

FLORENCE TOWNSHIP SCHOOL DISTRICT

Florence, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

FLORENCE TOWNSHIP SCHOOL DISTRICT

FLORENCE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION

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FLORENCE TOWNSHIP SCHOOL SYSTEM

201 CEDAR STREET
FLORENCE, NEW JERSEY 08518



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January 21, 2021

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, 2020, 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, 2019, 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.

Single Audit Section:

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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 15th, for the current and past nine fiscal years are detailed below:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	1,542	-1.03%
2018-2019	1,558	-0.70%
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%

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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 decreasing we have encountered a slight increase in the numbers of students applying for and being eligible for Free & Reduced lunch services.

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

2019/2020: FREE LUNCH 29% REDUCED LUNCH 4% OR TOTAL FREE/REDUCED LUNCH 33%

A demographic study was conducted in 2017-2018 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 2019-2020 school year focused on the integration of technology throughout all content areas. To continue with 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. As well, the technology assisted with the transition to emergency shutdown due to the pandemic. Teachers and students were able to continue with instruction in an alternate way.

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, 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.

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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 Holt McNally & Associates, Inc., 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 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.

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Respectfully submitted

A handwritten signature in cursive script, appearing to read "Donna Ambrosius", written over a horizontal line.

Superintendent

A handwritten signature in cursive script, appearing to read "Melissa Livengood", written over a horizontal line.

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, 2020

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Emma A. Cartier, President	2022
Christine S. Skinner, Vice President	2021
Toby Popso	2022
Anthony Nutter	2022
Debbie Reyes	2020
Jane Collins	2021
Michele Boracci	2021
Christopher Conti	2020
Joseph G. Valdora	2020

OTHER DISTRICT OFFICIALS

Donna Ambrosius, Superintendent

Melissa Livengood, Business Administrator

Donald J. Cammus, Treasurer of School Monies

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

Consultants and Advisors

Board Auditor

Holt McNally & Associates
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

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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, 2020, 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 statements.

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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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison 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 January 21, 2021 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 the effectiveness of the School District's 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,

HOLT MCNALLY & ASSOCIATES, INC.

David T. McNally
Certified Public Accountant
Public School Accountant, No. 20CS00261600

Medford, New Jersey
January 21, 2021

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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, 2020
(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, 2020. 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.

FLORENCE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

Overview of the Basic Financial Statements (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, 2020
(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 2020 compared to fiscal year 2019.

Table 1
Summary of Net Position

	June 30, <u>2020</u>	June 30, <u>2019</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 3,571,648	\$ 3,118,545	\$ 453,103	14.5%
Capital Assets, Net	<u>30,774,921</u>	<u>31,996,931</u>	<u>(1,222,010)</u>	-3.8%
Total Assets	<u>34,346,569</u>	<u>35,115,476</u>	<u>(768,907)</u>	-2.2%
Deferred Outflow of Resources	<u>2,022,571</u>	<u>2,586,153</u>	<u>(563,582)</u>	-21.8%
Current and other Liabilities	676,168	593,989	82,179	13.8%
Noncurrent Liabilities	<u>24,355,248</u>	<u>27,221,885</u>	<u>(2,866,637)</u>	-10.5%
Total Liabilities	<u>25,031,416</u>	<u>27,815,874</u>	<u>(2,784,458)</u>	-10.0%
Deferred Inflow of Resources	<u>2,940,257</u>	<u>3,337,684</u>	<u>(397,427)</u>	-11.9%
Net Position:				
Net Investment in Capital Assets	15,206,004	14,768,479	437,525	3.0%
Restricted	3,040,240	2,929,790	110,450	3.8%
Unrestricted (Deficit)	<u>(9,848,777)</u>	<u>(11,150,198)</u>	<u>1,301,421</u>	-11.7%
Total Net Position	<u>\$ 8,397,467</u>	<u>\$ 6,548,071</u>	<u>\$ 1,849,396</u>	28.2%

FLORENCE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

Table 2 shows the changes in net position for fiscal year 2020 compared to fiscal year 2019.

Table 2
Summary of Changes in Net Position

	June 30, <u>2020</u>	June 30, <u>2019</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 372,709	\$ 531,661	\$ (158,952)	-29.9%
Operating Grants & Contributions	6,881,423	7,829,012	(947,589)	-12.1%
General Revenues:				
Property Taxes	19,353,373	19,089,212	264,161	1.4%
Federal & State Aid	10,179,219	10,052,347	126,872	1.3%
Other General Revenues	820,946	621,080	199,866	32.2%
Special Items:				
Gain/(Loss) on Capital Asset Adjustment	(8,079)	(12,559)	4,480	100.0%
Total Revenues	<u>37,599,591</u>	<u>38,110,753</u>	<u>(511,162)</u>	<u>-1.3%</u>
Function/Program Expenditures:				
Regular Instruction	8,261,118	8,411,636	(150,518)	-1.8%
Special Education Instruction	4,093,190	3,774,397	318,793	8.4%
Other Instruction	1,031,963	972,017	59,946	6.2%
Tuition	2,683,631	2,176,863	506,768	23.3%
Student & Instruction Related Services	4,424,249	3,944,012	480,237	12.2%
General Administrative	671,555	574,551	97,004	16.9%
School Administrative Services	1,142,711	1,267,796	(125,085)	-9.9%
Central Services	543,759	440,656	103,103	23.4%
Administrative Info. Technology	530,775	569,186	(38,411)	-6.7%
Plant Operations & Maintenance	2,894,076	2,819,830	74,246	2.6%
Pupil Transportation	1,188,529	1,333,379	(144,850)	-10.9%
Unallocated Benefits	(370,682)	1,811,954	(2,182,636)	-120.5%
On Behalf TPAF Pension and Social				
Security Contributions	4,290,528	4,508,769	(218,241)	-4.8%
Transfer to Charter Schools	1,369,751	1,363,712	6,039	0.4%
Interest & Other Charges	769,734	828,197	(58,463)	-7.1%
Unallocated Depreciation	1,459,564	1,439,141	20,423	1.4%
Food Service	452,593	591,166	(138,573)	-23.4%
Daycare	313,151	369,075	(55,924)	-15.2%
Total Expenditures	<u>35,750,195</u>	<u>37,196,337</u>	<u>(1,446,142)</u>	<u>-3.9%</u>
Change In Net Position	1,849,396	914,416	934,980	102.2%
Net Position - Beginning	<u>6,548,071</u>	<u>5,633,655</u>	<u>914,416</u>	<u>16.2%</u>
Net Position - Ending	<u>\$ 8,397,467</u>	<u>\$ 6,548,071</u>	<u>\$ 1,849,396</u>	<u>28.2%</u>

Governmental Activities

During the fiscal year 2020, the net position of governmental activities increased by \$1,977,273 or 30.77%. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$8,402,869, with an unrestricted deficit balance of \$9,755,257. 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.

FLORENCE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

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)	\$	(9,755,257)
Add back: PERS Pension Liability		5,130,080
Less: Deferred Outflows related to pensions		(911,438)
Add back: Deferred Inflows related to pensions		2,940,257
Unrestricted Net Position (Without GASB 68)	\$	(2,596,358)

Business-type Activities

During the fiscal year 2020, the net position of business-type activities decreased by \$127,877 or 104.41%.

The assets and deferred outflows of the business-type activities were less than liabilities and deferred inflows by \$5,402.

General Fund Budgeting Highlights

Final budgeted revenues were \$27,100,329 and the School District's actual revenues exceeded budgeted revenues by \$822,166.

Final budgeted appropriations were \$28,643,101, which was an increase of \$93,656 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 \$1,191,554.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$4,364,878 at June 30, 2020, an increase of \$470,948 from the prior year.

FLORENCE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(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 \$3,484,510, an increase of \$498,524 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$498,524 to \$3,484,509 at June 30, 2020. The net position increased in the prior year by \$396,745. 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 \$333,158 or 2.00% from the prior year
- State revenues increased by \$326,720 or 2.40% 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 change in the fund balance for the capital projects fund.

Debt service fund – There was no change in the fund balance for the debt service fund.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund decreased by \$14,450 to \$155,189 at June 30, 2020. The net position decreased in the prior year by \$4,462. 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:

- Operating revenues decreased by \$158,952 from prior year.

Extended Day Program - During the current fiscal year, the net position of the School District's Extended Day Program decreased by \$113,427 to \$(160,591) at June 30, 2020. The net position decreased in the prior year by \$108,888. The primary factor(s) affecting the change in net position compared to the prior year change in net position is as follows:

- Operating revenues decreased by \$60,463 from the prior year to \$199,724 in current fiscal year.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)**

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2020, totaled \$30,774,921 (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, land improvements, buildings and improvements and equipment. There was a net decrease in the School District's investment in capital assets for the current fiscal year in the amount of \$1,222,010. Table 4 shows fiscal 2020 balances compared to 2019.

**Table 4
Summary of Capital Assets**

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 918,785	\$ 918,785	\$ -	0.0%
Construction in Progress	41,185	-	41,185	N/A
Land Improvements	470,472	581,854	(111,382)	-19.1%
Building and Improvements	27,947,159	29,104,014	(1,156,855)	-4.0%
Equipment	1,397,320	1,392,278	5,042	0.4%
	<u>\$ 30,774,921</u>	<u>\$ 31,996,931</u>	<u>\$ (1,222,010)</u>	<u>-3.8%</u>

Depreciation expense for the year was \$1,480,142. 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 \$15,350,000, 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.

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, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 2,036,429	\$ -	\$ 2,036,429
Receivables, Net (Note 4)	1,312,235	21,799	1,334,034
Restricted Cash & Cash Equivalents	201,185	-	201,185
Capital Assets, Net (Note 5)			
Non-depreciable	959,970	-	959,970
Depreciable	29,726,833	88,118	29,814,951
Total Assets	34,236,652	109,917	34,346,569
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	911,438	-	911,438
Related to Loss on Debt Refunding	736,865	-	736,865
Related to Water & Sewer Special Assessment	374,268	-	374,268
Total Deferred Outflow of Resources	2,022,571	-	2,022,571
LIABILITIES:			
Cash Deficit	-	115,319	115,319
Accounts Payable	2,655	-	2,655
Due to Other Governments	339,621	-	339,621
Unearned Revenue	20,546	-	20,546
Accrued Interest	198,027	-	198,027
Noncurrent Liabilities (Note 7):			
Due within one year	2,063,820	-	2,063,820
Due in more than one year	22,291,428	-	22,291,428
Total Liabilities	24,916,097	115,319	25,031,416
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	2,940,257	-	2,940,257
Total Deferred Inflow of Resources	2,940,257	-	2,940,257
NET POSITION:			
Net Investment in Capital Assets	15,117,886	88,118	15,206,004
Restricted for:			
Capital Projects	201,185	-	201,185
Debt Service	1	-	1
Excess Surplus	2,839,054	-	2,839,054
Unrestricted (Deficit)	(9,755,257)	(93,520)	(9,848,777)
Total Net Position	\$ 8,402,869	\$ (5,402)	\$ 8,397,467

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, 2020

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 8,261,118	\$ -	\$ -	(8,261,118)	\$ -	(8,261,118)
Special Education Instruction	4,093,190	-	825,138	(3,268,052)	-	(3,268,052)
Other Instruction	1,031,963	-	-	(1,031,963)	-	(1,031,963)
Support Services:						
Tuition	2,683,631	-	-	(2,683,631)	-	(2,683,631)
Student & Instruction Related Services	4,424,249	-	925,098	(3,499,151)	-	(3,499,151)
General Administrative	671,555	-	-	(671,555)	-	(671,555)
School Administrative Services	1,142,711	-	-	(1,142,711)	-	(1,142,711)
Central Services	543,759	-	-	(543,759)	-	(543,759)
Administrative Info. Technology	530,775	-	-	(530,775)	-	(530,775)
Plant Operations & Maintenance	2,894,076	-	-	(2,894,076)	-	(2,894,076)
Pupil Transportation	1,188,529	-	-	(1,188,529)	-	(1,188,529)
Unallocated Benefits	(370,682)	-	575,501	946,183	-	946,183
On Behalf TPAF Pension and Social Security Contributions	4,290,528	-	4,290,528	-	-	-
Transfer to Charter Schools	1,369,751	-	-	(1,369,751)	-	(1,369,751)
Interest & Other Charges	769,734	-	-	(769,734)	-	(769,734)
Unallocated Depreciation	1,459,564	-	-	(1,459,564)	-	(1,459,564)
Total Governmental Activities	34,984,451	-	6,616,265	(28,368,186)	-	(28,368,186)
Business-Type Activities:						
Food Service	\$ 452,593	\$ 172,985	\$ 265,158	\$ -	\$ (14,450)	\$ (14,450)
Extended Day Program	313,151	199,724	-	-	(113,427)	(113,427)
Total Business-Type Activities	765,744	372,709	265,158	-	(127,877)	(127,877)
Total Primary Government	\$ 35,750,195	\$ 372,709	\$ 6,881,423	(28,368,186)	(127,877)	(28,496,063)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				16,991,091	-	16,991,091
Property Taxes, Levied for Debt Service				2,362,282	-	2,362,282
Federal & State Aid Not Restricted				10,179,219	-	10,179,219
Tuition Charges				373,504	-	373,504
Miscellaneous				447,442	-	447,442
Special Items:						
Gain/(Loss) on Capital Asset Adjustment				(8,079)	-	(8,079)
Total General Revenues				30,345,459	-	30,345,459
Change In Net Position				1,977,273	(127,877)	1,849,396
Net Position - Beginning				6,425,596	1,224,75	6,548,071
Net Position - Ending				\$ 8,402,869	\$ (5,402)	\$ 8,397,467

B. Fund Financial Statements

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**FLORENCE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash & Cash Equivalents	\$ 2,581,465	\$ -	\$ -	\$ 5	\$ 2,581,470
Receivables, Net:					
Interfund Receivable	234,447	-	-	-	234,447
Due from Other Governments:					
State	318,398	7,488	-	-	325,886
Federal	29,167	57,852	-	-	87,019
Other Receivables	126,840	717,989	41,185	-	886,014
Restricted Cash & Cash Equivalents	201,185	-	-	-	201,185
Total Assets	\$ 3,491,502	\$ 783,329	\$ 41,185	\$ 5	\$ 4,316,021
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	\$ -	\$ 503,856	\$ 41,185	\$ -	\$ 545,041
Accounts Payable	2,651	-	-	4	2,655
Due to Other Governments	4,342	37,796	-	-	42,138
Interfund Payable	-	221,131	-	-	221,131
Unearned Revenue	-	20,546	-	-	20,546
Total Liabilities	6,993	783,329	41,185	4	831,511
Fund Balances:					
Restricted for:					
Capital Reserve	201,185	-	-	-	201,185
Excess Surplus - Current year	1,483,757	-	-	-	1,483,757
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	1,355,297	-	-	-	1,355,297
Debt Service	-	-	-	1	1
Assigned to:					
Designated for Subsequent Year's Expenditures	307,918	-	-	-	307,918
Other Purposes	136,352	-	-	-	136,352
Total Fund Balances	\$ 3,484,509	-	-	1	3,484,510
Total Liabilities & Fund Balances	\$ 3,491,502	\$ 783,329	\$ 41,185	\$ 5	
Amounts reported for <i>governmental activities</i> 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 \$58,148,126 and the accumulated depreciation is \$27,461,323.					
					30,686,803
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.					
					911,438
					(2,940,257)
					736,865
					374,268
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.					
					(198,027)
Accrued pension contributions for the June 30, 2020 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.					
					(297,483)
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.					
					(24,355,248)
Net Position of Governmental Activities					\$ 8,402,869

