

FLORENCE TOWNSHIP SCHOOL DISTRICT

Florence, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

FLORENCE TOWNSHIP SCHOOL DISTRICT

FLORENCE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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INTRODUCTORY SECTION

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FLORENCE TOWNSHIP SCHOOL DISTRICT

201 CEDAR STREET
FLORENCE, NJ 08518

DR. DONNA AMBROSIUS
Superintendent of Schools
609-499-4600 Ext. 1000
Fax 609-499-9679



MR. LUIS VALENCIA
Business Administrator/Board Secretary
609-499-4600 Ext. 1007
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February 1, 2022

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, 2021, 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, 2021, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

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Single Audit Section:

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

REPORTING ENTITY AND ITS SERVICES

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

The School District provides a full range of educational services appropriate to grade levels Preschool through twelfth grade. This includes six full day kindergarten classes. Additionally, the District provided for a full range of services to meet the needs of its disabled population in all grade levels including self-contained classes as well as Resource Center and Inclusion Programs. The School District's enrollment, as of October 15th, for the current and past nine fiscal years are detailed below:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-2021	1,619	3.92%
2019-2020	1,558	1.04%
2018-2019	1,542	-1.72%
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%

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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 the enrollment of special education students and the related service needs. The district also partnered with the Florence Township Municipality to obtain PILOT funds. These funds were utilized for the construction of a security vestibule at the Roebing Elementary School.

The district continues to encourage families to apply for Free & Reduced lunch programs. However, for the 2020-2021 school year we saw a decrease in the number of families completing the application. We contribute this to the hybrid schedule and that all families were eligible to receive a free breakfast or lunch.

A demographic study was conducted in 2017-2018 to identify trends for enrollment. The district anticipated a small growth due to changes in the community and housing developments that are also anticipated in the next few years. However, with the current COVID pandemic, there is a delay in development. The district also identified that families withdrew their child(ren) and completed homeschooling due to concerns with COVID.

MAJOR INITIATIVES

The 2020-2021 school year focused on maintaining a healthy and safe environment as we managed the COVID-19 pandemic. The district functioned on a hybrid schedule. The district is focused on the social emotional needs of our students and staff as we all try to navigate the current conditions.

A staff committee comprised of teachers and administrators meets regularly to articulate staff development activities that are mandated by the State and aligned to the goals established by the district for the given year. Grade level and departments meet on a regular basis to review the current curriculum and discuss the needs of our students. Special attention has been given to professional development in the area of technology, higher level thinking, social-emotional development, and differentiated instruction to reach all students. Data-driven practices are utilized to try to reach all students.

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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.

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.

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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.

Respectfully submitted,

Superintendent

School Business Administrator/Board Secretary

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Superintendent of Schools

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

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

ROSTER OF OFFICIALS

JUNE 30, 2021

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	2023
Jane Collins	2021
Michele Boracci	2021
Christopher Conti	2023
Joseph G. Valdora	2023

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, Inc.
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, 2021, 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 and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Florence Township School District, County of Burlington, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Prior Period Restatement

Due to the implementation of GASB Statement No. 84, fund balance as of June 30, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in note 20 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Florence Township School District's basic financial statements. The introductory section, combining and individual fund statements long-term debt 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 not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate 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 and 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 combining and individual fund statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2022 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.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 1, 2022

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, 2021
(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, 2021. 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 two categories: *governmental funds and proprietary 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, 2021
(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.

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.

Financial Analysis of the School District as a Whole

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position.

The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt and other long-term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As described in Note 1 to the financial statements "Adopted Accounting Pronouncements", the district has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2021. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2020 in the amount of \$234,642, as indicated in Note 20 to the Financial Statements. Prior years' balances reflected in the MD&A have been updated to reflect this change.

FLORENCE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole (continued)

Table 1 provides a summary of the School Districts net position for the fiscal years 2021 compared to fiscal year 2020.

Table 1
Summary of Net Position

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 5,885,098	\$ 3,571,648	\$ 2,313,450	64.8%
Capital Assets, Net	<u>29,829,986</u>	<u>30,774,921</u>	<u>(944,935)</u>	-3.1%
Total Assets	<u>35,715,084</u>	<u>34,346,569</u>	<u>1,368,515</u>	4.0%
Deferred Outflow of Resources	<u>1,308,747</u>	<u>2,022,571</u>	<u>(713,824)</u>	-35.3%
Current and other Liabilities	1,489,596	676,168	813,428	120.3%
Noncurrent Liabilities	<u>21,403,392</u>	<u>24,355,248</u>	<u>(2,951,856)</u>	-12.1%
Total Liabilities	<u>22,892,988</u>	<u>25,031,416</u>	<u>(2,138,428)</u>	-8.5%
Deferred Inflow of Resources	<u>2,753,959</u>	<u>2,940,257</u>	<u>(186,298)</u>	-6.3%
Net Position:				
Net Investment in Capital Assets	16,022,190	15,206,004	816,186	5.4%
Restricted	4,023,553	3,040,240	983,313	32.3%
Unrestricted (Deficit)	<u>(8,668,859)</u>	<u>(9,848,777)</u>	<u>1,179,918</u>	-12.0%
Total Net Position	<u>\$ 11,376,884</u>	<u>\$ 8,397,467</u>	<u>\$ 2,979,417</u>	35.5%

FLORENCE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Table 2 shows the changes in net position for fiscal year 2021 compared to fiscal year 2020.

Table 2
Summary of Changes in Net Position

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 58,557	\$ 372,709	\$ (314,152)	-84.3%
Operating Grants & Contributions	9,375,752	6,881,423	2,494,329	36.2%
General Revenues:				
Property Taxes	19,624,991	19,353,373	271,618	1.4%
Federal & State Aid	10,485,729	10,179,219	306,510	3.0%
Other General Revenues	853,290	820,946	32,344	3.9%
Special Items:				
Gain/(Loss) on Capital Asset Adjustment	-	(8,079)	8,079	100.0%
Total Revenues	<u>40,398,319</u>	<u>37,599,591</u>	<u>2,798,728</u>	<u>7.4%</u>
Function/Program Expenditures:				
Regular Instruction	8,509,820	8,261,118	248,702	3.0%
Special Education Instruction	4,193,287	4,093,190	100,097	2.4%
Other Instruction	806,136	1,031,963	(225,827)	-21.9%
Tuition	2,192,380	2,683,631	(491,251)	-18.3%
Student & Instruction Related Services	4,152,660	4,424,249	(271,589)	-6.1%
General Administrative	703,175	671,555	31,620	4.7%
School Administrative Services	1,117,107	1,142,711	(25,604)	-2.2%
Central Services	508,691	543,759	(35,068)	-6.4%
Administrative Info. Technology	463,564	530,775	(67,211)	-12.7%
Plant Operations & Maintenance	3,519,847	2,894,076	625,771	21.6%
Pupil Transportation	1,173,402	1,188,529	(15,127)	-1.3%
Unallocated Benefits	2,315,887	(370,682)	2,686,569	-724.8%
On Behalf TPAF Pension and Social				
Security Contributions	3,998,086	4,290,528	(292,442)	-6.8%
Transfer to Charter Schools	1,459,555	1,369,751	89,804	6.6%
Interest & Other Charges	780,141	769,734	10,407	1.4%
Unallocated Depreciation	1,450,622	1,459,564	(8,942)	-0.6%
Food Service	283,993	452,593	(168,600)	-37.3%
Daycare	25,191	313,151	(287,960)	-92.0%
Total Expenditures	<u>37,653,544</u>	<u>35,750,195</u>	<u>1,903,349</u>	<u>5.3%</u>
Change In Net Position	2,744,775	1,849,396	895,379	48.4%
Net Position - Beginning (Restated)	8,632,109	6,548,071	2,084,038	31.8%
Net Position - Ending	<u>\$ 11,376,884</u>	<u>\$ 8,397,467</u>	<u>\$ 2,979,417</u>	<u>35.5%</u>

FLORENCE TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Governmental Activities (continued)

During the fiscal year 2021, the net position of governmental activities increased by \$2,692,293 or 36%. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$11,329,804, with an unrestricted deficit balance of \$8,527,286. 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 4% of its adopted budget as unassigned fund balance.

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

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$	(8,643,674)
Add back: PERS Pension Liability		4,434,531
Less: Deferred Outflows related to pensions		(677,227)
Add back: Deferred Inflows related to pensions		<u>2,753,959</u>
Unrestricted Net Position (Without GASB 68)	\$	<u>(2,132,411)</u>

Business-type Activities

During the fiscal year 2021, the net position of business-type activities increased by \$52,482 or 971.54%.

The assets and deferred outflows of the business-type activities were less than liabilities and deferred inflows by \$47,080.

General Fund Budgeting Highlights

Final budgeted revenues were \$27,606,091 and the School District’s actual revenues exceeded budgeted revenues by \$688,522.

Final budgeted appropriations were \$29,495,860, which was an increase of \$39,706 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 \$2,361,696.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$5,746,172 at June 30, 2021, an increase of \$1,261,879 from the prior year.

FLORENCE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(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 \$4,969,935, an increase of \$1,485,425 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$1,367,762 to \$4,852,271 at June 30, 2021. The net position increased in the prior year by \$498,524. 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 \$24,530 or .138% from the prior year
- State revenues increased by \$1,022,258 or 7.34% from the prior year
- Prior period adjustment in the amount of \$119,415 for the implementation of GASB 84.

Special revenue fund – During the current fiscal year, fund balance increased \$116,388. This is mainly due to the implementation of GASB 84.

Capital projects fund – There was no change in the fund balance for the capital projects fund.

Debt service fund – During the current fiscal year, fund balance increased \$1,276.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund increased by \$22,894 to \$178,083 at June 30, 2021. The net position decreased in the prior year by \$14,450. The primary factor 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:

- Non-operating revenues increased by \$37,951 from prior year to \$303,109 in current fiscal year. This is due to the District receiving COVID-19 funds.

Extended Day Program - During the current fiscal year, the net position of the School District's Extended Day Program increased by \$29,588 to \$(131,003) at June 30, 2021. The net position decreased in the prior year by \$113,427. The primary factor affecting the change in net position compared to the prior year change in net position is as follows:

- Operating expenses decreased by \$287,960 from the prior year to \$25,191 in current fiscal year. This is due to partial shutdown of the program due to COVID-19 pandemic.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$29,829,986 (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 \$944,935. Table 4 shows fiscal 2021 balances compared to 2020.

FLORENCE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Capital Assets (continued)

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 918,785	\$ 918,785	\$ -	0.0%
Construction in Progress	430,000	41,185	388,815	944.1%
Land Improvements	366,673	470,472	(103,799)	-22.1%
Building and Improvements	26,790,305	27,947,159	(1,156,854)	-4.1%
Equipment	1,324,223	1,397,320	(73,097)	-5.2%
	<u>\$ 29,829,986</u>	<u>\$ 30,774,921</u>	<u>\$ (944,935)</u>	-3.1%

Depreciation expense for the year was \$1,466,475. 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 \$13,650,000 which is a decrease of \$1,700,000 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, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 4,784,032	\$ -	\$ 4,784,032
Receivables, Net (Note 4)	645,108	23,509	668,617
Inventory	-	15,449	15,449
Restricted Cash & Cash Equivalents	417,000	-	417,000
Capital Assets, Net (Note 5)			
Non-depreciable	1,348,785	-	1,348,785
Depreciable	28,408,936	72,265	28,481,201
	<hr/>		
Total Assets	35,603,861	111,223	35,715,084
<hr/>			
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	677,227	-	677,227
Related to Loss on Debt Refunding	631,520	-	631,520
	<hr/>		
Total Deferred Outflow of Resources	1,308,747	-	1,308,747
	<hr/>		
Total Assets Deferred Outflow of Resources	36,912,608	111,223	37,023,831
<hr/>			
LIABILITIES:			
Cash Deficit	-	31,319	31,319
Accounts Payable	762,672	-	762,672
Due to Other Governments	357,757	-	357,757
Unearned Revenue	56,820	32,824	89,644
Accrued Interest	248,204	-	248,204
Noncurrent Liabilities (Note 7):			
Due within one year	2,029,022	-	2,029,022
Due in more than one year	19,374,370	-	19,374,370
	<hr/>		
Total Liabilities	22,828,845	64,143	22,892,988
<hr/>			
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	2,753,959	-	2,753,959
	<hr/>		
Total Deferred Inflow of Resources	2,753,959	-	2,753,959
<hr/>			
NET POSITION:			
Net Investment in Capital Assets	15,949,925	72,265	16,022,190
Restricted for:			
Capital Projects	417,000	-	417,000
New Jersey Unemployment	139,726	-	139,726
Student Activities	109,481	-	109,481
Scholarships	6,907	-	6,907
Excess Surplus	3,350,439	-	3,350,439
Unrestricted (Deficit)	(8,643,674)	(25,185)	(8,668,859)
	<hr/>		
Total Net Position	\$ 11,329,804	\$ 47,080	\$ 11,376,884
	<hr/>		

