

Comprehensive Annual Financial Report

of the

Flemington-Raritan Regional School District

County of Hunterdon

County of Hunterdon, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

**Stephanie Voorhees, Board Secretary/School Business
Administrator and the Business Office Staff of the
Flemington-Raritan Regional School District**

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INTRODUCTORY SECTION



Flemington-Raritan Regional School District

Maryrose Caulfield
Superintendent
50 Court Street, Flemington, NJ 08822
mcaulfie@frsd.k12.nj.us
(908)284-7575 - FAX (908)284-7656

December 7, 2015

Honorable President Davidson
Members of the Board of Education
Flemington-Raritan Regional School District
County of Hunterdon, New Jersey

Dear President and Members:

The Comprehensive Annual Financial Report of the Flemington-Raritan Regional School District for the fiscal year ending June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Flemington-Raritan Regional Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the management's discussion and analysis, the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Circular A-133 Revised, "Audits of States, Local Governments, and Non-Profit Organizations," and the State OMB Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Flemington-Raritan Regional School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Flemington-Raritan Regional Board of Education and all its schools constitute the District's reporting entity.

The Flemington-Raritan Regional School District serves Flemington Borough and Raritan Township children providing a full range of educational services appropriate to grades K through 8. These include regular as well as special education for handicapped youngsters. Four elementary schools (Barley Sheaf, Copper Hill, Francis A. Desmares and Robert Hunter) house grades kindergarten through four. The Reading-Fleming Intermediate School houses grades five and six, and J.P. Case Middle School houses grades seven and eight.

The District completed the 2014-2015 fiscal year with an enrollment of 3328 students.

The following table presents the actual historical pupil enrollment, as of October 15, for the school years 2005-2006 through 2014-2015.

<u>School Year</u>	<u>Enrollment as of October 15</u>	<u>Percent Change</u>
2005-06	3,576	.20%
2006-07	3,592	.45%
2007-08	3,544	-1.34%
2008-09	3,584	1.13%
2009-10	3,610	.73%
2010-11	3,616	.17%
2011-12	3,541	-2.11%
2012-13	3,505	-1.03%
2013-14	3,387	-3.48%
2014-15	3,344	-1.29%

2) ECONOMIC CONDITION AND OUTLOOK:

The Raritan Township section of the Flemington-Raritan Regional School District is experiencing a period of slowing residential development due to current economic conditions and has a seen decline in enrollment over the past five years.

The Flemington Borough section of the Flemington-Raritan Regional School District is expecting little development in the foreseeable future. Because of limited open space, the Borough is not expected to grow significantly and the tax base is expected to remain relatively level.

3) MAJOR INITIATIVES:

The Board of Education established four goals for the 2014-2015 school year.

1. Superintendent Search – The Board will conduct a successful Superintendent Search that is inclusive and reflective of all district stakeholders.

2. Community Relations – The Board will work to foster cooperative partnerships with community, business and government leaders.
2. Special Education – The Board will create and participate in opportunities to better understand special education in the district.
4. Board Orientation – The Board will develop a process that assists new Board Members in fully understanding Board policies and protocols, including committee structures, members' roles and Board procedures.

To achieve these goals, the District implemented a comprehensive program of professional development, curriculum materials, and instructional material adoptions.

Professional Development

Major Professional Development Offerings during the 2014-2015 school year included the following:

- Each building formed a School Improvement Panel (SciP) and developed professional development goals and action plans unique to the challenges and opportunities in each building.
- A wide variety of summer professional development workshops with particular focus on technology and literacy took place.
- The district continued its commitment to a thorough induction process for all teachers hired within the past two years by offering specialized workshops for new teachers. These included New Teacher Writing, New Teacher Reading, New Teacher Science, New Teacher Math, Reading in the Content Area, New Teacher Special Education as well as district and building level orientations for our newest teachers.
- The district also supported its novice teachers through the development and implementation of our District Mentoring Program. Training was provided for all teachers intending to serve as Mentors. In addition, the district continues to provide on-going Mentor training throughout the school year and provided compensation for these teachers.
- Workshops focused on improving teachers' use and familiarity with technology, teaching writing, increasing strategies for teaching math, and promoting positive classroom environments through Responsive Classroom, Response to Intervention (RTI), Full-day kindergarten and Common Core Curriculum.
- The district also continues to provide professional development to deepen teachers' and administrators' understanding of effective teaching and leadership practices. These trainings focus on the Board-approved Danielson and Stronge rubrics for staff member evaluation.
- New Teacher Orientation and six after school meetings were held.
- Support was provided for teacher's pursuit of graduate credits and degrees.
- Consultants were used to support the Response to Intervention program implementation.
- Title I funds were also used to address priority problems identified in our two Title I schools. Specifically, Literacy Coaches were hired to work directly with the teachers of Title I students to strengthen their strategies and skills in providing Tier 1 interventions.

Curriculum Development

Curriculum Development Projects during the 2014-2015 school year included the following:

- Implementation of the full-day kindergarten program in all four elementary schools: language arts, mathematics, art, music, physical education, computers, and library.
- Planning for the implementation of a new, K-4 World Language program delivered by an appropriately certified teacher.
- Planning and implementation of a new Geometry program for students in grade 8.
- Revised grades 7-8 Passages program.
- Updated grades 1-4 writing calendars and pacing guides.
- Revised grade 5 Social Studies Curriculum.
- Revised grades 5-6 Language Arts Literacy Curriculum.

In addition, a number of smaller projects were completed to refine instructional units and to add resources for the integration of technology.

The District also expanded its use of Atlas Rubicon. This cloud-based solution for curriculum writing and mapping has added great efficiency in the curriculum writing process as well as promoting collaboration and communication amongst department members.

Instructional Programs/Technology

The District provided a new, full-day program and began planning to replace the Algebra II program with a Geometry program. In addition, the planning for a new, K-4 World Language Program was supported.

Title III federal funds were used to support summer and extended day programs for the Limited English Proficient students. Throughout the year, students in grades 1-6 were afforded additional instruction to close the achievement gap, reinforce learning and assist with the completion of homework. The District was also able to provide transportation for these after school programs at our elementary schools.

Other on-going district programs were maintained and/or expanded during the 2014-2015 school year. These programs include the following:

- The district maintains its commitment to maintaining reasonable class sizes at all grade levels.
- The District continued its efforts to provide reliable broadband access to the internet and to meet the increasing demand for student devices. The budget supported the purchase of additional wireless access points to meet the goal of a 1 WAP: 1 classroom ratio, high speed switches replaced older, slower switches, and the capacity of our Virtual Server Network was expanded to meet higher demand for storage.
- The District also used funds to purchase desktops/laptops to replace failing devices issued to teachers, administration, office staff, and for use in media centers. In addition, a substantial purchase of Chromebooks and iPads provided sufficient devices to meet demands for both instruction and PARCC assessment.
- Intervention programs, such as Reading Recovery, Math Support, Reading Support, Special Education, ESL, OT/PT, etc., continued and were expanded as necessary to meet increasing demands.

- Gifted programs, including grades 3-8 Stretch, 3-6 Gifted Math, 7-8 Leveled Math, and 7-8 Passages program was continued.
- The District also provided counseling services to assist students in growing socially and emotionally into productive learning community members. Small and large group counseling was provided on a variety of age-appropriate topics. In addition, counselors worked to assist students through transitions between grades, particularly as students prepared to enter high school.

Assessment

One of the major challenges of the 2014-2015 school year was the first year implementation of the Partnership for Assessment of the Common Core (PARCC)'s assessment. These assessments came at two different points in the second half of the school year and consisted of nine days of testing for all students in grades 3-8. Significant efforts and funds were utilized to ensure the necessary mobile devices and earbuds for all students to complete the assessment during the testing window. In addition, revisions were made to the curriculum, instruction and assessments to better prepare students for the innovative question formats that they would encounter.

In addition, the District continued to implement several commercially available assessment programs to support the District's programs and compliance needs: WIDA MODEL, ACCESS for ELLs, Early Screen Inventory-Revised, Developmental Reading Assessment, Dynamic Indicators of Basic Literacy, NPASS, Cognitive Ability Test-6, SAGES-2, CTP-4, as well as new, online formative assessments, such as FrontRow, Aleks, Quia, and Edmodo.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse; and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally-accepted accounting principles (GAAP).

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities.

Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year.

Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by the state statute as detailed in "Notes to the Financial Statements", Note 2. 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 a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act. Based on the opinion of the Attorney General for the State of New Jersey, the district also invests in the MBIA-Cooperative Liquid Assets Securities System (CLASS) and the New Jersey Asset & Rebate Management public investment programs.

8) RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A chart detailing the district insurance coverage's and applicable limits is included in the statistical section.

9) OTHER INFORMATION:

Independent Audit

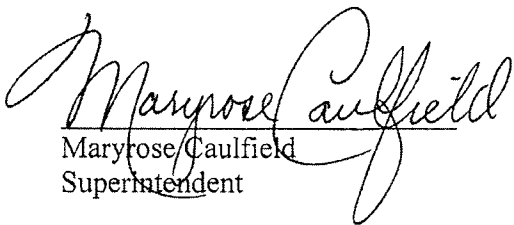
State statutes require an annual audit by independent certified public accountants or registered municipal accountants.

The Board's finance committee selected the accounting firm of Suplee, Clooney & Company to conduct the annual audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996, the related OMB Circular A-133 Revised and State OMB Treasury Circular Letter 04-04. The auditor's report on the basic financial statements, combining and individual fund 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.

10) ACKNOWLEDGMENTS:

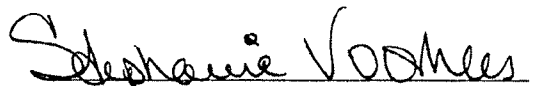
We would like to express our appreciation to the members of the Flemington-Raritan Regional Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. In addition, the preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully Submitted,



Maryrose Caulfield
Superintendent

mc/sv:lab

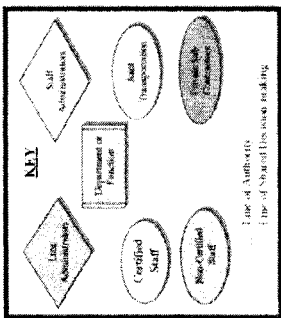


Stephanie Voorhees
Business Administrator/Board Secretary

District Mission Statement

The Flemington-Raritan Regional Schools provides our students with an exceptional education, empowering them to become problem solvers, collaborators and critical thinkers. The district creates a culture in which students act responsibly and communicate effectively in preparing to become productive citizens in a changing, global society. It is the expectation of the Flemington-Raritan Regional School District that all pupils achieve the New Jersey Core Curriculum Content Standards at all grade levels.

2014-2015



FLEMINGTON-RARITAN REGIONAL BOARD OF EDUCATION
FLEMINGTON, NEW JERSEY

ROSTER OF OFFICIALS
AS OF JUNE 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Sandra Borucki	2016
Alan Brewer	2015
Bruce Davidson, President	2016
Anna Fallon, Vice President	2015
Marianne Kenny	2016
Frank Kraus	2015
Eric Liszt	2017
Laurie Markowski	2015
Michael Stager	2017

Other Officials:

Gregory Nolan, Superintendent

Stephanie Voorhees, Board Secretary/Business Administrator

Jonathan Hart, Interim Assistant Superintendent for Curriculum & Instruction

Karen Slagle, Director of Special Services

Kay Hayes, Treasurer of School Monies



Flemington-Raritan Regional School District

FLEMINGTON-RARITAN REGIONAL BOARD OF EDUCATION FLEMINGTON, NEW JERSEY

CONSULTANTS AND ADVISORS JUNE 30, 2015

Architect

Design Ideas Group
2009 U.S. Route 130 Suite B
North Brunswick, NJ 08902

Audit Firm

Suplee, Clooney & Co.
308 East Broad Street
Westfield, NJ 07090

Attorney

Comegno Law Group, PC
521 Pleasant Valley Avenue
Moorestown, New Jersey 08057

Bond Counsel

Wilentz, Goldman, & Spitzer
90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095

Official Depository

Investors Bank
698 Broad Street
Three Bridges, NJ 08887

FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Flemington-Raritan Regional School District
County of Hunterdon
Flemington, New Jersey 08822

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 Flemington-Raritan Regional School District, County of Hunterdon, New Jersey as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the provisions of U.S. Office of Management and Budget (OMB) *Circular A-133* "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey *OMB Circular 04-04* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

SUPLEE, CLOONEY & COMPANY

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

Opinion

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 Flemington-Raritan Regional School District, County of Hunterdon, New Jersey as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 6 to the basic financial statements, in 2015, the County adopted Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions (an Amendment of GASB Statement No. 27) and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement 68). Our opinions are 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 in Exhibit C-1 through C-3 and the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 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.

SUPLEE, CLOONEY & COMPANY

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Flemington-Raritan Regional School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, such as the introductory and statistical sections, has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 7, 2015 on our consideration of the Flemington-Raritan Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Flemington-Raritan Regional School District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

December 7, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

The Management's Discussion and Analysis of the Flemington-Raritan Regional School District (FRSD) offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2015. The intent of this discussion is to look at the District's financial performance as a whole; therefore readers should also review the transmittal letter at the front of this report, along with the District's financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments* issued in June 1999. Certain comparative information between the current fiscal year (2014-2015) and the prior fiscal year (2013-2014) is required to be presented in the MD&A. In FY2015 the District implemented GASB 68 "Accounting and Financial Reporting for Pensions". Information necessary to restate the financial information provided for FY2014 was not available; therefore, the information has not been restated.

Financial Highlights

Key financial highlights for 2014-15 are as follows:

- In total, the net position of the District at June 30, 2015 was \$12,423,013. Governmental activities accounted for \$11,992,672 of the total while Business-type activities accounted for the remaining \$430,341. Governmental activities include the operations of the General Fund, Special Revenue Fund, Capital Projects Fund and the Debt Service Fund of the District. Business-type activities comprise the operations of the District's food service program.
- The increase in the net position of the District at June 30, 2015 was attributable to an increase in Governmental activities of \$1,028,401 and a increase in Business-type activities of \$1,258 as outlined in Table A-2.
- The school district also received an additional State aid award of \$136,702 in June 2015 to provide for a fraction of the extraordinary costs attributable to the special education program

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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Overview of the Financial Statements

This Comprehensive Annual Financial Report ("CAFR") consists of three parts: Management's Discussion and Analysis (this section), The Basic Financial Statements, and Required Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District, District-wide Financial Statements and Fund Financial Statements.

- District-Wide Financial Statements provide both short-term and long-term information about the District's overall financial status.
- Fund Financial Statements report the District's operations in more detail than the District-wide statements on individual parts of the District, the Governmental Funds, Proprietary Funds and Fiduciary Funds.
- Governmental Funds Statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- Proprietary Funds Statements offer short and long-term financial information about the activities the District operates like a business, which include food services.
- Fiduciary Funds Statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The notes to financial statements are also included, which are an integral part of the financial statements. The information in the notes provides detailed data on the District's financial operations.

Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year. Table A-1 reflects how the various parts of this annual report are arranged and related to one another

District-Wide Financial Statements

The District-Wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or disbursed.

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FLEMINGTON, NEW JERSEY

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The District-Wide Financial Statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position has improved or diminished. The causes of this change may be a result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the District-Wide Financial Statements, the District's activities are divided into two categories, governmental and business-type activities.

- Governmental activities - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and state formula aid finance most of these activities.
- Business-Type activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. District charges fees to help it cover the costs of certain services it provided. The food service activities are reported as business activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on major funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. long-term debt) or to show that it is properly using certain restricted revenues (i.e. entitlement grants).

The District maintains three financial funds:

- Governmental Funds: The District's activities reported in governmental funds focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting that measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the government-wide Statement of Net Position and Statement of Activities) and governmental funds statements is reconciled in the financial statements.

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FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
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- **Proprietary Funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flow.
- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

The District's combined net position has increased from the 2013-2014 fiscal year. The net position from governmental activities increased \$1,028,401. Net position from business-type activities increased \$1,258. The increase in the restricted net position from prior year is primarily due to the transfer of unrestricted surplus to the capital reserve fund. Table A-1 below reflects the District's net position as a whole. Table A-2 reflects the changes in net position from operating results.

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FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Table A-1
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>Change</u>
Current and Other Assets	\$6,886,226	\$8,853,029	\$226,015	\$197,637	\$7,112,240	\$9,050,665	-21.42%
Capital Assets	52,303,581	51,744,543	238,498	261,415	52,542,079	52,005,958	1.03%
Total Assets	59,189,807	60,597,572	464,513	459,051	59,654,320	61,056,623	-2.30%
Deferred Outflow of Resources	860,799	290,911			860,799	290,911	100.00%
Long-Term Liabilities	45,649,233	42,656,625			45,649,233	42,656,625	7.02%
Short-Term Liabilities	613,796	279,233	34,171	29,968	647,967	309,201	109.56%
Total Liabilities	46,263,029	42,935,858	34,171	29,968	46,297,200	42,965,826	7.75%
Deferred Inflow of Resources	1,794,905				1,794,905		100.00%
Net Position:							
Net Investment in Capital Assets	15,316,441	12,260,134	238,498	261,415	15,554,939	12,521,549	24.23%
Restricted	3,851,541	4,991,208			3,851,541	4,991,208	-22.83%
Unrestricted	(7,175,310)	701,282	191,844	167,669	(6,983,466)	868,950	-903.67%
Total Net Position	\$11,992,672	\$17,952,625	\$430,341	\$429,083	\$12,423,014	\$18,381,708	-32.42%

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FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Table A-2
Changes in Net Position from Operating Results

	Governmental Activities <u>FY 2015</u>	Business-Type Activities <u>FY 2015</u>	Total School District <u>FY 2015</u>
Revenue:			
Program Revenue:			
Charges for Services		\$653,154	\$653,154
Operating Grants and Contributions	\$5,244,196	377,294	5,621,490
General Revenue:			
Property Taxes	49,435,174		49,435,174
Federal and State Aid	6,722,569		6,722,569
Other	785,456	2,411	787,867
Total Revenue	<u>62,187,395</u>	<u>1,032,859</u>	<u>63,220,254</u>
Expenses:			
Instruction	37,310,016		37,310,016
Student and Instructional Related Services	7,160,484		7,160,484
Administrative and Business	6,373,158		6,373,158
Maintenance and Operations	5,285,133		5,285,133
Transportation	3,853,922		3,853,922
Other	1,176,281	1,031,601	2,207,882
Total Expenses	<u>61,158,993</u>	<u>1,031,601</u>	<u>62,190,594</u>
Increase/(Decrease) in Net Position	<u>\$1,028,401</u>	<u>\$1,258</u>	<u>\$1,029,660</u>

Sources of Revenue for Fiscal Year 2015

The District's total revenue for the 2014-2015 school year was \$63,220,254 as reflected in Table A-3 below. Property taxes accounted for 78 percent of the total revenue with the other 22 percent consisting of state and federal aid, charges for services, and miscellaneous sources.