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, 2020

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 16,991,091	\$ -	\$ -	\$ 2,362,282	\$ 19,353,373
Tuition Charges	373,504	-	-	-	373,504
Miscellaneous	406,257	767,181	41,185	-	1,214,623
Total Local Sources	17,770,852	767,181	41,185	2,362,282	20,941,500
State Sources	13,919,194	111,849	-	-	14,031,043
Federal Sources	46,938	871,206	-	-	918,144
Total Revenues	31,736,984	1,750,236	41,185	2,362,282	35,890,687
Expenditures:					
Instruction:					
Regular Instruction	8,261,118	-	-	-	8,261,118
Special Education Instruction	3,268,052	825,138	-	-	4,093,190
Other Instruction	1,031,963	-	-	-	1,031,963
Support Services:					
Tuition	2,683,631	-	-	-	2,683,631
Student & Instruction Related Services	3,499,151	925,098	-	-	4,424,249
General Administrative	671,555	-	-	-	671,555
School Administrative Services	1,142,711	-	-	-	1,142,711
Central Services	543,759	-	-	-	543,759
Administrative Info. Technology	530,775	-	-	-	530,775
Plant Operations & Maintenance	2,880,214	-	-	-	2,880,214
Pupil Transportation	1,188,529	-	-	-	1,188,529
Unallocated Benefits	37,792	-	-	-	37,792
On Behalf TPAF Pension and Social Security Contributions	3,786,913	-	-	-	3,786,913
Transfer to Charter Schools	1,369,751	-	-	-	1,369,751
Capital Outlay	225,026	-	41,185	-	266,211
Debt Service:					
Principal	206,065	-	-	1,725,000	1,931,065
Interest & Other Charges	129,315	-	-	637,282	766,597
Total Expenditures	31,456,320	1,750,236	41,185	2,362,282	35,610,023
Excess/(Deficiency) of Revenues over Expenditures	280,664	-	-	-	280,664
Other Financing Sources (Uses):					
Capital Lease (non-budgeted)	217,860	-	-	-	217,860
Total Other Financing Sources (Uses)	217,860	-	-	-	217,860
Net changes in fund balances	498,524	-	-	-	498,524
Fund Balance, July 1	2,985,985	-	-	1	2,985,986
Fund Balance, June 30	\$ 3,484,509	\$ -	\$ -	\$ 1	\$ 3,484,510

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, 2020**

Total Net Changes in Fund Balances - Governmental Funds (B-2)		\$ 498,524
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 Adjustment to Capital Assets (Disposal) Capital Outlays	\$ (1,459,564) (8,079) <u>266,211</u>
		(1,201,432)
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.		
		462,998
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.		
		1,931,065
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	(217,860)
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 Amortization of loss on Bond Refunding	120,561 <u>(138,098)</u>
		(17,537)
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 (+).		
		14,400
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 (+).		
		520,977
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>\$ 1,977,273</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2020**

ASSETS	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	EXTENDED DAY PROGRAM	FOOD SERVICE	TOTAL
Current Assets:			
Cash & Cash Equivalents	\$ -	\$ 45,272	\$ 45,272
Accounts Receivable:			
State	-	209	209
Federal	-	21,590	21,590
Total Current Assets	-	67,071	67,071
Noncurrent Assets:			
Capital Assets:			
Equipment	-	466,019	466,019
Less: Accumulated Depreciation	-	(377,901)	(377,901)
Total Capital Assets	-	88,118	88,118
Total Assets	-	155,189	155,189
LIABILITIES			
Cash Deficit	160,591	-	160,591
Total Liabilities	160,591	-	160,591
NET POSITION			
Net Investment in Capital Assets	-	88,118	88,118
Unrestricted	(160,591)	67,071	(93,520)
Total Net Position	\$ (160,591)	\$ 155,189	\$ (5,402)

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, 2020**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	EXTENDED		
	<u>DAY</u> <u>PROGRAM</u>	<u>FOOD</u> <u>SERVICE</u>	<u>TOTAL</u>
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ -	\$ 109,879	\$ 109,879
Daily Sales - Nonreimbursable Programs	-	63,106	63,106
Tuition	199,724	-	199,724
	<hr/>		
Total Operating Revenue	199,724	172,985	372,709
	<hr/>		
Operating Expenses:			
Salaries & Wages	264,948	145,295	410,243
Employee Benefits	23,435	33,681	57,116
Purchased Professional Services	3,437	20,865	24,302
Miscellaneous Expenses	9,335	4,528	13,863
Supplies and Materials	11,996	20,336	32,332
Cost of Sales - Reimbursable	-	131,682	131,682
Cost of Sales - Nonreimbursable	-	75,628	75,628
Depreciation	-	20,578	20,578
	<hr/>		
Total Operating Expenses	313,151	452,593	765,744
	<hr/>		
Operating Income/(Loss)	(113,427)	(279,608)	(393,035)
	<hr/>		
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	-	4,309	4,309
Federal Sources:			
National School Lunch Program	-	171,708	171,708
National School Breakfast Program	-	47,450	47,450
National School Lunch HHFKA	-	5,698	5,698
Food Distribution Program	-	35,993	35,993
	<hr/>		
Total Nonoperating Revenues/(Expenses)	-	265,158	265,158
	<hr/>		
Change in Net Position	(113,427)	(14,450)	(127,877)
Net Position - Beginning	(47,164)	169,639	122,475
	<hr/>		
Total Net Position - Ending	\$ (160,591)	\$ 155,189	\$ (5,402)
	<hr/> <hr/>		

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, 2020**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	EXTENDED DAY	FOOD	TOTAL
	<u>PROGRAM</u>	<u>SERVICE</u>	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 180,776	\$ 172,985	\$ 353,761
Payments to Employees	(264,948)	(145,295)	(410,243)
Payments for Employee Benefits	(23,435)	(33,681)	(57,116)
Payments to Suppliers	(24,821)	(217,046)	(241,867)
Net Cash Provided/(Used) by Operating Activities	<u>(132,428)</u>	<u>(223,037)</u>	<u>(355,465)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	-	4,490	4,490
Federal Sources	-	220,750	220,750
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>-</u>	<u>225,240</u>	<u>225,240</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(132,428)	2,203	(130,225)
Balances - Beginning of Year	<u>(28,163)</u>	<u>43,069</u>	<u>14,906</u>
Balances - End of Year	<u>\$ (160,591)</u>	<u>\$ 45,272</u>	<u>\$ (115,319)</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (113,427)	\$ (279,608)	\$ (393,035)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	-	20,578	20,578
Food Distribution Program	-	35,993	35,993
Increase/(Decrease) in Unearned Revenue	(18,948)	-	(18,948)
(Decrease)/Increase in Accounts Payable	(53)	-	(53)
Total Adjustments	<u>(19,001)</u>	<u>56,571</u>	<u>37,570</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (132,428)</u>	<u>\$ (223,037)</u>	<u>\$ (355,465)</u>

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, 2020**

ASSETS	PRIVATE PURPOSE TRUST FUNDS			AGENCY FUNDS			TOTAL
	SCHOLARSHIP ACCOUNT	UNEMPLOYMENT COMPENSATION TRUST	FLEXIBLE SPENDING TRUST	STUDENT ACTIVITY	PAYROLL	SUMMER PAY	
Cash & Cash Equivalents	\$ 7,536	\$ 124,098	\$ 1,742	\$ 107,691	\$ 15,315	\$ 644,675	\$ 901,057
Total Assets	7,536	124,098	1,742	107,691	15,315	644,675	901,057
LIABILITIES							
Payroll Deductions & Withholdings Due to Student Groups Interfund Payable	-	-	-	-	6,682	644,675	651,357
	-	-	-	107,691	-	-	107,691
	-	4,683	-	-	8,633	-	13,316
Total Liabilities	-	4,683	-	107,691	15,315	644,675	772,364
NET POSITION							
Held in Trust for Unemployment Claims & Other Purposes	7,536	119,415	1,742	-	-	-	128,693
Total Net Position	\$ 7,536	\$ 119,415	\$ 1,742	\$ -	\$ -	\$ -	\$ 128,693

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, 2020**

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	\$ -	\$ 31,306	\$ -	\$ 31,306
Other	600	-	2,200	2,800
Total Contributions	600	31,306	2,200	34,106
Investment Earnings:				
Interest	80	986	15	1,081
Net Investment Earnings	80	986	15	1,081
Total Additions	680	32,292	2,215	35,187
DEDUCTIONS				
Unemployment Claims	-	6,895	-	6,895
Dependent Care Payments	-	-	5,600	5,600
Scholarships Awarded	1,500	-	-	1,500
Total Deductions	1,500	6,895	5,600	13,995
Change in Net Position	(820)	25,397	(3,385)	21,192
Net Position - Beginning of the Year	8,356	94,018	5,127	107,501
Net Position - End of the Year	\$ 7,536	\$ 119,415	\$ 1,742	\$ 128,693

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

FLORENCE TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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, 2020 of 1,542 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*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No.14*. The District had no component units as of for the year ended June 30, 2020.

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020 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, 2020**

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, 2020**

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, 2020**

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, 2020.
- 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 component 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, 2020**

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, 2020:

Statement No. 95, Postponement of The Effective Dates of Certain Authoritative Guidance, provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Recently Issued Accounting Pronouncements

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

- Statement No. 84, *Fiduciary Activities* will be effective for reporting periods beginning after December 15, 2019.
- Statement No. 87, *Leases* will be effective for reporting periods beginning after June 15, 2021.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* will be effective for reporting periods beginning after December 15, 2020.
- Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*, will be effective for reporting periods beginning after December 15, 2019.
- Statement No. 91, *Conduit Debt Obligations* will be effective for reporting periods beginning after December 15, 2021.
- Statement No. 93, *Replacement of Interbank Offered Rates* will be effective for reporting periods beginning after June 15, 2021.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* will be effective for reporting periods beginning after June 15, 2022.
- Statement No. 96, *Subscription-Based Information Technology Arrangements* will be effective for reporting periods beginning after June 15, 2022.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, will be effective for reporting periods beginning after December 15, 2019.

Management has not yet determined the potential impact on the School Districts financial statements.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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

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.

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 2. Cash Deposits and Investments (continued)

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, 2020, the District's bank balance of \$3,762,959 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	2,851,534
Uninsured and Uncollateralized		911,425
	\$	3,762,959

Investments

The School District has no investments at June 30, 2020.

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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$	201,174
Increased by:		
Interest Earnings		11
Ending Balance, June 30, 2020	\$	201,185

The June 30, 2020 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2020 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>	<u>Governmental Funds</u>				<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ 29,167	\$ 57,852	\$ -	\$ 87,019	\$ 17,484	\$ 21,590
State Awards	318,398	7,488	-	325,886	390	209
Other	140,156	717,989	41,185	899,330	-	-
Total	\$ 487,721	\$ 783,329	\$ 41,185	\$ 1,312,235	\$ 17,874	\$ 21,799

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2020 was as follows:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Retirements and Adjustments</u>	<u>Balance June 30, 2020</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 918,785	\$ -	\$ -	\$ 918,785
Construction in Progress	-	41,185	-	41,185
Total Capital Assets not being depreciated	918,785	41,185	-	959,970
Capital Assets being depreciated:				
Land Improvements	2,299,876	-	-	2,299,876
Buildings and Improvements	48,208,218	-	-	48,208,218
Equipment	6,535,823	225,026	(80,787)	6,680,062
Total Capital Assets being depreciated	57,043,917	225,026	(80,787)	57,188,156
Less: Accumulated Depreciation:				
Land Improvements	(1,718,022)	(111,382)	-	(1,829,404)
Buildings and Improvements	(19,104,204)	(1,156,855)	-	(20,261,059)
Equipment	(5,252,241)	(191,327)	72,708	(5,370,860)
Total Accumulated Depreciation	(26,074,467)	(1,459,564)	72,708	(27,461,323)
Total Capital Assets being depreciated, net	30,969,450	(1,234,538)	(8,079)	29,726,833
Total Governmental Activities Capital Assets, net	\$ 31,888,235	\$ (1,193,353)	\$ (8,079)	\$ 30,686,803

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 5. Capital Assets (continued)

	Balance July 1, <u>2019</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2020</u>
Business-Type Activities:				
Equipment	\$ 466,019	\$ -	\$ -	\$ 466,019
	<u>466,019</u>	<u>-</u>	<u>-</u>	<u>466,019</u>
Less: Accumulated Depreciation:				
Equipment	(357,323)	(20,578)	-	(377,901)
	<u>(357,323)</u>	<u>(20,578)</u>	<u>-</u>	<u>(377,901)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 108,696</u>	<u>\$ (20,578)</u>	<u>\$ -</u>	<u>\$ 88,118</u>

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2020 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 234,447	\$ -
Special Revenue Fund	-	221,131
Payroll Fund	-	8,633
Unemployment Fund	-	4,683
	<u>\$ 234,447</u>	<u>\$ 234,447</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, 2020 the following changes occurred in long-term obligations:

	Balance July 1, 2019	<u>Additions</u>	<u>Reductions</u>	Balance June 30, 2020	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 17,075,000	\$ -	\$ 1,725,000	\$ 15,350,000	\$ 1,700,000
Capital Leases	338,946	217,860	169,932	386,874	156,712
Unamortized Bond Premiums	689,469	-	120,561	568,908	85,028
Compensated Absences	3,402,694	377,468	898,445	2,881,717	84,411
Net Pension Liability	5,641,974	-	511,894	5,130,080	-
Florence Township Water & Sewer Line Assessment	73,802	-	36,133	37,669	37,669
	<u>\$ 27,221,885</u>	<u>\$ 595,328</u>	<u>\$ 3,461,965</u>	<u>\$ 24,355,248</u>	<u>\$ 2,063,820</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 7. Long-Term Obligations (continued)

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, 2020, bonds payable consisted of the following individual issues:

<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	\$ 26,065,000	\$ 15,350,000
				<u>\$ 15,350,000</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>
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	1,740,000	345,256	2,085,256
2025	1,720,000	297,406	2,017,406
2026-2029	<u>6,740,000</u>	<u>611,175</u>	<u>7,351,175</u>
	<u>\$ 15,350,000</u>	<u>\$ 2,780,330</u>	<u>\$ 18,130,330</u>

Bonds Authorized But Not Issued:

As of June 30, 2020, the District had no authorized but not issued bonds.

B. Capital Leases

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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 7. Long-Term Obligations (continued)

B. Capital Leases (continued)

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.

On August 17, 2018, the District entered into a lease purchase agreement in the amount of \$176,116 for one 54-passenger school bus and one 25-passenger/lift school bus. The lease obligation was issued at an interest rate of 4.064% and matures on September 1, 2023.

On July 22, 2019, the District entered into a lease purchase agreement in the amount of \$171,350 for one 54-passenger school bus and one 29-passenger/lift school bus. The lease obligation was issued at an interest rate of 2.711% and matures on August 1, 2023.

On July 22, 2019, the District entered into a lease purchase agreement in the amount of \$46,510 for one 2019 Ford F-350 DRW XL 4WD. The lease obligation was issued at an interest rate of 2.711% and matures on August 1, 2021.

Fiscal Year Ending <u>June 30,</u>		
2021	\$	168,623
2022		113,826
2023		64,854
2024		<u>64,854</u>
Total Minimum Lease Payments		412,157
Less: Amount Representing Interest		<u>(25,283)</u>
Present Value of Minimum Lease Payments	\$	<u>386,874</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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.