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, 2021**

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	\$ 8,509,820	\$ -	-	\$ (8,509,820)	\$ -	\$ (8,509,820)
Special Education Instruction	4,193,287	-	1,294,758	(2,898,529)	-	(2,898,529)
Other Instruction	806,136	-	-	(806,136)	-	(806,136)
Support Services:						
Tuition	2,192,380	-	-	(2,192,380)	-	(2,192,380)
Student & Instruction Related Services	4,152,660	-	466,390	(3,686,270)	-	(3,686,270)
General Administrative	703,175	-	-	(703,175)	-	(703,175)
School Administrative Services	1,117,107	-	-	(1,117,107)	-	(1,117,107)
Central Services	508,691	-	-	(508,691)	-	(508,691)
Administrative Info. Technology	463,564	-	-	(463,564)	-	(463,564)
Plant Operations & Maintenance	3,519,847	-	-	(3,519,847)	-	(3,519,847)
Pupil Transportation	1,173,402	-	-	(1,173,402)	-	(1,173,402)
Unallocated Benefits	6,313,973	-	7,311,495	997,522	-	997,522
Transfer to Charter Schools	1,459,555	-	-	(1,459,555)	-	(1,459,555)
Interest & Other Charges	780,141	-	-	(780,141)	-	(780,141)
Unallocated Depreciation	1,450,622	-	-	(1,450,622)	-	(1,450,622)
Total Governmental Activities	37,344,360	-	9,072,643	(28,271,717)	-	(28,271,717)
Business-Type Activities:						
Food Service	283,993	3,778	303,109	-	22,894	22,894
Extended Day Program	25,191	54,779	-	-	29,588	29,588
Total Business-Type Activities	309,184	58,557	303,109	-	52,482	52,482
Total Primary Government	\$ 37,653,544	\$ 58,557	\$ 9,375,752	(28,271,717)	52,482	(28,219,235)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				17,330,912	-	17,330,912
Property Taxes, Levied for Debt Service				2,294,079	-	2,294,079
Federal & State Aid Not Restricted				10,485,729	-	10,485,729
Tuition Charges				105,878	-	105,878
Miscellaneous				747,412	-	747,412
Total General Revenues				30,964,010	-	30,964,010
Change In Net Position				2,692,293	52,482	2,744,775
Net Position - Beginning (Restated, Note 20)				8,637,511	(5,402)	8,632,109
Net Position - Ending				\$ 11,329,804	\$ 47,080	\$ 11,376,884

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

B. Fund Financial Statements

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**FLORENCE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS:				
Cash & Cash Equivalents	\$ 4,385,563	\$ 397,193	\$ 1,276	\$ 4,784,032
Receivables, Net:				
Interfund Receivable	216,756	-	-	216,756
Due from Other Governments:				
State	495,200	-	-	495,200
Federal	-	104,899	-	104,899
Other Receivables	20,497	24,512	-	45,009
Restricted Cash & Cash Equivalents	417,000	-	-	417,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 5,535,016</u>	<u>\$ 526,604</u>	<u>\$ 1,276</u>	<u>\$ 6,062,896</u>
LIABILITIES & FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 26,096	\$ 81,928	\$ -	\$ 108,024
Payroll Payable	654,648	-	-	654,648
Due to Other Governments	-	56,713	-	56,713
Interfund Payable	-	216,756	-	216,756
Unearned Revenue	2,001	54,819	-	56,820
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	682,745	410,216	-	1,092,961
Fund Balances:				
Restricted for:				
Capital Reserve	417,000	-	-	417,000
Excess Surplus - Current year	1,866,682	-	-	1,866,682
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	1,483,757	-	-	1,483,757
Debt Service	-	-	1,276	1,276
Student Activities	-	109,481	-	109,481
Scholarships	-	6,907	-	6,907
New Jersey Unemployment Trust	139,726	-	-	139,726
Committed to:				
Assigned to:				
Designated for Subsequent Year's Expenditures	202,977	-	-	202,977
Other Purposes	116,120	-	-	116,120
Unassigned				
General Fund	626,009	-	-	626,009
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	4,852,271	116,388	1,276	4,969,935
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities & Fund Balances	<u>\$ 5,535,016</u>	<u>\$ 526,604</u>	<u>\$ 1,276</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$58,669,666 and the accumulated depreciation is \$28,911,945.	29,757,721
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows related to pensions	677,227
Deferred Inflows related to pensions	(2,753,959)
Deferred Outflow related to the loss on bond refunding of debt	631,520
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.	(248,204)
Accrued pension contributions for the June 30, 2021 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.	(301,044)
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.	<hr/> (21,403,392)
Net Position of Governmental Activities	<hr/> <u>\$ 11,329,804</u>

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, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 17,330,912	\$ -	\$ -	\$ 2,294,079	\$ 19,624,991
Tuition Charges	105,878	-	-	-	105,878
Miscellaneous	358,592	95,784	388,815	-	843,191
Total Local Sources	17,795,382	95,784	388,815	2,294,079	20,574,060
State Sources	14,941,452	95,707	-	-	15,037,159
Federal Sources	105,287	1,569,657	-	-	1,674,944
Total Revenues	32,842,121	1,761,148	388,815	2,294,079	37,286,163
Expenditures:					
Instruction:					
Regular Instruction	8,509,820	-	-	-	8,509,820
Special Education Instruction	2,898,529	1,294,758	-	-	4,193,287
Other Instruction	806,136	-	-	-	806,136
Support Services:					
Tuition	2,192,380	-	-	-	2,192,380
Student & Instruction Related Services	3,687,431	465,229	-	-	4,152,660
General Administrative	703,175	-	-	-	703,175
School Administrative Services	1,117,107	-	-	-	1,117,107
Central Services	508,691	-	-	-	508,691
Administrative Info. Technology	463,564	-	-	-	463,564
Plant Operations & Maintenance	3,145,579	-	-	-	3,145,579
Pupil Transportation	1,173,402	-	-	-	1,173,402
On Behalf TPAF Pension and Social Security Contributions	4,561,010	-	-	-	4,561,010
Special Schools					
Transfer to Charter Schools	1,459,555	-	-	-	1,459,555
Capital Outlay	132,725	-	388,815	-	521,540
Debt Service:					
Principal	218,118	-	-	1,700,000	1,918,118
Interest & Other Charges	117,952	-	-	592,808	710,760
Total Expenditures	31,695,174	1,759,987	388,815	2,292,808	36,136,784
Excess/(Deficiency) of Revenues over Expenditures	1,146,947	1,161	-	1,271	1,149,379
Other Financing Sources (Uses):					
Cancellation of Accounts Payable	-	-	-	5	5
Capital Lease (non-budgeted)	101,400	-	-	-	101,400
Total Other Financing Sources (Uses)	101,400	-	-	5	101,405
Net changes in fund balances	1,248,347	1,161	-	1,276	1,250,784
Fund Balance, July 1	3,484,509	-	-	-	3,484,509
Prior Period Adjustments	119,415	115,227	-	-	234,642
Fund Balance, July 1, Restated	3,603,924	115,227	-	-	3,719,151
Fund Balance, June 30	\$ 4,852,271	\$ 116,388	\$ -	\$ 1,276	\$ 4,969,935

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, 2021**

Total Net Changes in Fund Balances - Governmental Funds (B-2)		\$ 1,250,784
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	\$ (1,450,622)	
Capital Outlays	521,540	
		(929,082)
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.		
		644,074
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.		
		1,919,231
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Proceeds of long-term debt		
Capital lease proceeds	(101,400)	
Capital lease proceeds		(101,400)
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	85,028	
Amortization of loss on Bond Refunding	(105,345)	
		(20,317)
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 (+).		
		(50,177)
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 (+).		
		353,448
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		(374,268)
Change in Net Position of Governmental Activities		\$ 2,692,293

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2021**

ASSETS	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	EXTENDED DAY PROGRAM	FOOD SERVICE	TOTAL
Current Assets:			
Cash & Cash Equivalents	\$ -	\$ 66,860	\$ 66,860
Accounts Receivable:			
State	-	984	984
Federal	-	22,525	22,525
Inventories	-	15,449	15,449
Total Current Assets	-	105,818	105,818
Noncurrent Assets:			
Capital Assets:			
Equipment	-	466,019	466,019
Less: Accumulated Depreciation	-	(393,754)	(393,754)
Total Capital Assets	-	72,265	72,265
Total Assets	-	178,083	178,083
LIABILITIES			
Cash Deficit	98,179	-	98,179
Unearned Revenue	32,824	-	32,824
Total Liabilities	131,003	-	131,003
NET POSITION			
Net Investment in Capital Assets	-	72,265	72,265
Unrestricted	(131,003)	105,818	(25,185)
Total Net Position	\$ (131,003)	\$ 178,083	\$ 47,080

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, 2021**

	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 - Nonreimbursable Programs	\$ -	\$ 3,778	\$ 3,778
Tuition	54,779	-	54,779
Total Operating Revenue	54,779	3,778	58,557
Operating Expenses:			
Salaries & Wages	18,712	79,219	97,931
Employee Benefits	-	24,982	24,982
Purchased Professional Services	-	83,586	83,586
Miscellaneous Expenses	2,913	8,924	11,837
Supplies and Materials	3,566	14,771	18,337
Cost of Sales - Reimbursable	-	55,713	55,713
Cost of Sales - Nonreimbursable	-	945	945
Depreciation	-	15,853	15,853
Total Operating Expenses	25,191	283,993	309,184
Operating Income/(Loss)	29,588	(280,215)	(250,627)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	-	7,656	7,656
Federal Sources:			
National School Lunch Program	-	163,780	163,780
National School Breakfast Program	-	105,454	105,454
National School Lunch HHFKA	-	3,266	3,266
Food Distribution Program	-	22,953	22,953
Total Nonoperating Revenues/(Expenses)	-	303,109	303,109
Change in Net Position	29,588	22,894	52,482
Net Position - Beginning	(160,591)	155,189	(5,402)
Total Net Position - Ending	\$ (131,003)	\$ 178,083	\$ 47,080

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, 2021**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	EXTENDED DAY	FOOD	TOTAL
	<u>PROGRAM</u>	<u>SERVICE</u>	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 87,603	\$ 3,778	\$ 91,381
Payments to Employees	(18,712)	(79,219)	(97,931)
Payments for Employee Benefits	-	(24,982)	(24,982)
Payments to Suppliers	(6,479)	(156,435)	(162,914)
Net Cash Provided/(Used) by Operating Activities	<u>62,412</u>	<u>(256,858)</u>	<u>(194,446)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	-	6,881	6,881
Federal Sources	-	271,565	271,565
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>-</u>	<u>278,446</u>	<u>278,446</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	62,412	21,588	84,000
Balances - Beginning of Year	(160,591)	45,272	(115,319)
Balances - End of Year	<u>\$ (98,179)</u>	<u>\$ 66,860</u>	<u>\$ (31,319)</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ 29,588	\$ (280,215)	\$ (250,627)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	-	15,853	15,853
Food Distribution Program	-	22,953	22,953
Increase/(Decrease) in Unearned Revenue	32,824	-	32,824
(Increase)/Decrease in Inventories	-	(15,449)	(15,449)
Total Adjustments	<u>32,824</u>	<u>23,357</u>	<u>56,181</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 62,412</u>	<u>\$ (256,858)</u>	<u>\$ (194,446)</u>

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

FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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 The 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, 2021 of 1,465 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*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2021.

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.

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, 2021

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, 2021**

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.

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 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 and proprietary funds.

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 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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

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

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

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

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.

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.

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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

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.

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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2021 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

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.

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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2021.
- Assigned – This classification includes amounts that are constrained by The District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Net Position

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

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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, 2021:

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019.

Recently Issued Accounting Pronouncements

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

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the District's financial statements.

Bond Premiums, Discounts and Issuance Costs

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

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

Deferred Loss on Refunding Debt

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

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources

**FLORENCE TOWNSHIP SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021**

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

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 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the District’s bank balance of \$5,659,043 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	4,719,112
Uninsured and Uncollateralized		939,931
	\$	5,659,043

Investments

The District has no investments at June 30, 2021.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021**

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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$	201,185
Increased by:		
Deposits approved by Board		215,815
Ending Balance, June 30, 2021	\$	417,000

The June 30, 2021 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, 2021**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2021 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 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>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ -	\$ 104,899	\$ 104,899	\$ 22,525	\$ 22,525
State Awards	495,200	-	495,200	984	984
Other	20,497	24,512	45,009	-	-
Total	\$ 515,697	\$ 129,411	\$ 645,108	\$ 23,509	\$ 23,509

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Retirements and Adjustments	Balance June 30, 2021
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 918,785	\$ -	\$ -	\$ 918,785
Construction in Progress	41,185	388,815	-	430,000
Total Capital Assets not being depreciated	959,970	388,815	-	1,348,785
Capital Assets being depreciated:				
Land Improvements	2,299,876	-	-	2,299,876
Buildings and Improvements	48,208,218	-	-	48,208,218
Equipment	6,680,062	132,725	-	6,812,787
Total Capital Assets being depreciated	57,188,156	132,725	-	57,320,881
Less: Accumulated Depreciation:				
Land Improvements	(1,829,404)	(103,799)	-	(1,933,203)
Buildings and Improvements	(20,261,059)	(1,156,854)	-	(21,417,913)
Equipment	(5,370,860)	(189,969)	-	(5,560,829)
Total Accumulated Depreciation	(27,461,323)	(1,450,622)	-	(28,911,945)
Total Capital Assets being depreciated, net	29,726,833	(1,317,897)	-	28,408,936
Total Governmental Activities Capital Assets, net	\$ 30,686,803	\$ (929,082)	\$ -	\$ 29,757,721

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 5. Capital Assets (continued)

	Balance July 1, <u>2020</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2021</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	(377,901)	(15,853)	-	(393,754)
	<u>(377,901)</u>	<u>(15,853)</u>	<u>-</u>	<u>(393,754)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 88,118</u>	<u>\$ (15,853)</u>	<u>\$ -</u>	<u>\$ 72,265</u>

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2021 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 216,756	\$ -
Special Revenue Fund	<u>-</u>	<u>216,756</u>
	<u>\$ 216,756</u>	<u>\$ 216,756</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, 2021 the following changes occurred in long-term obligations:

	Balance July 1, 2020	<u>Additions</u>	<u>Reductions</u>	Balance June 30, 2021	Balance Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 15,350,000	\$ -	\$ 1,700,000	\$ 13,650,000	\$ 1,715,000
Capital Leases	386,874	101,400	181,562	306,712	124,808
Unamortized Bond Premiums	568,908	-	85,028	483,880	93,878
Compensated Absences	2,881,717	-	353,448	2,528,269	95,336
Net Pension Liability	5,130,080	-	695,549	4,434,531	-
Florence Township Water & Sewer Line Assessment	37,669	-	37,669	-	-
	<u>\$ 24,355,248</u>	<u>\$ 101,400</u>	<u>\$ 3,053,256</u>	<u>\$ 21,403,392</u>	<u>\$ 2,029,022</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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, 2021, 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	<u>\$ 13,650,000</u>
				<u>\$ 13,650,000</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>
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	1,700,000	245,806	1,945,806
2027-2029	<u>5,040,000</u>	<u>365,369</u>	<u>5,405,369</u>
	<u>\$ 13,650,000</u>	<u>\$ 2,186,249</u>	<u>\$ 15,836,249</u>

Bonds Authorized But Not Issued:

As of June 30, 2021, 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 matured on August 10, 2020.