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FLEMINGTON, NEW JERSEY

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Table A-3
Sources of Revenue for Fiscal Year 2015

<u>Sources of Revenue</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$49,435,174	78.20%
Operating State and Federal Aid	5,621,490	8.89%
Unrestricted Federal and State Grants	6,722,569	10.63%
Charges for Services	653,154	1.03%
Other	787,867	1.25%
	<u>\$63,220,254</u>	<u>100.00%</u>

Expenses for the Fiscal Year 2015

The total expenses for the 2014-2015 fiscal year for all programs and services were \$62,190,994. Table A-4 below summarizes these program costs. The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through twelve, which accounts for 72 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in all six school buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds. It is important to note that depreciation expense on capital assets is included in expenses for the year under the GASB entity-wide reporting model; expenses therefore include \$1,915,036 for depreciation.

Table A-4
Expenses for Fiscal Year 2015

<u>Expense Category</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$37,310,016	59.98%
Student and Instructional Related Services	7,160,484	11.51%
Administrative and Business	6,373,158	10.25%
Maintenance and Operations	5,285,133	8.50%
Transportation	3,853,922	6.20%
Other	2,207,882	3.55%
	<u>\$62,190,594</u>	<u>99.99%</u>

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Governmental Activities

Table A-5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of six major District activities: instruction, student and instructional services, administration and business, maintenance and operations, transportation, and other. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

Table A-5
Net Cost of Governmental Activities

<u>Function/Program</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$31,591,488	57.78%
Student and Instruction Related Services	6,160,213	11.27%
Administrative and Business	6,105,202	11.17%
Maintenance and Operations	5,267,869	9.63%
Transportation	4,013,539	7.34%
Other	1,537,878	2.81%
	<u>\$54,676,190</u>	<u>100.00%</u>

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, revisions were made by the District to the annual operating budget. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent overexpenditures in specific line item accounts. In addition, the following revision is noteworthy:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the District but is required to be reflected in the financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Capital Assets

At the end of the fiscal year 2015, the School District had \$52,542,079 invested in land, building, machinery and equipment. Table 6 shows fiscal year 2015 balances compared to 2014.

**Table A-6
Capital Assets (Net of Depreciation)**

	June 30 <u>2015</u>	June 30 <u>2014</u>
Capital Assets (Net of Depreciation)		
Land	\$ 2,399,641	\$ 2,399,641
Construction in Progress	3,161,786	3,154,961
Land Improvements	755,340	861,348
Building and Building Improvements	43,660,243	43,863,351
Machinery and Equipment	<u>2,565,069</u>	<u>1,726,657</u>
Total	<u>\$ 52,542,079</u>	<u>\$ 52,005,958</u>

Debt Administration

At June 30, 2015, the District had \$45,649,233 of outstanding long-term debt, consisting of bonds payable, compensated absences, net pension liability and capital leases. The District will continue to pay down its debt, as the obligations are due. Table A-7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term debt is presented in Note 4 to the financial statements.

**Table A-7
Long-Term Debt**

	Total School Debt <u>FY 2015</u>	<u>FY 2014</u>	Total <u>Percentage Change</u>
Capital Leases	\$4,538,539	\$4,935,359	-8.04%
Compensated Absences	1,052,344	1,081,266	-2.67%
Net Pension Liability	7,183,351		
Bonds Payable	<u>32,875,000</u>	<u>36,640,000</u>	<u>-10.28%</u>
	<u><u>\$45,649,233</u></u>	<u><u>\$42,656,625</u></u>	<u><u>7.02%</u></u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
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For the Future

The Flemington-Raritan Regional School District, encompassing 38 square miles, is a community of children and adults living, learning, and working together. In addition to fostering students' intellectual growth, we focus on enhancing their self-esteem and developing strong personal character.

The many programs we offer, in and beyond the classroom, provide opportunities for children to explore new interests, gain self-confidence, socialize, and learn from one another. Coupled with an outstanding instructional program, these stimulating experiences support and nurture the total child. Our commitment to staff development, high-quality instructional programs, enrichment activities, and enhancing student self-esteem support our philosophy of educational excellence. Our mission statement supports these endeavors:

The Flemington-Raritan Regional School District provides our students with an exceptional education, empowering them to become problem solvers, collaborators and critical thinkers. The district creates a culture in which students act responsibly and communicate effectively in preparing to become citizens in a changing, global society. It is the expectation of the Flemington-Raritan Regional School District that all pupils achieve the New Jersey Core Curriculum Content Standards at all grade levels.

We actively involve the community in our schools. Classroom volunteers, advisory study groups, guest speakers, and active Parent-Teacher Organizations significantly elevate the level of educational experiences we provide for our students.

The District's four elementary schools offer students in grades K-4 a comprehensive educational program emphasizing process instruction techniques, cooperative learning, and integration of subject content areas. The K-2 program uses a balanced literacy approach to reading while math and science are taught through hands-on experiences. In heterogeneous classes, these students also study social studies and use computers. The 3-4 program includes literature-based reading, process writing, hands-on math and science, social studies and computers, all taught in heterogeneous classes. Teachers develop themes to integrate content areas wherever possible. Related arts instruction includes art, music, computer education, library skills, physical education, health and family life and world languages. The elementary schools each have their own principal, vice principal, guidance counselor, nurse, and media specialist. They each also have G&T Math, G&T Stretch and RTI program.

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Reading-Fleming Intermediate School supports 5th and 6th grade students. The fifth grade program includes literature-based reading, process writing, hands-on math and science, social studies and computers, all taught in heterogeneous classes. Teachers develop themes to integrate content areas wherever possible. Related arts instruction includes art, music, computer education, library skills, physical education, health and family life and world languages. The sixth grade is organized as a house plan with academic teams. This supports the small school atmosphere while providing various course options. Each team of students is taught the academic subjects by a corresponding team of teachers who meet regularly to monitor student progress and plan instructional programs. Academic subjects include reading, language arts, math, science, and social studies. An expanded related arts curriculum includes instruction in world languages, art, music, computer education, library skills, physical education, and health and family life. The intermediate school houses a principal, vice principal, two counselors, and 1 and 1/2 nurses. They also have G&T Math, G&T Stretch and RTI program.

J.P. Case Middle School was opened in January 2006. It is organized as a house plan with academic teams at each grade level. This supports the small school atmosphere while providing various course options. Each team of students is taught the academic subjects by a corresponding team of teachers who meet regularly to monitor student progress and plan instructional programs. Academic subjects include reading, language arts, math, science, and social studies. An expanded related arts curriculum includes instruction in world languages, home economics, art, music, computer education, library skills, physical education, and health and family life. The middle school houses a principal, two vice principals, two counselors and one and a half nurses. They also have a G&T Stretch program.

An innovative district technology plan enhances our instructional program, facilitates and promotes independent and cooperative learning, provides relevance to students' lives and futures, and increases the probability of effective use of learned material. Our technology program extends beyond the classroom and traditional school day and prepares technologically literate students, staff, and parents.

The district provides a full range of special education programs and services. Multiple Disabled, Learning/Language Disabilities, Autism and Preschool Disabilities self-contained classes can be found throughout the district. Resource Center programs at each school offer in-class support as well as out-of-class instruction. In addition, related services of speech and occupational and physical therapy are provided to students requiring them.

The Board of Education supports an exemplary staff development plan, including a mentoring program for pre-tenured teachers and administrators. New staff members are also required to attend two days of new teacher orientation and, depending on classroom experience, up to five days of additional training. A series of after-school workshops by district staff are offered throughout the first year of teaching. The collective bargaining agreement with the Flemington-Raritan Education Association (FREA) also provides for required attendance at three full-day staff development programs, two half-day programs and eight 90-minute meetings.

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Contacting the School District's Financial Management Office

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact Mrs. Stephanie Voorhees, Business Administrator/Board Secretary, Flemington-Raritan Regional School District, 50 Court Street, Flemington, NJ 08822.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2015.

DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$3,255,098.15	\$170,550.34	\$3,425,648.49
Receivables, net	1,178,812.60	26,363.96	1,205,176.56
Inventory		29,100.45	29,100.45
Interfund receivable	12,328.81		12,328.81
Restricted assets:			
Restricted cash and cash equivalents	2,439,985.96		2,439,985.96
Capital assets:			
Land and construction in progress	5,561,426.77		5,561,426.77
Other capital assets, net of depreciation	46,742,154.65	238,497.88	46,980,652.53
Total Assets	59,189,806.94	464,512.63	59,654,319.57
DEFERRED OUTFLOW OF RESOURCES:			
Pension related	860,799.00		860,799.00
LIABILITIES:			
Accounts payable	400,907.83		400,907.83
Payable to state government	11,765.00		11,765.00
Unearned revenue	20,683.23	34,171.17	54,854.40
Accrued interest on bonds	180,439.58		180,439.58
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	2,356,008.31		2,356,008.31
Due beyond one year:			
Compensated absences payable	1,052,343.77		1,052,343.77
Net pension liability	7,183,351.00		7,183,351.00
Bonds and capital leases payable	35,057,530.20		35,057,530.20
Total liabilities	46,263,028.92	34,171.17	46,297,200.09
DEFERRED INFLOW OF RESOURCES:			
Pension related	428,089.00		428,089.00
Gain on Refunding of Long-Term Debt	1,366,816.00		1,366,816.00
Total deferred inflow of resources	1,794,905.00		1,794,905.00
NET POSITION:			
Net investment in capital assets	15,316,441.33	238,497.88	15,554,939.21
Restricted for:			
Capital projects fund	388,584.69		388,584.69
Other purposes	3,462,956.05		3,462,956.05
Unrestricted (deficit)	(7,175,310.05)	191,843.58	(6,983,466.47)
Total net position	\$11,992,672.02	\$430,341.46	\$12,423,013.48

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Indirect Expense Allocation	Programs Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 16,634,752.94	\$ 8,756,900.75	\$	\$ 2,048,716.52	\$ (23,342,937.17)	\$	\$ (23,342,937.17)
Special	7,544,706.71	1,889,909.67		1,340,411.10	(8,094,205.28)		(8,094,205.28)
Other Instruction	1,705,740.26	778,005.43		220,244.43	(2,263,501.26)		(2,263,501.26)
Support services:							
Tuition	364,956.71				(364,956.71)		(364,956.71)
Student and instruction related services	4,866,700.39	1,928,826.84		779,111.01	(6,016,416.22)		(6,016,416.22)
General administrative services	825,064.14	180,469.59		47,112.54	(958,421.19)		(958,421.19)
School administrative services	2,885,762.01	1,209,726.93		336,140.33	(3,759,348.61)		(3,759,348.61)
Central services	504,012.22	206,582.32		58,481.09	(652,113.45)		(652,113.45)
Administration information technology	398,383.23	163,157.71		46,188.08	(515,352.86)		(515,352.86)
Plant operations and maintenance	4,733,844.83	551,288.08		110,500.54	(5,174,632.37)		(5,174,632.37)
Pupil transportation	3,834,411.87	19,510.26		5,523.13	(3,848,399.00)		(3,848,399.00)
Unallocated benefits	13,809,914.58	(13,809,914.58)					
Charter Schools	22,159.00				(22,159.00)		(22,159.00)
Interest on Long-Term Debt	1,154,121.58			251,767.00	(902,354.58)		(902,354.58)
Unallocated depreciation	1,874,463.00	(1,874,463.00)					
Total governmental activities	61,158,993.47			5,244,195.77	(55,914,797.70)		(55,914,797.70)
Business-type activities							
Food Service	1,031,601.35		653,154.22	377,293.96		(1,153.17)	(1,153.17)
Total business-type activities	1,031,601.35		653,154.22	377,293.96		(1,153.17)	(1,153.17)
Total primary government	\$ 62,190,594.82	\$	\$ 653,154.22	\$ 5,621,489.73	\$ (55,914,797.70)	\$ (1,153.17)	\$ (55,915,950.87)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net			\$	46,307,968.00	\$		\$ 46,307,968.00
Taxes levied for debt service				3,127,206.00			3,127,206.00
Federal and state aid not restricted				6,722,569.03			6,722,569.03
Miscellaneous income				785,456.02		2,411.41	787,867.43
Total general revenues and special items				56,943,199.05		2,411.41	56,945,610.46
Change in net position				1,028,401.35		1,258.24	1,029,659.59
Net Position - beginning (as restated)					10,964,270.67	429,083.22	11,393,353.89
Net Position ending					\$ 11,992,672.02	\$ 430,341.46	\$ 12,423,013.48

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

MAJOR FUND FINANCIAL STATEMENTS

The individual fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by the fund type.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 3,116,644.16	\$	\$	\$ 138,453.99	\$ 3,255,098.15
Cash, Capital Reserve	646,104.32				646,104.32
Cash on hand with Fiscal Agents	1,793,881.64				1,793,881.64
Other receivables	135,443.53				135,443.53
Due from other funds	315,421.33				315,421.33
Receivables from other governments	280,361.98	309,901.06	453,106.03		1,043,369.07
Total assets	\$ 6,287,856.96	\$ 309,901.06	\$ 453,106.03	\$ 138,453.99	\$ 7,189,318.04
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 17,315.96	\$ 39,548.87	\$	\$	\$ 56,864.83
Interfund payables		238,571.18	64,521.34		303,092.52
Payable to state government		11,765.00			11,765.00
Unearned revenue	1,793,881.64	20,016.01			1,813,897.65
Total liabilities	1,811,197.60	309,901.06	64,521.34		2,185,620.00
Fund balances:					
Restricted for:					
Excess surplus	1,104,105.73				1,104,105.73
Excess surplus - designated for subsequent years expenditures	1,712,746.00				1,712,746.00
Capital reserve account	646,104.32				646,104.32
Capital projects			318,816.03		318,816.03
Debt service				138,453.99	138,453.99
Assigned to:					
Other purpose- encumbrances	346,787.36				346,787.36
Capital projects			69,768.66		69,768.66
Unassigned:					
General fund					
Undesignated	666,915.95				666,915.95
Total fund balances	4,476,659.36		388,584.69	138,453.99	5,003,698.04
Total liabilities and fund balances	\$ 6,287,856.96	\$ 309,901.06	\$ 453,106.03	\$ 138,453.99	\$ 7,189,318.04

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

Total Fund Balances (Brought Forward)	\$5,003,698.04
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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.

Cost of Assets	\$84,203,204.97	
Accumulated Depreciation	<u>(31,899,623.55)</u>	
		52,303,581.42

Long term liabilities, including bonds payable, and other related
amounts that are not due and payable in the current period
and therefore are not reported as liabilities in the funds.

Compensated Absences	(1,052,343.77)	
Bonds Payable	(32,875,000.00)	
Deferred Amount on Issuance of Refunding Bonds	(1,366,816.00)	
Net Pension Liability	(7,183,351.00)	
Capital Leases (Net of Unexpended Proceeds)	<u>(2,745,324.09)</u>	
		(45,222,834.86)

Deferred Outflows and Inflows of resources are applicable
to future periods and therefore are not reported in the funds.

Pensions:

Deferred Outflows:

Pension related	516,756.00	
Employer Contribution related to pensions	<u>106,330.00</u>	
		623,086.00

Deferred Inflows:

Pension related		(428,089.00)
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Certain liabilities are not due and payable in the current period
and therefore, are not reported in the governmental funds.

Accounts Payable - Pension Related	(106,330.00)	
Accrued Interest Payable	<u>(180,439.58)</u>	
		<u>(286,769.58)</u>

Net Position of Governmental Activities	<u><u>\$11,992,672.02</u></u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$46,307,968.00			\$3,127,206.00	\$49,435,174.00
Tuition	116,407.46				116,407.46
Interest on capital reserve	5,315.28				5,315.28
Miscellaneous	663,312.62	\$27,225.95		420.66	690,959.23
Total revenues - local sources	47,093,003.36	27,225.95		3,127,626.66	50,247,855.97
State sources	11,493,758.19	1,687.70	\$453,106.03	251,767.00	12,200,318.92
Federal sources		1,045,898.93			1,045,898.93
Total revenues	58,586,761.55	1,074,812.58	453,106.03	3,379,393.66	63,494,073.82
EXPENDITURES:					
Current expense:					
Regular instruction	17,361,875.21				17,361,875.21
Special instruction	6,884,250.83	819,930.10			7,704,180.93
Other Instruction	1,773,222.66				1,773,222.66
Support services:					
Tuition	525,579.18				525,579.18
Student and instruction related services	4,626,253.08	254,882.48			4,881,135.56
General administrative services	928,056.80				928,056.80
School administrative services	2,903,680.50				2,903,680.50
Central services	518,164.15				518,164.15
Administration information technology	432,240.35				432,240.35
Plant operations and maintenance	5,165,912.68				5,165,912.68
Pupil transportation	4,205,339.04				4,205,339.04
Unallocated benefits	13,838,836.43				13,838,836.43
Charter Schools	22,159.00				22,159.00
Debt Service:					
Principal				2,180,000.00	2,180,000.00
Interest				1,103,461.09	1,103,461.09
Capital outlay	795,977.83		1,133,641.34		1,929,619.17
Total expenditures	59,981,547.74	1,074,812.58	1,133,641.34	3,283,461.09	65,473,462.75
Excess (deficiency) of revenues over (under) expenditures	(1,394,786.19)		(680,535.31)	95,932.57	(1,979,388.93)
Other financing sources (uses):					
Transfers in/(out)	(1,069,120.00)		1,069,120.00		
Assets acquired under capital leases (non-budgeted)	6,825.00				6,825.00
Refunding Bond Proceeds				24,175,000.00	24,175,000.00
Premium on Bonds Issue				3,766,517.10	3,766,517.10
Payment to Refunded Bonds Escrow Agent				(27,728,453.56)	(27,728,453.56)
Cost of Issuance				(213,063.54)	(213,063.54)
Total other financing sources (uses)	(1,062,295.00)		1,069,120.00		6,825.00
Net change in fund balances	(2,457,081.19)		388,584.69	95,932.57	(1,972,563.93)
Fund balances, July 1, 2014	6,933,740.55			42,521.42	6,976,261.97
Fund balances, June 30, 2015	\$4,476,659.36	\$-0-	\$388,584.69	\$138,453.99	\$5,003,698.04

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

FLEMINGTON-RARITAN REGIONAL 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, 2015

Total net change in fund balances - governmental funds (from B-2)	(\$1,972,563.93)
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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	(1,874,463.00)
Capital outlays	2,433,501.34

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net positions and is not reported in the statement of activities.