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

The following represents the membership tiers for PERS:

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

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

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 2019, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued):

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2020, the School District reported a liability of \$5,130,080 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019. 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, 2019. The School District's proportion measured as of June 30, 2019, was .0284712092%, which was a decrease of .0001835208% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized full accrual pension expense of (\$186,057) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2019 measurement date. At June 30, 2020 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 92,078	\$ 22,662
Changes of Assumptions	512,257	1,780,635
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	80,980
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	9,620	1,055,980
School District contributions subsequent to measurement date	297,483	-
	\$ 911,438	\$ 2,940,257

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued):

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

\$297,483 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2019-2020 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.11%. The payable is due on April 1, 2021 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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:

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2020	\$ (554,232)
2021	(841,675)
2022	(630,885)
2023	(277,155)
2024	<u>(22,355)</u>
	<u>\$ (2,326,302)</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, 2020**

Note 8. Pension Plans (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
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	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
 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
June 30, 2018	-	5.63
June 30, 2019	-	5.21
 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	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
 Changes in Proportion and Differences between 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
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21

**FLORENCE TOWNSHIP SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued):

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued):

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 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, 2020**

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, 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease <u>(5.28%)</u>	Current Discount Rate <u>(6.28%)</u>	1% Increase <u>(7.28%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 6,525,205	\$ 5,130,080	\$ 4,020,251

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

	<u>6/30/2020</u>	<u>6/30/2019</u>
Collective Deferred Outflows of Resources	\$ 3,149,552,616	\$ 4,684,852,302
Collective Deferred Inflow of Resources	7,645,087,574	7,646,736,226
Collective Net Pension Liability	18,143,832,135	19,689,501,539
School District's portion	0.02847%	0.02865%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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, 2020**

Note 8. Pension Plans (continued):

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

For the fiscal year ended June 30, 2020, the School District recognized \$3,492,336 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, 2020 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2012-2026	1.55% - 4.55%
Thereafter	1.55% - 4.55%
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2019) 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, 2018 are summarized in the following table:

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.6% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the of the Net Pension Liability to Changes in the Discount Rate – The following represents the net pension liability of the State as of June 30, 2019 calculated using the discount rate disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	1% Decrease <u>(4.60%)</u>	Current Discount Rate <u>(5.60%)</u>	1% Increase <u>(6.60%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>\$ 69,821,124</u>	<u>\$ 59,209,516</u>	<u>\$ 50,405,232</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.6% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the of the Net Pension Liability to Changes in the Discount Rate – The following represents the net pension liability of the State as of June 30, 2019 calculated using the discount rate disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	1% Decrease <u>(4.60%)</u>	Current Discount Rate <u>(5.60%)</u>	1% Increase <u>(6.60%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>\$ 69,821,124</u>	<u>\$ 59,209,516</u>	<u>\$ 50,405,232</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued):

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

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.

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;
- 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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

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.

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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2018. 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:

Inflation Rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 3.05% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 3.05% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019. Postretirement mortality rates were based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019. Disability mortality was based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

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, 2019 was \$48,278,630. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. 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, 2019, the State proportionate share of the OPEB Obligation attributable to the School District was 0.11569541%, which was a decrease of 0.0005881% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized an OPEB expense in the amount of \$575,501 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, 2019 measurement date.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected.. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend is 5.0%.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate."

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

The following presents the total nonemployer OPEB liability as of June 30, 2019 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:

	June 30, 2019		
	At 1% Decrease (2.5%)	At Discount Rate (3.5%)	At 1% Increase (4.5%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 57,036,140	\$ 48,278,630	\$ 41,322,144
State of New Jersey's Total Nonemployer OPEB Liability	\$ 49,298,534,898	\$ 41,729,081,045	\$ 35,716,321,820

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, 2019 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, 2020 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 39,779,439	\$ 48,278,630	\$ 59,529,813
State of New Jersey's Total Nonemployer OPEB Liability	\$ 34,382,902,820	\$ 41,729,081,045	\$ 51,453,912,586

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2019 are as follows:

	Deferred Outflows of	Deferred Inflows of
Differences between Expected & Actual Experience	\$ -	\$ (10,484,965,300)
Change in Assumptions	-	(8,481,529,343)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	\$ -	\$ (18,966,494,643)
Fiscal Year Ending June 30,		
2020	\$ (2,546,527,182)	
2021	(2,546,527,182)	
2022	(2,546,527,182)	
2023	(2,546,527,182)	
2024	(2,546,527,182)	
Thereafter	(6,233,858,733)	
	\$ (18,966,494,643)	

** Employer Contributions made after June 30, 2019 are reported as a deferred outflow of resources, but are not amortized in expense.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Plan Membership

At June 30, 2018, the Program membership consisted of the following:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	148,051
	364,943

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

Total OPEB Liability

Service Cost		\$ 1,734,404,850
Interest Cost		1,827,787,206
Differences Between Expected and Actual Experiences		(7,323,140,818)
Changes of Assumptions		622,184,027
Contributions: Member		37,971,171
Gross Benefit Payments		(1,280,958,373)
Net Change in Total OPEB Liability		(4,381,751,937)
Total OPEB Liability (Beginning)		46,110,832,982
Total OPEB Liability (Ending)		\$ 41,729,081,045
Total Covered Employee Payroll		13,929,083,479
Net OPEB Liability as a Percentage of Payroll		300%

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, 2020, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$2,179,986, \$796,343, \$808,735, and \$1,849, respectively.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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>
2019-2020	\$ -	\$ 31,306	\$ 986	\$ 6,895	\$ 119,415
2018-2019	-	23,551	1,235	20,600	94,018
2017-2018	66,846	37,811	237	46,182	89,832

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, 2020 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

Note 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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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
Siracusa 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, 2020, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$2,881,717 and \$0, respectively.

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 16. Tax Abatements (continued)

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, 2020 to various vendors, which are recorded in the general fund as assigned to other purposes in the amount of \$136,352.

Note 18. 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, 2020 was \$1,483,757.

Note 19. Fund Balance

General Fund – Of the \$3,484,509 General Fund fund balance at June 30, 2020, \$201,185 has been reserved in the Capital Reserve Account; \$1,483,757 is restricted for current year excess surplus; \$1,355,297 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$307,918 is assigned – designated for subsequent year's expenditures; and \$136,352 is assigned for other purposes.

Debt Service Fund – Of the \$1 Debt Service Fund fund balance at June 30, 2020, \$1 is restricted for future debt service payments.

Note 20. Deficit in Net Position

Unrestricted Net Position – The School District's governmental activities had a deficit in unrestricted net position in the amount of \$9,755,257. 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, 2020. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 21. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and January 21, 2021, the date that the financial statements were available for issuance, for a possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

COVID – 19 – has caused considerable economic damage to the New Jersey economy. As a result, Governor Murphy decreased the originally appropriated school state aid by over \$335 million state wide for the 2020-2021 school year.

As the COVID-19 pandemic remains a fluid situation, outside of the reduction in state aid, it is not currently known what further economic challenges are ahead for local school districts.

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, 2020

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 16,991,091	\$ -	\$ 16,991,091	\$ 16,991,091	\$ -
Tuition	10-1300	26,500	-	26,500	136,748	110,248
Tuition from LEA's Within State	10-1320	-	-	-	236,756	236,756
Interest on Investments	10-1510	43,292	-	43,292	49,088	5,796
Unrestricted Miscellaneous Revenues	10-1900	131,892	-	131,892	357,169	225,277
Total Local Sources		17,192,775	-	17,192,775	17,770,852	578,077
State Sources:						
Categorical Special Education Aid	10-3132	1,119,158	-	1,119,158	1,119,158	-
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	262,668	-	262,668	262,668	-
Extraordinary Aid	10-3131	-	-	-	239,396	239,396
Nonpublic Transportation Aid	10-3190	-	-	-	1,740	1,740
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	2,179,986	2,179,986
On-Behalf TPAF Post Retirement Medical Contributions		-	-	-	808,735	808,735
On-Behalf TPAF Disability Insurance Contributions		-	-	-	1,849	1,849
Reimbursed TPAF Social Security Contributions		-	-	-	796,343	796,343
Total State Sources		9,863,569	-	9,863,569	13,891,618	4,028,049
Federal Sources:						
Special Education Medicaid Initiative (SEMI)	10-4200	43,985	-	43,985	35,147	(8,838)
Special Education Medicaid Initiative (SEMI) - MAC	10-4210	-	-	-	11,791	11,791
Total Federal Sources		43,985	-	43,985	46,938	2,953
Total Revenues		\$ 27,100,329	\$ -	\$ 27,100,329	\$ 31,709,408	\$ 4,609,079
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Kindergarten	11-110-100-101	\$ 436,999	\$ 2,000	\$ 438,999	\$ 426,973	\$ 12,026
Grades 1 - 5	11-120-100-101	2,219,827	78,500	2,298,327	2,278,113	20,214
Grades 6 - 8	11-130-100-101	1,691,325	(145,303)	1,546,022	1,517,345	28,677
Grades 9 - 12	11-140-100-101	2,011,607	6,376	2,017,983	2,002,933	15,050
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	42,000	-	42,000	32,938	9,062
Purchased Professional/Educational Services	11-150-100-320	20,500	-	20,500	10,246	10,254
Regular Programs - Undistributed Instruction:						
Purchased Professional/Educational Services	11-190-100-320	50,100	820	50,920	41,552	9,368
Purchased Technical Services	11-190-100-340	204,000	-	204,000	163,254	40,746
Cleaning, Repair & Maintenance Services	11-190-100-420	3,000	-	3,000	-	3,000
Rentals	11-190-100-440	49,692	-	49,692	49,690	2
Other Purchased Services (400-500 series)	11-190-100-500	31,293	(22)	31,271	29,770	1,501
General Supplies	11-190-100-610	97,070	(1,768)	95,302	92,506	2,796
Textbooks	11-190-100-640	70,499	69,232	139,731	68,829	70,902
Field trip - Nurse Coverage	11-190-100-890	10,822	62	10,884	10,884	-
Total Regular Programs		6,938,734	9,897	6,948,631	6,725,033	223,598
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	84,348	(84,348)	-	-	-
Other Salaries for Instruction	11-204-100-106	24,010	(24,010)	-	-	-
General Supplies	11-204-100-610	300	(300)	-	-	-
Total Learning and/or Language Disabilities		108,658	(108,658)	-	-	-
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	479,086	(6,212)	472,874	472,031	843
Other Salaries for Instruction	11-212-100-106	48,620	(600)	48,020	48,020	-
General Supplies	11-212-100-610	2,577	7,163	9,740	8,095	1,645
Total Learning and/or Language Disabilities		530,283	351	530,634	528,146	2,488
Resource Room/ Resource Center:						
Salaries of Teachers	11-213-100-101	1,179,446	198,498	1,377,944	1,357,167	20,777
Other Salaries for Instruction	11-213-100-106	48,720	24,010	72,730	72,730	-
General Supplies	11-213-100-610	2,356	194	2,550	1,428	1,122
Total Resource Room		1,230,522	222,702	1,453,224	1,431,325	21,899

**FLORENCE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Autism:						
Salaries of Teachers	11-214-100-101	55,450	3,564	59,014	59,014	-
Other Salaries for Instruction	11-214-100-106	24,335	730	25,065	25,065	-
Total Autism		79,785	4,294	84,079	84,079	-
Preschool Disabilities - Part-Time:						
Salaries of Teachers	11-215-100-101	151,458	(65,911)	85,547	85,547	-
Total Preschool Disabilities - Part-Time		151,458	(65,911)	85,547	85,547	-
Preschool Disabilities - Full-Time:						
Salaries of Teachers	11-216-100-101	83,448	1,159	84,607	84,607	-
Other Salaries for Instruction	11-216-100-106	23,485	-	23,485	23,485	-
General Supplies	11-216-100-610	1,000	(349)	651	568	83
Total Preschool Disabilities - Full-Time		107,933	810	108,743	108,660	83
Total Special Education		2,208,639	53,588	2,262,227	2,237,757	24,470
Other Instruction:						
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	79,090	158,258	237,348	237,348	-
General Supplies	11-230-100-610	800	(417)	383	298	85
Total Basic Skills/Remedial		79,890	157,841	237,731	237,646	85
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-100	110,937	4,475	115,412	115,412	-
Purchased Technical Services	11-240-100-340	50	-	50	-	50
Other Purchased Services	11-240-100-500	1,750	(255)	1,495	-	1,495
General Supplies	11-240-100-610	1,000	255	1,255	1,255	-
Total Bilingual Education - Instruction		113,737	4,475	118,212	116,667	1,545
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	95,952	(3,904)	92,048	84,671	7,377
Purchased Technical Services	11-401-100-340	150	-	150	-	150
Supplies & Materials	11-401-100-610	3,200	-	3,200	528	2,672
Other Objects	11-401-100-800	1,366	100	1,466	1,111	355
Total School Sponsored Cocurricular Activities		100,668	(3,804)	96,864	86,310	10,554
School Sponsored Athletics:						
Salaries	11-402-100-100	415,244	1,702	416,946	384,297	32,649
Purchased Technical Services	11-402-100-340	35,031	-	35,031	31,016	4,015
Travel - All Other	11-402-100-580	900	-	900	33	867
Miscellaneous Purchased Services	11-402-100-592	35,110	290	35,400	24,327	11,073
Supplies & Materials	11-402-100-600	63,491	(917)	62,574	51,481	11,093
Other Objects	11-402-100-800	1,425	-	1,425	1,397	28
Total School Sponsored Athletics		551,201	1,075	552,276	492,551	59,725
Other Instruction Programs:						
Salaries of Teachers	11-404-100-101	58,585	(58,585)	-	-	-
Total Other Instruction Programs		58,585	(58,585)	-	-	-
Total Other Instruction		904,081	101,002	1,005,083	933,174	71,909
Total - Instruction		10,051,454	164,487	10,215,941	9,895,964	319,977
Undistributed Expenditures:						
Tuition:						
Tuition Other LEA's - In State - Regular	11-000-100-561	25,200	77,375	102,575	102,575	-
Tuition Other LEA's - In State - Special Education	11-000-100-562	275,092	18,217	293,309	280,391	12,918
Tuition to County Voc. School Dist-Regular	11-000-100-563	155,160	13,792	168,952	168,952	-
Tuition to County Voc. School Dist.-Special	11-000-100-564	34,480	(17,240)	17,240	17,240	-
Tuition to CSSD & Reg. Day Schools	11-000-100-565	764,322	71,605	835,927	835,383	544
Tuition to Private Schools for the Handicapped - In State	11-000-100-566	1,046,318	131,727	1,178,045	1,176,793	1,252
Tuition - State Facilities	11-000-100-568	102,297	-	102,297	102,297	-
Total Tuition		2,402,869	295,476	2,698,345	2,683,631	14,714