On September 16, 2016, the District entered into a lease purchase agreement in the amount of \$91,388 for one 54-passenger school bus. The lease obligation was issued at an interest rate of 4.470% and matured on September 16, 2020.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 7. Long-Term Obligations (continued)

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 24, 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 August 1, 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 August 1, 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.

On September 14, 2020, the District entered into a lease purchase agreement in the amount of \$101,400 for one 54-passenger school bus. The lease obligation was issued at an interest rate of 3.32% and matures on September 30, 2024.

Fiscal Year Ending <u>June 30,</u>	
2022	134,578
2023	85,606
2024	85,606
2025	<u>20,753</u>
Total Minimum Lease Payments	326,543
Less: Amount Representing Interest	<u>(19,831)</u>
Present Value of Minimum Lease Payments	<u>\$ 306,712</u>

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 annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.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.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans

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

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 2020, 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.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2021, The District reported a liability of \$4,434,531 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020. The District's proportion of the net pension liability was based on The District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The District's

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans

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

proportion measured as of June 30, 2020, was 0.027193%, which was a decrease of (0.00128)% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, The District recognized full accrual pension expense of \$(345,591) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 The District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 80,746	\$ 15,682
Changes of Assumptions	143,861	1,856,780
Net Difference between Projected and Actual Earnings on Pension Plan Investments	151,576	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	-	881,497
School District Contributions Subsequent to Measurement Date	301,044	-
	\$ 677,227	\$ 2,753,959

\$301,044 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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:

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans

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

<u>Year Ending</u> <u>June 30,</u>	<u>Amount</u>
2021	\$ (1,016,345)
2022	(834,490)
2023	(422,150)
2024	(172,961)
2025	<u>68,170</u>
	<u>\$ (2,377,776)</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:

	<u>Deferred</u> <u>Outflow of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>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	-
June 30, 2020	5.16	-
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
June 30, 2020	-	5.16
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	-
June 30, 2020	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
June 30, 2020	5.16	5.16

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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-2020
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-2020.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 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.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents The District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate of 7.00% as well as what The District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	<u>\$ 5,626,231</u>	<u>\$ 4,434,531</u>	<u>\$ 3,487,800</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2021</u>	<u>6/29/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.02719%	0.02847%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th 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

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans

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

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 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. 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. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, The District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since The District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to The District as of June 30, 2020 was \$2,212,530. The District's proportionate share was \$-0-

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to The District was 0.09763%, which was an increase of 0.001161% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, The District recognized \$3,998,086 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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45% Based on Years of Service
Thereafter	2.75 - 5.65% Based on Years of Service
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-2020.

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, 2020) 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, 2020 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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans

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

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020, 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 78% of the actuarially determined contributions for the State. 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of The District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to The District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to The District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>(4.40%)</u>	Current Discount Rate <u>(5.40%)</u>	1% Increase <u>(6.40%)</u>
Florence Township School District Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Florence Township School District	75,521,033	64,294,179	54,972,153
	<u>\$ 75,521,033</u>	<u>\$ 64,294,179</u>	<u>\$ 54,972,153</u>

Pension Plan Fiduciary Net Position - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans

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

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2020</u>	<u>6/30/2019</u>
Collective Deferred Outflows of Resources	\$ 9,626,548,228	\$ 10,129,162,237
Collective Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Collective Net Pension Liability	65,993,498,688	61,519,112,443
District's portion of the Plan's total Net Pension Liability	0.09764%	0.09648%

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 is 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

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 9. Other Post-Retirement Benefits (continued)

State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020, was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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.

Total Nonemployer OPEB Liability: \$ 67,809,962,608

Inflation Rate: 2.5%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases: Through 2026	1.55 - 4.45% 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 - 4.45% 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 Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 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, 2020 was \$79,079,853. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 9. Other Post-Retirement Benefits (continued)

districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.11661%, which was a increase of 0.0009244% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$3,311,832 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, 2020 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. 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, 2020, 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, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 95,334,844.58	\$ 79,079,853	\$ 66,370,015
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 9. Other Post-Retirement Benefits (continued)

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, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 63,835,924	\$ 79,079,853	\$ 97,231,984
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	-	-
Change in Assumptions	11,534,251,250	(7,737,500,827)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	<u>\$ 21,829,570,000</u>	<u>\$ (16,908,204,442)</u>

** Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

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

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 9. Other Post-Retirement Benefits (continued)

Fiscal Year Ending June 30,	
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Thereafter	<u>4,704,163,473</u>
	<u>\$ 4,921,365,558</u>

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

	<u>June 30, 2019</u>
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	<u>149,304</u>
	<u>366,108</u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

Total OPEB Liability

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	<u>(1,180,515,618)</u>
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	<u>41,729,081,045</u>
Total OPEB Liability (Ending)	<u>\$ 67,809,962,608</u>
Total Covered Employee Payroll	\$ 14,267,738,658
Net OPEB Liability as a Percentage of Payroll	475%

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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, 2021, the on-behalf payments for post-retirement medical costs, normal costs, long-term disability and reimbursed social security were \$2,871,217 \$899,795, \$1,577 and \$788,421, respectively.

Note 11. Risk Management

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of The District contributions, reimbursements to the State for benefits paid and the ending balance of The District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ 25,544	\$ 1,129	\$ 6,362	\$ 139,726
2019-2020	31,306	986	6,895	119,415
2018-2019	23,551	1,235	20,600	94,018

Joint Insurance Pool – The 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 Boiler & Machinery School Board Legal Liability	General & Automobile Liability Workers’ Compensation Crime Coverage
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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, 2021 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 12. Contingencies (continued)

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

Note 13. 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 14. Compensated Absences

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

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

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

The 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, 2021, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$2,528,269 and \$0, respectively.

Note 15. 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

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 15. Tax Abatements (continued)

county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

Note 16. Commitments

The District has contractual commitments at June 30, 2021 to various vendors, which are recorded in the general fund as assigned to other purposes in the amount of \$116,120.

Note 17. 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, 2021 was \$1,866,682.

Note 18. Fund Balance

General Fund – Of the \$4,852,271 General Fund fund balance at June 30, 2021, \$417,000 has been reserved in the Capital Reserve Account; \$139,726 has been reserved in New Jersey Unemployment Trust; \$1,866,682 is restricted for current year excess surplus; \$1,483,757 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$202,977 is assigned – designated for subsequent year's expenditures; and \$116,120 is assigned for other purposes and \$626,009 is unassigned.

Special Revenue Fund – Of the \$116,388 Special Revenue Fund fund balance at June 30, 2021, \$109,481 is restricted for Student Activities and \$6,907 is restricted for Scholarships.

Debt Service Fund – Of the \$1,276 Debt Service Fund fund balance at June 30, 2021, \$1,276 is restricted for future debt service payments.

Note 19. Deficit in Net Position

Unrestricted Net Position – The District's governmental activities had a deficit in unrestricted net position in the amount of \$8,643,674. The primary causes of the deficit are The 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, 2021. This deficit in unrestricted net position for governmental activities does not indicate that The District is facing financial difficulties.

The School District's business type activities had a deficit in unrestricted net position in the amount of \$25,185. The accumulated deficit was caused by the Extended Day Care fund expenditures exceeding revenues.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 20. Restatement of Prior Period Financial Statement

During the year ended June 30, 2021 the District adopted GASB Statement No. 84, Fiduciary Activities (See Note 1). The District adjusted its beginning balances to reflect all newly adopted standards for its Restricted Net Position and Restricted Fund Balance for New Jersey Unemployment Trust Fund, Student Activities Fund and Scholarship. The beginning balances as of July 1, 2020 were adjusted as follows:

Prior Period Adjustment to Net Position

Balance, July 1, 2020 prior to Adjustment	\$ 8,402,869
Add:	
New Jersey Unemployment Trust	119,415
Scholarship	7,536
Student Activities	<u>107,691</u>
Balance, July 1, 2020, Restated	<u><u>\$ 8,637,511</u></u>

Prior Period Adjustment to Fund Balance (General Fund)

Balance, July 1, 2020 prior to Adjustment	\$ 3,484,509
Add:	
New Jersey Unemployment Trust	<u>119,415</u>
Balance, July 1, 2020, Restated	<u><u>\$ 3,603,924</u></u>

Prior Period Adjustment to Fund Balance (Special Revenue Fund)

Balance, July 1, 2020 prior to Adjustment	\$ -
Add:	
Scholarship	7,536
Student Activities	<u>107,691</u>
Balance, July 1, 2020, Restated	<u><u>\$ 115,227</u></u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 21. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 1, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the District that would require disclosure.

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**FLORENCE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 17,330,912	\$ -	\$ 17,330,912	\$ 17,330,912	\$ -
Tuition from Individuals	10-1310	53,000	-	53,000	24,377	(28,623)
Tuition from LEA's Within State	10-1320	-	-	-	59,795	59,795
Tuition from Government Sources Within State	10-1321	-	-	-	16,524	16,524
Transportation Fees - Other LEA's Within State	10-1420	-	-	-	5,182	5,182
Unrestricted Miscellaneous Revenues	10-1900	231,487	-	231,487	358,592	127,105
Total Local Sources		17,615,399	-	17,615,399	17,795,382	179,983
State Sources:						
Categorical Special Education Aid	10-3132	1,326,386	(176,058)	1,150,328	1,150,328	-
Equalization Aid	10-3176	8,422,555	-	8,422,555	8,422,555	-
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	-	-	-	415,689	415,689
Nonpublic Transportation Aid	10-3190	-	-	-	22,910	22,910
Education Services - Transportation	10-3190	-	-	-	9,796	9,796
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	2,871,217	2,871,217
On-Behalf TPAF Post Retirement Medical Contributions		-	-	-	899,795	899,795
On-Behalf TPAF Disability Insurance Contributions		-	-	-	1,577	1,577
Reimbursed TPAF Social Security Contributions		-	-	-	788,421	788,421
Total State Sources		10,121,637	(176,058)	9,945,579	14,954,984	5,009,405
Federal Sources:						
Special Education Medicaid Initiative (SEMI)	10-4210	45,113	-	45,113	44,331	(782)
Special Education Medicaid Initiative (SEMI) - MAC	10-4210	-	-	-	17,938	17,938
Disaster Grants- Public Assistance	10-4200	-	-	-	43,018	43,018
Total Federal Sources		45,113	-	45,113	105,287	60,174
Total Revenues		\$ 27,782,149	\$ (176,058)	\$ 27,606,091	\$ 32,855,653	\$ 5,249,562
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Kindergarten	11-110-100-101	452,376	(78,477)	373,899	373,899	-
Grades 1 - 5	11-120-100-101	2,374,196	(30,142)	2,344,054	2,248,013	96,041
Grades 6 - 8	11-130-100-101	1,520,793	116,255	1,637,048	1,618,522	18,526
Grades 9 - 12	11-140-100-101	2,055,497	(48,804)	2,006,693	1,967,007	39,686
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	42,000	(17,760)	24,240	-	24,240
Purchased Professional/Educational Services	11-150-100-320	20,500	-	20,500	4,844	15,656
Regular Programs - Undistributed Instruction:						
Purchased Professional/Educational Services	11-190-100-320	52,500	(2,656)	49,844	41,860	7,984
Purchased Technical Services	11-190-100-340	204,000	324,040	528,040	314,147	213,893
Other Purchased Services (400-500 series)	11-190-100-500	88,068	7,971	96,039	92,517	3,522
General Supplies	11-190-100-610	95,820	(25,456)	70,364	47,041	23,323
Textbooks	11-190-100-640	-	194,588	194,588	138,938	55,650
Other Objects	11-190-100-800	11,255	-	11,255	11,255	-
Total Regular Programs		6,917,005	439,559	7,356,564	6,858,043	498,521
Special Education:						
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	488,409	(170,536)	317,873	317,873	-
Other Salaries for Instruction	11-212-100-106	51,228	(22,248)	28,980	25,106	3,874
General Supplies	11-212-100-610	2,850	-	2,850	883	1,967
Total Learning and/or Language Disabilities		542,487	(192,784)	349,703	343,862	5,841
Resource Room/ Resource Center:						
Salaries of Teachers	11-213-100-101	1,425,946	39,689	1,465,635	1,465,468	167
Other Salaries for Instruction	11-213-100-106	75,393	1,458	76,851	76,851	-
General Supplies	11-213-100-610	2,250	(1,250)	1,000	-	1,000
Total Resource Room		1,503,589	39,897	1,543,486	1,542,319	1,167