Payment of bonds payable	2,180,000.00
Payment of capital lease payable	396,820.58

Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net positions.

Capital lease proceeds	(6,825.00)
Deferred amortization on issuance of refunding bonds	(72,727.00)

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.

22,066.51

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions	316,292.00	
Less: Pension expense	(422,622.00)	
		(106,330.00)

In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).

Decrease in Compensated Absences	28,921.85
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Change in net positions of governmental activities	\$1,028,401.35
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The accompanying Notes to the Financial Statements are an integral part of this statement.

OTHER FUNDS

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUND
MAJOR FUND
FOOD SERVICE
FUND

ASSETS:

Current assets:

Cash and cash equivalents	\$170,550.34
Intergovernmental Receivables:	
State	855.76
Federal	25,508.20
Inventories	29,100.45
	<hr/>
Total current assets	226,014.75
	<hr/>

Noncurrent assets:

Furniture, machinery and equipment	820,700.53
Less accumulated depreciation	(582,202.65)
	<hr/>
Total noncurrent assets	238,497.88
	<hr/>
Total assets	464,512.63
	<hr/>

LIABILITIES:

Current liabilities:

Unearned revenue	34,171.17
	<hr/>
Total current liabilities	34,171.17
	<hr/>
Total liabilities	34,171.17
	<hr/>

NET POSITION:

Net investment in capital assets	238,497.88
Unrestricted	191,843.58
	<hr/>
Total net position	\$430,341.46
	<hr/>

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES
	<u>ENTERPRISE FUND</u>
	MAJOR FUND
	FOOD SERVICE
	<u>FUND</u>
OPERATING REVENUES:	
Charges for services:	
Daily sales	\$652,455.51
Miscellaneous (Rebates)	698.71
	<hr/>
Total operating revenues	653,154.22
	<hr/>
OPERATING EXPENSES:	
Salaries	287,457.90
Employee Benefits	69,906.54
Other Purchase Service (Administrative Expenses)	32,100.00
General Supplies	10,998.02
Miscellaneous Expenditures	52,852.57
Depreciation	40,573.01
Cost of sales	537,713.31
	<hr/>
Total operating expenses	1,031,601.35
	<hr/>
Operating income (loss)	(378,447.13)
	<hr/>
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	10,158.54
Federal Sources:	
National School Lunch Program	262,209.62
National School Breakfast Program	43,417.83
National food distribution commodities	61,507.97
Interest on Investments	2,411.41
	<hr/>
Total nonoperating revenues	379,705.37
	<hr/>
Change in net position	1,258.24
	<hr/>
Total net position - beginning of the year	429,083.22
	<hr/>
Total net position - end of the year	\$430,341.46
	<hr/> <hr/>

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND MAJOR FUND FOOD SERVICE FUND
Cash flows from operating activities:	
Receipts from customers	\$656,167.41
Payments to employees	(287,457.90)
Payments to employee benefits	(69,906.54)
Payments to suppliers	(574,935.57)
	<hr/>
Net cash provided by (used for) operating activities	(276,132.60)
	<hr/>
Cash flows from noncapital financing activities:	
State Sources	10,147.92
Federal Sources	303,768.03
	<hr/>
Net cash provided by noncapital financing activities:	313,915.95
	<hr/>
Cash flows from capital and related financing activities:	
Purchases of capital assets	(17,656.20)
	<hr/>
Net cash provided by (used for) capital and related financing activities	(17,656.20)
	<hr/>
Cash flows from investing activities:	
Interest	2,411.41
	<hr/>
Net cash provided by (used for) investing activities	2,411.41
	<hr/>
Net increase (decrease) in cash and cash equivalents	22,538.56
Cash and cash equivalents, July 1, 2014	148,011.78
	<hr/>
Cash and cash equivalents, June 30, 2015	\$170,550.34
	<hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(\$378,447.13)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	40,573.01
Federal commodities	61,507.97
Change in assets and liabilities:	
(Increase) Decrease in inventories	(3,969.62)
Increase (Decrease) in deferred revenue	4,203.17
	<hr/>
	102,314.53
	<hr/>
Net cash provided by (used for) operating activities	(\$276,132.60)
	<hr/>

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>UNEMPLOYMENT COMPENSATION FUND</u>	<u>AGENCY FUNDS</u>
ASSETS:		
Cash and cash equivalents	\$299,619.55	\$416,764.40
Intrafunds receivable	15,822.97	
	<hr/>	<hr/>
Total assets	<u>\$315,442.52</u>	<u>\$416,764.40</u>
LIABILITIES:		
Interfunds Payable		\$12,328.81
Intrafunds Payable		15,822.97
Payroll deductions and withholdings		281,006.06
Payable to student groups		107,606.56
	<hr/>	<hr/>
Total liabilities	<hr/>	<u>\$416,764.40</u>
NET POSITION:		
Held in trust for unemployment claims	<hr/>	<hr/>
	\$315,442.52	
	<hr/>	<hr/>
Total net position	<u>\$315,442.52</u>	<u>\$-0-</u>

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

UNEMPLOYMENT
COMPENSATION FUND

ADDITIONS:

Contributions:

Plan Members	\$82,411.00
Total contributions	<u>82,411.00</u>

Investment earnings:

Interest	1,034.52
Net investment earnings	<u>1,034.52</u>

Total additions	<u>83,445.52</u>
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DEDUCTIONS:

Unemployment claims	83,392.60
Total deductions	<u>83,392.60</u>

Change in net position	52.92
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Net position - beginning of the year	<u>315,389.60</u>
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Net position - end of the year	<u><u>\$315,442.52</u></u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Flemington-Raritan Regional School District (the District) have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity

The Flemington-Raritan Regional School District is a Type II District located in Hunterdon County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include four elementary schools, an intermediate school (Grades 5-6) and a middle school (Grades 7-8). There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation, Basis of Accounting

The District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

District-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements are presented for each fund category - governmental, proprietary, and fiduciary. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Governmental Fund Types

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

As required by the New Jersey State 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, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed 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; in certain instances approval by the County Superintendent of Schools may also be required.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are restricted or committed to expenditures for specified purposes.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

Capital Projects Fund - Capital project funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Debt Service Fund - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Fund

Enterprise Fund - The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Fund Types

Agency Funds – The agency funds are used to account for assets held by the district on behalf of others and are custodial in nature. The agency funds included in this category are as follows:

Unemployment Compensation Insurance Trust Fund - A trust fund used to account for assets to finance the costs of unemployment benefits. Since the Board has adopted the direct reimbursement method, the District is under obligation to appropriate sufficient funds out of its general fund and hold them in trust for this purpose.

Payroll and Student Activities Funds (Agency) - These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Basis of Accounting – Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Districtwide, Proprietary, and Fiduciary Fund Financial Statements: The Districtwide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Val Orem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus (Continued)

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transactions can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

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 elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. 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. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 totaled \$525,068.00, representing the Board resolution to transfer funds from the Capital Reserve Fund.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of deferred State Aid payments for budgetary purposes only and the accounting treatment of encumbrances in the special revenue fund as described 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 records.

Encumbrance Accounting

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

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Open encumbrances in the special revenue fund and capital projects fund for which the District has received advances are reflected in the balance sheet as deferred revenues 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.

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future period, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's 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 the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave and vacation days that are expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

Unearned Revenue

Unearned revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable practice under generally accepted accounting principles.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long term debt is recognized as a liability on the fund financial statements when due.

Net Position

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. In compliance with GASB 63, the Statement of Net Assets has been renamed the Statement of Net Position. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. 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. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions

The District implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This new Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

Under the new standard, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Emergency Reserve, Maintenance Reserve and Excess Surplus as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education. The District reports amounts Designated for Subsequent Year's Expenditures as Committed Fund Balance.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances as Assigned Fund Balance.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions (Continued)

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed. The general fund is the only fund that will report a negative unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make assumptions that affect the amounts reported as revenue and expenditures/expenses during the reporting period. These estimates may differ from actual results.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions (Continued)

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions (Continued)

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amounts from a loss on refunding debt and deferred amounts related to pensions.

In addition to liabilities, the statement of financial 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 period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the District has two items that qualify for reporting in this category, deferred amounts from a gain on refunding debt and deferred amounts related to pensions.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The District considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), 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 the deposits to the governmental unit.

As of June 30, 2015, cash and cash equivalents of the District consisted of the following:

<u>Fund Type</u>	<u>Bank Balance</u>	<u>NJ Cash Management</u>	<u>Reconciling Items</u>		<u>Reconciled Balance</u>
			<u>Additions</u>	<u>Deletions</u>	
Governmental	\$4,662,304.75	\$656,630.89		\$1,417,733.17	\$3,901,202.47
Proprietary	170,550.34				170,550.34
Fiduciary	1,261,919.08		\$1,228.08	546,763.21	716,383.95
	<u>\$6,094,774.17</u>	<u>\$656,630.89</u>	<u>\$1,228.08</u>	<u>\$1,964,496.38</u>	<u>\$4,788,136.76</u>

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2015, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$250,000.00 was covered by Federal Depository Insurance and \$5,844,774.17 was covered by NJ GUDPA. The New Jersey Cash Management Fund is an investment pool and is not insured by either FDIC or GUDPA.

Investments

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2015, the District has \$656,630.89 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,399,641.19	\$	\$	\$ 2,399,641.19
Construction in Progress	<u>3,154,960.58</u>	<u>6,825.00</u>		<u>3,161,785.58</u>
Total Capital assets not being depreciated	<u>5,554,601.77</u>	<u>6,825.00</u>		<u>5,561,426.77</u>
Land Improvements	3,472,818.82			3,472,818.82
Building and Building Improvements	65,345,985.87	1,133,641.34		66,479,627.21
Furniture and Equipment	<u>7,555,509.67</u>	<u>1,293,035.00</u>	<u>159,212.50</u>	<u>8,689,332.17</u>
Totals as historical cost	<u>76,374,314.36</u>	<u>2,426,676.34</u>	<u>159,212.50</u>	<u>78,641,778.20</u>
Total Gross assets (Memo only)	<u>\$ 81,928,916.13</u>	<u>\$ 2,433,501.34</u>	<u>\$ 159,212.50</u>	<u>\$ 84,203,204.97</u>
Less: Accumulated Depreciation for:				
Land Improvements	\$ (2,611,470.90)	\$ (106,007.56)	\$	\$ (2,717,478.46)
Building and Building Improvements	(21,482,634.56)	(1,336,749.94)		(22,819,384.50)
Furniture and Equipment	<u>(6,090,267.59)</u>	<u>(431,705.50)</u>	<u>(159,212.50)</u>	<u>(6,362,760.59)</u>
Total depreciation	<u>(30,184,373.05)</u>	<u>(1,874,463.00)</u>	<u>(159,212.50)</u>	<u>(31,899,623.55)</u>
Total Capital assets being depreciated net of accumulated depreciation	<u>46,189,941.31</u>	<u>552,213.34</u>		<u>46,742,154.65</u>
Governmental activities capital assets, net	<u>\$ 51,744,543.08</u>	<u>\$ 559,038.34</u>	<u>\$</u>	<u>\$ 52,303,581.42</u>
Business-type activities:				
Equipment	\$ 805,244.33	\$ 17,656.20	\$ 2,200.00	\$ 820,700.53
Less: Accumulated Depreciation	<u>(543,829.64)</u>	<u>(40,573.01)</u>	<u>(2,200.00)</u>	<u>(582,202.65)</u>
Proprietary fund capital assets, net	<u>\$ 261,414.69</u>	<u>\$ (22,916.81)</u>	<u>\$</u>	<u>\$ 238,497.88</u>
Total Capital Assets - All Funds, net	<u>\$ 52,005,957.77</u>	<u>\$ 536,121.53</u>	<u>\$</u>	<u>\$ 52,542,079.30</u>

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)

Depreciation Expense was charged to governmental expenses as follows:

Instruction:

Regular	\$ 1,517,940.14
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Specials	62,044.73
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Support Services:

Student and Instruction Related Services	81,351.69
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General Administrative Services	52,297.52
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School Administrative Services	10,309.55
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Plant Operations and Maintenance	<u>150,519.37</u>
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	\$ <u><u>1,874,463.00</u></u>
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Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 4: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2015:

	Bonds Payable	Net Pension Liability	Leases Payable	Compensated Absences Payable	Total
Balance June 30, 2014	\$ 36,640,000.00	\$ 6,988,354.00	\$ 4,935,359.09	\$ 1,081,265.62	\$ 49,644,978.71
Additions	24,175,000.00	194,997.00		1,708.30	24,371,705.30
	60,815,000.00	7,183,351.00	4,935,359.09	1,082,973.92	74,016,684.01
Deletions	27,940,000.00		396,820.58	30,630.15	28,367,450.73
Balance June 30, 2015	\$ 32,875,000.00	\$ 7,183,351.00	\$ 4,538,538.51	\$ 1,052,343.77	\$ 45,649,233.28
Amounts due within one year	\$ 2,005,000.00		\$ 351,008.31		\$ 2,356,008.31

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable

The annual requirements to amortize all debt outstanding as of June 30, 2015, with interest payments on issued debt, are as follows:

Fiscal Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,005,000.00	\$ 1,418,600.00	\$ 3,423,600.00
2017	1,955,000.00	1,331,000.00	3,286,000.00
2018	2,050,000.00	1,245,050.00	3,295,050.00
2019	2,140,000.00	1,163,050.00	3,303,050.00
2020	2,235,000.00	1,077,450.00	3,312,450.00
2021	2,345,000.00	988,050.00	3,333,050.00
2022	2,455,000.00	894,250.00	3,349,250.00
2023	2,570,000.00	796,050.00	3,366,050.00
2024	2,685,000.00	693,250.00	3,378,250.00
2025	2,810,000.00	585,850.00	3,395,850.00
2026	2,965,000.00	445,550.00	3,410,550.00
2027	3,130,000.00	297,500.00	3,427,500.00
2028	<u>3,530,000.00</u>	<u>141,200.00</u>	<u>3,671,200.00</u>
	<u>\$ 32,875,000.00</u>	<u>\$ 11,076,850.00</u>	<u>\$ 43,951,850.00</u>

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

The District has entered into a lease agreement for energy savings equipment in the amount of \$4,955,000.00. The capital lease is for a term of 15 years at an interest rate of 2.213%. The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2015:

<u>Year</u>	<u>Amount</u>
2016	\$ 448,008.51
2017	353,067.54
2018	360,939.09
2019	362,092.02
2020	377,420.34
2021-2025	2,022,915.48
2026-2028	<u>1,323,121.85</u>
Total minimum lease payments	5,247,564.83
Less: Amounts representing interest	<u>709,026.32</u>
Present value of net minimum lease payment	<u><u>\$ 4,538,538.51</u></u>

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 5: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, N.J., 08625 or on line at www.state.nj.us/treasury/pensions.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (*i.e.* the State of New Jersey makes the employer contribution on behalf of public school districts).

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2015	\$316,292.00	100.00%	\$316,292.00
2014	\$275,512.00	100.00%	\$275,512.00
2013	\$493,423.00	100.00%	\$493,423.00

<u>Three-Year Trend Information for TPAF (Paid On-Behalf of the District)</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2015	\$1,306,679.00	100.00%	\$1,306,679.00
2014	\$995,926.00	100.00%	\$995,926.00
2013	\$1,533,155.00	100.00%	\$1,533,155.00

Also, in accordance with N.J.S.A. 18A:66-66 during the years ended June 30, 2014, 2013 and 2012, the State of New Jersey reimbursed the District \$1,843,262.19, \$1,803,263.94 and \$1,790,506.36 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported a liability of \$7,183,351.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating local units, actuarially determined. At June 30, 2014, the District's proportion was 0.0383669983 percent, which was a decrease of 0.0018017072 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$422,622.00. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Changes of assumptions		\$225,883.00
Net difference between projected and actual earnings on pension plan investments	\$428,089.00	
Changes in proportion and differences between District contributions and proportionate share of contributions		290,873.00
District contributions subsequent to the measurement date		344,043.00
	<u>\$428,089.00</u>	<u>\$860,799.00</u>

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(Continued)

Public Employees Retirement System (PERS) (Continued)

The \$344,043.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
2016	(\$65,499.54)
2017	(\$65,499.54)
2018	(\$65,499.54)
2019	\$41,522.63
Thereafter	\$18,269.96

Additional Information

Collective balances at June 30, 2014 and 2013 are as follows:

	<u>6/30/2014</u>	<u>6/30/2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	19,111,986,911
District's Proportion	0.0383669983%	0.0365652911%

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.01 Percent
Salary Increases	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

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

Mortality Rates

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

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

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

Sensitivity of the collective net pension liability to changes in the discount rate.