**FLORENCE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Student & Instruction Related Services:						
Attendance & Social Work Services:						
Salaries	11-000-211-100	8,699	(3,689)	5,010	5,010	-
Travel	11-000-211-580	1,210	(1,049)	161	161	-
Total Attendance & Social Work Services		9,909	(4,738)	5,171	5,171	-
Health Services:						
Salaries	11-000-213-100	239,469	(346)	239,123	239,123	-
Purchased Professional & Technical Services	11-000-213-300	28,300	(935)	27,365	26,008	1,357
Other Purchased Professional Services	11-000-213-330	295,056	(82,744)	212,312	125,806	86,506
Supplies and Materials	11-000-213-610	6,100	(525)	5,575	5,575	-
Total Health Services		568,925	(84,550)	484,375	396,512	87,863
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	208,587	(416)	208,171	208,171	-
Purchased Professional & Educational Services	11-000-216-320	522,300	97,157	619,457	576,705	42,752
Supplies & Materials	11-000-216-610	1,150	(741)	409	409	-
Total Other Services - Students - Related Services		732,037	96,000	828,037	785,285	42,752
Other Support Services - Students - Extra Services:						
Other Salaries for Instruction	11-000-217-106	72,355	-	72,355	72,355	-
Purchased Professional & Educational Services	11-000-217-320	510,000	(17,340)	492,660	336,457	156,203
Total Other Services - Students - Extra Services		582,355	(17,340)	565,015	408,812	156,203
Other Support Services - Students - Guidance						
Salaries of Other Professional Staff	11-000-218-104	484,448	(28,399)	456,049	456,049	-
Salaries of Secretarial and Clerical Assistants	11-000-218-105	51,397	-	51,397	51,379	18
Other Purchased Professional & Technical Services	11-000-218-390	4,300	1,427	5,727	1,522	4,205
Supplies & Materials	11-000-218-600	6,490	(30)	6,460	5,138	1,322
Total Other Support Services - Students - Guidance		546,635	(27,002)	519,633	514,088	5,545
Other Support Services - Students - Child Study Team:						
Salaries of Other Professional Staff	11-000-219-104	511,130	(88,550)	422,580	415,780	6,800
Salaries of Secretarial & Clerical Assistants	11-000-219-105	50,897	-	50,897	50,879	18
Other Salaries	11-000-219-110	8,524	(140)	8,384	8,384	-
Unused Vacation Payment to Terminated / Retired Staff	11-000-219-199	1,921	-	1,921	1,921	-
Other Purchased Prof. & Technical Services	11-000-219-390	38,100	38,962	77,062	41,997	35,065
Miscellaneous Purchased Services	11-000-219-4XX	15,846	-	15,846	15,846	-
Supplies & Materials	11-000-219-600	4,500	(292)	4,208	4,207	1
Other Objects	11-000-219-800	800	(800)	-	-	-
Total Other Support Services - Students - Child Study Team		631,718	(50,820)	580,898	539,014	41,884
Improvement of Instructional Staff						
Salaries of Supervisors of Instruction	11-000-221-102	90,761	-	90,761	90,761	-
Other Salaries	11-000-221-110	9,000	(5,815)	3,185	3,185	-
Other Purchased Professional & Technical Services	11-000-221-390	3,400	1,271	4,671	4,671	-
Total Instructional Staff Training		103,161	(4,544)	98,617	98,617	-
Educational Media Services/School Library:						
Salaries	11-000-222-100	64,360	-	64,360	64,360	-
Other Purchased Professional & Technical Services	11-000-222-300	-	2,567	2,567	2,567	-
Supplies and Materials	11-000-222-610	10,400	(1,507)	8,893	8,893	-
Total Educational Media Services/School Library		74,760	1,060	75,820	75,820	-
Instructional Staff Training:						
Other Salaries	11-000-223-110	4,750	2,334	7,084	7,084	-
Other Purchased Professional & Technical Services	11-000-223-390	1,500	(500)	1,000	1,000	-
Other Objects	11-000-223-600	500	(219)	281	281	-
Total Instructional Staff Training		6,750	1,615	8,365	8,365	-
Total Student & Instruction Related Services		3,256,250	(90,319)	3,165,931	2,831,684	334,247

**FLORENCE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Support Services General Administration:						
Salaries	11-000-230-100	283,110	(5,803)	277,307	277,307	-
Legal Services	11-000-230-331	52,000	11,091	63,091	63,091	-
Audit Fees	11-000-230-332	35,600	(3,505)	32,095	32,095	-
Architectural/Engineering Services	11-000-230-334	10,000	77,165	87,165	68,665	18,500
Purchased Technical Services	11-000-230-340	22,825	(3,837)	18,988	18,988	-
Communications/Telephone	11-000-230-530	90,624	(16,974)	73,650	73,650	-
Travel – All Other	11-000-230-580	2,550	(2,026)	524	524	-
Other Purchased Services	11-000-230-5XX	11,500	(1,019)	10,481	10,481	-
General Supplies	11-000-230-610	5,075	469	5,544	5,544	-
Miscellaneous Expenditures	11-000-230-890	23,430	(3,955)	19,475	19,475	-
BOE Membership Dues & Fees	11-000-230-895	11,140	-	11,140	11,140	-
Total Support Services General Administration		547,854	51,606	599,460	580,960	18,500
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	625,602	(10,039)	615,563	615,563	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	179,147	950	180,097	180,097	-
Salaries - Eamed Vacation Pay	11-000-240-199	3,656	-	3,656	3,656	-
Purchased Technical Services	11-000-240-340	5,050	(2,129)	2,921	2,921	-
Supplies and Materials	11-000-240-600	11,050	(252)	10,798	10,798	-
Other Objects	11-000-240-800	5,920	664	6,584	6,584	-
Total Support Services School Administration		830,425	(10,806)	819,619	819,619	-
Central Services:						
Salaries	11-000-251-100	321,409	(715)	320,694	320,694	-
Purchased Technical Services	11-000-251-340	36,250	375	36,625	36,625	-
Miscellaneous Purchased Services	11-000-251-440	3,803	(1)	3,802	3,802	-
Travel – All Other	11-000-251-580	2,500	(1,876)	624	624	-
Supplies and Materials	11-000-251-600	8,700	(742)	7,958	7,958	-
Miscellaneous Expenditures	11-000-251-800	1,600	(260)	1,340	1,340	-
Total Central Services		374,262	(3,219)	371,043	371,043	-
Administrative Information Technology:						
Salaries	11-000-252-100	144,449	-	144,449	144,449	-
Purchased Technical Services	11-000-252-340	238,658	(8,515)	230,143	229,117	1,026
Supplies and Materials	11-000-252-600	89,993	3,321	93,314	89,353	3,961
Other Objects	11-000-252-800	450	-	450	450	-
Total Administrative Information Technology		473,550	(5,194)	468,356	463,369	4,987
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	383,953	(882)	383,071	383,071	-
Cleaning, Repair & Maintenance Services	11-000-261-420	257,032	(37,136)	219,896	175,737	44,159
General Supplies	11-000-261-610	80,214	11,052	91,266	73,347	17,919
Other Objects	11-000-261-800	7,075	7,258	14,333	12,563	1,770
Total Required Maintenance for School Facilities		728,274	(19,708)	708,566	644,718	63,848
Custodial Services:						
Salaries - Aides	11-000-262-107	66,054	(10,679)	55,375	55,316	59
Other Salaries	11-000-262-110	205,951	(35,075)	170,876	170,876	-
Cleaning, Repair & Maintenance Services	11-000-262-420	353,338	20,480	373,818	372,338	1,480
Insurance	11-000-262-520	183,500	(7,532)	175,968	175,968	-
General Supplies	11-000-262-610	46,100	13,483	59,583	53,585	5,998
Energy (Natural Gas)	11-000-262-621	140,000	(11,040)	128,960	121,066	7,894
Energy (Electricity)	11-000-262-622	525,000	14,155	539,155	539,155	-
Other Objects	11-000-262-800	39,270	-	39,270	39,270	-
Total Custodial Services		1,559,213	(16,208)	1,543,005	1,527,574	15,431
Care and Upkeep of Grounds:						
Purchased Property Services	11-000-263-400	5,000	(5,000)	-	-	-
Cleaning, Repair & Maintenance Services	11-000-263-420	32,500	713	33,213	31,169	2,044
General Supplies	11-000-263-610	25,900	(2,539)	23,361	22,609	752
Total Care and Upkeep of Grounds:		63,400	(6,826)	56,574	53,778	2,796
Security:						
Salaries	11-000-266-100	82,902	-	82,902	82,902	-
Other Purchased Professional Services	11-000-266-330	127,777	-	127,777	127,764	13
Purchased Technical Services	11-000-266-340	3,745	(300)	3,445	3,445	-
General Supplies	11-000-266-610	2,000	(328)	1,672	1,672	-
Other Objects	11-000-266-800	450	1,641	2,091	450	1,641
Total Security		216,874	1,013	217,887	216,233	1,654
Total Operation & Maintenance of Plant Services		2,567,761	(41,729)	2,526,032	2,442,303	83,729

FLORENCE TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Student Transportation Services:						
Salaries - Non Instruction	11-000-270-107	160,093	(37,374)	122,719	102,620	20,099
Salaries - Other	11-000-270-110	1,600	-	1,600	1,363	237
Salaries - Pupil Transport. - (Between Home & School) - Regular	11-000-270-160	308,181	14,499	322,680	300,140	22,540
Salaries - Pupil Transport. - (Between Home & School) - Special	11-000-270-161	212,437	(49,705)	162,732	136,844	25,888
Salaries - Pupil Transport. - (Other than Between Home & School)	11-000-270-162	16,919	1,318	18,237	14,119	4,118
Other Purchased Professional & Technical Services	11-000-270-390	18,750	3,220	21,970	21,515	455
Cleaning, Repair & Maintenance Services	11-000-270-420	189,160	540	189,700	107,922	81,778
Lease Purchase Payments - School Buses	11-000-270-443	186,185	(4,890)	181,295	181,295	-
Contracted Services - (Aid in Lieu of Payments)	11-000-270-503	65,000	-	65,000	61,527	3,473
Contracted Services (Special Education Students) - Joint Agreement	11-000-270-513	80,000	(8,450)	71,550	45,733	25,817
Miscellaneous Purchased Services - Transportation	11-000-270-593	33,000	2,440	35,440	35,440	-
General Supplies	11-000-270-610	11,500	8,211	19,711	9,257	10,454
Transportation Supplies	11-000-270-615	113,500	-	113,500	61,503	51,997
Other Objects	11-000-270-890	4,500	1,166	5,666	2,082	3,584
Total Student Transportation Services		1,400,825	(69,025)	1,331,800	1,081,360	250,440
ALLOCATED BENEFITS						
Regular Programs - Instruction						
Workmen's Compensation	11-1XX-100-260	102,514	(399)	102,115	102,115	-
Health Benefits	11-1XX-100-270	1,258,619	(184,836)	1,073,783	1,025,962	47,821
Tuition Reimbursement	11-1XX-100-280	42,000	-	42,000	40,580	1,420
Other Employee Benefits	11-1XX-100-290	361,478	18,739	380,217	367,428	12,789
Total Regular Programs - Instruction		1,764,611	(166,496)	1,598,115	1,536,085	62,030
Special Programs - Instruction						
Social Security Contributions	11-2XX-100-220	19,386	-	19,386	19,386	-
Other Retirement - Regular	11-2XX-100-241	23,599	(23,599)	-	-	-
Workmen's Compensation	11-2XX-100-260	36,554	-	36,554	36,554	-
Health Benefits	11-2XX-100-270	772,541	-	772,541	771,592	949
Other Employee Benefits	11-2XX-100-290	158,147	58,648	216,795	202,763	14,032
Total Special Programs - Instruction		1,010,227	35,049	1,045,276	1,030,295	14,981
Other Instruction:						
School-Spon. Cocurricular Actvts. - Inst.						
Social Security Contributions	11-401-100-220	11,439	-	11,439	11,439	-
Total School-Spon. Cocurricular Actvts. - Inst.		11,439	-	11,439	11,439	-
School Sponsored Athletics						
Social Security Contributions	11-402-100-220	37,842	-	37,842	37,842	-
Other Retirement - Regular	11-402-100-241	27,038	(11,949)	15,089	-	15,089
Workmen's Compensation	11-402-100-260	2,861	-	2,861	2,861	-
Health Benefits	11-402-100-270	45,776	-	45,776	45,776	-
Total School Sponsored Athletics		113,517	(11,949)	101,568	86,479	15,089
Other Instructional Programs						
Workmen's Compensation	11-404-100-260	871	-	871	871	-
Other Employee Benefits	11-404-100-290	12,788	(12,788)	-	-	-
Total Other Instructional Programs		13,659	(12,788)	871	871	-
Total Other Instruction		138,615	(24,737)	113,878	98,789	15,089
Student & Instruction Related Services:						
Attendance/Social Work Services						
Social Security Contributions	11-000-211-220	1,000	-	1,000	1,000	-
Other Retirement Regular	11-000-211-241	1,218	-	1,218	1,218	-
Workmen's Compensation	11-000-211-260	129	-	129	129	-
Total Attendance/Social Work Services		2,347	-	2,347	2,347	-
Health Services						
Workmen's Compensation	11-000-213-260	3,476	-	3,476	3,476	-
Health Benefits	11-000-213-270	91,207	-	91,207	91,207	-
Other Employee Benefits	11-000-213-299	-	-	-	-	-
Total Health Services		94,683	-	94,683	94,683	-
Other Support Services - Students - Related Services						
Workmen's Compensation	11-000-216-260	3,043	-	3,043	3,043	-
Health Benefits	11-000-216-270	89,380	-	89,380	89,380	-
Other Employee Benefits	11-000-216-29X	-	-	-	-	-
Total Other Support Services - Students - Related Services		92,423	-	92,423	92,423	-

FLORENCE TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Support Services - Students - Extra Services						
Social Security Contributions	11-000-217-220	8,321	(9)	8,312	8,312	-
Other Retirement Regular	11-000-217-241	10,129	-	10,129	10,129	-
Workmen's Compensation	11-000-217-260	1,069	-	1,069	1,069	-
Health Benefits	11-000-217-270	56,761	-	56,761	56,761	-
Other Employee Benefits	11-000-217-29X	10,157	1,453	11,610	11,610	-
Total Other Support Services - Students - Extra Services		86,437	1,444	87,881	87,881	-
Other Support Services - Students - Guidance						
Social Security Contributions	11-000-218-220	5,911	-	5,911	5,911	-
Other Retirement - Regular	11-000-218-241	7,196	-	7,196	7,196	-
Workmen's Compensation	11-000-218-260	10,250	-	10,250	10,250	-
Health Benefits	11-000-218-270	138,377	-	138,377	138,377	-
Other Employee Benefits	11-000-218-29X	35,576	(12,788)	22,788	22,788	-
Total Other Support Services - Students - Guidance		197,310	(12,788)	184,522	184,522	-
Other Support Services - Students - Child Study Team						
Social Security Contributions	11-000-219-220	5,853	-	5,853	5,853	-
Other Retirement - Regular	11-000-219-241	7,126	-	7,126	7,126	-
Workmen's Compensation	11-000-219-260	8,899	-	8,899	8,899	-
Health Benefits	11-000-219-270	136,410	-	136,410	136,410	-
Other Employee Benefits	11-000-219-29X	16,238	583	16,821	10,240	6,581
Total Other Support Services - Students - Child Study Team		174,526	583	175,109	168,528	6,581
Improvement of Instruction Services						
Workmen's Compensation	11-000-221-260	1,345	-	1,345	1,345	-
Health Benefits	11-000-221-270	13,580	-	13,580	13,580	-
Total Improvement of Instruction Services		14,925	-	14,925	14,925	-
Educational Media Services - School Library						
Workmen's Compensation	11-000-222-260	954	-	954	954	-
Health Benefits	11-000-222-270	13,579	-	13,579	13,579	-
Other Employee Benefits	11-000-222-29X	5,000	-	5,000	5,000	-
Total Educational Media Services - School Library		19,533	-	19,533	19,533	-
Undist. Expend. - Instructional Staff Training Serv.						
Tuition Reimbursement	11-000-223-280	5,000	(2,375)	2,625	2,625	-
Total Undist. Expend. - Instructional Staff Training Serv.		5,000	(2,375)	2,625	2,625	-
Total Student & Instruction Related Services		687,184	(13,136)	674,048	667,467	6,581
Support Services - General Administration						
Social Security Contributions	11-000-230-220	9,513	-	9,513	9,513	-
Other Retirement - Regular	11-000-230-241	11,581	-	11,581	11,581	-
Workmen's Compensation	11-000-230-260	4,195	-	4,195	4,195	-
Health Benefits	11-000-230-270	65,306	-	65,306	65,306	-
Total Support Services - General Administration		90,595	-	90,595	90,595	-
Support Services - School Administration						
Social Security Contributions	11-000-240-220	20,545	-	20,545	20,545	-
Other Retirement - Regular	11-000-240-241	25,011	-	25,011	25,011	-
Workmen's Compensation	11-000-240-260	12,661	-	12,661	12,661	-
Health Benefits	11-000-240-270	182,380	-	182,380	182,380	-
Other Employee Benefits	11-000-240-290	72,060	10,435	82,495	82,495	-
Total Support Services - School Administration		312,657	10,435	323,092	323,092	-
Central Services						
Social Security Contributions	11-000-251-220	22,587	-	22,587	22,587	-
Other Retirement - Regular	11-000-251-241	27,497	-	27,497	27,497	-
Workmen's Compensation	11-000-251-260	4,762	-	4,762	4,762	-
Health Benefits	11-000-251-270	117,445	-	117,445	117,445	-
Other Employee Benefits	11-000-251-290	425	-	425	425	-
Total Central Services		172,716	-	172,716	172,716	-