FLORENCE TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Autism:						
Salaries of Teachers	11-214-100-101	61,426	1,876	63,302	63,302	-
Other Salaries for Instruction	11-214-100-106	26,114	(25,885)	229	-	229
Total Autism		87,540	(24,009)	63,531	63,302	229
Preschool Disabilities - Part-Time:						
Salaries of Teachers	11-215-100-101	90,519	(85,371)	5,148	5,148	-
Total Preschool Disabilities - Part-Time		90,519	(85,371)	5,148	5,148	-
Preschool Disabilities - Full-Time:						
Salaries of Teachers	11-216-100-101	115,098	61,902	177,000	177,000	-
Other Salaries for Instruction	11-216-100-106	24,237	19	24,256	24,256	-
General Supplies	11-216-100-610	1,500	2,132	3,632	3,614	18
Total Preschool Disabilities - Full-Time		140,835	64,053	204,888	204,870	18
Total Special Education		2,364,970	(198,214)	2,166,756	2,159,501	7,255
Other Instruction:						
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	248,423	(208,026)	40,397	40,397	-
General Supplies	11-230-100-610	1,700	(270)	1,430	1,430	-
Total Basic Skills/Remedial		250,123	(208,296)	41,827	41,827	-
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-100	119,105	2,815	121,920	121,920	-
Purchased Technical Services	11-240-100-340	50	-	50	-	50
Other Purchased Services	11-240-100-500	2,000	-	2,000	-	2,000
General Supplies	11-240-100-610	1,000	(929)	71	-	71
Total Bilingual Education - Instruction		122,155	1,886	124,041	121,920	2,121
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	100,689	-	100,689	77,436	23,253
Other Purchased Services	11-401-100-500	150	-	150	-	150
Supplies & Materials	11-401-100-610	3,200	-	3,200	1,283	1,917
Other Objects	11-401-100-800	1,366	(1)	1,365	480	885
Total School Sponsored Cocurricular Activities		105,405	(1)	105,404	79,199	26,205
School Sponsored Athletics:						
Salaries	11-402-100-100	424,070	(12,266)	411,804	359,089	52,715
Miscellaneous Purchased Services	11-402-100-592	60,630	-	60,630	29,984	30,646
Supplies & Materials	11-402-100-600	60,115	446	60,561	44,178	16,383
Other Objects	11-402-100-800	1,425	20	1,445	1,425	20
Total School Sponsored Athletics		546,240	(11,800)	534,440	434,676	99,764
Before/After School Programs:						
Salaries of Teachers	11-421-200-101	-	58,161	58,161	58,161	-
Total Before/After School Programs		-	58,161	58,161	58,161	-
Total Other Instruction		1,023,923	(160,050)	863,873	735,783	128,090
Total - Instruction		10,305,898	81,295	10,387,193	9,753,327	633,866
Undistributed Expenditures:						
Tuition:						
Tuition Other LEA's - In State - Regular	11-000-100-561	25,104	(7,702)	17,402	17,402	-
Tuition Other LEA's - In State - Special Education	11-000-100-562	164,299	79,103	243,402	229,030	14,372
Tuition to County Voc. School Dist-Regular	11-000-100-563	158,265	10,551	168,816	168,816	-
Tuition to County Voc. School Dist.-Special	11-000-100-564	35,170	(10,551)	24,619	17,585	7,034
Tuition to CSSD & Reg. Day Schools	11-000-100-565	1,139,967	(45,198)	1,094,769	952,099	142,670
Tuition to Private Schools for the Handicapped - In State	11-000-100-566	1,212,411	(336,213)	876,198	767,576	108,622
Tuition - State Facilities	11-000-100-568	39,872	-	39,872	39,872	-
Total Tuition		2,775,088	(310,010)	2,465,078	2,192,380	272,698

**FLORENCE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	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	5,573	(173)	5,400	1,620	3,780
Other Purchased Services	11-000-211-500	1,210	-	1,210	-	1,210
Total Attendance & Social Work Services		6,783	(173)	6,610	1,620	4,990
Health Services:						
Salaries	11-000-213-100	247,272	1,280	248,552	248,229	323
Purchased Professional & Technical Services	11-000-213-300	323,356	(40,782)	282,574	78,400	204,174
Supplies and Materials	11-000-213-610	6,100	(450)	5,650	4,852	798
Total Health Services		576,728	(39,952)	536,776	331,481	205,295
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	214,478	85,628	300,106	300,106	-
Purchased Professional & Educational Services	11-000-216-320	527,706	173,648	701,354	611,476	89,878
Supplies & Materials	11-000-216-610	1,000	-	1,000	700	300
Other Objects	11-000-216-800	-	450	450	340	110
Total Other Services - Students - Related Services		743,184	259,726	1,002,910	912,622	90,288
Other Support Services - Students - Extra Services:						
Other Salaries for Instruction	11-000-217-106	74,670	323	74,993	74,993	-
Purchased Professional & Educational Services	11-000-217-320	540,000	(7,984)	532,016	420,846	111,170
Total Other Services - Students - Extra Services		614,670	(7,661)	607,009	495,839	111,170
Other Support Services - Students - Guidance						
Salaries of Other Professional Staff	11-000-218-104	470,642	4,799	475,441	435,415	40,026
Salaries of Secretarial and Clerical Assistants	11-000-218-105	53,023	(466)	52,557	52,557	-
Other Purchased Professional & Technical Services	11-000-218-390	4,300	6,212	10,512	10,512	-
Supplies & Materials	11-000-218-600	5,700	362	6,062	5,462	600
Total Other Support Services - Students - Guidance		533,665	10,907	544,572	503,946	40,626
Other Support Services - Students - Child Study Team:						
Salaries of Other Professional Staff	11-000-219-104	493,164	(67,064)	426,100	425,722	378
Salaries of Secretarial & Clerical Assistants	11-000-219-105	52,507	(450)	52,057	52,057	-
Other Salaries	11-000-219-110	8,690	-	8,690	6,590	2,100
Other Purchased Prof. & Technical Services	11-000-219-390	75,100	(2,950)	72,150	61,184	10,966
Other Purchased Services	11-000-219-500	16,370	-	16,370	16,369	1
Supplies & Materials	11-000-219-600	2,000	3,000	5,000	4,007	993
Total Other Support Services - Students - Child Study Team		647,831	(67,464)	580,367	565,929	14,438
Improvement of Instructional Staff						
Salaries of Supervisors of Instruction	11-000-221-102	93,665	-	93,665	90,761	2,904
Other Salaries	11-000-221-110	9,000	(556)	8,444	6,210	2,234
Other Purchased Professional & Technical Services	11-000-221-390	3,400	-	3,400	1,545	1,855
Total Instructional Staff Training		106,065	(556)	105,509	98,516	6,993
Educational Media Services/School Library:						
Salaries	11-000-222-100	66,420	995	67,415	67,415	-
Other Purchased Professional & Technical Services	11-000-222-300	3,000	-	3,000	1,499	1,501
Supplies and Materials	11-000-222-610	10,150	1,086	11,236	7,924	3,312
Total Educational Media Services/School Library		79,570	2,081	81,651	76,838	4,813
Instructional Staff Training:						
Other Salaries	11-000-223-110	4,750	-	4,750	1,191	3,559
Other Purchased Professional & Technical Services	11-000-223-390	1,000	-	1,000	850	150
Other Objects	11-000-223-600	500	-	500	407	93
Total Instructional Staff Training		6,250	-	6,250	2,448	3,802
Total Student & Instruction Related Services		3,314,746	156,908	3,471,654	2,989,239	482,415

**FLORENCE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Support Services General Administration:						
Salaries	11-000-230-100	290,120	(521)	289,599	289,599	-
Legal Services	11-000-230-331	44,500	54,192	98,692	98,692	-
Audit Fees	11-000-230-332	32,600	908	33,508	30,508	3,000
Architectural/Engineering Services	11-000-230-334	17,500	10,892	28,392	28,392	-
Purchased Technical Services	11-000-230-340	23,425	741	24,166	24,166	-
Communications/Telephone	11-000-230-530	91,718	(12,281)	79,437	76,065	3,372
Miscellaneous Purchased Services	11-000-230-590	14,450	(2,513)	11,937	11,278	659
General Supplies	11-000-230-610	5,100	1,532	6,632	5,982	650
Miscellaneous Expenditures	11-000-230-890	18,530	17,301	35,831	35,605	226
BOE Membership Dues & Fees	11-000-230-895	11,500	-	11,500	11,140	360
Total Support Services General Administration		549,443	70,251	619,694	611,427	8,267
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	645,617	(18,589)	627,028	605,778	21,250
Salaries of Secretarial & Clerical Assistants	11-000-240-105	186,827	1,653	188,480	186,723	1,757
Purchased Professional Technical Services	11-000-240-300	3,550	(711)	2,839	1,196	1,643
Supplies and Materials	11-000-240-600	11,000	678	11,678	8,244	3,434
Other Objects	11-000-240-800	6,584	-	6,584	6,415	169
Total Support Services School Administration		853,578	(16,969)	836,609	808,356	28,253
Central Services:						
Salaries	11-000-251-100	332,695	(1,830)	330,865	279,701	51,164
Purchased Technical Services	11-000-251-340	37,050	(300)	36,750	36,685	65
Miscellaneous Purchased Services	11-000-251-592	6,303	(2,450)	3,853	3,853	-
Supplies and Materials	11-000-251-600	8,700	256	8,956	8,956	-
Miscellaneous Expenditures	11-000-251-800	1,500	(216)	1,284	1,284	-
Total Central Services		386,248	(4,540)	381,708	330,479	51,229
Administrative Information Technology:						
Salaries	11-000-252-100	149,071	868	149,939	148,383	1,556
Purchased Technical Services	11-000-252-340	214,293	(1,016)	213,277	160,560	52,717
Supplies and Materials	11-000-252-600	91,648	(5,691)	85,957	84,759	1,198
Other Objects	11-000-252-800	450	-	450	450	-
Total Administrative Information Technology		455,462	(5,839)	449,623	394,152	55,471
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	396,031	2,638	398,669	398,668	1
Cleaning, Repair & Maintenance Services	11-000-261-420	249,513	24,369	273,882	230,528	43,354
General Supplies	11-000-261-610	70,400	3,687	74,087	41,140	32,947
Other Objects	11-000-261-800	7,075	-	7,075	4,371	2,704
Total Required Maintenance for School Facilities		723,019	30,694	753,713	674,707	79,006
Custodial Services:						
Salaries	11-000-262-100	193,321	(7,153)	186,168	177,758	8,410
Salaries - Aides	11-000-262-107	56,603	(5,300)	51,303	45,184	6,119
Cleaning, Repair & Maintenance Services	11-000-262-420	507,536	934	508,470	506,797	1,673
Insurance	11-000-262-520	194,000	(1,189)	192,811	192,809	2
General Supplies	11-000-262-610	46,100	94,795	140,895	135,859	5,036
Energy (Natural Gas)	11-000-262-621	140,000	(440)	139,560	139,560	-
Energy (Electricity)	11-000-262-622	525,000	(7,760)	517,240	517,240	-
Other Objects	11-000-262-800	39,270	-	39,270	39,270	-
Total Custodial Services		1,701,830	73,887	1,775,717	1,754,477	21,240
Care and Upkeep of Grounds:						
Cleaning, Repair & Maintenance Services	11-000-263-420	46,321	(13,149)	33,172	26,965	6,207
General Supplies	11-000-263-610	25,900	(1,981)	23,919	22,228	1,691
Total Care and Upkeep of Grounds:		72,221	(15,130)	57,091	49,193	7,898
Security:						
Salaries	11-000-266-100	85,555	-	85,555	85,429	126
Other Purchased Professional Services	11-000-266-330	135,591	3,150	138,741	131,773	6,968
Purchased Property Services	11-000-266-400	-	13,821	13,821	13,796	25
General Supplies	11-000-266-610	1,000	4,815	5,815	2,048	3,767
Other Objects	11-000-266-800	450	1,641	2,091	2,091	-
Total Security		222,596	23,427	246,023	235,137	10,886
Total Operation & Maintenance of Plant Services		2,719,666	112,878	2,832,544	2,713,514	119,030