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

	June 30, 2014		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.39%</u>	<u>5.39%</u>	<u>6.39%</u>
District's proportionate share of the pension liability	9,036,901.00	7,183,351.00	5,626,842.00

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$125,824,647</u>
	<u><u>\$125,824,647</u></u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .2354205977%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$6,770,547.00 for contributions provided by the State.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Mortality rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate- Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	<u>100.00%</u>	

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

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

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

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 7: OTHER POST-RETIREMENT BENEFITS

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 7: OTHER POST-RETIREMENT BENEFITS (CONTINUED)

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on state disability retirement. P.L. 2007, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees eligible for post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2015, 2014 and 2013 were \$2,074,354, \$1,632,945 and \$1,733,612, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 8: LITIGATION

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position.

NOTE 9: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2014-2015 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The District management does not believe such an audit would result in material amounts of disallowed costs.

NOTE 10: RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 10: RISK MANAGEMENT (CONTINUED)

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 table on the following page is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal</u> <u>Year</u>	<u>Interest</u> <u>Earnings</u>	<u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2014-15	\$ 1,034.52	\$ 82,411.00	\$ 83,392.60	\$ 315,442.52
2013-14	898.88	79,448.36	71,252.13	315,389.60
2012-13	329.84	263,211.27	109,650.18	306,294.49

NOTE 11: COMPENSATED ABSENCES

The District accounts for compensated absences (e.g. unused vacation and 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 amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the Districts agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2015, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$1,052,343.77.

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, 2015 no liability existed for compensated absences in the proprietary fund.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 12: FUND BALANCE APPROPRIATED

General Fund – The table below reflects the District's Fund Balance at June 30, 2015 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	<u>Budgetary</u> <u>Basis</u>	<u>Adjustment</u>	<u>GAAP</u> <u>Basis</u>
Restricted for:			
Excess surplus:			
Designated for subsequent			
years expenditures	\$ 1,712,746.00	\$	\$ 1,712,746.00
Current year	1,104,105.73		1,104,105.73
Capital reserve	646,104.32		646,104.32
Assigned to:			
Encumbrances	346,787.36		346,787.36
Unassigned	<u>1,267,047.95</u>	<u>(600,132.00)</u>	<u>666,915.95</u>
	<u>\$ 5,076,791.36</u>	<u>\$ (600,132.00)</u>	<u>\$ 4,476,659.36</u>

Debt Service Fund – Of the \$138,453.99 in Debt Service Fund fund balance at June 30, 2015, \$0- has been appropriated and included as anticipated revenue in the 2015-2016 Budget and \$138,453.99 is committed to debt service.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

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

General Fund Expenditures	
Fiscal Year Ended June 30, 2015	\$59,981,547.74
Add:	
Transfer from Capital Outlay to Capital Projects Fund	544,052.00
Transfer from Capital Reserve to Capital Projects Fund	525,068.00
Less:	
On-behalf TPAF Pension and Social Security Reimbursement	5,224,295.19
Assets acquired under Capital Leases	<u>6,825.00</u>
Adjusted General Fund Expenditures	\$55,819,547.55
Excess Surplus Percentage	<u>2.00%</u>
2% of Adjusted 2014-15 General Fund Expenditures	1,116,390.95
Add: Allowable Adjustments	150,657.00
Maximum Unreserved/Undesignated Fund Balance	1,267,047.95
Actual Unreserved/Undesignated Fund Balance	<u>2,371,153.68</u>
Excess Surplus - current year	<u><u>\$1,104,105.73</u></u>
Recapitulation of Excess Surplus, June 30, 2015:	
Current Year	\$1,104,105.73
Prior Year - Designated for Subsequent Year's Expenditures	<u>1,712,746.00</u>
	<u><u>\$2,816,851.73</u></u>

Based on the above calculation, as of June 30, 2015, \$1,712,746.00 is reported as Reserved Fund Balance - Excess Surplus Designated for Subsequent Year's Expenditure and was required to be appropriated for property tax relief in the 2015-16 budget. \$1,104,105.73 is reported as Restricted Fund Balance - Excess Surplus and is required to be appropriated for property tax relief in the 2016-17 budget.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$ 315,421.33	
Special Revenue Fund		238,571.18
Capital Projects Fund		64,521.34
Payroll Agency Fund		12,328.81
	\$ <u>315,421.33</u>	<u>315,421.33</u>

The interfund balance resulted from interest earned in the payroll agency fund that has not been turned over to the General Fund and a cash deficit in the Special Revenue Fund and Capital Projects Fund.

NOTE 15: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District by the inclusion of \$1.00 in the 2000-2001 school year 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 of Education, 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 appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A: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.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)

Capital Reserve Account

Beginning balance, July 1, 2014		\$1,056,596.04
Transferred by Board Resolution	\$109,261.00	
Interest earned	<u>5,315.28</u>	
		<u>114,576.28</u>
		1,171,172.32
Withdrawals		
Transfer to Capital Projects		<u>525,068.00</u>
Ending balance, June 30, 2015		<u><u>\$646,104.32</u></u>

NOTE 16: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit 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. Since the Board does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2015.

NOTE 17: INVENTORY

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food and Supplies	<u>\$29,100.45</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 18: PRIOR PERIOD ADJUSTMENT

As stated in Note 6 in FY2015, the District implemented GASB 68. As a result, the District's Net Position at June 30, 2014 was restated as follows:

		Governmental <u>Activities</u>
Beginning Net Position 06/30/14	\$	17,952,624.67
Adjustments:		
Recognition of Net Pension Liability		<u>(6,988,354.00)</u>
Beginning Net Position 06/30/14 (As restated)	\$	<u><u>10,964,270.67</u></u>

NOTE 19: SUBSEQUENT EVENTS

The District has evaluated material subsequent events occurring after the financial statement date through December 7, 2015 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events needed to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local sources:					
Local tax levy	\$ 46,307,968.00	\$	\$ 46,307,968.00	\$ 46,307,968.00	\$
Tuition from LEAs				116,407.46	116,407.46
Interest earned on capital reserve funds				5,315.28	5,315.28
Unrestricted miscellaneous revenues	245,000.00		245,000.00	663,312.62	418,312.62
Total revenues-local sources	46,552,968.00		46,552,968.00	47,093,003.36	540,035.36
State sources:					
Extraordinary aid				136,702.00	136,702.00
Categorical special education aid	2,067,960.00		2,067,960.00	2,067,960.00	
Equalization aid	3,583,525.00		3,583,525.00	3,583,525.00	
Categorical security aid	133,295.00		133,295.00	133,295.00	
Categorical Transportation aid	276,640.00		276,640.00	276,640.00	
Non public transportation aid				13,955.00	13,955.00
Other State Aids-Out of Cap	64,930.00		64,930.00	64,930.00	
Reimbursed TPAF social security contributions (non-budgeted)				1,843,262.19	1,843,262.19
On-behalf TPAF post retirement medical (non-budgeted)				2,074,354.00	2,074,354.00
On-behalf TPAF pension contributions (non-budgeted)				1,306,679.00	1,306,679.00
Total - state sources	6,126,350.00		6,126,350.00	11,501,302.19	5,374,952.19
Total revenues	52,679,318.00		52,679,318.00	58,594,305.55	5,914,987.55
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	815,816.00	346,157.78	1,161,973.78	1,161,963.55	10.23
Grades 1-5	9,489,049.00	(149,981.54)	9,339,067.46	9,337,117.69	1,949.77
Grades 6-8	5,459,041.00	88,714.33	5,547,755.33	5,546,856.54	898.79
Regular programs - home instruction:					
Salaries of teachers	5,000.00	(4,693.80)	306.20	306.20	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Regular programs - Undistributed Instruction:					
Purchased Professional Educational Services	\$ 188,229.00	\$ (8,950.95)	\$ 179,278.05	\$ 176,996.19	\$ 2,281.86
Other Purchased Services (400-500 series)	27,801.00	45,263.58	73,064.58	69,942.91	3,121.67
General Supplies	1,055,988.28	21,815.96	1,077,804.24	1,067,345.38	10,458.86
Textbooks	3,281.00	(2,419.25)	861.75	861.75	
Other Objects	975.00	(294.00)	681.00	485.00	196.00
Total Regular Programs	17,045,180.28	335,612.11	17,380,792.39	17,361,875.21	18,917.18
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	576,303.00	(44,403.51)	531,899.49	531,899.49	
Other Salaries for Instruction	13,573.00	(13,573.00)			
Purchased Professional Educational Services	594,718.00	30,767.79	625,485.79	625,485.79	
Other Purchased Services (400-500 series)	810.00		810.00	99.00	711.00
General Supplies	9,000.00	(2,507.51)	6,492.49	5,620.16	872.33
Total Learning and/or Language Disabilities	1,194,404.00	(29,716.23)	1,164,687.77	1,163,104.44	1,583.33
Special education - instruction					
Behavioral Disabilities:					
Salaries of Teachers	157,199.00	37,500.00	194,699.00	190,113.30	4,585.70
Total Behavioral Disabilities	157,199.00	37,500.00	194,699.00	190,113.30	4,585.70
Multiple Disabilities:					
Salaries of Teachers	346,152.00	(58,251.05)	287,900.95	287,900.95	
Other Salaries for Instruction	27,147.00	(27,147.00)			
Purchased Professional- Educational Services	594,718.00	(59,581.78)	535,136.22	534,978.12	158.10
Other Purchased Services (400-500 series)	450.00		450.00	414.00	36.00
General Supplies	5,000.00		5,000.00	4,690.17	309.83
Total Multiple Disabilities	973,467.00	(144,979.83)	828,487.17	827,983.24	503.93
Resource Room/ Resource Center:					
Salaries of Teachers	1,905,120.00	179,834.21	2,084,954.21	2,082,973.21	1,981.00
Purchased Professional- Educational Services	594,718.00	(59,739.47)	534,978.53	534,978.14	0.39
Other Purchased Services (400-500 series)	3,335.00	(500.00)	2,835.00	925.36	1,909.64
General Supplies	32,300.00	(3,673.65)	28,626.35	25,102.73	3,523.62
Total Resource Room/ Resource Center	2,535,473.00	115,921.09	2,651,394.09	2,643,979.44	7,414.65

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Autism:					
Salaries of Teachers	\$ 503,755.00	\$ 38,034.47	\$ 541,789.47	\$ 541,789.47	
Other Salaries for Instruction	16,967.00	(16,967.00)			
Purchased Professional- Educational Services	594,718.00	(59,739.89)	534,978.11	534,978.11	
Other Purchased Services (400-500 series)	450.00		450.00	447.45	2.55
General Supplies	5,000.00	(3,254.34)	1,745.66	1,629.64	116.02
Total Autism	1,120,890.00	(41,926.76)	1,078,963.24	1,078,844.67	118.57
Preschool Disabilities - Part Time:					
Salaries of Teachers	292,278.00	506.70	292,784.70	289,218.68	3,566.02
Other Salaries for Instruction	6,787.00	(6,787.00)			
Purchased Professional Educational Services	594,718.00	(59,378.61)	535,339.39	534,983.14	356.25
Other Purchased Services (400-500 series)	180.00		180.00	139.89	40.11
General Supplies	2,000.00		2,000.00	1,262.68	737.32
Total Preschool Disabilities - Part Time	895,963.00	(65,658.91)	830,304.09	825,604.39	4,699.70
Preschool Disabilities - Full Time:					
Salaries of Teachers	181,366.00	(30,000.00)	151,366.00	149,320.76	2,045.24
Other Salaries for Instruction	20,360.00	(20,360.00)			
Purchased Professional- Educational Services	7,000.00	(3,020.18)	3,979.82	1,349.60	2,630.22
Other Purchased Services (400-500 series)	90.00		90.00	90.00	
General Supplies	2,000.00		2,000.00	492.78	1,507.22
Total Preschool Disabilities - Full Time	210,816.00	(53,380.18)	157,435.82	151,253.14	6,182.68
Home Instruction:					
Salaries of Teachers	5,000.00	153.10	5,153.10	3,368.21	1,784.89
Total Home Instruction	5,000.00	153.10	5,153.10	3,368.21	1,784.89
Total Special Education - Instruction	7,093,212.00	(182,087.72)	6,911,124.28	6,884,250.83	26,873.45
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,254,070.00	(57,076.85)	1,196,993.15	1,196,993.15	
General Supplies	16,200.00	(7,705.21)	8,494.79	8,457.34	37.45
Total Basic Skills/Remedial - Instruction	1,270,270.00	(64,782.06)	1,205,487.94	1,205,450.49	37.45

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Bilingual education - Instruction:					
Salaries of Teachers	\$ 372,379.00	\$ 6,230.74	\$ 378,609.74	\$ 378,609.74	
Other Purchased Services (400-500 series)	1,939.00	(1,738.00)	201.00	118.66	82.34
General Supplies	11,299.00	(6,239.51)	5,059.49	5,058.49	1.00
Textbooks	10,376.76	(4,269.83)	6,106.93	2,970.45	3,136.48
Other Objects	210.00	(209.00)	1.00		1.00
Total Bilingual Education - Instruction	396,203.76	(6,225.60)	389,978.16	386,757.34	3,220.82
School Sponsored Co/Extra Curricular Activities - Instruction:					
Salaries	75,721.00	6,220.00	81,941.00	66,599.81	15,341.19
Supplies and Materials	200.00		200.00		200.00
Total School Sponsored Co/Extra Curricular Activities - Instruction	75,921.00	6,220.00	82,141.00	66,599.81	15,541.19
School Sponsored Athletics - Instruction:					
Salaries	118,461.00	(7,640.00)	110,821.00	82,826.54	27,994.46
Purchased Services (300-500 series)	14,630.00	4,600.00	19,230.00	18,007.23	1,222.77
Supplies and Materials	18,204.00	(4,600.00)	13,604.00	13,581.25	22.75
Total School Sponsored Athletics - Instruction	151,295.00	(7,640.00)	143,655.00	114,415.02	29,239.98
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the State - Regular		15,564.00	15,564.00	15,525.70	38.30
Tuition to CSSD & Regular Day Schools	64,000.00	(6,452.00)	57,548.00	57,547.90	0.10
Tuition to Private Schools for the Disabled W/I State	441,137.50	11,475.18	452,612.68	452,505.58	107.10
Total Undistributed Expenditures - Instruction	505,137.50	20,587.18	525,724.68	525,579.18	145.50
Undistributed Expenditures - Health Services:					
Salaries	664,527.00	(20,568.61)	643,958.39	643,356.74	601.65
Purchased Professional and Technical Services	6,000.00		6,000.00	4,170.00	1,830.00
Other Purchased Services (400-500 series)	17,650.00	(1,192.00)	16,458.00	16,415.00	43.00
Supplies and Materials	15,000.00	(410.00)	14,590.00	12,825.93	1,764.07
Total Undistributed Expenditures - Health Services	703,177.00	(22,170.61)	681,006.39	676,767.67	4,238.72
Undistributed Expend - Speech, OT, PT and Related Services:					
Salaries	548,856.00	89,711.64	638,567.64	638,567.64	
Purchased professional - Educational Services	164,370.00	522.00	164,892.00	156,772.71	8,119.29
Travel		175.00	175.00	175.00	
Supplies and materials	3,900.00	(251.00)	3,649.00	3,620.86	28.14
Other Objects		1,246.00	1,246.00	1,246.00	
Total Undistributed Expend - Speech, OT, PT and Related Services	717,126.00	91,403.64	808,529.64	800,382.21	8,147.43

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	\$ 524,401.00	\$ (4,370.23)	\$ 520,030.77	\$ 519,734.19	\$ 296.58
Salaries of Secretarial and Clerical Assistants	121,830.00	(2,000.00)	119,830.00	118,054.32	1,775.68
Purchased Professional - Educational Services		9,298.00	9,298.00	2,809.34	6,488.66
Other Purchased Services (400-500 series)	9,800.00	(9,799.00)	1.00		1.00
Supplies and Materials	16,227.00	(11,766.55)	4,460.45	4,459.45	1.00
Total Undistributed Expenditures - Guidance	672,258.00	(18,637.78)	653,620.22	645,057.30	8,562.92
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	803,642.00	(65,028.96)	738,613.04	737,329.11	1,283.93
Salaries of Secretarial and Clerical Assistants	114,436.00	(15,100.00)	99,336.00	98,662.59	673.41
Purchased Professional - Educational Services	75,000.00	(75,000.00)			
Other Purchased Professional and Technical Services	6,430.00	69,937.25	76,367.25	72,352.25	4,015.00
Miscellaneous Purchased Services (400-500 series o/than resid. cost)	27,312.40	(9,174.79)	18,137.61	15,319.03	2,818.58
Supplies and Materials	21,850.00		21,850.00	21,054.42	795.58
Total Undistributed Expenditures - Child Study Teams	1,048,670.40	(94,366.50)	954,303.90	944,717.40	9,586.50
Undistributed Expenditures - Improvement of Instr. Serv.					
Salaries of Supervisors of Instruction	246,170.00	15,852.30	262,022.30	262,022.30	
Salaries of Other Professional Staff	66,644.00	(16,291.16)	50,352.84	50,352.84	
Salaries of Secretarial and Clerical Assistants	28,521.00	(644.41)	27,876.59	27,876.59	
Other Purchased Services (400-500 series)	46,833.32	(13,759.17)	33,074.15	29,306.76	3,767.39
Supplies and Materials	87,768.70	(70,344.00)	17,424.70	10,989.29	6,435.41
Other Objects	7,414.00	(407.97)	7,006.03	5,849.00	1,157.03
Total Undistributed Expenditures - Improvement of Instr. Serv.	483,351.02	(85,594.41)	397,756.61	386,396.78	11,359.83
Undistributed Expend. - Educational Media Serv./School Library:					
Salaries	514,196.00	(1,437.84)	512,758.16	501,696.51	11,061.65
Purchased Professional and Technical Services	14,850.35	(921.95)	13,928.40	13,314.19	614.21
Other Purchased Services (400-500 series)	1,241.00	11,697.55	12,938.55	12,560.50	378.05
Supplies and Materials	89,006.72	(15,964.20)	73,042.52	71,675.58	1,366.94
Other Objects	2,987.00	(1,802.00)	1,185.00		1,185.00
Total Undistributed Expend. - Educational Media Serv./School Library	622,281.07	(8,428.44)	613,852.63	599,246.78	14,605.85