**FLORENCE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Undist. Expend. - Support Serv. - Administration Information Serv.						
Social Security Contributions	11-000-252-220	16,612	-	16,612	16,612	-
Other Retirement - Regular	11-000-252-241	20,223	-	20,223	20,223	-
Workmen's Compensation	11-000-252-260	2,140	-	2,140	2,140	-
Health Benefits	11-000-252-270	15,218	-	15,218	15,218	-
Other Employee Benefits	11-000-252-290	15,110	(1,897)	13,213	13,213	-
Total Undist. Expend. - Support Serv. - Administration Info Serv.		69,303	(1,897)	67,406	67,406	-
Operation and Maintenance of Plant Services						
Social Security Contributions	11-000-260-220	83,532	(2,977)	80,555	71,021	9,534
Other Retirement - Regular	11-000-260-241	101,970	-	101,970	101,970	-
Workmen's Compensation	11-000-260-260	11,073	2,181	13,254	13,254	-
Health Benefits	11-000-260-270	243,254	-	243,254	243,254	-
Other Employee Benefits	11-000-260-290	46,598	(1,205)	45,393	44,545	848
Total Operation and Maintenance of Plant Services		486,427	(2,001)	484,426	474,044	10,382
Student Transportation Services						
Social Security Contributions	11-000-270-220	67,555	(4,538)	63,017	51,925	11,092
Other Retirement - Regular	11-000-270-241	82,242	(16,754)	65,488	65,488	-
Workmen's Compensation	11-000-270-260	8,704	-	8,704	8,704	-
Health Benefits	11-000-270-270	154,823	-	154,823	110,889	43,934
Other Employee Benefits	11-000-270-29X	43,497	8,831	52,328	51,458	870
Total Student Transportation Services		356,821	(12,461)	344,360	288,464	55,896
TOTAL ALLOCATED BENEFITS		5,089,156	(175,244)	4,913,912	4,748,953	164,959
Unallocated Benefits - Employee Benefits:						
Unemployment Compensation	11-000-291-250	75,000	(62,183)	12,817	12,817	-
Other Employee Benefits	11-000-291-290	24,976	-	24,976	24,975	1
Total Unallocated Benefits - Employee Benefits		99,976	(62,183)	37,793	37,792	1
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	2,179,986	(2,179,986)
On-Behalf TPAF Post Retirement Medical Contributions		-	-	-	808,735	(808,735)
On-Behalf TPAF Disability Insurance Contributions		-	-	-	1,849	(1,849)
Reimbursed TPAF Social Security Contributions		-	-	-	796,343	(796,343)
Total Nonbudgeted		-	-	-	3,786,913	(3,786,913)
Total Undistributed Expenditures		17,042,928	(110,637)	16,932,291	19,847,627	(2,915,336)
Transfer to Charter Schools	10-000-100-56X	1,430,767	(61,016)	1,369,751	1,369,751	-
Total Expenditures - Current Expense		28,525,149	(7,166)	28,517,983	31,113,342	(2,595,359)
Capital Outlay:						
Equipment:						
Upkeep of Grounds	12-000-263-730	-	2,754	2,754	2,754	-
Student Transportation Services	12-000-270-730	-	4,412	4,412	4,412	-
Total Equipment		-	7,166	7,166	7,166	-
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	-	-	-	217,860	(217,860)
Total Assets Acquired Under Capital Leases (Nonbudgeted)		-	-	-	217,860	(217,860)
Total Capital Outlay		117,952	7,166	125,118	342,978	(217,860)
Total Expenditures		28,643,101	-	28,643,101	31,456,320	(2,813,219)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,542,772)	-	(1,542,772)	253,088	1,795,860
Other Financing Sources/(Uses):						
Capital Lease Proceeds (Nonbudgeted)		-	-	-	217,860	217,860
Total Other Financing Sources/(Uses)		-	-	-	217,860	217,860

**FLORENCE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures After Other Financing Sources/(Uses)		(1,542,772)	-	(1,542,772)	470,948	2,013,720
Fund Balances, July 1		3,893,930	-	3,893,930	3,893,930	-
Fund Balances, June 30		<u>\$ 2,351,158</u>	<u>\$ -</u>	<u>\$ 2,351,158</u>	<u>\$ 4,364,878</u>	<u>\$ 2,013,720</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:					
Capital Reserve					\$ 201,185
Excess Surplus					1,483,757
Reserved Excess Surplus Designated for Subsequent Year's Expenditures					1,355,297
Assigned Fund Balance:					
Surplus Designated for Subsequent Year's Expenditures					398,120
Year-end Encumbrances					136,352
Unassigned Fund Balance					<u>790,167</u>
Subtotal					4,364,878
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments Not Recognized on GAAP Basis					<u>(880,369)</u>
Fund Balance per Governmental Funds (GAAP)					<u>\$ 3,484,509</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

REVENUES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Local Sources	\$ 794,587	\$ -	\$ 794,587	\$ 767,181	\$ (27,406)
State Sources	145,268	-	145,268	107,472	(37,796)
Federal Sources	999,733	-	999,733	871,206	(128,527)
Total Revenues	1,939,588	-	1,939,588	1,745,859	(193,729)
EXPENDITURES:					
Instruction:					
Salaries	55,270	-	55,270	42,899	12,371
Salaries of Teachers	230,179	-	230,179	227,792	2,387
Tuition	484,379	-	484,379	484,379	-
General Supplies	61,722	-	61,722	58,910	2,812
Textbooks	10,911	-	10,911	6,781	4,130
Total Instruction	842,461	-	842,461	820,761	21,700
Support Services:					
Personal Services - Employee Benefits	154,724	-	154,724	74,162	80,562
Purchased Professional & Technical Services	30,007	-	30,007	12,205	17,802
Purchased Professional Services	140,975	-	140,975	108,139	32,836
Other Purchased Services	614,365	-	614,365	597,286	17,079
General Supplies	157,056	-	157,056	133,306	23,750
Total Support Services	1,097,127	-	1,097,127	925,098	172,029
Total Expenditures	1,939,588	-	1,939,588	1,745,859	193,729
Total Outflows	1,939,588	-	1,939,588	1,745,859	193,729
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

**FLORENCE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI - PART II
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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)	\$ 31,709,408	\$ 1,745,859
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	907,945	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(880,369)	-
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Current Year	-	-
Prior Year	-	4,377
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 31,736,984	\$ 1,750,236
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 31,456,320	\$ 1,745,859
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.		4,377
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 31,456,320	\$ 1,750,236

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 SEVEN FISCAL YEARS***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's proportion of the net pension liability	0.0284712092%	0.0002865473%	0.0031401137%	0.0364833646%	0.0382218034%	0.0378247763%	0.0396803059%
School District's proportionate share of the net pension liability	\$ 5,130,080	\$ 5,641,974	\$ 7,309,683	\$ 10,805,326	\$ 8,580,029	\$ 7,081,833	\$ 7,583,695
School District's covered payroll	\$ 1,969,130	\$ 2,051,361	\$ 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	260.53%	275.04%	329.63%	415.93%	324.18%	270.42%	294.02%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	53.60%	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 SEVEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's contractually required contribution	\$ 276,941	\$ 285,022	\$ 290,898	\$ 324,113	\$ 328,605	\$ 311,822	\$ 298,983
Contributions in relation to the contractually required contribution	(276,941)	(285,022)	(290,898)	(324,113)	(328,605)	(311,822)	(298,983)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 1,918,412	\$ 1,969,130	\$ 2,051,361	\$ 2,217,516	\$ 2,597,869	\$ 2,646,666	\$ 2,618,784
Contributions as a percentage of covered payroll	14.44%	14.47%	14.18%	14.62%	12.65%	11.78%	11.42%

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 SEVEN FISCAL YEARS***

	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	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	59,209,516	64,155,985	67,954,593	78,826,344	61,087,012	54,178,933	55,586,266
School District's covered payroll	\$ 59,209,516	\$ 64,155,985	\$ 67,954,593	\$ 78,826,344	\$ 61,087,012	\$ 54,178,933	\$ 55,586,266
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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.41%	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 THREE FISCAL YEARS*

	2020	2019	2018
District's Total OPEB Liability			
Service Cost	\$ 1,703,683	\$ 1,965,180	\$ 2,374,784
Interest Cost	2,136,356	2,342,208	2,032,750
Differences between Expected and Actual Experiences	(9,054,687)	(6,628,554)	-
Changes of Assumptions	719,838	(6,221,043)	(8,483,441)
Contributions: Member	43,931	50,100	54,715
Gross Benefit Payments	(1,482,010)	(1,449,597)	(1,485,925)
Net Change in Total OPEB Liability	(5,932,889)	(9,941,706)	(5,507,117)
District's Total OPEB Liability (Beginning)	54,211,519	64,153,225	69,660,342
District's Total OPEB Liability (Ending)	\$ 48,278,630	\$ 54,211,519	\$ 64,153,225
District's Covered Employee Payroll***	\$ 12,948,848	\$ 12,282,995	\$ 12,122,226
District's Net OPEB Liability as a Percentage of Payroll	373%	441%	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
YEAR ENDED JUNE 30, 2020**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.86% as of June 30, 2018, to 5.60% as of June 30, 2019.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.66% as of June 30, 2018, to 6.28% as of June 30, 2019.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.87% as of June 30, 2018, to 3.5% as of June 30, 2019.

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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, 2020**

	<u>TITLE I</u>	<u>TITLE II - PART A</u>	<u>TITLE III</u>	<u>TITLE IV</u>	<u>I.D.E.A. PART B BASIC</u>
Revenues:					
Federal Sources	\$ 316,659	\$ 27,207	\$ 773	\$ 5,799	\$ 489,517
State Sources	-	-	-	-	-
Local Sources	-	-	-	-	-
Total Revenues	\$ 316,659	\$ 27,207	\$ 773	\$ 5,799	\$ 489,517
Expenditures:					
Instruction:					
Salaries	7,326	-	660	2,569	-
Salaries of Teachers	227,792	-	-	-	-
Tuition	-	-	-	-	484,379
General Supplies	7,379	-	113	-	-
Textbooks	-	-	-	-	-
Total Instruction	242,497	-	773	2,569	484,379
Support Services:					
Employee Benefits	74,162	-	-	-	-
Purchased Professional - Technical Services	-	-	-	-	5,138
Other Purchased Services	-	25,367	-	-	-
General Supplies	-	1,840	-	3,230	-
Total Support Services	74,162	27,207	-	3,230	5,138
Total Expenditures	\$ 316,659	\$ 27,207	\$ 773	\$ 5,799	\$ 489,517

**FLORENCE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	I.D.E.A.				NJ NONPUBLIC AUXILIARY SERVICES CH. 192		
	PART B <u>PRESCHOOL</u>	NJ NONPUBLIC <u>TEXTBOOK AID</u>	NJ NONPUBLIC <u>NURSING AID</u>	NJ NONPUBLIC <u>COMPENSATORY</u>	<u>EDUCATION</u>	<u>TRANSPORTATION</u>	
Revenues:							
Federal Sources	\$ 31,251	\$ -	\$ -	\$ -	\$ -	\$ -	-
State Sources	-	6,781	20,758	17,035	-	-	7,792
Local Sources	-	-	-	-	-	-	-
Total Revenues	\$ 31,251	\$ 6,781	\$ 20,758	\$ 17,035	\$ -	\$ -	7,792
Expenditures:							
Instruction:							
Salaries	\$ 26,922	\$ -	\$ -	\$ -	\$ -	\$ -	-
Salaries of Teachers	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-
General Supplies	4,329	-	-	-	-	-	-
Textbooks	-	6,781	-	-	-	-	-
Total Instruction	\$ 31,251	\$ 6,781	\$ -	\$ -	\$ -	\$ -	-
Support Services:							
Employee Benefits	-	-	-	-	-	-	-
Purchased Professional - Technical Services	-	-	-	-	-	-	-
Purchased Professional Services	-	-	20,758	17,035	-	-	7,792
Other Purchased Services	-	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-	-
Total Support Services	\$ -	\$ -	\$ 20,758	\$ 17,035	\$ -	\$ -	7,792
Total Expenditures	\$ 31,251	\$ 6,781	\$ 20,758	\$ 17,035	\$ -	\$ -	7,792

**FLORENCE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

		NJ NONPUBLIC HANDICAPPED SERVICES CH. 193		NJ NONPUBLIC TECHNOLOGY INITIATIVE AID		NJ NONPUBLIC SECURITY AID	
		EXAMINATION & CORRECTIVE	SPEECH	INITIATIVE AID	SECURITY AID		
		INSTRUCTION	CLASSIFICATION				
Revenues:							
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	2,995	9,105	4,284	6,622	32,100		
Local Sources	-	-	-	-	-		
Total Revenues	\$ 2,995	\$ 9,105	\$ 4,284	\$ 6,622	\$ 32,100		
Expenditures:							
Instruction:							
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -		
Salaries of Teachers	-	-	-	-	-		
Tuition	-	-	-	-	-		
General Supplies	-	-	-	6,622	-		
Textbooks	-	-	-	-	-		
Total Instruction	\$ -	\$ -	\$ -	\$ 6,622	\$ -		
Support Services:							
Employee Benefits	-	-	-	-	-		
Purchased Professional - Technical Services	-	-	-	-	-		
Purchased Professional Services	2,995	9,105	4,284	-	32,100		
Other Objects	-	-	-	-	-		
General Supplies	-	-	-	-	-		
Total Support Services	\$ 2,995	\$ 9,105	\$ 4,284	\$ -	\$ 32,100		
Total Expenditures	\$ 2,995	\$ 9,105	\$ 4,284	\$ 6,622	\$ 32,100		

**FLORENCE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	SOUTHERN NJ REGIONAL EMPLOYEE WELLNESS <u>GRANT</u>	FLORENCE TOWNSHIP TECHNOLOGY <u>DONATION</u>	ARCHITECT SERVICES <u>GRANT</u>	ROEB <u>GRANT</u>	UNIFIED <u>GRANT</u>	NJSIG SAFETY <u>GRANT</u>	<u>TOTALS</u>
Revenues:							
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 871,206
State Sources	-	-	-	-	-	-	107,472
Local Sources	10,989	40,000	707,000	467	1,500	7,225	767,181
Total Revenues	\$ 10,989	\$ 40,000	\$ 707,000	\$ 467	\$ 1,500	\$ 7,225	\$ 1,745,859
Expenditures:							
Instruction:							
Salaries	3,922	-	-	-	1,500	-	42,899
Salaries of Teachers	-	-	-	-	-	-	227,792
Tuition	-	-	-	-	-	-	484,379
General Supplies	-	40,000	-	467	-	-	58,910
Textbooks	-	-	-	-	-	-	6,781
Total Instruction	3,922	40,000	-	467	1,500	-	820,761
Support Services:							
Employee Benefits	-	-	-	-	-	-	74,162
Purchased Professional - Technical Services	7,067	-	-	-	-	-	12,205
Purchased Professional Services	-	-	14,070	-	-	-	108,139
Other Purchased Services	-	-	571,919	-	-	-	597,286
General Supplies	-	-	121,011	-	-	7,225	133,306
Total Support Services	7,067	-	707,000	-	-	7,225	925,098
Total Expenditures	\$ 10,989	\$ 40,000	\$ 707,000	\$ 467	\$ 1,500	\$ 7,225	\$ 1,745,859