**FLORENCE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Student Transportation Services:						
Salaries - Non Instruction	11-000-270-107	141,775	(6,917)	134,858	66,132	68,726
Salaries - Pupil Transport. - (Between Home & School) - Regular	11-000-270-160	305,097	-	305,097	280,297	24,800
Salaries - Pupil Transport. - (Between Home & School) - Special	11-000-270-161	182,811	(7,874)	174,937	96,107	78,830
Salaries - Pupil Transport. - (Other than Between Home & School)	11-000-270-162	16,919	-	16,919	6,420	10,499
Other Purchased Professional & Technical Services	11-000-270-390	24,250	8,106	32,356	27,942	4,414
Cleaning, Repair & Maintenance Services	11-000-270-420	189,160	(7,695)	181,465	71,124	110,341
Lease Purchase Payments - School Buses	11-000-270-443	179,800	649	180,449	180,449	-
Contracted Services - (Aid in Lieu of Payments)	11-000-270-503	65,000	-	65,000	61,526	3,474
Contracted Services (Special Education Students) - Joint Agreement	11-000-270-513	70,000	-	70,000	43,555	26,445
Miscellaneous Purchased Services - Transportation	11-000-270-593	40,000	(2,355)	37,645	37,645	-
General Supplies	11-000-270-610	11,500	-	11,500	1,476	10,024
Transportation Supplies	11-000-270-615	113,500	(1,120)	112,380	44,911	67,469
Other Objects	11-000-270-890	4,500	1,641	6,141	4,096	2,045
Total Student Transportation Services		1,344,312	(15,565)	1,328,747	921,680	407,067
Allocated Benefits						
Regular Programs - Instruction						
Workmen's Compensation	11-1XX-100-260	107,133	-	107,133	107,133	-
Health Benefits	11-1XX-100-270	1,201,787	-	1,201,787	1,140,198	61,589
Tuition Reimbursement	11-1XX-100-280	45,000	-	45,000	33,616	11,384
Other Employee Benefits	11-1XX-100-290	309,320	(12,207)	319,868	319,868	-
Unused Sick Payment to Terminated Staff	11-1XX-100-299	51,127	22,755	51,127	50,962	165
Total Regular Programs - Instruction		1,714,367	10,548	1,724,915	1,651,777	73,138
Special Programs - Instruction						
Social Security Contributions	11-2XX-100-220	17,233	90	17,323	-	17,323
Other Retirement - Regular	11-2XX-100-241	19,482	-	19,482	19,482	-
Workmen's Compensation	11-2XX-100-260	38,294	(27,357)	10,937	5,684	5,253
Health Benefits	11-2XX-100-270	832,568	(65,303)	767,265	546,841	220,424
Other Employee Benefits	11-2XX-100-290	175,119	(25,701)	149,418	148,636	782
Unused Sick Payment to Terminated Staff	11-2XX-100-299	18,385	-	18,385	18,385	-
Total Special Programs - Instruction		1,101,081	(118,271)	982,810	739,028	243,782
Other Instruction:						
School-Spon. Cocurricular Actvts. - Inst.						
Social Security Contributions	11-401-100-220	11,752	-	11,752	-	11,752
Total School-Spon. Cocurricular Actvts. - Inst.		11,752	-	11,752	-	11,752
School Sponsored Athletics						
Social Security Contributions	11-402-100-220	39,923	-	39,923	28,720	11,203
Other Retirement - Regular	11-402-100-241	25,974	-	25,974	7,487	18,487
Workmen's Compensation	11-402-100-260	3,907	(3,907)	-	-	-
Health Benefits	11-402-100-270	46,573	-	46,573	34,146	12,427
Total School Sponsored Athletics		116,377	(3,907)	112,470	70,353	42,117
Total Other Instruction		128,129	(3,907)	124,222	70,353	53,869
Student & Instruction Related Services:						
Attendance/Social Work Services						
Social Security Contributions	11-000-211-220	643	-	643	643	-
Other Retirement Regular	11-000-211-241	724	-	724	724	-
Workmen's Compensation	11-000-211-260	135	-	135	135	-
Total Attendance/Social Work Services		1,502	-	1,502	1,502	-
Health Services						
Workmen's Compensation	11-000-213-260	3,641	-	3,641	3,641	-
Health Benefits	11-000-213-270	92,834	-	92,834	92,834	-
Total Health Services		96,475	-	96,475	96,475	-
Other Support Services - Students - Related Services						
Workmen's Compensation	11-000-216-260	3,189	-	3,189	3,189	-
Health Benefits	11-000-216-270	91,394	-	91,394	91,394	-
Total Other Support Services - Students - Related Services		94,583	-	94,583	94,583	-

FLORENCE TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	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	8,587	-	8,587	8,587	-
Other Retirement Regular	11-000-217-241	9,707	-	9,707	9,707	-
Workmen's Compensation	11-000-217-260	1,123	-	1,123	1,123	-
Health Benefits	11-000-217-270	49,863	-	49,863	49,863	-
Other Employee Benefits	11-000-217-290	12,771	-	12,771	11,989	782
Total Other Support Services - Students - Extra Services		82,051	-	82,051	81,269	782
Other Support Services - Students - Guidance						
Social Security Contributions	11-000-218-220	6,098	-	6,098	6,098	-
Other Retirement - Regular	11-000-218-241	6,893	-	6,893	6,893	-
Workmen's Compensation	11-000-218-260	10,740	-	10,740	10,740	-
Health Benefits	11-000-218-270	161,700	-	161,700	161,700	-
Other Employee Benefits	11-000-218-29X	12,788	-	12,788	12,788	-
Total Other Support Services - Students - Guidance		198,219	-	198,219	198,219	-
Other Support Services - Students - Child Study Team						
Social Security Contributions	11-000-219-220	6,038	-	6,038	6,038	-
Other Retirement - Regular	11-000-219-241	6,826	-	6,826	6,826	-
Workmen's Compensation	11-000-219-260	9,323	-	9,323	9,323	-
Health Benefits	11-000-219-270	173,904	-	173,904	173,904	-
Total Other Support Services - Students - Child Study Team		196,091	-	196,091	196,091	-
Improvement of Instruction Services						
Workmen's Compensation	11-000-221-260	1,409	-	1,409	1,409	-
Health Benefits	11-000-221-270	13,829	-	13,829	13,829	-
Total Improvement of Instruction Services		15,238	-	15,238	15,238	-
Workmen's Compensation						
Workmen's Compensation	11-000-222-260	999	-	999	999	-
Health Benefits	11-000-222-270	13,816	-	13,816	13,816	-
Total Educational Media Services - School Library		14,815	-	14,815	14,815	-
Total Student & Instruction Related Services		698,974	-	698,974	698,192	782
Support Services - General Administration						
Social Security Contributions	11-000-230-220	9,817	-	9,817	9,817	-
Other Retirement - Regular	11-000-230-241	11,098	-	11,098	11,098	-
Workmen's Compensation	11-000-230-260	4,394	-	4,394	4,394	-
Health Benefits	11-000-230-270	66,439	-	66,439	66,439	-
Total Support Services - General Administration		91,748	-	91,748	91,748	-
Support Services - School Administration						
Social Security Contributions	11-000-240-220	21,198	-	21,198	21,198	-
Other Retirement - Regular	11-000-240-241	23,963	-	23,963	23,963	-
Workmen's Compensation	11-000-240-260	13,265	-	13,265	13,265	-
Health Benefits	11-000-240-270	187,505	-	187,505	187,505	-
Other Employee Benefits	11-000-240-290	71,597	-	71,597	57,820	13,777
Unused Sick Payment to Terminated Staff	11-000-240-299	5,000	-	5,000	5,000	-
Total Support Services - School Administration		322,528	-	322,528	308,751	13,777
Central Services						
Social Security Contributions	11-000-251-220	23,310	-	23,310	23,310	-
Other Retirement - Regular	11-000-251-241	26,350	-	26,350	26,350	-
Workmen's Compensation	11-000-251-260	4,989	-	4,989	4,989	-
Health Benefits	11-000-251-270	123,138	-	123,138	123,138	-
Other Employee Benefits	11-000-251-290	425	-	425	425	-
Total Central Services		178,212	-	178,212	178,212	-

**FLORENCE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	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	17,143	-	17,143	17,143	-
Other Retirement - Regular	11-000-252-241	19,379	-	19,379	19,379	-
Workmen's Compensation	11-000-252-260	2,242	-	2,242	2,242	-
Health Benefits	11-000-252-270	15,503	-	15,503	15,503	-
Other Employee Benefits	11-000-252-290	15,145	-	15,145	15,145	-
Total Undist. Expend. - Support Serv. - Administration Info Serv.		69,412	-	69,412	69,412	-
Operation and Maintenance of Plant Services						
Social Security Contributions	11-000-261-220	83,145	-	83,145	83,145	-
Other Retirement - Regular	11-000-261-241	93,988	-	93,988	93,988	-
Workmen's Compensation	11-000-261-260	11,601	-	11,601	11,601	-
Health Benefits	11-000-261-270	224,342	-	224,342	224,342	-
Other Employee Benefits	11-000-261-290	42,494	11,078	53,572	52,560	1,012
Unused Sick Payment to Terminated/Retired Staff	11-000-261-299	4,098	-	4,098	4,098	-
Total Operation and Maintenance of Plant Services		459,668	11,078	470,746	469,734	1,012
Student Transportation Services						
Social Security Contributions	11-000-270-220	63,326	-	63,326	59,057	4,269
Other Retirement - Regular	11-000-270-241	71,586	-	71,586	71,586	-
Workmen's Compensation	11-000-270-260	9,119	-	9,119	9,119	-
Health Benefits	11-000-270-270	204,809	-	204,809	204,809	-
Other Employee Benefits	11-000-270-290	42,795	43,545	86,340	77,578	8,762
Unused Sick Payment to Terminated Staff	11-000-270-299	10,022	-	10,022	10,022	-
Total Student Transportation Services		401,657	43,545	445,202	432,171	13,031
Total Allocated Benefits		5,165,776	(57,007)	5,108,769	4,709,378	399,391
Unemployment Compensation	11-000-291-250	25,000	(24,295)	705	-	705
Total Unallocated Benefits - Employee Benefits		25,000	(24,295)	705	-	705
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	2,871,217	(2,871,217)
On-Behalf TPAF Post Retirement Medical Contributions		-	-	-	899,795	(899,795)
On-Behalf TPAF Disability Insurance Contributions		-	-	-	1,577	(1,577)
Reimbursed TPAF Social Security Contributions		-	-	-	788,421	(788,421)
Total Nonbudgeted		-	-	-	4,561,010	(4,561,010)
Total Undistributed Expenditures		17,589,319	(94,188)	17,495,131	20,231,615	(2,736,484)
Transfer to Charter Schools	10-000-100-56X	1,522,397	(58,138)	1,464,259	1,459,555	4,704
Total Expenditures - Current Expense		29,417,614	(71,031)	29,346,583	31,444,497	(2,097,914)
Capital Outlay:						
Equipment:						
Upkeep of Grounds	12-000-263-730	-	25,437	25,437	25,437	-
Total Equipment		-	25,437	25,437	25,437	-
Facilities Acquisition & Construction Services:						
Construction Services	12-000-400-450	-	5,888	5,888	5,888	-
Assessment of Debt Service on SDA Funding	12-000-400-896	117,952	-	117,952	117,952	-
Total Facilities Acquisition & Construction Services		117,952	5,888	123,840	123,840	-
Assets Acquired Under Capital Leases (Nonbudgeted):						
Undistributed Expenditures:						
Transportation	12-000-270-732	-	-	-	101,400	(101,400)
Total Assets Acquired Under Capital Leases (Nonbudgeted)		-	-	-	101,400	(101,400)
Total Capital Outlay		117,952	31,325	149,277	250,677	(101,400)
Total Expenditures		29,535,566	(39,706)	29,495,860	31,695,174	(2,199,314)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,753,417)	(136,352)	(1,889,769)	1,160,479	3,050,248
Other Financing Sources/(Uses):						
Capital Lease Proceeds (Nonbudgeted)						
Total Other Financing Sources/(Uses)		-	-	-	101,400	101,400
Total Other Financing Sources/(Uses)		-	-	-	101,400	101,400

**FLORENCE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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)	(1,753,417)	(136,352)	(1,889,769)	1,261,879	3,151,648
Fund Balances, July 1 (restated)	4,484,293	-	4,484,293	4,484,293	-
Fund Balances, June 30	\$ 2,730,876	\$ (136,352)	\$ 2,594,524	\$ 5,746,172	\$ 3,151,648

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:				
Capital Reserve				\$ 417,000
Excess Surplus				1,866,682
Reserved Excess Surplus Designated for Subsequent Year's Expenditures				1,483,757
New Jersey Unemployment Trust				139,726
Assigned Fund Balance:				
Surplus Designated for Subsequent Year's Expenditures				202,977
Year-end Encumbrances				116,120
Unassigned Fund Balance				1,519,910
Subtotal				5,746,172
Reconciliation to Governmental Funds Statements (GAAP):				
Last Two State Aid Payments Not Recognized on GAAP Basis				(893,901)
Fund Balance per Governmental Funds (GAAP)				\$ 4,852,271