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	\$ 354,254.00	\$ 34,122.24	\$ 388,376.24	\$ 388,371.87	\$ 4.37
Salaries of Other Professional Staff	35,566.00	(12,237.38)	23,328.62	23,328.62	
Salaries of Secretarial and Clerical Assistants	85,564.00	(2,091.00)	83,473.00	83,472.70	0.30
Other Salaries	21,900.00	(8,790.00)	13,110.00	13,110.00	
Other Purchased Professional and Technical Services	33,000.00	(14,899.00)	18,101.00	18,100.00	1.00
Other Purchased Services (400-500 series)	31,915.00	6,329.59	38,244.59	34,833.28	3,411.31
Supplies and Materials	15,834.91	(3,328.65)	12,506.26	12,468.47	37.79
Total Undistributed Expend - Instructional Staff Training Services	578,033.91	(894.20)	577,139.71	573,684.94	3,454.77
Undistributed Expend -Support Services-General Administration:					
Salaries	361,456.00	7,595.89	369,051.89	369,001.42	50.47
Legal Services	244,658.23	12,512.44	257,170.67	236,808.73	20,361.94
Other Purchased Professional Services	96,364.52	(31,709.69)	64,654.83	64,654.83	
Purchased Technical Services	52,136.00		52,136.00	46,381.72	5,754.28
Communications/Telephone	219,513.00	(47,984.22)	171,528.78	147,164.28	24,364.50
Misc. Purchased Services (400-500 series, O/T 530 & 585)	15,650.00	(1,483.66)	14,166.34	13,965.89	200.45
General Supplies	16,750.00	(1,263.05)	15,486.95	14,749.92	737.03
BOE In-house Training/Meeting Supplies	956.00		956.00	176.00	780.00
Miscellaneous Expenditures	14,650.00	(2,799.00)	11,851.00	9,581.96	2,269.04
BOE Membership Dues and Fees	25,000.00	572.05	25,572.05	25,572.05	
Total Undistributed Expend -Support Services-General Administration	1,047,133.75	(64,559.24)	982,574.51	928,056.80	54,517.71
Undistributed Expend -Support Services- School Administration:					
Salaries of Principals/Assistant Principals	1,621,832.00	8,202.69	1,630,034.69	1,629,794.10	240.59
Salaries of Other Professional Staff	172,933.00	9,025.45	181,958.45	181,958.38	0.07
Salaries of Secretarial and Clerical Assistants	812,961.00	9,049.50	822,010.50	821,012.79	997.71
Purchased Professional and Technical Services	39,310.00		39,310.00	38,489.20	820.80
Other Purchased Services (400-500 series)	141,612.81	7,134.64	148,747.45	139,848.34	8,899.11
Supplies and Materials	80,298.00	(2,049.66)	78,248.34	77,155.69	1,092.65
Other Objects	16,266.00	(54.00)	16,212.00	15,422.00	790.00
Total Undistributed Expend -Support Services- School Administration	2,885,212.81	31,308.62	2,916,521.43	2,903,680.50	12,840.93

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend. - Central Services					
Salaries	\$ 460,908.00	\$	\$ 460,908.00	\$ 458,043.78	\$ 2,864.22
Purchased Professional Services	11,000.00		11,000.00	10,600.00	400.00
Purchased Technical Services	40,000.00		40,000.00	36,051.40	3,948.60
Miscellaneous Purchased Services (400-500 series, O/T 594)	3,000.00	143.14	3,143.14	1,297.10	1,846.04
Supplies and Materials	13,000.00	(143.14)	12,856.86	10,951.87	1,904.99
Other Objects	6,000.00		6,000.00	1,220.00	4,780.00
Total Undistributed Expend. - Central Services	533,908.00		533,908.00	518,164.15	15,743.85
Undistributed Expend. - Admin. Info. Technology:					
Salaries	346,011.00	15,750.00	361,761.00	361,760.74	0.26
Other Purchased Services (400-500 series)	65,245.00	(14,750.00)	50,495.00	48,890.50	1,604.50
Supplies and Materials	129,545.51	(99,956.40)	29,589.11	21,589.11	8,000.00
Total Undistributed Expend. - Admin. Info. Technology	540,801.51	(98,956.40)	441,845.11	432,240.35	9,604.76
Undistributed Expend.-Required Maintenance for School Facilities:					
Salaries	490,814.00	750.00	491,564.00	491,563.38	0.62
Cleaning, Repair and Maintenance Services	1,216,355.86	(208,640.42)	1,007,715.44	1,002,630.60	5,084.84
General Supplies	169,603.91	(23,538.53)	146,065.38	115,152.48	30,912.90
Total Undistributed Expend.-Required Maintenance for School Facilities	1,876,773.77	(231,428.95)	1,645,344.82	1,609,346.46	35,998.36
Undistributed Expend.-Custodial Services:					
Salaries	351,804.00	22,149.70	373,953.70	373,914.36	39.34
Purchased Professional and Technical Services	21,200.00	3,700.00	24,900.00	19,323.77	5,576.23
Cleaning, Repair and Maintenance Services	1,450,188.94	18,682.78	1,468,871.72	1,350,574.96	118,296.76
Other Purchased Property Services	150,000.00	(5,000.00)	145,000.00	138,335.25	6,664.75
Insurance	197,552.00	(2,000.00)	195,552.00	195,044.00	508.00
Miscellaneous Purchased Services	44,117.50	(10,644.74)	33,472.76	33,249.76	223.00
General Supplies	177,459.44	(31,378.70)	146,080.74	145,865.10	215.64
Energy (Electricity)	1,023,440.39	271,200.52	1,294,640.91	1,292,639.52	2,001.39
Other Objects	9,696.00		9,696.00	7,619.50	2,076.50
Total Undistributed Expend.-Custodial Services:	3,425,458.27	266,709.56	3,692,167.83	3,556,566.22	135,601.61
Total Undistributed Expend.- Oper. and Maintenance of Plant Serv.	5,302,232.04	35,280.61	5,337,512.65	5,165,912.68	171,599.97

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Student Transportation Services:					
Salaries for Pupil Transportation (bet. home & school)-Reg	\$ 736,460.00	\$ (736,460.00)	\$	\$	
Salaries for Pupil Transportation (bet. home & school)-Special Ed.	356,500.00	(356,500.00)			
Salaries for Pupil Transportation (other than bet. home & school)	69,805.00	(26,545.96)	43,259.04	43,259.04	
Management Fee - ESC Transportation Programs	15,000.00	(15,000.00)			
Other Purchased Professional and Technical Services	33,000.00	4,129,080.00	4,162,080.00	4,162,080.00	
Cleaning, Repair and Maintenance Services	18,450.00	(18,450.00)			
Contracted Services (between home and school) - Vendors	1,162,720.00	(1,162,720.00)			
Contracted Services (other than between home and school) - Vendors	55,800.00	(55,800.00)			
Contracted Services - Special Ed. Students- Vendors	76,000.00	(76,000.00)			
Contracted Services - Special Ed. Students - ESC & CTSA	272,500.00	(272,500.00)			
Contracted Services - Aid in Lieu of Payments- Non-Public Schools	106,080.00	(106,080.00)			
Other Purchased Professional and Technical Services	83,000.00	(83,000.00)			
General Supplies	279,900.00	(279,900.00)			
Other Objects	957,670.00	(957,670.00)			
Total Undistributed Expend.-Student Transportation Services	4,222,885.00	(17,545.96)	4,205,339.04	4,205,339.04	
Unallocated Benefits:					
Group Insurance	18,700.00	(2,702.52)	15,997.48	15,997.48	
Social Security Contributions - Other	420,000.00	20,407.34	440,407.34	440,407.34	
Other Retirement Contributions - Regular	380,000.00	(36,565.00)	343,435.00	338,113.35	5,321.65
Workmen's Compensation	196,928.00		196,928.00	193,814.00	3,114.00
Health Benefits	7,316,050.00	169,862.67	7,485,912.67	7,481,620.77	4,291.90
Tuition Reimbursement	203,009.07	(39,800.00)	163,209.07	134,918.30	28,290.77
Other Employee Benefits	53,368.00	(43,698.00)	9,670.00	9,670.00	
Total Unallocated Benefits	8,588,055.07	67,504.49	8,655,559.56	8,614,541.24	41,018.32
Total Personal Services - Employee	8,588,055.07	67,504.49	8,655,559.56	8,614,541.24	41,018.32
Reimbursed TPAF social security contributions (non-budgeted)				1,843,262.19	(1,843,262.19)
On-behalf TPAF post retirement medical (non-budgeted)				2,074,354.00	(2,074,354.00)
On-behalf TPAF pension contributions (non-budgeted)				1,306,679.00	(1,306,679.00)
TOTAL UNDISTRIBUTED EXPENDITURES	28,450,263.08	(165,069.00)	28,285,194.08	33,144,062.21	(4,858,868.13)
TOTAL GENERAL CURRENT EXPENSE	54,482,345.12	(83,972.27)	54,398,372.85	59,163,410.91	(4,765,038.06)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
CAPITAL OUTLAY:					
EQUIPMENT:					
Undistributed:					
Undist. Expend. - Support Serv. - Students - Reg.	\$	\$ 1,910.00	\$ 1,910.00	\$ 1,910.00	\$
Undistributed Expenditures - Gen. Admin.	2,175.00		2,175.00		2,175.00
Undistributed Expenditures - Central Services	2,000.00		2,000.00		2,000.00
Undistributed Expenditures - Admin. Info. Tech.	22,122.50	58,978.27	81,100.77	81,100.77	
Undist. Expend. - Required Maintenance for School Facilities	73,555.00	23,084.00	96,639.00	96,638.00	1.00
Undist. Expend. - Student Trans. - Non-Inst. Equip.	8,500.00		8,500.00	8,500.00	
School Buses - Regular	135,000.00		135,000.00	135,000.00	
School Buses - Special	75,000.00		75,000.00	75,000.00	
TOTAL EQUIPMENT	318,352.50	83,972.27	402,324.77	398,148.77	4,176.00
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	125,562.00	35,731.00	161,293.00	53,399.55	107,893.45
Construction Services	427,992.60		427,992.60	286,869.51	141,123.09
Assessment for debt Service on SDA funding	50,735.00		50,735.00	50,735.00	
	604,289.60	35,731.00	640,020.60	391,004.06	249,016.54
Assets acquired under capital leases (non-budgeted)				6,825.00	(6,825.00)
TOTAL CAPITAL OUTLAY	922,642.10	119,703.27	1,042,345.37	795,977.83	246,367.54
Transfer of Funds to Charter Schools	22,159.00		22,159.00	22,159.00	
TOTAL EXPENDITURES	55,427,146.22	35,731.00	55,462,877.22	59,981,547.74	(4,518,670.52)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,747,828.22)	(35,731.00)	(2,783,559.22)	(1,387,242.19)	1,396,317.03
Other financing sources (use)					
Assets acquired under capital leases (non-budgeted)				6,825.00	(6,825.00)
Capital Reserve - transfer to capital projects fund		(525,068.00)	(525,068.00)	(525,068.00)	
Capital Outlay - transfer to capital projects fund	(579,783.00)	35,731.00	(544,052.00)	(544,052.00)	
Total other financing sources	(579,783.00)	(489,337.00)	(1,069,120.00)	(1,062,295.00)	(6,825.00)
Excess/Deficit of Revenues and Other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(3,327,611.22)	(525,068.00)	(3,852,679.22)	(2,449,537.19)	1,389,492.03
Fund Balances, July 1,	7,526,328.55		7,526,328.55	7,526,328.55	
Fund Balances, June 30,	\$ 4,198,717.33	\$ (525,068.00)	\$ 3,673,649.33	\$ 5,076,791.36	\$ 1,389,492.03

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 646,104.32	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,712,746.00	
Excess Surplus - Current Year				1,104,105.73	
Assigned Fund Balance:					
Year-end Encumbrances				346,787.36	
Unassigned Fund Balance				<u>1,267,047.95</u>	
				5,076,791.36	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				<u>(600,132.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,476,659.36</u>	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State Aid	\$	\$ 13,748.14	\$ 13,748.14	\$ 1,687.70	\$ (12,060.44)
Federal Aid	791,752.00	383,643.55	1,175,395.55	1,047,459.07	(127,936.48)
Local Sources		43,655.48	43,655.48	24,599.59	(19,055.89)
Total Revenues	791,752.00	441,047.17	1,232,799.17	1,073,746.36	(159,052.81)
EXPENDITURES:					
Instruction:					
Salaries	113,000.00	24,513.89	137,513.89	129,561.34	7,952.55
Purchased Professional and Technical Services	145,000.00	(54,344.34)	90,655.66	88,822.75	1,832.91
Purchased Professional - Educational Services		914.00	914.00		914.00
Other Purchased Services (400-500 Series)	200,000.00	378,805.57	578,805.57	574,701.42	4,104.15
General Supplies	15,208.50	12,787.75	27,996.25	13,121.86	14,874.39
Textbooks		536.00	536.00		536.00
Other Objects		9,653.74	9,653.74	9,653.74	
Total Instruction	473,208.50	372,866.61	846,075.11	815,861.11	30,214.00
Support Services:					
Salaries	104,500.00	39,599.39	144,099.39	99,248.53	44,850.86
Personal Services - Employee Benefits	16,639.50	31,835.97	48,475.47	39,587.39	8,888.08
Purchased Professional and Technical Services	170,000.00	(70,303.00)	99,697.00	63,977.10	35,719.90
Purchased Professional - Educational Services		11,555.00	11,555.00	1,258.70	10,296.30
Other Purchased Services (400-500 Series)	24,028.00	9,689.92	33,717.92	21,208.64	12,509.28
Supplies and Materials	3,376.00	45,308.28	48,684.28	32,604.89	16,079.39
Total Support Services	318,543.50	67,685.56	386,229.06	257,885.25	128,343.81
Facilities Acquisition and Construction Services:					
Noninstructional Equipment		495.00	495.00		495.00
Total Facilities Acquisition and Construction Services		495.00	495.00		495.00
Total Expenditures	791,752.00	441,047.17	1,232,799.17	1,073,746.36	159,052.81
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RS!
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$58,594,305.55	\$1,073,746.36
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	1,066.22
The last State aid payment of the current year is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(600,132.00)	
The last State aid payment of the prior year is recognized as revenue under GAAP when the State recognizes the related expense (GASB 33). (This revenue was recognized during the previous fiscal year for budgetary purposes.)	592,588.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$58,586,761.55</u>	<u>\$1,074,812.58</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$59,981,547.74	\$1,073,746.36
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	N/A	1,066.22
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$59,981,547.74</u>	<u>\$1,074,812.58</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

<u>Fiscal Year</u> <u>Ending</u> <u>June 30.</u>	<u>District's</u> <u>Proportion Share</u> <u>of the Net Pension</u> <u>Liability (Asset)</u>	<u>District's</u> <u>Proportionate</u> <u>Share of</u> <u>the Net Pension</u> <u>Liability (Asset)</u>	<u>District's</u> <u>Covered-Employee</u> <u>Payroll</u>	<u>District's</u> <u>Proportion Share</u> <u>of the Net Pension</u> <u>Liability (Asset)</u> <u>as a percentage</u> <u>of it's Covered-</u> <u>Employee Payroll</u>	<u>Plan Fiduciary</u> <u>Net Position</u> <u>as a percentage</u> <u>of the total</u> <u>Pension Liability</u>
2014	0.0365652911% \$	6,988,354 \$	2,720,358.00	256.89%	40.71%
2015	0.0383669983%	7,183,351	2,770,153.00	259.31%	42.74%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>		<u>Contractually</u> <u>Required</u> <u>Contribution</u>		<u>Contributions in</u> <u>Relation to the</u> <u>Contractually</u> <u>Required</u> <u>Contributions</u>		<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>		<u>District's</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>		<u>Contributions as</u> <u>a Percentage of</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>
2014	\$	316,292	\$	316,292	\$	-0-	\$	2,720,358.00	\$	11.63%
2015		516,756		516,756		-0-		2,770,153.00		18.65%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION ANNUITY FUND
LAST TEN YEARS

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>District's</u> <u>Proportion Share</u> <u>of the Net Pension</u> <u>Liability (Asset)</u>	<u>District's</u> <u>Proportionate</u> <u>Share of</u> <u>the Net Pension</u> <u>Liability (Asset)</u>	<u>District's</u> <u>Covered-Employee</u> <u>Payroll</u>	<u>District's</u> <u>Proportion Share</u> <u>of the Net Pension</u> <u>Liability (Asset)</u> <u>as a percentage</u> <u>of it's Covered-</u> <u>Employee Payroll</u>	<u>Plan Fiduciary</u> <u>Net Position</u> <u>as a percentage</u> <u>of the total</u> <u>Pension Liability</u>
2014	0.2372735933%	\$ -0-	\$ 24,492,760.00	-0-	33.76%
2015	0.2354205977%	-0-	25,136,772.00	-0-	33.64%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE, 2015

Public Employees Retirement System

Change in benefit terms: None

Change in assumptions: The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. This change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.

