17	(139,315)	139,315							139,315						
100-034-5094-003	Reimbursed TPAF Social Security Contributions	759,646	7/1/17-6/30/18		722,870	(759,646)						759,646						
100-034-5094-003	Reimbursed TPAF Social Security Contributions	730,557	7/1/17-6/30/17	(35,831)	35,831							730,557						
495-034-5094-001	TPAF - Post Retirement (Noncash Assistance)	982,474	7/1/17-6/30/18		982,474	(982,474)						982,474						
495-034-5094-002	TPAF - Post Retirement (Noncash Assistance)	1,521,144	7/1/17-6/30/18		1,521,144	(1,521,144)						1,521,144						
495-034-5094-004	TPAF - Long-Term Disability Insurance (Noncash Assistance)	2,858	7/1/17-6/30/18		2,858	(2,858)						2,858						
Total General Fund																		
Special Revenue Fund:																		
Non-Public Aid:																		
100-034-5120-067	Auxiliary Services Aid Cluster (Ch. 192):	31,358	7/1/17-6/30/18		31,358	(28,169)				3,189		28,169						
100-034-5120-067	Compensatory Education	26,874	7/1/17-6/30/17	3,225	7,043	(7,043)		(3,225)				7,043						
100-034-5120-068	Transportation	7,043	7/1/17-6/30/18		7,043	(7,043)						7,043						
Total Auxiliary Services Aid Cluster																		
Handicapped Services Cluster (Ch. 193):																		
100-034-5120-066	Supplemental Instruction	12,687	7/1/17-6/30/18		12,687	(7,216)						7,216						
100-034-5120-066	Supplemental Instruction	18,048	7/1/17-6/30/17	8,867	18,746	(18,746)		(8,867)				18,746						
100-034-5120-066	Examination & Classification	16,758	7/1/17-6/30/17	6,484	13,392	(9,642)		(6,484)				9,642						
100-034-5120-066	Examination & Classification	15,325	7/1/17-6/30/18		15,325	(15,325)						15,325						
100-034-5120-066	Corrective Speech	16,787	7/1/17-6/30/17	5,302	44,925	(35,604)		(5,302)				35,604						
Total Handicapped Services Cluster																		
100-034-5120-064	Textbook Aid	13,476	7/1/17-6/30/18		13,476	(12,790)						12,790						
100-034-5120-064	Textbook Aid	24,250	7/1/17-6/30/18	501	24,250	(24,250)		(501)				24,250						
100-034-5120-070	Technology Initiative	9,102	7/1/17-6/30/18		9,102	(8,830)						8,830						
100-034-5120-373	Technology Initiative	6,994	7/1/17-6/30/17	88	18,750	(4,476)		(88)				18,750						
100-034-5120-509	Security Aid	18,750	7/1/17-6/30/18		18,750	(18,750)						18,750						
100-034-5120-509	Security Aid	13,650	7/1/17-6/30/17	2,462	14,804	(2,462)		(2,462)				14,804						
Total Special Revenue Fund																		
<b>New Jersey Department of Agriculture:</b>																		
Enterprise Fund:																		
100-010-3350-023	National School Lunch Program	6,512	7/1/17-6/30/18		6,011	(6,512)			(501)			6,512						
100-010-3350-023	National School Lunch Program	6,156	7/1/17-6/30/17	(414)	414							6,156						
Total Enterprise Fund																		
<b>Total State Financial Assistance</b>																		
											\$ (161,333)	\$ 13,245,303	\$ (13,186,813)	\$ -	\$ (157,414)	\$ -	\$ 27,662	\$ 14,075,543
State Financial Assistance Programs not subject to Calculation for Major Program Determination:																		
495-034-5094-001	TPAF - Post Retirement (Noncash Assistance)	982,474	7/1/17-6/30/18									982,474						
495-034-5094-002	TPAF - Post Retirement (Noncash Assistance)	1,521,144	7/1/17-6/30/18									1,521,144						
495-034-5094-004	TPAF - Long-Term Disability Insurance (Noncash Assistance)	2,858	7/1/17-6/30/18									2,858						
<b>Total State Financial Assistance subject to Calculation for Major Program Determination</b>																		

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Note 1. Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Florence Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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 federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

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 School District for the year ended June 30, 2018. 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, 2018.

**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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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 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 (\$39,350) for the general fund and (\$5,658) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 48,673	\$ 13,059,139	\$ 13,107,812
Special Revenue Fund	923,312	121,162	1,044,474
Food Service Fund	316,035	6,512	322,547
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 1,288,020</u>	<u>\$ 13,186,813</u>	<u>\$ 14,474,833</u>

**Note 4. Relationship to Federal and State Financial Reports**

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

**Note 5. Federal and State Loans Outstanding**

The Florence Township School District had no loan balances outstanding at June 30, 2018.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major programs:

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

2) Significant deficiency(ies) identified?        yes   X   none reported

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

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?        yes   X   no

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>FAIN Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<u>84.027</u>	<u>H027A160100</u>	<u>Special Education Cluster:</u>
<u>84.173</u>	<u>H173A160114</u>	<u>I.D.E.A. Part B - Basic</u>
<u>      </u>	<u>      </u>	<u>I.D.E.A. Part B -Preschool</u>
<u>      </u>	<u>      </u>	<u>      </u>
<u>      </u>	<u>      </u>	<u>      </u>

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee?   X   yes        no

FLORENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Section I - Summary of Auditor's Results (continued)

**State Financial Assistance**

Dollar threshold used to determine Type A programs \$750,000.00

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Auditee qualified as low-risk auditee?  X  yes      no

Internal control over major programs:

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

2) Significant deficiency(ies) identified?      yes  X  no

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

---

Any audit findings disclosed that are required to be reported  
in accordance with New Jersey OMB's Circular 15-08?      yes  X  no

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

495-034-5120-078	State Aid - Public: Equalization Aid
495-034-5120-084	Categorical Security Aid
495-034-5120-089	Categorical Special Education Aid
495-034-5120-083	Under Adequacy Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-101	Professional Learning Community Aid
100-034-5094-003	Reimbursed TPAF Social Security Contributions



**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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.

None.

**FLORENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE**

None.

**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, 2018**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.