**FLORENCE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

REVENUES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Local Sources	\$ -	\$ 94,061	\$ 94,061	\$ 95,784	\$ 1,723
State Sources	-	148,043	148,043	95,707	(52,336)
Federal Sources	645,907	967,761	1,613,668	1,569,657	(44,011)
Total Revenues	645,907	1,209,865	1,855,772	1,761,148	(94,624)
EXPENDITURES:					
Instruction:					
Salaries	2,171	21,067	23,238	19,895	3,343
Salaries of Teachers	231,812	(26,992)	204,820	204,820	-
Tuition	368,733	152,147	520,880	520,880	-
General Supplies	-	578,854	578,854	537,128	41,726
Textbooks	-	12,035	12,035	12,035	-
Total Instruction	602,716	737,111	1,339,827	1,294,758	45,069
Support Services:					
Personal Services - Employee Benefits	-	80,562	80,562	162,490	(81,928)
Purchased Professional & Technical Services	13,481	50,178	63,659	63,544	115
Purchased Professional Services	-	136,008	136,008	85,843	50,165
Other Purchased Services	29,710	126,244	155,954	38,353	117,601
General Supplies	-	79,762	79,762	58,899	20,863
Student Activities	-	-	-	53,845	(53,845)
Scholarship	-	-	-	2,255	(2,255)
Total Support Services	43,191	472,754	515,945	465,229	50,716
Total Expenditures	645,907	1,209,865	1,855,772	1,759,987	95,785
Total Outflows	645,907	1,209,865	1,855,772	1,759,987	95,785
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ 1,161	\$ 1,161
Fund Balance, July 1				\$ -	
Prior Period Adjustment				115,227	
Fund Balance, July 1 (Restated)				115,227	
Fund Balance, June 30				\$ 116,388	
Recapitulation:					
Restricted:					
Scholarships				\$ 6,907	
Student Activities				109,481	
Total Fund Balance				\$ 116,388	

**FLORENCE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI - PART II
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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)	\$ 32,855,653	\$ 1,761,148
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	880,369	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(893,901)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 32,842,121</u>	<u>\$ 1,761,148</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$ 31,695,174</u>	<u>\$ 1,759,987</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 31,695,174</u>	<u>\$ 1,759,987</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	<u>2020</u>	<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	0.02719%	0.02847%	0.00029%	0.00314%	0.03648%	0.03822%	0.03782%	0.03968%
School District's proportionate share of the net pension liability	\$ 4,434,531	\$ 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	1,918,412	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	231.16%	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	58.31%	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 EIGHT FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 297,482	\$ 276,941	\$ 285,022	\$ 290,898	\$ 324,113	\$ 328,605	\$ 311,822	\$ 298,983
Contributions in relation to the contractually required contribution	(297,482)	(276,941)	(285,022)	(290,898)	(324,113)	(328,605)	(311,822)	(298,983)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 1,775,859	\$ 1,969,130	\$ 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	16.75%	14.06%	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 EIGHT FISCAL YEARS***

	2021	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%	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	64,294,179	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	\$ 10,928,072	\$ 11,030,436	\$ 10,313,865	\$ 10,070,865	\$ 10,243,835	\$ 10,047,441	\$ 9,794,918	\$ 9,687,546
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	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 FOUR FISCAL YEARS*

	2021	2020	2019	2018
District's Total OPEB Liability				
Service Cost	\$ 1,744,216	\$ 1,703,683	\$ 1,965,180	\$ 2,374,784
Interest Cost	1,727,638	2,136,356	2,342,208	2,032,750
Differences between Expected and Actual Experiences	14,219,184	(9,054,687)	(6,628,554)	-
Changes of Assumptions	14,445,172	719,838	(6,221,043)	(8,483,441)
Contributions: Member	41,728	43,931	50,100	54,715
Gross Benefit Payments	(1,376,715)	(1,482,010)	(1,449,597)	(1,485,925)
Net Change in Total OPEB Liability	30,801,223	(5,932,889)	(9,941,706)	(5,507,117)
District's Total OPEB Liability (Beginning)	48,278,630	54,211,519	64,153,225	69,660,342
District's Total OPEB Liability (Ending)	\$ 79,079,853	\$ 48,278,630	\$ 54,211,519	\$ 64,153,225
District's Covered Employee Payroll***	\$ 12,703,931	\$ 12,948,848	\$ 12,282,995	\$ 12,122,226
District's Net OPEB Liability as a Percentage of Payroll	622%	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
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 7.00% as of June 30, 2020.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 5.40% as of June 30, 2020.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

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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, 2021**

	TITLE I	TITLE II - PART A	TITLE IV	I.D.E.A. PART B BASIC	I.D.E.A. PART B BASIC PRESCHOOL
Revenues:					
Federal Sources	\$ 401,071	\$ 35,008	\$ 20,850	\$ 521,678	\$ 12,047
Total Revenues	\$ 401,071	\$ 35,008	\$ 20,850	\$ 521,678	\$ 12,047
Expenditures:					
Instruction:					
Salaries	8,376	-	5,597	-	-
Salaries of Teachers	204,820	-	-	-	-
Tuition	-	-	-	520,880	-
General Supplies	25,385	-	1,533	798	2,047
Total Instruction	238,581	-	7,130	521,678	2,047
Support Services:					
Employee Benefits	162,490	-	-	-	-
Purchased Professional - Technical Services	-	-	3,230	-	10,000
Other Purchased Services	-	35,008	3,345	-	-
General Supplies	-	-	7,145	-	-
Total Support Services	162,490	35,008	13,720	-	10,000
Total Expenditures	\$ 401,071	\$ 35,008	\$ 20,850	\$ 521,678	\$ 12,047

**FLORENCE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	COVID CARES EDUCATION STABILIZATION FUND	CORONA VIRUS RELIEF FUND- NONPUBLIC TECHNOLOGY	CORONA VIRUS RELIEF FUND- DIGITAL DIVIDE	CORONA VIRUS RELIEF FUND RE-OPENING REMOTE LEARNING	NJ NONPUBLIC TEXTBOOK AID	NJ NONPUBLIC NURSING AID
Revenues:						
Federal Sources	\$ 293,171	\$ -	\$ 169,226	\$ 108,311	\$ -	\$ -
State Sources	-	-	-	-	12,035	20,706
Total Revenues	\$ 293,171	\$ 8,295	\$ 169,226	\$ 108,311	\$ 12,035	\$ 20,706
Expenditures:						
Instruction:						
General Supplies	249,571	8,295	169,226	74,915	-	-
Textbooks	-	-	-	-	12,035	-
Total Instruction	249,571	8,295	169,226	74,915	12,035	-
Support Services:						
Purchased Professional Services	-	-	-	33,396	-	20,706
Other Purchased Services	-	-	-	-	-	-
General Supplies	43,600	-	-	-	-	-
Total Support Services	43,600	-	-	33,396	-	20,706
Total Expenditures	\$ 293,171	\$ 8,295	\$ 169,226	\$ 108,311	\$ 12,035	\$ 20,706

**FLORENCE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	NJ NONPUBLIC AUXILIARY SERVICES CH. 192	NJ NONPUBLIC HANDICAPPED SERVICES CH. 193				
	COMPENSATORY EDUCATION	TRANSPORTATION	SUPPLEMENTAL INSTRUCTION	EXAMINATION & CLASSIFICATION	CORRECTIVE SPEECH	NJ NONPUBLIC SECURITY AID
Revenues:						
State Sources	\$ 11,322	\$ 7,463	\$ 2,348	\$ 6,871	\$ 3,737	\$ 31,225
Total Revenues	<u>\$ 11,322</u>	<u>\$ 7,463</u>	<u>\$ 2,348</u>	<u>\$ 6,871</u>	<u>\$ 3,737</u>	<u>\$ 31,225</u>
Expenditures:						
Support Services:						
Purchased Professional - Technical Services	\$ -	-	-	-	-	\$ 31,225
Purchased Professional Services	11,322	7,463	2,348	6,871	3,737	-
Total Support Services	<u>11,322</u>	<u>7,463</u>	<u>2,348</u>	<u>6,871</u>	<u>3,737</u>	<u>31,225</u>
Total Expenditures	<u>\$ 11,322</u>	<u>\$ 7,463</u>	<u>\$ 2,348</u>	<u>\$ 6,871</u>	<u>\$ 3,737</u>	<u>\$ 31,225</u>

**FLORENCE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	SOUTHERN NJ REGIONAL EMPLOYEE WELLNESS GRANT	FLORENCE TOWNSHIP TECHNOLOGY DONATION	ROEB GRANT	UNIFIED GRANT	NJSIG SAFETY GRANT	STUDENT ACTIVITY	SCHOLARSHIP	TOTALS
Revenues:								
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,569,657
State Sources	-	-	-	-	-	-	-	95,707
Local Sources	23,011	5,325	33	2,000	8,154	55,635	1,626	95,784
Total Revenues	\$ 23,011	\$ 5,325	\$ 33	\$ 2,000	\$ 8,154	\$ 55,635	\$ 1,626	\$ 1,761,148
Expenditures:								
Instruction:								
Salaries	3,922	-	-	2,000	-	-	-	19,895
Salaries of Teachers	-	-	-	-	-	-	-	204,820
Tuition	-	-	-	-	-	-	-	520,880
General Supplies	-	5,325	33	-	-	-	-	537,128
Textbooks	-	-	-	-	-	-	-	12,035
Total Instruction	3,922	5,325	33	2,000	-	-	-	1,294,758
Support Services:								
Employee Benefits	-	-	-	-	-	-	-	162,490
Purchased Professional - Technical Services	19,089	-	-	-	-	-	-	63,544
Purchased Professional Services	-	-	-	-	-	-	-	85,843
Other Purchased Services	-	-	-	-	-	-	-	38,353
General Supplies	-	-	-	-	8,154	-	-	58,899
Other Objects	-	-	-	-	-	53,845	2,255	56,100
Total Support Services	19,089	-	-	-	8,154	53,845	2,255	465,229
Total Expenditures	23,011	5,325	33	2,000	8,154	53,845	2,255	1,759,987
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	1,790	(629)	1,161,00
Fund Balance, July 1 Prior Period Adjustment	-	-	-	-	-	107,691	7,536	115,227
Fund Balance, July 1 (Restated)	-	-	-	-	-	107,691	7,536	115,227
Fund Balance, June 30	-	-	-	-	-	109,481	6,907	116,388

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, 2021**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2021
			PRIOR YEARS	CURRENT YEAR	
Roebing Elementary Renovations	4/27/20	\$ 430,000	\$ 41,185	\$ 388,815	\$ -
Total		\$ 430,000	\$ 41,185	\$ 388,815	\$ -

**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, 2021**

Revenues:	
Township Donations	\$ 23,800
	<hr/>
Total Revenues	23,800
	<hr/>
Expenditures:	
Construction Services	388,815
	<hr/>
Total Expenditures	388,815
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	<u>(365,015)</u>
Fund Balance - Beginning	\$ 365,015
	<hr/>
Fund Balance - Ending	<u><u>\$ -</u></u>

**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, 2021**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Reimbursement from Township	406,200	23,800	430,000	430,000
Total Revenues	406,200	23,800	430,000	430,000
Expenditures & Other Financing Uses:				
Construction Services	41,185	388,815	430,000	430,000
Total Expenditures	41,185	388,815	430,000	430,000
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	\$ 23,800
Revised Authorized Cost	\$ 430,000
Percentage Increase Over Original Authorized Cost	5.86%
Percentage Completion	100%
Original Target Completion Date	6/30/21
Revised Target Completion Date	6/30/21

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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, 2021**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2020	RETIRED	BALANCE JUNE 30, 2021
			DATE	AMOUNT				
General Obligation Refunding Bonds	3/1/2012	\$ 26,065,000	3/1/2022	\$ 1,715,000	5.000%	\$ 15,350,000	\$ 1,700,000	\$ 13,650,000
			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						\$ 15,350,000	\$ 1,700,000	\$ 13,650,000

**FLORENCE TOWNSHIP SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2020	Issued	Retired	Balance June 30, 2021
			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%	\$ 34,013	\$ -	\$ 34,013	\$ -
1 54 Passenger School Bus	9/16/2016	5 Years	91,388	8,706	4.470%	19,162	-	19,162	-
1 54 Passenger School Bus and 1 25 Passenger/Lift School Bus	10/10/2017	5 Years	167,426	8,335	2.490%	67,763	-	33,465	34,298
1 54 Passenger School Bus and 1 25 Passenger/Lift School Bus	8/24/2018	5 Years	176,116	15,786	4.064%	102,862	-	24,200	78,662
1 54 Passenger School Bus and 1 29 Passenger School Bus	8/1/2019	5 Years	171,350	9,544	2.711%	136,518	-	32,772	103,746
1 Ford F350 DRW 4WD	8/1/2019	5 Years	46,510	1,130	2.711%	26,556	-	13,100	13,456
1 54 Passenger School Bus	9/14/2020	5 Years	101,400	6,607	3.320%	-	101,400	24,850	76,550
						\$ 386,874	\$ 101,400	\$ 181,562	\$ 306,712

**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, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,294,079	\$ -	\$ 2,294,079	\$ 2,294,079	\$ -
Total Revenues	<u>2,294,079</u>	<u>-</u>	<u>2,294,079</u>	<u>2,294,079</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	594,082	-	594,082	592,808	1,274
Redemption of Principal	1,700,000	-	1,700,000	1,700,000	-
Total Expenditures	<u>2,294,082</u>	<u>-</u>	<u>2,294,082</u>	<u>2,292,808</u>	<u>1,274</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(3)</u>	<u>-</u>	<u>(3)</u>	<u>1,271</u>	<u>1,274</u>
Other Financing Sources (Uses):					
Cancellation of Accounts Payable	-	-	-	4	4
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	<u>(3)</u>	<u>-</u>	<u>(3)</u>	<u>1,275</u>	<u>1,278</u>
Fund Balance, July 1	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, June 30	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ 1,276</u>	<u>\$ 1,278</u>