Teacher Pension and Annuity Fund

Change in benefit terms: None

Change in assumptions: The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	I.D.E.A. PRESCHOOL	I.D.E.A. BASIC	TITLE I PART A	TITLE II PART A	TITLE III	TITLE III IMMIGRANT
Revenues:						
State Aid						
Federal Aid	\$34,027.83	\$801,582.01	\$94,573.15	\$78,967.41	\$36,002.57	\$2,306.10
Local Sources						
Total Revenues	<u>34,027.83</u>	<u>801,582.01</u>	<u>94,573.15</u>	<u>78,967.41</u>	<u>36,002.57</u>	<u>2,306.10</u>
Expenditures:						
Instruction:						
Salaries	25,319.00	5,352.48	71,922.16		26,967.70	
Purchased Professional and Technical Services		80,022.75				
Other purchased services		571,000.00				
General Supplies			2,461.11		5,910.22	2,306.10
Other Objects						
Total Instruction	<u>25,319.00</u>	<u>656,375.23</u>	<u>74,383.27</u>		<u>32,877.92</u>	<u>2,306.10</u>
Support Services:						
Salaries		70,000.00	2,305.49	23,818.39	3,124.65	
Personal Services - Employee Benefits	6,583.00	15,120.00	17,884.39			
Purchased Professional and Technical Services		34,777.10		29,200.00		
Purchased Professional - Educational Services						
Other Purchased Services (400-500 Series)		1,950.00		19,258.64		
Supplies and Materials	2,125.83	23,359.68		6,690.38		
Total Support Services	<u>8,708.83</u>	<u>145,206.78</u>	<u>20,189.88</u>	<u>78,967.41</u>	<u>3,124.65</u>	
Total Expenditures	<u>34,027.83</u>	<u>801,582.01</u>	<u>94,573.15</u>	<u>78,967.41</u>	<u>36,002.57</u>	<u>2,306.10</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Uses)						

FLEMINGTON-PARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	NONPUBLIC NURSING	NONPUBLIC TECHNOLOGY	SUPPLEMENTAL INSTRUCTION	LOCAL PROJECTS	TOTAL
Revenues:					
State Aid	\$474.00	\$429.00	\$784.70		\$1,687.70
Federal Aid					1,047,459.07
Local Sources				\$24,599.59	24,599.59
Total Revenues:	<u>474.00</u>	<u>429.00</u>	<u>784.70</u>	<u>24,599.59</u>	<u>1,073,746.36</u>
Expenditures:					
Instruction:					
Salaries					129,561.34
Purchased Professional and Technical Services				8,800.00	88,822.75
Other purchased services				3,701.42	574,701.42
General Supplies				2,444.43	13,121.86
Other Objects				9,653.74	9,653.74
Total Instruction				<u>24,599.59</u>	<u>815,861.11</u>
Support Services:					
Salaries					99,248.53
Personal Services - Employee Benefits					39,587.39
Purchased Professional and Technical Services					63,977.10
Purchased Professional - Educational Services	474.00		784.70		1,258.70
Other Purchased Services (400-500 Series)					21,208.64
Supplies and Materials		429.00			32,604.89
Total Support Services	<u>474.00</u>	<u>429.00</u>	<u>784.70</u>		<u>257,885.25</u>
Total Expenditures	<u>\$474.00</u>	<u>\$429.00</u>	<u>\$784.70</u>	<u>\$24,599.59</u>	<u>\$1,073,746.36</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					

CAPITAL PROJECTS FUND DETAIL STATEMENTS

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

Revenues and Other Financing Sources:	
State Sources - SCC Grant	\$712,746.00
Capital Reserve	1,069,120.00
	<hr/>
Total revenues	1,781,866.00
	<hr/>
Expenditures and Other Financing Uses:	
Salaries	
Purchased professional and technical services	65,523.00
Construction services	1,137,887.00
	<hr/>
Total expenditures	1,203,410.00
	<hr/>
Net change in fund balances	578,456.00
Fund balance - beginning	<hr/>
Fund balance - ending	\$578,456.00
	<hr/>
Fund Balance - budgetary basis	\$578,456.00
Local Share not transferred	
SDA Grant not recognized	(259,639.97)
	<hr/>
Fund Balance - GAAP basis (B-1)	\$318,816.03
	<hr/>
Expenditures - budgetary basis	\$1,203,410.00
Less: current year encumbrances	69,768.66
	<hr/>
Expenditures - GAAP basis (B-2)	\$1,133,641.34
	<hr/>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 BARLEY SHEAF FIRE ALARM SYSTEM AND SECURITY UPGRADE
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$	\$ 85,832.00	\$ 85,832.00	\$ 85,832.00
Capital Reserve		128,748.00	128,748.00	128,748.00
Total revenues		214,580.00	214,580.00	214,580.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services				43,780.00
Construction services		140,000.00	140,000.00	170,800.00
Total expenditures		140,000.00	140,000.00	214,580.00
Excess (deficiency) of revenues over (under) expenditures	\$	\$ 74,580.00	\$ 74,580.00	\$
Additional project information:				
Project Number	1510-030-14-G1RO			
Grant Date	6/13/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
SCC Amount	\$85,832.00			
Original Authorized Cost	214,580.00			
Additional Authorized Cost				
Revised Authorized Cost	214,580.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	75%			
Original target completion date	N/A			
Revised target completion date	N/A			

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
COPPER HILL SECURITY UPGRADE, GYM HVAC REPLACEMENT AND SITE DRAINAGE IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$	\$ 264,213.00	\$ 264,213.00	\$ 264,213.00
Capital Reserve		396,320.00	396,320.00	396,320.00
Total revenues		660,533.00	660,533.00	660,533.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services				129,038.00
Construction services		288,291.00	288,291.00	531,495.00
Total expenditures		288,291.00	288,291.00	660,533.00
Excess (deficiency) of revenues over (under) expenditures	\$	\$ 372,242.00	\$ 372,242.00	\$
Additional project information:				
Project Number	1510-035-14-G1RQ			
Grant Date	6/13/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
SCC Amount	\$264,213.00			
Original Authorized Cost	660,533.00			
Additional Authorized Cost				
Revised Authorized Cost	660,533.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	75%			
Original target completion date	N/A			
Revised target completion date	N/A			

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 DESMARES SECURITY UPGRADES
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$	\$ 13,492.00	\$ 13,492.00	\$ 13,492.00
Capital Reserve		20,238.00	20,238.00	20,238.00
Total revenues		<u>33,730.00</u>	<u>33,730.00</u>	<u>33,730.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services		6,930.00	6,930.00	6,930.00
Construction services				26,800.00
Total expenditures		<u>6,930.00</u>	<u>6,930.00</u>	<u>33,730.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$	\$ <u>26,800.00</u>	\$ <u>26,800.00</u>	\$
Additional project information:				
Project Number	1510-033-14-G1RP			
Grant Date	6/13/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
SCC Amount	\$13,492.00			
Original Authorized Cost	33,730.00			
Additional Authorized Cost				
Revised Authorized Cost	33,730.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	75%			
Original target completion date	N/A			
Revised target completion date	N/A			

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
READING-FLEMING SCHOOL PARTIAL ROOF REPLACEMENT HEATING UNIT GYM REPLACEMENT, SECURITY UPGRADES & REPLACE BOARD OFFICE HVAC
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$	\$ 280,810.00	\$ 280,810.00	\$ 280,810.00
Capital Reserve		421,215.00	421,215.00	421,215.00
Transfers		(40,000.00)	(40,000.00)	(40,000.00)
Total revenues		<u>662,025.00</u>	<u>662,025.00</u>	<u>662,025.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services		23,275.00	23,275.00	23,275.00
Construction services		610,996.00	610,996.00	638,750.00
Total expenditures		<u>634,271.00</u>	<u>634,271.00</u>	<u>662,025.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$	\$ <u>27,754.00</u>	\$ <u>27,754.00</u>	\$
Additional project information:				
Project Number	1510-040-14-G1RR			
Grant Date	6/13/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
SCC Amount	\$280,810.00			
Original Authorized Cost	662,025.00			
Additional Authorized Cost				
Revised Authorized Cost	662,025.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	75%			
Original target completion date	N/A			
Revised target completion date	N/A			

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
JP CASE SECURITY UPGRADES AND SITE DRAINAGE IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$	\$ 31,800.00	\$ 31,800.00	\$ 31,800.00
Capital Reserve		47,700.00	47,700.00	47,700.00
Transfers		40,000.00	40,000.00	40,000.00
Total revenues		<u>119,500.00</u>	<u>119,500.00</u>	<u>119,500.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services		17,000.00	17,000.00	17,000.00
Construction services		98,600.00	98,600.00	102,500.00
Total expenditures		<u>115,600.00</u>	<u>115,600.00</u>	<u>119,500.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$	\$ <u>3,900.00</u>	\$ <u>3,900.00</u>	\$
Additional project information:				
Project Number	1510-045-14-G2VQ			
Grant Date	6/13/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
SCC Amount	\$31,800.00			
Original Authorized Cost	119,500.00			
Additional Authorized Cost				
Revised Authorized Cost	119,500.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	75%			
Original target completion date	N/A			
Revised target completion date	N/A			

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ROBERT HUNTER SECURITY UPGRADES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$	\$ 36,599.00	\$ 36,599.00	\$ 36,599.00
Capital Reserve		54,899.00	54,899.00	54,899.00
Total revenues		91,498.00	91,498.00	91,498.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services		18,318.00	18,318.00	18,318.00
Construction services				73,180.00
Total expenditures		18,318.00	18,318.00	91,498.00
Excess (deficiency) of revenues over (under) ex	\$	\$ 73,180.00	\$ 73,180.00	\$
Additional project information:				
Project Number	1510-050-14-G3HI			
Grant Date	6/13/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bond Issued	N/A			
SCC Amount	\$36,599.00			
Original Authorized Cost	91,498.00			
Additional Authorized Cost				
Revised Authorized Cost	91,498.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	75%			
Original target completion date	N/A			
Revised target completion date	N/A			

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
AS OF JUNE 30, 2015

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>REVISED BUDGETARY APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>(MEMO ONLY) UNEXPENDED PROJECT BALANCE</u>
			<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Barley Sheaf Fire Alarm system replacement and security upgrades	FY2015	\$214,580.00		\$140,000.00	\$74,580.00
Copper Hill Security Upgrades gym HVAC replacement & site drainage improvements	FY2015	660,533.00		288,291.00	372,242.00
Desmares Security Upgrades	FY2015	33,730.00		6,930.00	26,800.00
Reading Fleming Partial Roof Replacement Heating Unit replacement at gym security upgrades and replace board Office HVAC	FY2015	662,025.00		634,271.00	27,754.00
JP Case Security Upgrades and Site drainage improvements	FY2015	119,500.00		115,600.00	3,900.00
Robert Hunter Security Upgrades	FY2015	91,498.00		18,318.00	73,180.00
Totals		<u>\$1,781,866.00</u>		<u>\$1,203,410.00</u>	<u>\$578,456.00</u>

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund: This fund provides for the operation of food services within the District.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS

B-4,B-5 AND B-6

FIDUCIARY FUND DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the district for a specific purpose:

Unemployment Compensation Insurance Fund: This trust fund is used to pay unemployment compensation claims as they arise.

Agency Funds are used to account for assets held by the district as an agent for another party:

Student Activity Fund: This agency fund is used to account for student funds held at the schools

Payroll Fund: This agency fund is used to account for the payroll transactions of the school district.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 TRUST AND AGENCY FUNDS
 JUNE 30, 2015

	TRUST FUNDS	AGENCY FUNDS		
	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL AGENCY	TOTAL AGENCY FUNDS
ASSETS:				
Cash and cash equivalents	\$299,619.55	\$107,606.56	\$309,157.84	\$416,764.40
Intrafunds receivable	15,822.97			
Total assets	<u>\$315,442.52</u>	<u>\$107,606.56</u>	<u>\$309,157.84</u>	<u>\$416,764.40</u>
LIABILITIES:				
Interfunds Payable			\$12,328.81	\$12,328.81
Intrafunds Payable			15,822.97	15,822.97
Payroll deductions and withholdings			281,006.06	281,006.06
Payable to student groups		\$107,606.56		107,606.56
Total liabilities		<u>107,606.56</u>	<u>309,157.84</u>	<u>416,764.40</u>
NET POSITION:				
Held in trust for unemployment claims	<u>\$315,442.52</u>			
Total net position	<u>\$315,442.52</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	UNEMPLOYMENT COMPENSATION TRUST FUND	TOTAL
ADDITIONS:		
Contributions:		
Plan Members	\$82,411.00	\$82,411.00
Total contributions	<u>82,411.00</u>	<u>82,411.00</u>
Investment earnings:		
Interest	1,034.52	1,034.52
Net investment earnings	<u>1,034.52</u>	<u>1,034.52</u>
Total additions	<u>83,445.52</u>	<u>83,445.52</u>
DEDUCTIONS:		
Unemployment claims	83,392.60	83,392.60
Total deductions	<u>83,392.60</u>	<u>83,392.60</u>
Change in net position	52.92	52.92
Net position - beginning of the year	<u>315,389.60</u>	<u>315,389.60</u>
Net position - end of the year	<u><u>\$315,442.52</u></u>	<u><u>\$315,442.52</u></u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>JUNE 30, 2014</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
J.P. Case Student Fund	\$74,051.47	\$205,344.20	\$184,884.80	\$94,510.87
Athletic Fund	12.64	18,148.47	18,150.58	10.53
Robert Hunter	654.77	6.62	661.39	
Flem/Raritan Student Fund	26,517.32	52,990.17	68,119.96	11,387.53
Desmares Student Fund	<u>3,076.69</u>	<u>259.56</u>	<u>1,638.62</u>	<u>1,697.63</u>
Total all schools	<u><u>\$104,312.89</u></u>	<u><u>\$276,749.02</u></u>	<u><u>\$273,455.35</u></u>	<u><u>\$107,606.56</u></u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>JULY 1, 2014</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
ASSETS:				
Cash and cash equivalents	\$313,443.54	\$34,193,173.42	\$34,197,459.12	\$309,157.84
Total assets	<u>\$313,443.54</u>	<u>\$34,193,173.42</u>	<u>\$34,197,459.12</u>	<u>\$309,157.84</u>
LIABILITIES:				
Payroll deductions and withholdings	\$277,655.46	\$15,674,707.03	\$15,671,356.43	\$281,006.06
Net payroll		18,422,780.47	18,422,780.47	
Interfunds payable	15,963.21	2,123.86	5,758.26	12,328.81
Intrafund payable	<u>19,824.87</u>	<u>93,562.06</u>	<u>97,563.96</u>	<u>15,822.97</u>
Total liabilities	<u>\$313,443.54</u>	<u>\$34,193,173.42</u>	<u>\$34,197,459.12</u>	<u>\$309,157.84</u>

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under serial bonds and capital leases.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
YEAR ENDED JUNE 30, 2015

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JULY 1, 2014	ISSUED	RETIRED	BALANCE JUNE 30, 2015
			DATE	AMOUNT					
Renovation of the Barley Sheaf Media Center and Construction of an addition to the Middle School	2/1/00	\$5,832,000.00				\$675,000.00		\$675,000.00	
School Bonds	6/15/03	33,248,000.00	6/15/2016	\$1,265,000.00	3.670%				
			6/15/2017	1,320,000.00	4.000%				
			6/15/2018	1,385,000.00	4.000%				
			6/15/2019	1,455,000.00	4.000%				
			6/15/2020	1,520,000.00	4.000%				
			6/15/2021	2,490,000.00	4.000%				
			6/15/2022	2,605,000.00	4.100%				
			6/15/2023	2,730,000.00	4.100%				
			6/15/2024	2,855,000.00	4.125%				
			6/15/2025	2,990,000.00	4.125%				
			6/15/2026	3,130,000.00	4.150%				
			6/15/2027	3,280,000.00	4.200%	27,650,000.00		26,385,000.00	\$1,265,000.00
Refunding School Bonds	12/13/2006	8,115,000.00	2/01/16	740,000.00	5.000%				
			2/01/17	775,000.00	5.000%				
			2/01/18	810,000.00	4.000%				
			2/01/19	840,000.00	4.000%				
			2/01/20	875,000.00	4.000%				
			2/01/21-27	20,000.00	4.000%				
			2/01/28	3,530,000.00	4.000%	7,765,000.00		55,000.00	7,710,000.00
Refunding School Bonds	5/1/2009	6,495,000.00				550,000.00		550,000.00	
Refunding School Bonds	10/1/2014	24,175,000.00	6/15/2017	1,180,000.00	4.000%				
			6/15/2018	1,240,000.00	4.000%				
			6/15/2019	1,300,000.00	4.000%				
			6/15/2020	1,360,000.00	4.000%				
			6/15/2021	2,325,000.00	4.000%				
			6/15/2022	2,435,000.00	4.000%				
			6/15/2023	2,550,000.00	4.000%				
			6/15/2024	2,665,000.00	4.000%				
			6/15/2025	2,790,000.00	5.000%				
			6/15/2026	2,945,000.00	5.000%				
			6/15/2027	3,110,000.00	5.000%		\$24,175,000.00	275,000.00	23,900,000.00
						\$36,640,000.00	\$24,175,000.00	\$27,940,000.00	\$32,875,000.00
						Paid by budget		\$2,180,000.00	
						Paid by refunding bond issue		25,760,000.00	
								\$27,940,000.00	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
YEAR ENDED JUNE 30, 2015