F. Capital Projects Fund

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**FLORENCE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2020**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2020
			PRIOR YEARS	CURRENT YEAR	
Roebbling Elementary Renovations	4/27/20	\$ 406,200	\$ -	\$ 41,185	\$ 365,015
Total		\$ 406,200	\$ -	\$ 41,185	\$ 365,015

Reconciliation - Unexpended Capital Project
Balances to Fund Balance - June 30, 2020:

Unexpended Project Balances June 30, 2020	<u>\$ 365,015</u>
Total Fund Balance (Budgetary Basis) - June 30, 2020	<u>\$ 365,015</u>
Less:	
Unexpended Project Balance	<u>(365,015)</u>
Total Fund Balance (GAAP Basis) - June 30, 2020	<u>\$ -</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

Revenues:	
Township Donations	\$ 406,200
	<hr/>
Total Revenues	406,200
	<hr/>
Expenditures:	
Construction Services	41,185
	<hr/>
Total Expenditures	41,185
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	365,015
	<hr/>
Fund Balance - Beginning	\$ -
	<hr/>
Fund Balance - Ending	\$ 365,015
	<hr/> <hr/>

**FLORENCE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
ROEBLING ELEMENTARY RENOVATIONS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Reimbursement from Township	-	406,200	406,200	406,200
Total Revenues	-	406,200	406,200	406,200
Expenditures & Other Financing Uses:				
Construction Services	-	41,185	41,185	406,200
Total Expenditures	-	41,185	41,185	406,200
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	365,015	365,015	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ 365,015	\$ 365,015	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Original Authorized Cost	\$ 406,200
Reduced Authorized Cost	\$ -
Revised Authorized Cost	\$ 406,200
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	10%
Original Target Completion Date	6/30/21
Revised Target Completion Date	6/30/21

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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, 2020**

ASSETS	PRIVATE PURPOSE TRUST FUNDS				AGENCY FUNDS			TOTAL
	SCHOLARSHIP ACCOUNT	FLEXIBLE SPENDING EXPENDABLE TRUST	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL	SUMMER PAY		
Cash & Cash Equivalents	\$ 7,536	\$ 1,742	\$ 124,098	\$ 107,691	\$ 15,315	\$ 644,675	\$ 901,057	
Total Assets	7,536	1,742	124,098	107,691	15,315	644,675	901,057	
LIABILITIES								
Payroll Deductions & Withholdings Due to Student Groups Interfund Payable	-	-	-	-	6,682	644,675	651,357	
	-	-	-	107,691	-	-	107,691	
	-	-	4,683	-	8,633	-	13,316	
Total Liabilities	-	-	4,683	107,691	15,315	644,675	772,364	
NET POSITION:								
Held in Trust for Unemployment Claims & Other Purposes	7,536	1,742	119,415	-	-	-	128,693	
Total Net Position	\$ 7,536	\$ 1,742	\$ 119,415	\$ -	\$ -	\$ -	\$ 128,693	

**FLORENCE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	PRIVATE PURPOSE TRUST FUNDS			<u>TOTAL</u>
	<u>SCHOLARSHIP ACCOUNT</u>	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>FLEXIBLE SPENDING EXPENDABLE TRUST</u>	
ADDITIONS				
Payroll withholdings	\$ -	\$ 31,306	\$ -	\$ 31,306
Contributions:				
Other	600	-	2,200	2,800
Total Contributions	600	31,306	2,200	34,106
Investment Earnings:				
Interest	80	986	15	1,081
Net Investment Earnings	80	986	15	1,081
Total Additions	680	32,292	2,215	35,187
DEDUCTIONS				
Unemployment claims	-	6,895	-	6,895
Dependent day care payments	-	-	5,600	5,600
Scholarship payments	1,500	-	-	1,500
Total Deductions	1,500	6,895	5,600	13,995
Change in Net Position	(820)	25,397	(3,385)	21,192
Net Position - Beginning of the Year	8,356	94,018	5,127	107,501
Net Position - End of the Year	\$ 7,536	\$ 119,415	\$ 1,742	\$ 128,693

**FLORENCE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUND
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	BALANCE JULY 1, <u>2019</u>	CASH <u>RECEIPTS</u>	CASH <u>DISBURSEMENTS</u>	BALANCE JUNE 30, <u>2020</u>
Florence Middle School/Memorial High School	\$ 93,362	\$ 276,205	\$ 261,876	\$ 107,691
Total All Activity	<u>\$ 93,362</u>	<u>\$ 276,205</u>	<u>\$ 261,876</u>	<u>\$ 107,691</u>

**FIDUCIARY FUND
SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

ASSETS	BALANCE JULY 1, <u>2019</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	BALANCE JUNE 30, <u>2020</u>
Cash & Cash Equivalents	\$ 133,003	\$ 7,480,800	\$ 7,598,488	\$ 15,315
Total Assets	<u>\$ 133,003</u>	<u>\$ 7,480,800</u>	<u>\$ 7,598,488</u>	<u>\$ 15,315</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 124,370	\$ 7,480,800	\$ 7,598,488	\$ 6,682
Interfund Payable	8,633	-	-	8,633
Total Liabilities	<u>\$ 133,003</u>	<u>\$ 7,480,800</u>	<u>\$ 7,598,488</u>	<u>\$ 15,315</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, 2020**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2019</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2020</u>
General Obligation Refunding Bonds	3/1/2012	\$ 26,065,000	3/1/2021	\$ 1,700,000	5.000%	\$ 17,075,000	\$ 1,725,000	\$ 15,350,000
			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						\$ 17,075,000	\$ 1,725,000	\$ 15,350,000

**FLORENCE TOWNSHIP SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2019	Issued	Retired	Balance June 30, 2020
			Principal	Interest					
1 54 Passenger School Bus and 1 46 Passenger/Lift School Bus	8/10/2015	6 Years	\$ 206,000	\$ 11,148	2.250%	\$ 67,277	\$ -	\$ 33,264	\$ 34,013
1 16 Passenger School Bus	9/1/2015	5 Years	50,120	1,717	2.300%	7,634	-	7,634	-
1 54 Passenger School Bus	9/16/2016	5 Years	91,388	8,706	4.470%	37,504	-	18,342	19,162
1 54 Passenger School Bus and 1 25 Passenger/Lift School Bus	8/24/2017	5 Years	167,426	8,335	2.490%	100,415	-	32,652	67,763
1 54 Passenger School Bus and 1 25 Passenger/Lift School Bus	8/24/2018	5 Years	176,116	15,786	4.064%	126,116	-	23,254	102,862
1 54 Passenger School Bus and 1 29 Passenger School Bus	8/1/2019	5 Years	171,350	9,544	2.711%	-	171,350	34,832	136,518
1 Ford F350 DRW 4WD	8/1/2019	5 Years	46,510	1,130	2.711%	-	46,510	19,954	26,556
						\$ 338,946	\$ 217,860	\$ 169,932	\$ 386,874

**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, 2020**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE/ (NEGATIVE) FINAL TO ACTUAL</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,362,281	\$ -	\$ 2,362,281	\$ 2,362,282	\$ 1
Total Revenues	<u>2,362,281</u>	<u>-</u>	<u>2,362,281</u>	<u>2,362,282</u>	<u>1</u>
Expenditures:					
Regular Debt Service:					
Interest	637,282	-	637,282	637,282	-
Redemption of Principal	1,725,000	-	1,725,000	1,725,000	-
Total Expenditures	<u>2,362,282</u>	<u>-</u>	<u>2,362,282</u>	<u>2,362,282</u>	<u>-</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
Fund Balance, July 1	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF WATER & SEWER ASSESSMENTS
JUNE 30, 2020**

PURPOSE	DATE OF ASSESSMENT	AMOUNT OF ASSESSMENT	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2019	RETIRED	BALANCE JUNE 30, 2020
			DATE	AMOUNT				
Florence Township Water & Sewer Assessment	3/15/2008	\$ 554,474	3/13/2021	\$ 37,669	4.250%	\$ 73,802	\$ 36,133	\$ 37,669
			Total			\$ 73,802	\$ 36,133	\$ 37,669

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
FISCAL YEAR ENDING JUNE 30.										
Governmental Activities:										
Net Investment in Capital Assets	\$ 15,117,886	\$ 14,659,783	\$ 14,261,078	\$ 13,886,743	\$ 13,846,277	\$ 14,035,431	\$ 12,057,653	\$ 11,537,939	\$ 10,790,353	\$ 10,691,880
Restricted	3,040,240	2,929,790	2,586,840	1,938,022	1,352,626	1,030,393	1,105,990	1,867,658	1,671,227	1,154,995
Unrestricted	(9,755,257)	(11,163,977)	(11,450,088)	(11,545,406)	(11,503,211)	(11,877,606)	(3,536,231)	(3,410,658)	(3,270,322)	(3,581,795)
Total Governmental Activities	8,402,869	6,425,596	5,397,830	4,279,359	3,695,692	3,188,218	9,627,412	9,994,939	9,191,258	8,265,080
Business-Type Activities:										
Net Investment in Capital Assets	\$ 88,118	\$ 108,696	\$ 129,458	\$ 150,220	\$ 155,184	\$ 81,888	\$ 108,723	\$ 118,829	\$ 133,954	\$ 139,936
Unrestricted	(93,520)	13,779	106,367	142,858	151,374	137,876	156,269	172,562	134,299	246,241
Total Business-Type Activities	(5,402)	122,475	235,825	293,078	306,558	219,764	264,992	291,391	268,253	386,177
Government-Wide:										
Net Investment in Capital Assets	\$ 15,206,004	\$ 14,768,479	\$ 14,390,536	\$ 14,036,963	\$ 14,001,461	\$ 14,117,319	\$ 12,166,376	\$ 11,656,768	\$ 10,924,307	\$ 10,831,816
Restricted	3,040,240	2,929,790	2,586,840	1,938,022	1,352,626	1,030,393	1,105,990	1,867,658	1,671,227	1,154,995
Unrestricted	(9,848,777)	(11,150,198)	(11,343,721)	(11,402,548)	(11,351,837)	(11,739,730)	(3,379,962)	(3,238,096)	(3,136,023)	(3,335,554)
Total District Net Position	8,397,467	6,548,071	5,633,655	4,572,437	4,002,250	3,407,982	9,892,404	10,286,330	9,459,511	8,651,257

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 8,261,118	\$ 8,411,636	\$ 7,912,177	\$ 8,133,504	\$ 8,841,351	\$ 8,030,336	\$ 8,972,615	\$ 8,796,474	\$ 8,896,535	\$ 8,618,827
Special Education	4,093,190	3,774,397	4,091,014	3,539,887	2,757,934	2,951,366	2,872,957	2,671,300	2,654,929	2,814,569
Other Instruction	1,031,963	972,017	983,643	948,774	1,076,469	1,043,941	1,161,248	1,124,375	990,821	1,011,875
Support Services:										
Tuition	2,683,631	2,176,863	1,765,498	1,537,242	1,847,144	1,567,872	1,654,028	1,698,507	1,193,891	1,032,473
Student & Instruction Related Services	4,424,249	3,944,012	3,447,540	3,429,065	3,040,898	3,149,700	2,972,028	2,988,470	2,981,191	2,947,254
General Administration	671,555	574,351	580,432	590,851	584,194	610,755	486,031	541,174	543,113	512,970
School Administrative Services	1,142,711	1,267,796	1,289,900	1,204,123	1,553,289	1,133,673	1,071,002	1,053,881	853,090	1,023,489
Central Services	530,775	440,656	497,137	531,675	524,546	519,672	634,069	589,964	559,423	484,163
Administration Information Technology	530,775	569,186	499,553	432,504	149,942	314,225	263,835	129,446	145,268	136,866
Plant Operations & Maintenance	2,894,076	2,819,830	2,702,903	2,883,819	2,950,827	3,245,387	3,290,210	3,065,679	2,849,752	2,849,752
Pupil Transportation	1,188,529	1,333,379	1,532,797	1,644,647	1,746,825	1,811,605	1,654,051	1,544,363	1,603,444	1,356,646
Employee Benefits	3,919,846	6,320,726	9,074,440	3,299,239	7,275,693	4,496,614	1,872,505	2,533,652	1,814,277	1,519,838
Charter Schools	1,369,751	1,363,712	1,280,618	1,357,915	1,377,669	1,434,177	1,347,452	1,277,448	1,126,585	847,036
Interest & Other Charges	769,734	828,197	893,985	957,696	994,387	919,198	951,416	763,980	1,155,542	1,262,967
Unallocated Depreciation	1,459,564	1,439,141	1,469,917	1,497,377	1,453,950	1,378,568	1,362,042	1,358,300	1,392,022	1,551,286
Amortization of Debt Issue Costs	-	-	-	-	13,862	-	-	13,862	-	11,730
Amortization of Intangible Assets	-	-	-	-	-	-	-	-	-	11,826
Decrease in Compensated Absences	-	-	-	-	22,565	-	-	13,862	-	13,862
Total Governmental Activities Expenses	34,984,451	36,236,099	38,021,554	31,988,318	36,211,545	32,620,951	30,579,351	29,884,393	28,853,955	27,995,699
Business-Type Activities:										
Food Service	452,593	591,166	634,038	685,063	664,885	686,528	728,263	732,537	719,845	718,651
Cable TV Access	-	-	-	-	-	-	-	6,000	2,000	4,000
Extended Day Program	313,151	369,075	327,286	306,549	290,781	292,403	287,094	282,878	262,653	301,205
Total Business-Type Activities Expense	765,744	960,241	961,324	991,612	955,666	978,931	1,015,357	1,021,415	984,498	1,023,856
Total District Expenses	\$ 35,750,195	\$ 37,196,340	\$ 38,982,878	\$ 32,979,930	\$ 37,167,211	\$ 33,599,882	\$ 31,594,708	\$ 30,905,808	\$ 29,838,453	\$ 29,019,555
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 6,616,265	\$ 7,513,782	\$ 10,092,552	\$ 3,868,571	\$ 8,053,530	\$ 5,598,286	\$ 3,124,194	\$ 3,433,779	\$ 3,050,132	\$ 2,775,547
Total Governmental Activities Program Revenues	6,616,265	7,513,782	10,092,552	3,868,571	8,053,530	5,598,286	3,124,194	3,433,779	3,050,132	2,775,547
Business-Type Activities:										
Charges for Services:										
Food Service	172,985	271,474	296,353	321,518	300,829	305,349	340,822	349,458	358,147	358,609
Cable TV Access	-	-	-	-	-	-	-	-	5,313	4,000
Extended Day Program	199,724	240,187	288,911	292,845	304,200	283,197	313,719	321,422	270,266	232,617
Operating Grants & Contributions	265,158	312,230	318,807	347,360	341,659	345,157	334,760	373,659	366,243	321,439
Total Business Type Activities Program Revenues	637,867	846,891	904,071	961,723	946,688	933,703	989,301	1,044,539	999,969	916,665
Total District Program Revenues	\$ 7,254,132	\$ 8,360,673	\$ 10,996,623	\$ 4,830,294	\$ 9,000,218	\$ 6,531,989	\$ 4,113,495	\$ 4,478,318	\$ 4,050,101	\$ 3,692,212
Net (Expense)/Revenue:										
Governmental Activities	\$ (28,368,186)	\$ (28,722,317)	\$ (27,929,002)	\$ (28,119,747)	\$ (28,158,015)	\$ (27,022,665)	\$ (27,455,157)	\$ (26,450,614)	\$ (25,803,823)	\$ (25,220,152)
Business-Type Activities	(127,877)	(113,350)	(57,253)	(29,889)	(8,978)	(45,228)	(26,056)	23,124	15,471	(107,191)
Total Government-Wide Net Expense	\$ (28,496,063)	\$ (28,835,667)	\$ (27,986,255)	\$ (28,149,636)	\$ (28,166,993)	\$ (27,067,893)	\$ (27,481,213)	\$ (26,427,490)	\$ (25,788,352)	\$ (25,327,343)