FLORENCE TOWNSHIP SCHOOL DISTRICT
 LONG-TERM DEBT ACCOUNT GROUP
 SCHEDULE OF WATER & SEWER ASSESSMENTS
 JUNE 30, 2021

<u>PURPOSE</u>	<u>DATE OF ASSESSMENT</u>	<u>AMOUNT OF ASSESSMENT</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2020</u>	<u>BALANCE JUNE 30, 2021</u>
			<u>DATE</u>	<u>AMOUNT</u>			
Florence Township Water & Sewer Assessment	3/15/2008	\$ 554,474	N/A	N/A		\$ 37,669	\$ -
					Total	\$ 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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Net Investment in Capital Assets	\$ 15,949,925	\$ 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
Restricted	4,023,553	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
Unrestricted	(8,643,674)	(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)
Total Governmental Activities	\$ 11,329,804	\$ 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
Business-Type Activities:										
Net Investment in Capital Assets	\$ 72,265	\$ 88,118	\$ 108,696	\$ 129,458	\$ 150,220	\$ 155,184	\$ 81,888	\$ 108,723	\$ 118,829	\$ 133,954
Unrestricted	(25,185)	(93,520)	13,779	106,367	142,858	151,374	137,876	156,269	172,562	134,299
Total Business-Type Activities	\$ 47,080	\$ (5,402)	\$ 122,475	\$ 235,825	\$ 293,078	\$ 306,558	\$ 219,764	\$ 264,992	\$ 291,391	\$ 268,253
Government-Wide:										
Net Investment in Capital Assets	\$ 16,022,190	\$ 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
Restricted	4,023,553	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
Unrestricted	(8,668,859)	(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)
Total District Net Position	\$ 11,376,884	\$ 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

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

Unaudited

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental Activities										
Instruction:										
Regular	8,509,820	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
Special Education	4,193,287	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
Other Instruction	806,136	1,031,963	972,017	993,643	948,774	1,076,469	1,043,941	1,161,248	1,124,375	990,821
Support Services:										
Tuition	2,192,380	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
Student & Instruction Related Services	4,152,660	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
General Administration	703,175	671,555	574,551	580,432	590,851	584,194	610,755	486,031	541,174	543,113
School Administrative Services	1,117,107	1,142,711	1,267,796	1,289,900	1,204,123	1,133,673	1,139,672	1,071,002	1,053,881	853,090
Central Services	508,691	543,759	440,656	497,137	531,675	524,546	519,672	634,069	589,964	559,423
Administration Information Technology	463,694	530,775	569,186	499,533	432,504	149,942	314,225	263,835	129,446	145,268
Plant Operations & Maintenance	3,519,847	2,894,076	2,819,830	2,703,903	2,883,819	2,950,827	3,243,387	3,290,210	3,065,679	2,918,232
Pupil Transportation	1,173,402	1,188,529	1,333,379	1,532,797	1,644,647	1,746,825	1,811,605	1,654,051	1,544,563	1,603,444
Employee Benefits	6,313,973	3,919,846	6,320,726	9,074,440	3,299,239	7,275,093	4,496,614	1,872,505	2,253,652	1,814,277
Charter Schools	1,459,555	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
Interest & Other Charges	780,141	769,734	828,197	893,985	957,696	994,387	919,198	951,416	763,980	1,155,542
Unallocated Depreciation	1,450,622	1,459,564	1,439,141	1,469,917	1,497,377	1,453,950	1,378,368	1,362,042	1,358,300	1,392,022
Amortization of Debt Issue Costs	-	-	-	-	-	-	-	-	-	11,730
Amortization of Intangible Assets	-	-	-	-	-	-	-	-	-	13,862
Decrease in Compensated Absences	-	-	-	-	-	-	-	-	-	13,862
Total Governmental Activities Expenses	37,344,360	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
Business-Type Activities:										
Food Service	283,993	452,593	591,166	634,038	685,063	664,885	686,528	728,263	732,537	719,845
Cable TV Access	-	-	-	-	-	-	-	-	6,000	2,000
Extended Day Program	25,191	313,151	369,075	327,286	306,549	290,781	292,403	287,094	282,878	262,653
Total Business-Type Activities Expense	309,184	765,744	960,241	961,324	991,612	955,666	978,931	1,015,357	1,021,415	984,498
Total District Expenses	37,653,544	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
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	9,072,643	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
Revenues	9,072,643	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
Business-Type Activities:										
Charges for Services:										
Food Service	3,778	172,985	271,474	296,353	321,518	300,829	305,349	340,822	349,458	358,147
Cable TV Access	-	-	-	-	-	-	-	-	-	5,313
Extended Day Program	54,779	199,724	260,187	288,911	292,845	304,200	283,197	313,719	321,422	270,266
Operating Grants & Contributions	303,109	265,158	315,230	318,807	347,560	341,659	345,157	334,760	373,659	366,243
Total Business Type Activities Program Revenues	361,666	637,867	846,891	904,071	961,723	946,688	933,703	989,301	1,044,539	999,969
Total District Program Revenues	9,434,309	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
Net (Expense)/Revenue:										
Governmental Activities	(28,271,717)	(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)
Business-Type Activities	52,482	(127,877)	(113,350)	(57,253)	(29,889)	(8,978)	(45,228)	(26,056)	23,124	15,471
Total Government-Wide Net Expense	(28,219,235)	(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)

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

	FISCAL YEAR ENDING JUNE 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 17,330,912	\$ 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
Taxes Levied for Debt Service	2,294,079	2,362,282	2,431,282	2,500,282	2,569,282	2,656,482	2,698,981	2,624,379	2,747,490	2,667,640
Unrestricted Grants & Contributions	10,485,729	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
Tuition Received	-	-	-	-	-	-	39,989	20,975	67,236	177,065
Investment Earnings	105,878	373,504	318,025	160,275	107,071	285,101	4,525	6,537	7,784	15,135
Miscellaneous Income	747,412	447,442	303,055	219,765	216,088	-	178,486	311,014	298,771	77,337
Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	(3,969)	-
Transfer	-	-	-	-	-	-	-	-	-	-
Special items	-	(8,079)	(12,559)	33,504	(108,724)	465,180	-	343	-	133,414
Total Governmental Activities	30,964,010	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
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	14	19
Transfers	-	-	-	-	-	-	-	(343)	-	(133,414)
Special items	-	-	-	-	16,409	95,772	-	-	-	-
Total Business-Type Activities	-	-	-	-	16,409	95,772	-	(343)	14	(133,395)
Total Governments-Wide	\$ 30,964,010	\$ 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
Change in Net Position:										
Governmental Activities	\$ 2,692,293	\$ 1,977,273	\$ 1,027,766	\$ 1,118,471	\$ 583,667	\$ 507,474	\$ 1,144,503	\$ 274,987	\$ 803,681	\$ 926,178
Business-Type Activities	52,482	(127,877)	(113,350)	(57,253)	(13,480)	86,794	(45,228)	(26,399)	23,138	(117,924)
Total District	\$ 2,744,775	\$ 1,849,396	\$ 914,416	\$ 1,061,218	\$ 570,187	\$ 594,268	\$ 1,099,275	\$ 248,588	\$ 826,819	\$ 808,254

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Restricted	\$ 3,907,165	\$ 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
Committed	-	-	-	-	-	11,887	-	-	-	-
Assigned	319,097	444,270	56,196	257,237	105,324	181,796	443,092	401,936	31,327	275,370
Unassigned	626,009	-	100,000	(254,833)	(187,040)	(323,940)	(292,815)	(312,167)	(270,672)	(474,785)
Total General Fund	\$ 4,852,271	\$ 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
All Other Governmental Funds:										
Unreserved, reported in:										
Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned to:										
Debt Service Fund	-	-	-	-	-	-	-	-	63,281	373
Special Revenue	116,388	-	-	-	-	-	-	-	-	-
Unassigned:										
Debt Service Fund	1,276	1	1	-	3	2	2	2	-	-
Total All Other Governmental Funds	\$ 117,664	\$ 1	\$ 1	\$ -	\$ 3	\$ 2	\$ 2	\$ 2	\$ 63,281	\$ 373

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Tax Levy	\$ 19,624,991	\$ 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
Tuition Charges	105,878	373,504	318,025	160,275	107,071	46,316	-	-	-	-
Interest Earnings	-	-	-	-	-	2	4,525	6,537	7,784	15,135
Miscellaneous	843,191	1,214,623	360,878	323,287	298,731	238,783	218,475	332,331	367,283	331,110
State Sources	15,037,159	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
Federal Sources	1,674,944	918,144	938,220	970,734	953,581	920,663	1,077,580	1,097,513	1,009,448	1,343,919
Total Revenue	37,286,163	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
Expenditures:										
Instruction:										
Regular Instruction	8,509,815	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
Special Education Instruction	4,193,287	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
Other Instruction	806,136	1,031,963	972,017	983,643	948,774	1,101,584	1,163,194	1,066,157	1,052,249	1,120,065
Support Services:										
Tuition	2,192,380	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
Student & Instruction Related	4,152,660	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
General Administration	703,175	671,555	574,551	580,432	590,851	584,194	522,299	512,186	513,696	540,846
School Administrative Services	1,117,107	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
Central Services	508,691	543,759	440,656	497,137	531,675	524,546	614,741	618,605	584,585	557,586
Administrative Information Technology	463,564	530,775	569,186	499,553	432,504	149,942	310,872	261,165	125,627	141,715
Plant Operations & Maintenance	3,145,579	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
Pupil Transportation	1,173,402	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
Employee Benefits	4,561,010	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
Charter Schools	1,459,555	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
Capital Outlay	521,540	266,211	176,116	191,133	174,676	396,772	174,848	258,605	224,239	66,799
Debt Service:										
Principal	1,918,118	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
Interest & Other Charges	710,760	766,597	837,190	907,265	976,024	896,482	948,981	1,006,716	802,815	1,224,525
Total Expenditures	36,136,779	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
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,149,384	280,664	220,629	565,512	542,549	(371,623)	(15,089)	(522,184)	41,189	332,557

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>
2021	\$ 49,088	\$ 84,172	\$ 28,854	\$ -	\$ 302,356	\$ 464,470
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

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
2021	\$ 37,092,600	\$ 1,027,974,700	\$ 9,981,900	\$ 1,046,300	\$ 50,949,900	\$ 135,815,000	\$ 11,394,600	\$ 1,274,255,000	\$ -	100	\$ 1,274,255,100	\$ 1,329,691,341	1.547
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	1,249,273,400	-	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

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	
2021	1.420	0.127	1.547	0.439	0.419	2.405
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

Source: Municipal Tax Collector

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

		2021			2012		
TAXPAYER	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXPAYER	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	
Haines Center Florence, LLC	\$ 59,815,800	1	4.78%	RTC Properties Inc.	1	1.44%	
Christmas Tree Shops, Inc.	33,166,000	2	2.65%	Griffin Pipe Products Company	2	0.94%	
Foxdale Properties, LLC.	8,212,000	3	0.66%	Haines Center Florence, LLC	3	0.79%	
500 Cedar Lane Burlington, LLC	7,700,000	4	0.62%	Academy Woods Apartments	4	0.54%	
Hunsberger, Bryan K.	6,750,000	5	0.54%	Foxdale Properties	5	0.51%	
Dean Dairy Fluid, LLC	4,834,700	6	0.39%	Dean Northeast, LLC	6	0.42%	
SPAF Cedar Mgmt, LLC c/o A. Schneider	4,574,000	7	0.37%	DC Fabricators	7	0.42%	
Turnpike Crossings Urban Renewal, LLC	3,798,000	8	0.30%	SPAF Cedar Management Co.	8	0.40%	
DC Fabricators	3,787,500	9	0.30%	Americo Real Estate Co.	9	0.37%	
LOL Associates	3,607,000	10	0.29%	Health Care REIT, Inc.	10	0.32%	
Total	\$ 136,245,000		10.89%			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>	
2021	\$ 19,624,991	\$ 19,624,991	100%	\$ -
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%	-

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						
2021	\$ 13,650,000	\$ 306,712	\$ 13,956,712	NA	N/A	12,473	1,119	
2020	15,350,000	386,874	15,736,874	NA	N/A	12,473	1,262	
2019	17,075,000	338,946	17,413,946	NA	N/A	12,501	1,393	
2018	18,800,000	302,242	19,102,242	N/A	N/A	12,535	1,508	
2017	20,525,000	250,405	20,775,405	N/A	N/A	12,597	1,641	
2016	22,250,000	258,083	22,508,083	N/A	N/A	12,600	1,786	
2015	23,990,000	111,941	24,101,941	N/A	N/A	12,627	1,909	
2014	25,740,000	200,417	25,940,417	680,060,791	3.81%	12,618	2,056	
2013	27,530,000	202,115	27,732,115	652,232,075	4.25%	12,576	2,205	
2012	29,530,000	220,066	29,750,066	647,411,220	4.60%	12,597	2,362	

* 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 <u>JUNE 30,</u>	<u>GENERAL BONDED DEBT OUTSTANDING</u>			NET GENERAL BONDED DEBT <u>OUTSTANDING</u>	PERCENTAGE OF ACTUAL TAXABLE VALUE OF <u>PROPERTY</u>	<u>PER CAPITA</u>
	<u>GENERAL OBLIGATION BONDS</u>	<u>DEDUCTIONS</u>				
2021	\$ 13,650,000	\$ -		\$ 13,650,000	1.09%	\$ 1,094
2020	15,350,000	-		15,350,000	1.23%	1,231
2019	17,075,000	-		17,075,000	1.37%	1,366
2018	18,800,000	-		18,800,000	1.50%	1,500
2017	20,525,000	-		20,525,000	1.65%	1,629
2016	22,250,000	-		22,250,000	1.78%	1,766
2015	23,990,000	-		23,990,000	1.91%	1,900
2014	25,740,000	-		25,740,000	2.02%	2,040
2013	27,530,000	-		27,530,000	2.26%	2,189
2012	29,530,000	-		29,530,000	2.41%	2,344

RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2021
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	\$ 8,578,664	100.00%	\$ 8,578,664
Authorized But Not Issued	11,274,664	100.00%	11,274,664
Burlington County General Obligation Debt	221,311,009	2.846%	<u>6,298,576</u>
Subtotal, Overlapping Debt			26,151,904
District Direct Debt			<u>13,650,000</u>
Total Direct & Overlapping Debt			<u>\$ 39,801,904</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**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 51,154,369	\$ 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
Total Net Debt Applicable to Limit	13,650,000	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
Legal Debt Margin	\$ 37,504,369	\$ 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
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26.68%	30.33%	34.40%	43.48%	47.95%	51.74%	54.20%	55.81%	58.39%	61.68%

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized Valuation Basis	
2020	\$ 1,300,685,397
2019	\$ 1,268,524,476
2018	\$ 1,267,367,780
	<u>\$ 3,836,577,653</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,278,859,218</u>
Debt Limit (4 % of Average Equalization Value)	\$ 51,154,369
Net Bonded School Debt	<u>13,650,000</u>
Legal Debt Margin	<u>\$ 37,504,369</u>

Source: Equalized valuation bases were obtained from the Burlington County Board of Taxation, Abstract of Rates, (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>
2021	NA	NA	NA	4.50%
2020	12,479	NA	NA	8.10%
2019	12,501	N/A	63,605	4.50%
2018	12,535	N/A	61,244	N/A
2017	12,597	N/A	59,432	N/A
2016	12,600	N/A	57,951	4.50%
2015	12,627	710,609,679	56,277	5.70%
2014	12,618	678,469,860	53,770	6.10%
2013	12,576	649,361,760	51,635	8.40%
2012	12,597	643,782,282	51,106	12.50%

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

2011			2012		
EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT

Information not available

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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	86.17	89.03	88.83	87.37	93.12	104.40	99.50	92.55	91.16	92.95
Special Education	35.50	37.00	37.00	34.00	35.00	32.00	39.00	43.06	44.73	53.20
Other Special Education	7.00	8.00	8.00	9.00	10.00	-	-	-	-	-
Other Instruction	1.33	1.33	1.33	1.00	2.00	-	-	-	-	-
Support Services:										
Student & Instruction Related Services	24.60	25.50	25.50	25.50	26.50	26.49	29.38	28.94	28.20	27.00
General Administration Services	3.00	3.00	3.00	3.00	3.00	2.00	3.00	3.00	2.50	2.50
School Administrative Services	10.00	10.00	10.00	11.00	11.00	11.00	10.60	9.50	9.80	10.00
Other Administrative Services										
Central Services	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.50	5.25	5.25
Administrative Information Technology	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Plant Operations and Maintenance	19.00	20.00	18.00	19.94	22.00	17.00	17.00	30.50	31.75	30.75
Pupil Transportation	21.58	26.40	25.46	26.14	26.56	28.00	26.31	24.63	25.00	25.00
Other Support Services	-	-	-	-	-	-	2.49	3.20	2.00	2.50
Total	214.18	226.26	223.12	222.95	235.18	227.89	234.28	241.88	241.39	250.15

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								STUDENT ATTENDANCE PERCENTAGE
						ROEBLING ELEMENTARY	RIVERFRONT SCHOOL	FLORENCE TWP MEMORIAL HIGH SCHOOL	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT			
2021	1,619	\$ 32,986,361	\$ 20,375	6.95%	132	1:09	1:11	1:11	1,555.2	1,487.6	1.050%	95.65%		
2020	1,558	32,646,150	20,954	9.99%	129	1:09	1:10	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	1:11	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	1:11	1,586.2	1,494.6	1.060%	94.23%		
2017	1,608	29,131,502	18,117	10.47%	129	1:09	1:10	1:11	1,586.2	1,494.6	1.060%	94.23%		
2016	1,772	29,060,028	16,400	2.66%	157	1:09	1:10	1:11	1,592.5	1,512.9	0.099%	94.90%		
2015	1,785	28,513,905	15,974	-8.23%	159	1:09	1:10	1:12	1,639.2	1,546.8	0.094%	94.36%		
2014	1,627	28,321,200	17,407	1.51%	147	1:11	1:10	1:08	1,556.6	1,471.5	1.060%	94.53%		
2013	1,611	27,625,076	17,148	11.92%	148	1:10	1:15	1:06	1,608.7	1,521.3	1.060%	94.57%		
2012	1,723	26,399,546	15,322	5.12%	155	1:08	1:09	1:08	1,606.4	1,539.6	1.040%	95.84%		

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
DISTRICT BUILDINGS										
Elementary Schools:										
Roebling Elementary (1905)										
Square Feet	61,648	61,648	61,648	61,648	61,648	61,648	61,648	61,648	61,648	61,648
Capacity (Students)	497	497	497	497	497	497	497	497	497	497
Enrollment (a)	446	446	446	446	450	441	472	473	527	647
Middle School/Elementary Schools:										
Riverfront School (1993/2006)										
Square Feet	138,377	138,377	138,377	138,377	138,377	138,377	138,377	138,377	138,377	132,377
Capacity (Students)	875	875	875	875	875	875	875	875	875	875
Enrollment	691	691	691	691	719	691	736	691	637	632
High Schools										
Florence Twp Memorial High School (2006)										
Square Feet	132,702	132,702	132,702	132,702	132,702	132,702	132,702	132,702	132,702	132,702
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	421	421	421	421	404	411	426	447	447	444
Other										
Central Administration (1953)										
Square Feet	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220

Number of Schools at June 30, 2021
 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>Roebbling</u>		<u>Florence Twp</u>		
	<u>Elementary School</u>	<u>Riverfront School</u>	<u>Memorial High</u>	<u>School</u>	<u>Total</u>
2021	\$ 134,941	\$ 276,630	\$ 263,136	\$	674,707
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

* 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, 2021
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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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Florence Township School District (the "School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 1, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing 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 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 1, 2022

**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 (the “School District”) 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, 2021. The 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 School District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the 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, 2021.

Report on Internal Control Over Compliance

Management of the 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.

Purpose of this Report

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.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 1, 2022

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FLORENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2020	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS BALANCES	(ACCOUNTS RECEIVABLE)	BALANCE, JUNE 30, 2021 DUE TO GRANTOR	UNEARNED REVENUE
U.S. Department of Health and Human Services Passed Through New Jersey Department of Human Services: COVID-19 National School Lunch Program Medical Assistance Program (SEAP)	93.778 93.778	2105NSMAP 2005NSMAP	100-054-7540-211 100-054-7540-211	\$ 62,269 46,938	7/1/20-6/30/21 7/1/19-6/30/20	(313) (313)	-	62,269 62,582	(62,269) (62,269)	-	-	-	\$ -	\$ -
Total U.S. Department of Health and Human Services								62,582	(62,269)	-	-	-	-	-
U.S. Department of Agriculture Passed Through New Jersey Department of Agriculture: School Breakfast Program COVID-19 School Breakfast Program	10.553 10.553	21NI304N1099 20NI304N1099	100-010-3350-028 100-010-3350-028	105,454 11,924	7/1/20-6/30/21 7/1/19-6/30/20	(8,362) (8,362)	-	96,737 105,699	(105,454) (105,454)	-	-	(8,717) (8,717)	-	-
National School Lunch Program COVID-19 National School Lunch Program Healthy Hunger-Free Kids Act COVID-19 Healthy Hunger-Free Kids Act Food Distribution Program (Noncash Assistance)	10.555 10.555 10.555 10.555 10.555	21NI304N1099 20NI304N1099 21NI304N1099 21NI304N1099 21NI304N1099	100-010-3350-026 100-010-3350-026 100-010-3350-026 100-010-3350-026 Unavailable	163,780 18,482 3,286 6,646 22,953	7/1/20-6/30/21 7/1/19-6/30/20 7/1/20-6/30/21 7/1/19-6/30/20 7/1/19-6/30/20	(12,962) (206) (13,228)	-	150,242 2,906 22,953 189,419	(163,780) (3,286) (22,953) (189,419)	-	-	(13,538) (270) (13,808) (22,525)	-	-
Total Child Nutrition Cluster								294,518	(295,453)	-	-	(22,525)	-	-
Total U.S. Department of Agriculture								294,518	(295,453)	-	-	(22,525)	-	-
U.S. Department of Treasury Passed Through New Jersey Department of Education: Coronavirus Relief Fund Non-Public Technology Initiative Bridging The Digital Divide School Re-Opening and Remote Learning Total Coronavirus Relief Fund Cluster	21.019 21.019 21.019	S377A130031 S4252D200027 SLT007	100-054-7540-211 100-054-7540-211 100-054-7540-211	8,570 169,236 108,311	3/1/20-12/31/21 7/16/20-10/31/21 3/1/20-12/31/21	-	-	8,425 169,236 108,311	(8,295) (169,236) (108,311)	-	-	-	130	-
Total U.S. Department of Treasury								285,962	(285,832)	-	-	-	130	-
U.S. Department of Homeland Security Passed Through New Jersey Department of Education: Disaster Grants- Public Assistance	97.036	Unavailable	100-066-1200-650	43,018	4/8/20-9/30/2022	-	-	43,018	(43,018)	-	-	-	-	-
Total U.S. Department of Homeland Security								43,018	(43,018)	-	-	-	-	-
U.S. Department of Education Passed Through New Jersey Department of Education: I.D.E.A. Part B (Special Education Cluster) Base Base Base Preschool Preschool Total Special Education Cluster Title I - Part A Title I - Part A Title II - Part A, Supporting Effective Instruction Title II - Part A, Supporting Effective Instruction Title II - Part A, Supporting Effective Instruction Title IV - Student Support and Academic Enrichment (ESSA) Title IV - Student Support and Academic Enrichment (ESSA) COVID-19 - Cares Education Stabilization Fund	84.027 84.027 84.027 84.173 84.173 84.010 84.010 84.367 84.367 84.367 84.424 84.424 84.425D	H027A200100 H027A190100 H027A170100 H173A200114 H173A190114 S010A200030 S010A190030 S367A200028 S367A190028 S367A170029 S367A200029 S367A190029 S4252D200027	100-034-5065-016 100-034-5065-016 100-034-5065-016 100-034-5065-020 100-034-5065-020 100-034-5064-194 100-034-5064-194 100-034-5063-290 100-034-5063-290 100-034-5063-290 100-034-5069-031 100-034-5069-031 100-034-5120-513	528,226 493,521 524,863 14,997 28,645 310,924 326,529 36,649 39,871 41,203 22,838 19,259 293,365	7/1/20-9/30/21 7/1/19-6/30/20 7/1/17-6/30/18 7/1/20-9/30/21 7/1/19-9/30/20 7/1/20-9/30/21 7/1/19-9/30/20 7/1/20-9/30/21 7/1/19-9/30/20 7/1/17-6/30/18 7/1/20-9/30/21 7/1/19-6/30/20 3/13/20-9/30/22	(1,541) (629) (2,170) (2,578) (2,578) (4,748) (47,986) (47,286) (4,093) (681) (4,774) (444) (344) (57,852)	-	521,049 1,541 629 52,219 13,047 2,578 14,625 537,844 209,240 138,170 347,410 34,274 4,093 681 39,048 3,230 3,574 20,884 292,092 293,171 1,565,758	(521,678) (521,678) (521,678) (12,047) (12,047) (533,725) (40,071) (40,071) (35,088) (81) (53,008) (20,880) (293,171) (293,171) (1,602,675)	(629) (629) (629) (629) (629) (629) (101,647) (101,647) (734) (734) (734) (810) (810) (1,079) (1,079) (104,899)	-	\$ -	\$ -	
Total U.S. Department of Education								1,922,888	(1,970,397)	-	-	(127,524)	\$ -	\$ 130
Total Expenditures of Federal Awards								2,249,948	(2,249,948)	-	-	(250,050)	\$ -	\$ 130

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, 2021**

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, 2021. 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, 2021.

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, 2021**

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 \$(13,532) for the general fund and \$0 for the Special Revenue Fund. See Exhibit C-3 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	\$ 105,287	\$ 14,941,452	\$ 15,046,739
Special Revenue Fund	1,569,657	95,707	1,665,364
Food Service Fund	<u>295,453</u>	<u>7,656</u>	<u>303,109</u>
Total Awards & Financial Assistance	<u>\$ 1,970,397</u>	<u>\$ 15,044,815</u>	<u>\$ 17,015,212</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, 2021.

**FLORENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D	S425D200027	CARES Emergency Relief Fund
21.019	SLT007	Corona Virus Relief Grant - Re-Opening & Remote Learning
21.019	S377A130031	Corona Virus Relief Grant - Nonpublic Technology
21.019	S425S2000027	Corona Virus Relief Grant - Bridging Digital Divide

Dollar threshold used to determine Type A programs \$750,000

Auditee qualified as low-risk auditee? X yes no

**FLORENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021**

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, 2021**

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.