<u>SERIES</u>	<u>DATE OF LEASE</u>	<u>TERM OF LEASE</u>	<u>AMOUNT OF ORIGINAL LEASE</u>		<u>INTEREST RATE PAYABLE</u>	<u>BALANCE JUNE 30, 2014</u>	<u>DECREASE</u>	<u>BALANCE JUNE 30, 2015</u>
			<u>PRINCIPAL</u>	<u>INTEREST</u>				
Energy Savings Improvement Plan	10/31/2012	15	\$ 4,955,000.00	\$ 970,960.75	2.213%	\$ <u>4,935,359.09</u>	\$ <u>396,820.58</u>	\$ <u>4,538,538.51</u>
						\$ <u>4,935,359.09</u>	\$ <u>396,820.58</u>	\$ <u>4,538,538.51</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFER	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local sources:					
Local tax levy	\$3,127,206.00		\$3,127,206.00	\$3,127,206.00	
Interest				420.66	\$420.66
State sources:					
Debt service aid type II	251,767.00		251,767.00	251,767.00	
Total revenues	3,378,973.00		3,378,973.00	3,379,393.66	420.66
EXPENDITURES:					
Regular debt service:					
Interest	1,516,122.00	(\$275,000.00)	1,241,122.00	1,103,461.09	137,660.91
Redemption of principal	1,905,000.00	275,000.00	2,180,000.00	2,180,000.00	
Total regular debt service-expenditures	3,421,122.00		3,421,122.00	3,283,461.09	137,660.91
Excess (deficiency) of revenues over (under) expenditures	(42,149.00)		(42,149.00)	95,932.57	138,081.57
Other financing sources:					
Transfers in/(out)					
Refunding Bond Proceeds				24,175,000.00	24,175,000.00
Premium on Bonds Issue				3,766,517.10	3,766,517.10
Payment to Refunded Bonds Escrow Agent				(27,728,453.56)	(27,728,453.56)
Cost of Issuance				(213,063.54)	(213,063.54)
	(42,149.00)		(42,149.00)	95,932.57	138,081.57
Fund balance, July 1	42,521.42		42,521.42	42,521.42	
Fund balance, June 30	\$372.42		\$372.42	\$138,453.99	\$138,081.57

STATISTICAL SECTION (UNAUDITED)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-5
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities										
Net investment in capital assets	15,316,441.33	12,260,134.41	11,555,838.61	10,708,863.59	9,865,912.95	9,073,401.55	8,392,463.05	\$7,261,201.28	\$6,525,697.70	\$6,787,528.23
Restricted	3,851,540.74	4,991,208.36	4,172,343.11	3,658,975.67	2,488,726.97	2,327,129.08	2,656,036.66	2,710,231.24	2,810,757.56	2,560,029.96
Unrestricted	(7,175,310.05)	701,281.90	842,569.82	1,520,914.86	1,063,722.72	553,742.67	(150,242.86)	334,634.03	485,218.68	129,632.18
Total governmental activities net position	<u>\$11,992,672.02</u>	<u>\$17,952,624.67</u>	<u>\$16,570,751.54</u>	<u>\$15,888,754.12</u>	<u>\$13,418,362.64</u>	<u>\$11,954,273.30</u>	<u>\$10,898,256.85</u>	<u>\$10,306,066.55</u>	<u>\$9,821,673.94</u>	<u>\$9,477,190.37</u>
Business-type activities										
Net investment in capital assets	\$238,497.88	\$261,414.69	\$267,529.54	\$290,334.56	\$317,291.16	\$351,583.34	\$354,072.16	\$332,768.76	\$352,608.89	\$349,599.44
Unrestricted	191,843.58	167,668.53	191,313.11	277,605.92	254,634.50	171,123.29	129,660.15	146,403.62	157,030.78	112,620.53
Total business-type activities net position	<u>\$430,341.46</u>	<u>\$429,083.22</u>	<u>\$458,842.65</u>	<u>\$567,940.48</u>	<u>\$571,925.66</u>	<u>\$522,706.63</u>	<u>\$483,732.31</u>	<u>\$479,172.38</u>	<u>\$509,639.67</u>	<u>\$462,219.97</u>
District-wide										
Net investment in capital assets	\$15,554,939.21	\$12,521,549.10	\$11,823,368.15	\$10,999,198.15	\$10,183,204.11	\$9,424,984.89	\$8,746,535.21	\$7,593,970.04	\$6,878,306.59	\$7,137,127.67
Restricted	3,851,540.74	4,991,208.36	4,172,343.11	3,658,975.67	2,488,726.97	2,327,129.08	2,656,036.66	2,710,231.24	2,810,757.56	2,560,029.96
Unrestricted	(6,983,466.47)	868,950.43	1,033,882.93	1,798,520.78	1,318,357.22	724,865.96	(20,582.71)	481,037.65	642,249.46	242,252.71
Total district net position	<u>\$12,423,013.48</u>	<u>\$18,381,707.89</u>	<u>\$17,029,594.19</u>	<u>\$16,456,694.60</u>	<u>\$13,990,288.30</u>	<u>\$12,476,979.93</u>	<u>\$11,381,989.16</u>	<u>\$10,785,238.93</u>	<u>\$10,331,313.61</u>	<u>\$9,939,410.34</u>

Source: CAFR Schedule A-1

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
EXPENSES										
Governmental activities										
Instruction										
Regular	\$25,391,653.69	\$24,395,242.29	\$25,138,255.80	\$23,474,124.58	\$22,529,358.67	\$23,004,696.55	\$23,484,841.13	\$22,733,788.93	\$21,670,703.01	\$21,110,410.00
Special education	9,434,616.38	8,484,271.90	8,409,117.85	7,695,284.60	8,061,100.15	8,247,335.20	7,718,335.27	7,385,022.09	6,910,137.70	6,006,308.28
Other instruction	2,483,745.69	2,552,216.30	2,575,969.96	2,293,198.90	2,260,323.07	2,424,289.28	1,668,701.43	1,970,546.09	1,874,916.11	1,629,389.84
Support Services:										
Tuition	364,956.71	651,000.44	477,192.92	258,421.86	139,445.03	203,956.80	399,700.06	696,507.93	547,910.56	529,051.82
Student and instruction related services	6,795,527.23	6,557,586.67	6,732,856.91	6,274,158.86	6,140,697.82	6,759,251.63	6,396,940.66	6,422,342.75	6,089,380.26	5,993,330.11
General administrative services	1,005,533.73	1,040,044.96	1,040,654.74	1,154,257.88	893,495.83	950,753.97	1,479,395.00	1,407,843.95	1,462,105.01	1,232,795.36
School administrative services	4,095,488.94	4,095,541.55	3,939,030.97	3,544,758.03	3,451,054.83	3,539,474.59	3,241,245.92	3,130,852.48	3,118,461.20	2,950,393.28
Central services/Admin. Info. Technology	1,272,135.48	1,529,725.75	1,128,076.37	1,065,831.03	950,318.12	1,001,101.23	810,981.33	790,066.42	821,151.28	843,447.72
Plant operations and maintenance	5,285,132.91	5,390,775.53	6,075,392.90	5,402,890.46	5,200,080.13	5,169,258.05	5,279,337.48	6,049,336.00	5,692,142.10	4,989,247.75
Student transportation services	3,853,922.13	4,013,538.80	3,569,328.04	4,242,357.53	4,691,569.46	4,632,460.23	4,092,227.83	3,926,666.12	3,742,232.00	3,405,979.15
Charter School	22,159.00	21,707.00								
Interest on long-term debt	1,154,121.58	1,651,235.08	1,734,687.22	1,839,696.90	1,932,076.93	2,017,964.23	2,044,955.02	2,337,510.94	2,222,843.11	2,540,341.13
Total governmental activities expenses	\$61,158,993.47	\$60,382,886.27	\$60,820,563.68	\$57,244,980.63	\$56,249,520.05	\$57,950,541.77	\$56,616,661.13	\$56,850,483.70	\$54,151,982.34	\$51,230,694.44
Business-type activities:										
Food Service	1,031,601.35	1,124,912.17	1,184,118.60	1,092,731.99	1,020,243.58	1,024,645.31	1,113,466.73	1,045,511.63	956,874.66	1,044,741.45
School Store										2,093.95
Total business-type activities expense	1,031,601.35	1,124,912.17	1,184,118.60	1,092,731.99	1,020,243.58	1,024,645.31	1,113,466.73	1,045,511.63	956,874.66	1,046,835.40
Total district expenses	\$62,190,594.82	\$61,507,798.44	\$62,004,682.28	\$58,337,712.62	\$57,269,763.63	\$58,975,187.08	\$57,730,127.86	\$57,895,995.33	\$55,108,857.00	\$52,277,529.84
PROGRAM REVENUES										
Governmental activities:										
Operating grants and contributions	\$5,244,195.77	\$0.00	\$6,341,925.60	\$5,426,483.93	\$4,677,882.82	\$4,808,419.30	\$4,386,374.40	\$5,871,175.65	\$5,435,711.26	\$3,925,305.16
Total governmental activities program revenues	5,244,195.77	-	6,341,925.60	5,426,483.93	4,677,882.82	4,808,419.30	4,386,374.40	5,871,175.65	5,435,711.26	3,925,305.16
Business-type activities:										
Charges for services										
Food Service	653,154.22	722,769.79	743,732.76	777,241.31	809,571.33	814,338.57	864,168.80	807,193.22	810,538.56	788,090.67
School Store										1,603.11
Operating grants and contributions	377,293.96	369,441.34	330,412.17	311,499.96	272,339.57	248,879.82	213,301.26	204,655.36	172,800.78	152,059.52
Total business type activities program revenues	1,030,448.18	1,092,211.13	1,074,144.93	1,088,741.27	1,081,910.90	1,063,218.39	1,077,470.06	1,011,848.58	983,339.34	941,753.30
Total district program revenues	\$6,274,643.95	\$1,092,211.13	\$7,416,070.53	\$6,515,225.20	\$5,759,793.72	\$5,871,637.69	\$5,463,844.46	\$6,883,024.23	\$6,419,050.60	\$4,867,058.46
NET (EXPENSE)/REVENUE										
Governmental activities	(\$55,914,797.70)	(\$54,643,488.52)	(\$54,478,638.08)	(\$51,818,496.70)	(\$51,571,637.23)	(\$53,142,122.47)	(\$52,230,286.73)	(\$50,979,308.05)	(\$48,716,271.08)	(\$47,305,389.28)
Business-type activities	(1,153.17)	(32,701.04)	(109,973.67)	(3,990.72)	61,667.32	38,573.08	(35,996.67)	(33,663.05)	26,464.68	(105,082.10)
Total district-wide net expense	(\$55,915,950.87)	(\$54,676,189.56)	(\$54,588,611.75)	(\$51,822,487.42)	(\$51,509,969.91)	(\$53,103,549.39)	(\$52,266,283.40)	(\$51,012,971.10)	(\$48,689,806.40)	(\$47,410,471.38)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>GENERAL REVENUES AND OTHER CHANGES</u>										
<u>IN NET POSITION</u>										
Governmental activities:										
Property taxes levied for general purposes, net	\$46,307,968.00	\$45,747,866.00	\$44,332,300.00	\$43,463,039.00	\$42,610,823.00	\$42,610,823.00	\$40,978,349.00	\$39,510,870.00	\$37,820,501.00	\$35,454,737.00
Taxes levied for debt service	3,127,206.00	3,253,827.00	3,494,779.00	3,753,984.00	3,995,475.00	4,188,069.00	4,246,932.00	4,296,398.00	4,286,238.00	3,776,256.00
Unrestricted grants and contributions	6,722,569.03	6,443,957.00	6,402,104.51	6,045,397.28	5,159,490.37	6,380,582.00	7,148,271.00	6,831,875.61	6,728,703.89	6,735,924.46
Disposal of capital assets	-	(1,463.24)	(14,394.50)	(32,000.02)	(17,293.34)	(14,796.00)	(62,969.61)	(54,892.95)	(956,052.42)	
Receivables cancelled									(8,550.75)	
Miscellaneous income	785,456.02	581,174.89	945,846.49	1,058,467.92	1,287,231.53	1,033,460.92	536,575.91	879,450.00	1,189,914.93	729,484.66
Total governmental activities	<u>\$56,943,199.05</u>	<u>\$56,025,361.65</u>	<u>\$55,160,635.50</u>	<u>\$54,288,888.18</u>	<u>\$53,035,726.56</u>	<u>\$54,198,138.92</u>	<u>\$52,847,158.30</u>	<u>\$51,463,700.66</u>	<u>\$49,060,754.65</u>	<u>\$46,696,402.12</u>
Business-type activities:										
Miscellaneous income	2,411.41	2,941.61	875.84	1,845.54	1,018.40	2,001.24	2,547.16	6,183.43	24,132.54	216,770.61
Disposal of capital assets	-	-		(1,840.00)	(13,466.69)	(1,600.00)	(1,239.99)	(2,987.67)		
Total business-type activities	<u>2,411.41</u>	<u>2,941.61</u>	<u>875.84</u>	<u>5.54</u>	<u>(12,448.29)</u>	<u>401.24</u>	<u>1,307.17</u>	<u>3,195.76</u>	<u>24,132.54</u>	<u>216,770.61</u>
Total district-wide	<u>\$56,945,610.46</u>	<u>\$56,028,303.26</u>	<u>\$55,161,511.34</u>	<u>\$54,288,893.72</u>	<u>\$53,023,278.27</u>	<u>\$54,198,540.16</u>	<u>\$52,848,465.47</u>	<u>\$51,466,896.42</u>	<u>\$49,084,887.19</u>	<u>\$46,913,172.73</u>
<u>CHANGE IN NET POSITION</u>										
Governmental activities	\$1,028,401.35	\$1,381,873.13	\$681,997.42	\$2,470,391.48	\$1,464,089.33	\$1,056,016.45	\$616,871.57	\$484,392.61	\$344,483.57	(\$608,987.16)
Business-type activities	1,258.24	(29,759.43)	(109,097.83)	(3,985.18)	49,219.03	38,974.32	(34,689.50)	(30,467.29)	50,597.22	111,688.51
Total district	<u>\$1,029,659.59</u>	<u>\$1,352,113.70</u>	<u>\$572,899.59</u>	<u>\$2,466,406.30</u>	<u>\$1,513,308.36</u>	<u>\$1,094,990.77</u>	<u>\$582,182.07</u>	<u>\$453,925.32</u>	<u>\$395,080.79</u>	<u>(\$497,298.65)</u>

Source: CAFR Schedule A-2

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund											
Restricted	\$3,462,956.05	\$4,948,686.94	\$4,171,518.04	\$3,387,886.47	\$2,218,001.93	\$2,852,965.24	\$2,886,541.09	\$2,780,169.45	\$3,063,040.60	\$2,703,682.42	\$2,675,522.62
Committed	-	-	-	513,252.02	476,104.77	-	-	-	-	-	-
Assigned	346,787.36	1,148,266.22	1,286,071.43	1,482,357.72	941,443.60	-	-	-	-	-	-
Unassigned	666,915.95	836,787.39	819,234.85	721,962.64	849,433.25	1,037,136.15	658,125.98	1,115,464.61	1,185,159.59	1,068,149.31	1,218,596.70
Total general fund	<u>\$4,476,659.36</u>	<u>\$6,933,740.55</u>	<u>\$6,276,824.32</u>	<u>\$6,105,458.85</u>	<u>\$4,484,983.55</u>	<u>\$3,890,101.39</u>	<u>\$3,544,667.07</u>	<u>\$3,895,634.06</u>	<u>\$4,248,200.19</u>	<u>\$3,771,831.73</u>	<u>\$3,894,119.32</u>
All Other Governmental Funds											
Reserved						\$3,500.00		\$6,099.50	\$411,623.34	\$731,847.91	\$2,034,067.40
Restricted	\$457,270.02	\$372.42	\$42,149.43	\$42,335.35	\$43,748.19	41,876.62	\$233,769.94	368,202.79	455,891.43	872,973.95	6,755,226.10
Committed		42,149.00	364.00	1,777.00	4,965.00	15,470.98	54,716.77	140,982.71	137,687.60	230,365.15	819,527.40
Assigned	69,768.66										
Total all other governmental funds	<u>\$527,038.68</u>	<u>\$42,521.42</u>	<u>\$42,513.43</u>	<u>\$44,112.35</u>	<u>\$48,713.19</u>	<u>\$60,847.60</u>	<u>\$288,486.71</u>	<u>\$515,285.00</u>	<u>\$1,005,202.37</u>	<u>\$1,835,187.01</u>	<u>\$9,608,820.90</u>