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

Unaudited

	FISCAL YEAR ENDING JUNE 30.									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 16,991,091	\$ 16,657,933	\$ 16,331,307	\$ 16,011,085	\$ 15,697,142	\$ 15,389,355	\$ 15,065,536	\$ 14,594,866	\$ 14,222,554	\$ 13,917,990
Taxes Levied for Debt Service	2,362,282	2,431,282	2,500,282	2,569,282	2,636,482	2,698,981	2,624,379	2,747,490	2,667,640	2,682,415
Unrestricted Grants & Contributions	10,179,219	10,052,347	9,802,340	9,908,612	9,581,584	9,855,832	9,701,360	9,542,117	9,436,856	8,810,926
Tuition Received	-	-	-	-	-	39,989	20,975	67,236	177,065	58,438
Investment Earnings	373,504	318,025	160,275	107,071	285,101	4,525	6,537	7,784	15,135	21,232
Miscellaneous Income	447,442	305,055	219,765	216,088	-	178,486	311,014	298,771	77,337	226,562
Loss on Sale of Capital Assets	-	-	-	-	-	-	-	(3,969)	-	(8,470)
Transfer	-	-	-	-	-	-	343	-	-	-
Special Items	(8,079)	(12,559)	33,504	(108,724)	465,180	-	-	-	133,414	-
Total Governmental Activities	30,345,459	29,750,083	29,047,473	28,703,414	28,665,489	28,167,168	27,730,144	27,254,295	26,730,001	25,709,093
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	14	(133,414)	7
Transfers	-	-	-	16,409	95,772	-	(343)	-	-	-
Special Items	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	16,409	95,772	-	(343)	14	(133,395)	7
Total Government-Wide	\$ 30,345,459	\$ 29,750,083	\$ 29,047,473	\$ 28,719,823	\$ 28,761,261	\$ 28,167,168	\$ 27,729,801	\$ 27,254,309	\$ 26,596,606	\$ 25,709,100
Change in Net Position:										
Governmental Activities	\$ 1,977,273	\$ 1,027,766	\$ 1,118,471	\$ 583,667	\$ 507,474	\$ 1,144,503	\$ 274,987	\$ 803,681	\$ 926,178	\$ 488,941
Business-Type Activities	(127,877)	(113,350)	(57,253)	(13,480)	86,794	(45,228)	(26,399)	23,138	(117,924)	(107,184)
Total District	\$ 1,849,396	\$ 914,416	\$ 1,061,218	\$ 570,187	\$ 594,268	\$ 1,099,275	\$ 248,588	\$ 826,819	\$ 808,254	\$ 381,757

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

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Restricted	\$ 3,040,239	\$ 2,829,789	\$ 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	444,270	56,196	257,237	105,324	181,796	443,092	401,936	31,327	275,370	32,695
Unassigned	-	100,000	(254,833)	(187,040)	(323,940)	(292,815)	(312,167)	(270,672)	(474,785)	-
Total General Fund	\$ 3,484,509	\$ 2,985,985	\$ 2,589,240	\$ 1,856,303	\$ 1,222,367	\$ 1,180,670	\$ 1,195,759	\$ 1,535,032	\$ 1,471,439	\$ 1,055,414
All Other Governmental Funds:										
Unreserved, reported in:										
Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned to:										
Debt Service Fund	-	-	-	-	-	-	-	63,281	373	132,233
Unassigned:										
Debt Service Fund	1	1	1	3	2	2	2	-	-	43
Total All Other Governmental Funds	\$ 1	\$ 1	\$ 1	\$ 3	\$ 2	\$ 2	\$ 2	\$ 63,281	\$ 373	\$ 132,276

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Tax Levy	\$ 19,353,373	\$ 19,089,215	\$ 18,831,589	\$ 18,580,367	\$ 18,333,624	\$ 18,088,336	\$ 17,689,915	\$ 17,342,356	\$ 16,890,194	\$ 16,600,405
Tuition Charges	373,504	318,025	160,275	107,071	46,316	-	6,537	7,784	15,135	21,232
Interest Earnings	-	-	-	-	2	4,525	-	-	-	-
Miscellaneous	1,214,623	360,878	323,287	298,731	238,783	218,475	332,331	367,283	331,110	270,117
State Sources	14,031,043	13,684,106	13,143,480	12,740,959	12,182,271	11,983,929	11,728,041	11,966,448	11,143,069	10,554,675
Federal Sources	918,144	938,220	970,734	953,581	920,663	1,077,380	1,097,513	1,009,448	1,343,919	1,031,798
Total Revenue	35,890,687	34,390,444	33,429,365	32,680,709	31,721,659	31,372,645	30,854,337	30,693,319	29,723,427	28,478,227
Expenditures:										
Instruction:										
Regular Instruction	8,261,118	8,411,636	7,912,177	8,133,504	8,841,351	8,449,567	8,975,142	8,847,749	8,949,443	8,685,667
Special Education Instruction	4,093,190	3,774,397	4,091,014	3,539,887	2,757,934	2,953,265	2,894,072	2,697,219	2,672,256	2,791,162
Other Instruction	1,031,963	972,017	983,643	948,774	1,101,584	1,163,194	1,066,157	1,052,249	1,120,065	1,223,163
Support Services:										
Tuition	2,683,631	2,176,863	1,765,498	1,537,242	1,847,144	1,567,872	1,654,028	1,698,507	1,193,891	1,032,473
Student & Instruction Related	4,424,249	3,944,012	3,447,540	3,429,065	3,040,898	3,307,507	3,069,329	2,936,047	3,008,784	3,008,914
General Administration	671,555	574,551	580,432	590,851	584,194	522,299	512,186	513,696	540,846	512,723
School Administrative Services	1,142,711	1,267,796	1,289,900	1,204,123	1,553,289	1,142,600	1,072,773	1,040,386	954,134	1,035,042
Central Services	543,759	440,656	497,137	531,675	524,546	614,741	618,605	584,585	557,586	481,364
Administrative Information Technology	530,775	569,186	499,553	432,504	149,942	310,872	261,165	125,627	141,715	134,498
Plant Operations & Maintenance	2,880,214	2,805,968	2,645,213	2,869,957	2,981,419	3,219,830	3,147,929	3,012,090	2,900,941	2,921,048
Pupil Transportation	1,188,529	1,333,379	1,532,797	1,644,647	1,774,211	1,785,786	1,732,820	1,571,913	1,486,839	1,388,032
Employee Benefits	3,824,705	3,623,264	3,366,097	2,911,358	2,550,962	2,103,805	1,872,505	2,253,652	1,814,277	1,519,838
Charter Schools	1,369,751	1,363,712	1,280,618	1,357,915	1,377,669	1,434,177	1,347,452	1,277,448	1,126,585	847,036
Capital Outlay	266,211	176,116	191,133	174,676	396,772	174,848	258,605	224,239	66,799	332,888
Debt Service:										
Principal	1,931,065	1,899,072	1,873,836	1,855,958	1,740,000	1,750,000	1,790,000	2,000,000	1,700,000	1,635,000
Interest & Other Charges	766,597	837,190	907,265	976,024	896,482	948,981	1,006,716	802,815	1,224,525	1,285,485
Total Expenditures	35,610,023	34,169,815	32,863,853	32,138,160	32,093,282	31,387,734	31,376,521	30,652,130	29,390,870	28,731,235
Excess (Deficiency) of Revenues Over/(Under) Expenditures	280,664	220,629	565,512	542,549	(371,623)	(15,089)	(522,184)	41,189	332,557	(253,008)

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>
2020	\$ 49,088	\$ 373,504	\$ 28,854	\$ -	\$ 328,315	\$ 779,761
2019	48,516	318,025	28,854	10,868	214,817	621,080
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

Source: District records

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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
2020	\$ 35,168,400	\$ 1,019,102,800	\$ 9,958,600	\$ 1,077,900	\$ 51,331,000	\$ 135,842,700	\$ 11,394,600	\$ 1,263,876,000	\$ -	100	\$ 1,263,876,100	\$ 1,298,713,220	1.542
2019	28,650,000	1,008,475,400	9,732,600	1,085,800	52,974,800	139,339,900	11,394,600	1,251,653,100	-	100	1,251,653,200	1,270,824,813	1.536
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

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	
2020	1.415	0.127	1.542	0.439	0.415	2.396
2019	1.409	0.127	1.536	0.439	0.415	2.390
2018	1.383	0.133	1.516	0.439	0.415	2.370
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

Source: Municipal Tax Collector

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

		2020			2011		
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	\$ 59,815,800	1	4.78%	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%
Foxdale Properties, LLC.	8,212,000	3	0.66%	Haines Center Florence, LLC	4,772,000	3	0.79%
500 Cedar Lane Burlington, LLC	7,700,000	4	0.62%	Academy Woods Apartments	3,250,000	4	0.54%
Hunsberger, Bryan K.	6,750,000	5	0.54%	Foxdale Properties	3,091,400	5	0.51%
Dean Dairy Fluid, LLC	4,834,700	6	0.39%	Dean Northeast, LLC	2,550,000	6	0.42%
SPAF Cedar Mgmt, LLC c/o A. Schneider	4,574,000	7	0.37%	DC Fabricators	2,500,000	7	0.42%
Turnpike Crossings Urban Renewal, LLC	3,798,000	8	0.30%	SPAF Cedar Management Co.	2,394,000	8	0.40%
DC Fabricators	3,787,500	9	0.30%	Americo Real Estate Co.	2,250,000	9	0.37%
LOL Associates	3,607,000	10	0.29%	Health Care REIT, Inc.	1,898,600	10	0.32%
Total	\$ 136,245,000		10.89%		\$ 37,016,900		6.16%

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED <u>JUNE 30.</u>	TAXES LEVIED FOR THE FISCAL <u>YEAR</u>	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT <u>YEARS</u>
		<u>AMOUNT</u>	<u>PERCENTAGE OF LEVY</u>	
2020	\$ 19,353,373	\$ 19,353,373	100%	\$ -
2019	19,089,215	19,089,215	100%	\$ -
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%	-

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						
2020	\$ 15,350,000	\$ 386,874	\$	15,736,874	794,172,030	N/A	12,486	1,260
2019	17,075,000	338,946		17,413,946	794,172,030	N/A	12,486	1,395
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

* 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			NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS				
2020	\$ 15,350,000	\$ -		\$ 15,350,000	1.23%	\$ 1,229
2019	17,075,000	-		17,075,000	1.37%	1,368
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

RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2020
Unaudited

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>SHARE OF OVERLAPPING DEBT</u>
Debt Repaid With Property Taxes:			
Township of Florence:			
Issued	\$ 6,068,084	100.00%	\$ 6,068,084
Authorized But Not Issued	11,039,166	100.00%	11,039,166
Burlington County General Obligation Debt	221,311,009	2.846%	<u>6,298,576</u>
Subtotal, Overlapping Debt			23,405,826
District Direct Debt			<u>15,350,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 38,755,826</u></u>

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

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$ 50,609,503	\$ 49,642,676	\$ 48,561,995	\$ 47,202,551	\$ 46,406,178	\$ 46,369,415	\$ 47,490,919	\$ 49,327,760	\$ 50,569,844	\$ 50,196,727
Total Net Debt Applicable to Limit	15,350,000	17,075,000	18,800,000	20,525,000	22,250,000	23,990,000	25,740,000	27,530,000	29,530,000	30,961,000
Legal Debt Margin	\$ 35,259,503	\$ 32,567,676	\$ 29,761,995	\$ 26,677,551	\$ 24,156,178	\$ 22,379,415	\$ 21,750,919	\$ 21,797,760	\$ 21,039,844	\$ 19,235,727
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	30.33%	34.40%	38.71%	43.48%	47.95%	51.74%	54.20%	55.81%	58.39%	61.68%

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized Valuation Basis	
2019	\$ 1,268,524,476
2018	\$ 1,267,367,780
2017	\$ 1,259,820,473
	<u>\$ 3,795,712,729</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,265,237,576</u>
Debt Limit (4 % of Average Equalization Value)	\$ 50,609,503
Net Bonded School Debt	<u>15,350,000</u>
Legal Debt Margin	<u>\$ 35,259,503</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>
2020	12,486	794,172,030	63,605	4.50%
2019	N/A	N/A	61,244	4.50%
2018	N/A	N/A	59,432	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%

Source:

^a 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

^d 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

	2020		2011			
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
<i>Information not available</i>						
	<u>0</u>		<u>0.00%</u>	<u>0</u>		<u>0.00%</u>

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 YEARS**
Unaudited

FUNCTION/PROGRAM	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction:										
Regular	89.03	88.83	87.37	93.12	104.40	99.50	92.55	91.16	92.95	96.80
Special Education	37.00	37.00	34.00	35.00	32.00	39.00	43.06	44.73	53.20	47.50
Other Special Education	8.00	8.00	9.00	10.00	-	-	-	-	-	-
Other Instruction	1.33	1.33	1.00	2.00	-	-	-	-	-	-
Support Services:										
Student & Instruction Related Services	25.50	25.50	25.50	26.50	26.49	29.38	28.94	28.20	27.00	31.00
General Administration Services	3.00	3.00	3.00	3.00	2.00	3.00	3.00	2.50	2.50	2.50
School Administrative Services	10.00	10.00	11.00	11.00	11.00	10.60	9.50	9.80	10.00	9.50
Other Administrative Services										
Central Services	4.00	4.00	4.00	4.00	5.00	5.00	5.50	5.25	5.25	5.25
Administrative Information Technology	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Plant Operations and Maintenance	20.00	18.00	19.94	22.00	17.00	17.00	30.50	31.75	30.75	30.25
Pupil Transportation	26.40	25.46	26.14	26.56	28.00	26.31	24.63	25.00	25.00	26.00
Other Support Services						2.49	3.20	2.00	2.50	2.50
Total	226.26	223.12	222.95	235.18	227.89	234.28	241.88	241.39	250.15	252.30

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	RIVERFRONT SCHOOL	ROEBLING ELEMENTARY	RIVERFRONT SCHOOL					
2020	1,558	\$ 32,646,150	\$ 20,954	15.66%	132	1:09	1:11	1:11	1:11	1,555.2	1,487.6	1.050%	95.65%	
2019	1,542	31,257,437	20,271	11.89%	129	1:09	1:10	1:10	1:11	1,586.2	1,494.6	1.060%	94.23%	
2018	1,569	29,891,619	19,051	16.17%	129	1:09	1:10	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	1:10	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	1:10	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	1:10	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	1:10	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	1:15	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	1:09	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	1:11	1:10	1,605.3	1,508.3	0.099%	93.96%	

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

DISTRICT BUILDINGS	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Elementary Schools:										
Roebling Elementary (1905)	61,648	61,648	61,648	61,648	61,648	61,648	61,648	61,648	61,648	61,759
Square Feet	497	497	497	497	497	497	497	497	497	497
Capacity (Students)	446	446	446	450	441	472	473	527	647	651
Enrollment (a)										
Middle School/Elementary Schools:										
Riverfront School (1993/2006)	138,377	138,377	138,377	138,377	138,377	138,377	138,377	138,377	132,377	133,858
Square Feet	875	875	875	875	875	875	875	875	875	875
Capacity (Students)	691	691	691	719	691	736	691	637	632	619
Enrollment										
High Schools										
Florence Twp Memorial High School (2006)	132,702	132,702	132,702	132,702	132,702	132,702	132,702	132,702	132,702	127,000
Square Feet	600	600	600	600	600	600	600	600	600	600
Capacity (Students)	421	421	421	404	411	426	447	447	444	455
Enrollment										
Other										
Central Administration (1953)	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220
Square Feet										

Number of Schools at June 30, 2019:
 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</u>		<u>Florence Twp</u>		
	<u>Elementary School</u>	<u>Riverfront School</u>	<u>Memorial High</u>	<u>School</u>	<u>Total</u>
2020	\$ 119,454	\$ 268,130	\$ 257,134	\$	644,718
2019	146,128	299,563	284,950		730,641
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

* 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, 2020
Unaudited

	COVERAGE	DEDUCTIBLE
School Package Policy (1)		
Building and Contents (All Locations)	\$ 91,474,396	\$ 1,000
School Board Legal Liability	2,000,000	5,000
Commercial Crime/Blanket Employee Dishonesty	200,000	-
Umbrella Declarations	15,000,000	10,000
Excess Umbrella (2) Effective 7/1/2013	30,000,000	15,000,000
Workers' Compensation (3)	3,000,000	-
Student Accident Insurance (4)	5,000,000	25,000
Athletic Accident (5)		
Surety Bonds (6)		
Treasurer	300,000	
Board Secretary/Business Administrator	300,000	

- (1) Utica National Insurance Company
- (2) Utica National Insurance Company
- (3) Utica National Insurance Company
- (4) Utica National Insurance Company
- (5) Utica National Insurance Company
- (6) Utica National Insurance Company

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SINGLE AUDIT SECTION

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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, 2020, 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 January 21, 2021.

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,

HOLT MCNALLY & ASSOCIATES, INC.

David T. McNally
Certified Public Accountant
Public School Accountant, No. 20CS00261600

Medford, New Jersey
January 21, 2021

**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, 2020. 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.

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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, 2020.

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,

HOLT MCNALLY & ASSOCIATES, INC.

David T. McNally
Certified Public Accountant
Public School Accountant, No. 20CS00261600

Medford, New Jersey
January 21, 2021

FLORENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FEDERAL CFDA NUMBER	FEDERAL IDENTIFICATION NUMBER	FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	FEDERAL AWARD NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2019	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS' BALANCES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2020	UNEARNED REVENUE
93.778	2005NJ5MAP	U.S. Department of Health and Human Services Passed Through New Jersey Department of Human Services Medical Assistance Program (SEM)		\$ 46,938	7/1/19-6/30/20	\$ -	\$ 46,625	\$ (46,938)	\$ -	\$ -	\$ -	\$ (313)	\$ -	\$ -
Total U.S. Department of Health and Human Services														
							46,625	(46,938)				(313)		
10.553	2019NJ304N1099	U.S. Department of Agriculture Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster: School Breakfast Program	2019NJ304N1099	35,526	7/1/19-6/30/20	-	35,526	(35,526)	-	-	-	-	-	-
10.553	2019NJ304N1099	COVID-19 School Breakfast Program	2019NJ304N1099	11,924	7/1/19-6/30/20	-	3,562	(11,924)	-	-	-	(8,362)	-	-
10.553	1919NJ304N1099	School Breakfast Program	1919NJ304N1099	47,628	7/1/18-6/30/19	(3,448)	3,448	-	-	-	-	-	-	-
10.555	2019NJ304N1099	National School Lunch Program	2019NJ304N1099	153,226	7/1/19-6/30/20	-	153,226	(153,226)	-	-	-	(8,362)	-	-
10.555	2019NJ304N1099	COVID-19 National School Lunch Program	2019NJ304N1099	18,482	7/1/19-6/30/20	-	5,520	(18,482)	-	-	-	(12,962)	-	-
10.555	1919NJ304N1099	National School Lunch Program	1919NJ304N1099	215,772	7/1/18-6/30/19	(13,591)	13,591	-	-	-	-	-	-	-
10.555	2019NJ304N1099	Healthy Hunger-Free Kids Act	2019NJ304N1099	5,319	7/1/19-6/30/20	-	5,319	(5,319)	-	-	-	-	-	-
10.555	2019NJ304N1099	COVID-19 Healthy Hunger-Free Kids Act	2019NJ304N1099	379	7/1/19-6/30/20	-	113	(379)	-	-	-	(266)	-	-
10.555	1919NJ304N1099	Healthy Hunger-Free Kids Act	1919NJ304N1099	7,175	7/1/18-6/30/19	(445)	445	-	-	-	-	-	-	-
10.555	2019NJ304N1099	Food Distribution Program (Noncash Assistance)	2019NJ304N1099	35,993	7/1/19-6/30/20	(14,036)	214,207	(213,399)	-	-	-	(13,228)	-	-
Total Child Nutrition Cluster														
						(17,484)	256,743	(260,849)				(21,590)		
Total U.S. Department of Agriculture														
						(17,484)	256,743	(260,849)				(21,590)		
84.027	H027A190100	U.S. Department of Education Passed Through New Jersey Department of Education: LD E.A. Part B (Special Education Cluster)	H027A190100	493,521	7/1/19-6/30/20	-	487,976	(489,517)	-	-	-	(1,541)	-	-
84.027	H027A180100	Basic	H027A180100	510,802	7/1/18-6/30/19	(71,862)	71,862	-	-	-	-	(629)	-	-
84.027	H027A170100	Basic	H027A170100	524,863	7/1/17-6/30/18	(72,491)	559,838	(489,517)	-	-	-	(2,170)	-	-
84.173	H173A190114	Preschool	H173A190114	28,045	7/1/19-6/30/20	-	24,764	(27,342)	-	-	-	(2,578)	-	-
84.173	H173A180114	Preschool	H173A180114	27,546	7/1/18-6/30/19	-	3,909	(3,909)	-	-	-	-	-	-
84.173	H173A160114		H173A160114	14,121	7/1/16-6/30/17	3,146	-	-	(3,146)	-	-	-	-	-
Total Special Education Cluster														
						(69,345)	588,511	(520,768)				(4,748)		
84.010	S010A190030	No Child Left Behind (N.C.L.B.): Title I - Part A	S010A190030	326,329	7/1/19-6/30/20	-	188,159	(236,145)	-	-	-	(47,986)	-	-
84.010	S010A180030		S010A180030	335,072	7/1/18-6/30/19	(56,534)	137,048	(80,514)	-	-	-	-	-	-
84.010	S010A150030		S010A150030	354,724	7/1/15-6/30/16	3,000	-	-	(3,000)	-	-	-	-	-
Total Title I - Part A														
						(53,534)	325,207	(316,659)				(47,986)		
84.367	S367A190028	Title II - Part A, Supporting Effective Instruction	S367A190028	39,871	7/1/19-6/30/20	-	21,274	(25,367)	-	-	-	(4,093)	-	-
84.367	S367A180029	Title II - Part A, Supporting Effective Instruction	S367A180029	44,789	7/1/18-6/30/19	(1,341)	3,181	(1,840)	-	-	-	-	-	-
84.367	S367A170029	Title II - Part A, Supporting Effective Instruction	S367A170029	41,203	7/1/17-6/30/18	(681)	-	-	-	-	-	(681)	-	-
84.367	S367A160029	Title II - Part A, Supporting Effective Instruction	S367A160029	73,460	7/1/16-6/30/17	18	-	-	(18)	-	-	-	-	-
Total Title II - Part A														
						(2,094)	24,455	(27,207)				(4,774)		
84.365	S365A190030	Title III, English Language Acquisition	S365A190030	3,101	7/1/19-6/30/20	-	660	(660)	-	-	-	-	-	-
84.365	S365A180030		S365A180030	7,437	7/1/18-6/30/19	(288)	401	(113)	-	-	-	-	-	-
Total Title III														
						(288)	1,061	(773)				-		
84.424	S367A190029	Title IV, Student Support and Academic Enrichment (ESSA)	S367A190029	19,259	7/1/19-6/30/20	-	2,225	(2,569)	-	-	-	(344)	-	-
84.424	S367A180029	Title IV, Student Support and Academic Enrichment (ESSA)	S367A180029	21,290	7/1/18-6/30/19	(10,740)	13,970	(3,230)	-	-	-	-	-	-
Total Title IV														
						(10,740)	16,195	(5,799)				(344)		
Total U.S. Department of Education														
						(135,911)	955,429	(871,206)				(6,164)		
Total Expenditures of Federal Awards														
						(153,395)	1,258,797	(1,178,993)				(79,755)		

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, 2020

GRANT OR STATE PROJECT NUMBER	STATE GRANT/PROGRAM TITLE OR CLUSTER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2019	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE JUNE 30, 2020		MEMO	CUMULATIVE TOTAL EXPENDITURES
									UNEARNED	DUE TO GRANITOR		
New Jersey Department of Education:												
General Aid to Public:												
495-0344-5120-078	Security Aid	\$ 8,371,715	7/1/19-6/30/20	\$ -	\$ 8,371,715	\$ (8,371,715)	\$ -	\$ -	\$ -	\$ -	\$ (747,214)	\$ 8,371,715
495-0344-5120-084	Special Education Categorical Aid	1,119,158	7/1/19-6/30/20	-	1,119,158	(1,119,158)	-	-	-	-	(9,821)	1,119,158
495-0344-5120-089	Special Education Categorical Aid	1,119,158	7/1/19-6/30/20	-	1,119,158	(1,119,158)	-	-	-	-	(99,890)	1,119,158
	Total State Aid Public				9,600,901	(9,600,901)					(856,925)	9,600,901
495-0344-5120-014	Transportation Aid	262,668	7/1/19-6/30/20	-	262,668	(262,668)	-	-	-	-	(23,444)	262,668
495-0344-5120-014	Additional Nonpublic School Transportation Aid	714	7/1/19-6/30/20	-	714	(714)	-	-	(1,740)	-	-	1,740
495-0344-5120-014	Additional Nonpublic School Transportation Aid	22,040	7/1/18-6/30/19	(22,040)	22,040	-	-	-	-	-	-	-
495-0344-5120-044	Extraordinary Aid	239,396	7/1/19-6/30/20	-	239,396	(239,396)	-	-	(239,396)	-	-	239,396
495-0344-5120-044	Extraordinary Aid	233,955	7/1/18-6/30/19	(233,955)	233,955	-	-	-	-	-	-	-
100-0344-5094-003	Reimbursed TPAF Social Security Contributions	796,343	7/1/19-6/30/20	-	796,343	(796,343)	-	-	(77,262)	-	-	796,343
100-0344-5094-003	Reimbursed TPAF Social Security Contributions	766,583	7/1/18-6/30/19	(56,897)	36,897	-	-	-	-	-	-	-
495-0344-5094-001	TPAF - Post Retirement	808,735	7/1/19-6/30/20	-	808,735	(808,735)	-	-	-	-	-	808,735
495-0344-5094-002	TPAF - Pension	2,179,986	7/1/19-6/30/20	-	2,179,986	(2,179,986)	-	-	-	-	-	2,179,986
495-0344-5094-004	TPAF - Long-Term Disability Insurance (Noncash Assistance)	1,849	7/1/19-6/30/20	-	1,849	(1,849)	-	-	-	-	-	1,849
	Total General Fund			(292,892)	13,866,112	(13,891,618)	-	-	(318,398)	-	(880,369)	13,891,618
Special Revenue Fund:												
Non-Public Aid:												
100-0344-5120-067	Auxiliary Services Aid Cluster (Ch. 192):	29,203	7/1/19-6/30/20	-	26,283	(17,035)	-	-	(2,920)	-	-	17,035
100-0344-5120-067	Compensatory Education	37,225	7/1/18-6/30/19	11,507	-	-	-	(11,507)	-	-	-	-
100-0344-5120-068	Transportation	7,792	7/1/19-6/30/20	-	7,013	(7,792)	-	-	(779)	-	-	7,792
	Total Auxiliary Services Aid Cluster			11,507	33,296	(24,827)	-	(11,507)	(3,699)	-	-	24,827
Handicapped Services Cluster (Ch. 193):												
100-0344-5120-066	Supplemental Instruction	8,095	7/1/19-6/30/20	-	7,267	(2,995)	-	-	(828)	-	-	2,995
100-0344-5120-066	Supplemental Instruction	17,445	7/1/18-6/30/19	10,546	-	-	-	(10,546)	-	-	-	-
100-0344-5120-066	Examination & Classification	18,020	7/1/19-6/30/20	-	16,177	(9,105)	-	-	(1,843)	-	-	9,105
100-0344-5120-066	Examination & Classification	10,379	7/1/18-6/30/19	3,276	-	-	-	(3,276)	-	-	-	-
100-0344-5120-066	Concursive Speech	10,937	7/1/19-6/30/20	8,660	9,819	(4,284)	-	-	(1,118)	-	-	4,284
100-0344-5120-066	Concursive Speech	13,392	7/1/18-6/30/19	8,660	-	-	-	(8,660)	-	-	-	-
	Total Handicapped Services Cluster			22,482	33,263	(16,384)	-	(22,482)	(3,789)	-	-	16,384
100-0344-5120-064	Textbook Aid	10,911	7/1/19-6/30/20	-	10,911	(6,781)	-	-	-	-	-	6,781
100-0344-5120-064	Textbook Aid	12,068	7/1/18-6/30/19	61	-	-	-	(61)	-	-	-	-
100-0344-5120-070	Nursing Services	20,758	7/1/19-6/30/20	-	20,758	(20,758)	-	-	-	-	-	20,758
100-0344-5120-373	Technology Initiative	7,452	7/1/19-6/30/20	-	7,452	(6,622)	-	-	-	-	-	6,622
100-0344-5120-373	Technology Initiative	8,136	7/1/18-6/30/19	6,089	-	-	-	(6,089)	-	-	-	-
100-0344-5120-509	Security Aid	32,100	7/1/19-6/30/20	32,259	32,100	(32,100)	-	-	-	-	-	32,100
100-0344-5120-509	Security Aid	34,500	7/1/18-6/30/19	32,259	-	-	-	(32,259)	-	-	-	-
	Total Special Revenue Fund			72,398	137,780	(107,472)	-	(72,398)	(7,488)	-	-	107,472
New Jersey Department of Agriculture:												
Enterprise Fund:												
100-0100-3350-023	National School Lunch Program	4,309	7/1/19-6/30/20	-	4,100	(4,309)	-	-	(209)	-	-	4,309
100-0100-3350-023	National School Lunch Program	6,282	7/1/18-6/30/19	(390)	390	-	-	-	-	-	-	-
	Total Enterprise Fund			(390)	4,490	(4,309)	-	-	(209)	-	-	4,309
	Total State Financial Assistance			\$ (220,884)	\$ 14,008,382	\$ (14,003,399)	\$ -	\$ (72,398)	\$ (326,095)	\$ -	\$ (880,369)	\$ 14,003,399
State Financial Assistance Programs not subject to Calculation for Major Program Determination:												
495-0344-5094-001	TPAF - Post Retirement	\$ 808,735	7/1/19-6/30/20	-	\$ -	\$ 808,735	-	-	-	-	-	-
495-0344-5094-002	TPAF - Pension	2,179,986	7/1/19-6/30/20	-	-	2,179,986	-	-	-	-	-	-
495-0344-5094-004	TPAF - Long-Term Disability Insurance (Noncash Assistance)	1,849	7/1/19-6/30/20	-	-	1,849	-	-	-	-	-	-
	Total State Financial Assistance subject to Calculation for Major Program Determination											\$ (11,012,829)

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, 2020**

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, 2020. 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, 2020.

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, 2020**

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 \$27,576 for the general fund and \$4,377 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	\$ 46,938	\$ 13,919,194	\$ 13,966,132
Special Revenue Fund	871,206	111,849	983,055
Food Service Fund	260,849	4,309	265,158
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 1,178,993</u>	<u>\$ 14,035,352</u>	<u>\$ 15,214,345</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, 2020.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<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>
<u> </u>	<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? yes X no

**FLORENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

State Financial Assistance

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

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:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	State Aid - Public:
495-034-5120-084	Equalization Aid
495-034-5120-089	Categorical Security Aid
	Categorical Special Education Aid

**FLORENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

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, 2020**

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.