Source: CAFR Schedule B-1

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Tax levy	\$49,435,174.00	\$49,001,693.00	\$47,827,079.00	\$47,217,023.00	\$46,606,298.00	\$46,796,892.00	\$45,225,281.00	\$43,807,268.00	\$42,106,739.00	\$39,230,993.00
Miscellaneous	812,681.97	606,519.74	946,298.80	1,081,920.72	1,345,490.19	1,041,253.75	528,239.04	844,115.46	1,148,841.00	704,587.66
State sources	12,200,318.92	11,048,058.66	11,702,443.62	10,065,305.48	8,771,389.00	9,402,309.28	10,701,738.22	11,734,668.16	11,234,257.34	9,698,735.68
Federal sources	1,045,998.93	1,109,851.24	1,041,134.18	1,383,122.93	1,007,725.54	1,778,899.19	830,738.73	959,507.53	916,310.53	946,476.43
Total revenue	<u>63,494,073.82</u>	<u>61,766,222.64</u>	<u>61,516,955.60</u>	<u>59,747,372.13</u>	<u>57,730,902.73</u>	<u>59,021,354.22</u>	<u>57,285,996.99</u>	<u>57,345,559.15</u>	<u>55,406,147.87</u>	<u>50,580,192.77</u>
Expenditures										
Instruction										
Regular instruction	17,361,875.21	16,358,179.91	16,186,536.62	15,671,564.42	15,352,121.79	15,926,517.76	16,314,063.05	15,390,991.09	14,537,053.28	14,245,312.50
Special education instruction	7,704,180.93	6,853,830.45	6,454,380.80	6,129,082.39	5,929,429.62	6,204,727.29	5,378,391.96	4,969,101.16	4,634,849.29	4,074,937.02
Other instruction	1,773,222.66	1,810,815.64	1,749,491.01	1,608,369.32	1,627,826.62	1,796,788.56	1,668,701.43	1,970,546.09	1,874,916.11	1,629,389.84
Support Services:										
Tuition	525,579.18	651,000.44	477,192.92	258,421.86	139,445.03	203,956.80	399,700.06	690,830.26	547,910.56	529,051.82
Student and instruction related services	4,881,135.56	4,802,291.20	4,769,841.64	4,552,426.74	4,542,845.76	5,139,050.23	5,291,224.24	5,291,067.08	5,029,266.30	5,063,293.92
General administrative services	928,056.80	841,277.53	845,525.22	949,572.98	737,399.15	842,497.63	818,219.02	767,679.67	795,743.11	809,603.99
School Administrative services	2,874,093.37	2,874,093.37	2,676,611.88	2,548,829.95	2,524,085.23	2,632,792.20	2,690,887.44	2,592,515.60	2,579,814.44	2,393,710.08
Central services/Administration Information Technology	950,404.50	1,197,567.39	777,305.27	767,370.69	691,243.71	747,847.07	810,981.33	790,086.42	821,151.28	843,447.72
Plant operations and maintenance	5,165,912.68	4,917,307.11	5,284,600.03	4,921,888.71	4,757,548.94	4,750,174.11	4,390,883.17	5,145,295.36	4,794,345.54	4,590,986.45
Student transportation services	4,205,339.04	4,013,538.80	3,017,132.73	3,831,360.00	4,072,975.00	4,198,095.00	4,092,227.83	3,926,666.12	3,742,232.00	3,405,979.15
Unallocated employee benefits	13,838,836.43	12,582,329.19	14,654,372.67	12,453,538.41	12,118,092.19	11,467,230.33	10,742,669.16	11,231,164.92	10,536,392.98	8,628,892.87
Capital outlay	1,929,619.17	2,852,406.08	1,793,543.39	454,533.44	414,679.18	497,477.49	720,894.64	844,665.99	1,188,262.86	7,609,751.64
Charter School	22,159.00	21,707.00								
Debt service:										
Principal	2,180,000.00	1,830,000.00	2,045,000.00	2,202,000.00	2,359,000.00	2,518,000.00	2,390,000.00	2,330,000.00	2,410,000.00	2,120,000.00
Interest and other charges	1,103,461.09	1,551,956.00	1,681,613.76	1,782,518.76	1,881,462.76	1,978,404.54	2,165,424.26	2,291,663.00	2,314,196.76	2,573,271.76
Total expenditures	<u>65,443,875.62</u>	<u>63,198,300.11</u>	<u>62,413,147.94</u>	<u>58,131,497.67</u>	<u>57,148,154.98</u>	<u>58,903,559.01</u>	<u>57,874,267.59</u>	<u>58,232,252.76</u>	<u>55,806,134.51</u>	<u>58,517,628.76</u>
over (under) expenditures	(1,949,801.80)	(1,432,077.47)	(896,192.34)	1,615,874.46	582,747.75	117,795.21	(588,270.60)	(886,693.61)	(399,986.64)	(7,936,835.99)
Other Financing sources (uses)										
Capital leases (non-budgeted)	6,825.00		1,065,958.89							
Bond proceeds						6,495,000.00		8,115,000.00		
Premium on sale of bonds						349,361.15		146,424.00		
Cost of issuance						(95,849.71)		(126,024.63)		
Payment to refunded bonds escrow agent						(6,748,511.44)		(8,135,399.77)		
Grants canceled								(8,550.75)		
Interest earned/bond sale						10,505.32	44,210.11	54,821.21	40,914.51	183,449.63
Total other financing sources (uses)	<u>6,825.00</u>		<u>1,065,958.89</u>			<u>10,505.32</u>	<u>44,210.11</u>	<u>46,370.06</u>	<u>40,914.51</u>	<u>183,449.63</u>
Net change in fund balances	<u>(\$1,942,976.80)</u>	<u>(\$1,432,077.47)</u>	<u>(\$896,192.34)</u>	<u>\$1,615,874.46</u>	<u>\$582,747.75</u>	<u>\$128,300.53</u>	<u>(\$544,060.49)</u>	<u>(\$840,323.55)</u>	<u>(\$359,072.13)</u>	<u>(\$7,747,386.36)</u>
Debt service as a percentage of										

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest On</u> <u>Investments</u>	<u>Rental</u> <u>Income</u>	<u>Transportation</u> <u>Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2015	\$	\$	\$	\$	\$	\$
2014	103,504.59	33,024.57	165,099.01	265,110.11	13,306.24	580,044.52
2013	165,969.33	29,725.17	179,124.75	537,318.24	33,248.76	945,386.25
2012	31,010.11	58,378.84	237,482.38	669,626.63	61,606.04	1,058,104.00
2011	65,825.61	52,398.94	155,187.35	958,406.44	49,644.66	1,281,463.00
2010	87,241.29	165,999.27		627,172.89	149,587.72	1,030,001.17
2009	24,264.21	147,172.64		253,218.38	101,415.36	526,070.59
2008	105,990.82	220,526.00		400,102.26	99,907.51	826,526.59
2007	101,240.04	286,057.37		339,599.00	399,798.91	1,126,695.32
2006	14,521.94	365,212.76		271,664.90	29,956.40	681,356.00

Source: District Records

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY - RARITAN TOWNSHIP
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Req.</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Public Utilities (a)</u>	<u>Net Valuation Taxable</u>	<u>Est. Actual (County Equalized Value)</u>	<u>Total Direct School Tax Rate (b)</u>
2015	\$68,935,700	\$3,124,946,400	\$68,282,300	\$612,089,040	\$100,503,896	\$12,713,200	\$3,987,470,536	\$	\$3,987,470,536	\$3,901,466,468	\$1.117
2014	66,809,275	3,106,721,300	70,297,200	609,384,640	106,157,496	12,713,200	3,972,083,111		3,972,083,111	3,857,601,219	1.096
2013	54,240,100	3,109,189,600	72,644,500	611,756,940	109,899,696	12,713,200	3,970,444,036	8,154,192	3,978,598,228	4,017,974,377	1.078
2012	64,626,500	3,097,354,300	73,952,200	602,906,740	102,401,596	12,713,200	3,953,954,536	8,313,709	3,962,268,245	4,136,411,155	1.064
2011	71,362,300	3,086,291,900	75,439,500	599,594,100	99,712,296	12,000,400	3,944,400,496	7,750,312	3,952,150,808	4,213,829,628	1.047
2010	76,421,100	3,075,441,300	74,173,800	587,488,500	102,443,496	12,000,400	3,927,968,596	7,164,889	3,935,133,485	4,293,331,070	1.052
2009	83,602,300	3,174,796,750	72,719,300	551,130,525	112,267,100	12,039,400	4,006,555,375	5,255,322	4,011,810,697	4,288,296,452	1.023
2008	96,565,800	3,484,223,675	77,788,000	514,880,200	115,852,600	12,686,700	4,301,996,975	6,484,948	4,308,481,923	4,513,661,478	0.922
2007	90,288,300	3,471,183,800	78,340,200	517,905,600	113,115,500	12,686,700	4,283,520,100	6,991,505	4,290,511,605	4,624,967,955	0.887
2006	61,862,300	1,824,119,900	42,135,800	257,214,700	59,192,800	6,112,000	2,250,637,500	4,561,079	2,255,198,579	4,190,961,100	1.590

Source: District records Tax list summary and Municipal Tax Assessor

Note: 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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY - FLEMINGTON BOROUGH
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Q-Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax Exempt Property</u>	<u>Public Utilities (a)</u>	<u>Net Valuation Taxable</u>	<u>Est. Actual (County Equalized Value)</u>	<u>Total Direct School Tax Rate (b)</u>
2015	\$2,670,400	\$213,974,000	\$	\$186,465,500	\$1,871,200	\$40,131,100	\$445,112,200	\$		\$445,112,200	\$454,362,765	\$1.329
2014	2,725,700	209,921,500		188,275,300	2,687,700	36,721,200	440,331,400			440,331,400	454,362,765	1.300
2013	2,725,700	205,135,900		180,830,700	2,557,700	35,969,100	427,219,100		2,094,055	429,313,155	461,765,994	1.292
2012	3,138,500	210,453,900		194,354,480	2,777,000	36,932,400	447,656,280		2,709,007	450,365,287	478,096,178	1.200
2011	3,769,700	210,592,400		202,435,700	3,097,000	37,979,000	457,873,800		3,508,064	461,381,864	525,523,353	1.194
2010	3,902,700	216,142,600		210,993,100	3,223,000	39,940,200	474,201,600		4,488,355	478,689,955	545,874,986	1.107
2009	4,500,000	241,327,200		243,748,200	3,651,100	42,234,000	535,460,500		6,245,384	541,705,884	570,686,479	1.023
2008	5,010,500	258,907,500		221,209,500	3,365,000	42,997,200	531,489,700		7,850,869	539,340,569	567,073,152	0.887
2007	4,926,100	258,451,200		209,805,200	3,257,100	41,253,600	517,693,200		6,095,584	523,788,784	557,587,233	0.932
2006	4,568,800	234,695,900		197,857,700	3,100,400	39,874,100	480,096,900		5,721,733	485,818,633	504,031,338	0.991

Source: District records Tax list summary and Municipal Tax Assessor

Note: 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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended June 30,	Township of Raritan			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Township of Raritan	Hunterdon Central High School	Hunterdon County	
2015	\$1.046	\$0.071	\$1.117	\$0.310	\$0.553	\$0.365	\$2.345
2014	1.023	0.073	1.096	0.307	0.552	0.359	2.314
2013	0.999	0.079	1.078	0.308	0.557	0.368	2.311
2012	0.979	0.085	1.064	0.299	0.554	0.370	2.287
2011	0.957	0.090	1.047	0.296	0.553	0.370	2.266
2010	0.958	0.094	1.052	0.294	0.541	0.377	2.264
2009	0.927	0.096	1.023	0.265	0.511	0.369	2.168
2008	0.832	0.090	0.922	0.243	0.474	0.348	1.987
2007	0.797	0.090	0.887	0.248	0.465	0.360	1.960
2006	1.437	0.153	1.590	0.360	0.828	0.662	3.440

Source: District Records and Municipal Tax Collector
(Rates are per \$100 of assessed value)

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable

(b) Rates for debt service are based on each year's requirements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended June 30,	Borough of Flemington			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Borough of Flemington	Hunterdon Central High School	Hunterdon County	
2015	\$1.245	\$0.084	\$1.329	\$0.908	\$0.457	\$0.360	\$3.054
2014	1.214	0.086	1.300	0.891	0.427	0.351	2.969
2013	1.198	0.094	1.292	0.784	0.447	0.360	2.883
2012	1.105	0.095	1.200	0.685	0.492	0.343	2.720
2011	1.092	0.102	1.194	0.543	0.632	0.364	2.733
2010	1.008	0.099	1.107	0.581	0.524	0.370	2.582
2009	0.927	0.096	1.023	0.508	0.480	0.316	2.327
2008	0.803	0.084	0.887	0.488	0.494	0.323	2.192
2007	0.837	0.095	0.932	0.478	0.540	0.330	2.280
2006	0.896	0.095	0.991	0.496	0.552	0.341	2.380

Source: District Records and Municipal Tax Collector
(Rates are per \$100 of assessed value)

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable

(b) Rates for debt service are based on each year's requirements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND TEN YEARS AGO
RARITAN TOWNSHIP
UNAUDITED

<u>Taxpayer</u>	2015			2006		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
Flemington Fair Associates	\$59,242,600.00	1	1.49%			
Hunterdon Medical Center	31,953,700.00	2	0.80%	6,824,900.00	6	0.30%
Bedford Falls Land Co.	28,765,100.00	3	0.72%			
Flemington Mall. LTD.	26,000,000.00	4	0.65%	16,000,000.00	1	0.71%
Linque Flemington, LLC				11,500,000.00	2	0.51%
Clojo Circle, LLC.	19,486,900.00	5	0.49%	5,638,700.00	9	0.25%
Yale Materials Handling Corp.				8,000,000.00	3	0.35%
Hunterdon Convalescent Center Inc.				7,795,900.00	4	0.35%
Johanna Foods Inc.	18,135,800.00	6	0.46%	7,400,000.00	5	0.33%
Toll NJ LP	16,928,700.00	7	0.43%			0.00%
Raritan Junction, LLC				6,300,000.00	7	0.28%
Raritan Village Shopping Ctr. LLC	16,799,200.00	8	0.42%	6,000,000.00	8	0.27%
M R Development Corp.	15,615,000.00	9	0.39%			0.00%
Foremost Realty LP	15,181,000.00	10	0.38%			0.00%
Healquest of Central Jersey, LLC				5,500,000.00	10	0.24%
Total	<u>\$248,108,000.00</u>		<u>6.25%</u>	<u>\$80,959,500.00</u>		<u>3.59%</u>

Source: Municipal Tax Assessor

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND TEN YEARS AGO
BOROUGH OF FLEMINGTON
UNAUDITED

<u>Taxpayer</u>	2015			2006		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
Flemington South	\$21,206,000.00	1	4.82%	\$7,181,400.00	5	1.63%
Liberty Village	17,531,100.00	2	3.98%	31,351,100.00	1	7.11%
Flemington Apts. LLC	12,776,000.00	3	2.90%	10,824,000.00	2	2.46%
Bitmore Realty Co.	9,900,000.00	4	2.25%	10,656,000.00	3	2.42%
Hunterdon Shopping Center	7,550,000.00	5	1.71%	7,579,000.00	4	1.72%
Roho LLC	7,110,000.00	6	1.61%	5,600,000.00	7	1.27%
Flemington Fidelco	6,160,000.00	7	1.40%	6,524,000.00	6	1.48%
Taxpayer # 8	4,485,600.00	8	1.02%	4,828,000.00	8	1.10%
Taxpayer # 9	4,082,000.00	9	0.93%			
Flemington Glass Enterprises				4,671,500.00	9	1.06%
NJN Associates	3,336,000.00	10	0.76%	4,025,000.00	10	0.91%
Total	<u>\$94,136,700.00</u>		<u>21.38%</u>	<u>\$93,240,000.00</u>		<u>21.15%</u>

Source: Municipal Tax Assessor

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
TOWNSHIP OF RARITAN
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2015	\$43,735,990.00	\$43,735,990.00	100.00%	-
2014	43,235,657.00	43,235,657.00	100.00%	-
2013	42,504,107.04	42,504,107.04	100.00%	-
2012	41,733,971.18	41,733,971.18	100.00%	-
2011	41,075,313.53	41,075,313.53	100.00%	-
2010	41,729,291.63	41,729,291.63	100.00%	-
2009	40,364,516.65	40,364,516.65	100.00%	-
2008	39,102,565.20	39,102,565.20	100.00%	-
2007	37,065,195.30	37,065,195.30	100.00%	-
2006	34,646,664.10	34,646,664.10	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

(a) School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, it is the amount voted upon or certified prior to the end of the school year.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
BOROUGH OF FLEMINGTON
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2015	\$5,681,184.00	\$5,681,184.00	100.00%	-
2014	5,766,036.00	5,766,036.00	100.00%	-
2013	5,322,971.96	5,322,971.96	100.00%	-
2012	5,483,051.82	5,483,051.82	100.00%	-
2011	5,530,984.47	5,530,984.47	100.00%	-
2010	5,069,600.37	5,069,600.37	100.00%	-
2009	4,860,764.35	4,860,764.35	100.00%	-
2008	4,884,702.80	4,884,702.80	100.00%	-
2007	5,041,543.70	5,041,543.70	100.00%	-
2006	4,584,328.90	4,584,328.90	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

(a) School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, it is the amount voted upon or certified prior to the end of the school year.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases			
2015	\$32,875,000.00		\$4,538,538.51			\$37,413,538.51	*	*
2014	36,640,000.00		4,935,359.09			41,575,359.09	*	*
2013	38,470,000.00		4,955,000.00			43,425,000.00	0.17%	1,630.50
2012	40,515,000.00					40,515,000.00	0.18%	1,525.07
2011	42,717,000.00					42,717,000.00	0.16%	1,599.95
2010	45,076,000.00					45,076,000.00	0.14%	1,683.95
2009	47,594,000.00					47,594,000.00	0.14%	1,768.04
2008	50,149,000.00					50,149,000.00	0.14%	1,872.56
2007	52,479,000.00					52,479,000.00	0.13%	1,961.39
2006	54,089,000.00					54,089,000.00	0.12%	2,028.16

Source: District CAFR Schedules I-1, I-2

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

(a) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(b) Includes Early Retirement Incentive Plan (ERIP) refunding

* - Data Not Available

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions		
2015	\$32,875,000.00		0.74%	*
2014	36,640,000.00		0.83%	1,370.03
2013	38,470,000.00		0.87%	1,444.45
2012	40,515,000.00		0.92%	1,525.07
2011	42,717,000.00		0.97%	1,599.95
2010	45,076,000.00		1.02%	1,683.95
2009	47,594,000.00		1.05%	1,768.04
2008	50,149,000.00		1.03%	1,872.56
2007	52,479,000.00		1.09%	1,961.39
2006	54,089,000.00		1.97%	2,028.16

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

(a) See Exhibit NJ J-6 for property tax data.

(b) Population data can be found in Exhibit NJ J-14.

* - Data Not Available

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Flemington Borough	\$6,847,871.30	100.00%	\$6,847,871.30
Raritan Township	17,969,884.97	100.00%	17,969,884.97
Other debt			
Hunterdon County	70,347,424.10	21.08%	14,826,080.63
Subtotal, overlapping debt			\$39,643,836.90
Flemington-Raritan Regional School District Direct Debt			37,413,538.51
Total direct and overlapping debt			\$77,057,375.41

Source: Assessed value data used to estimate applicable percentages provided by the County Treasurer's Office.
Debt outstanding data provided by the Municipal Chief Financial Officer.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2015:

Equalized Valuation Basis

Calendar Year	Borough of Flemington	Township of Raritan	Total
2014	\$472,458,584.00	\$3,901,466,468.00	\$4,373,925,052.00
2013	447,771,827.00	3,842,117,318.00	4,289,889,145.00
2012	460,788,760.00	3,993,086,787.00	4,453,875,547.00
	<u>\$1,381,019,171.00</u>	<u>\$11,736,670,573.00</u>	<u>\$13,117,689,744.00</u>
Average Equalized Valuation of Taxable Property			\$4,372,563,248.00
Debt Limit (3% (a) of average equalization value)			131,176,897.44
Total Net Debt Applicable to Limit			<u>36,640,000.00</u>
Legal Debt Margin			<u><u>\$94,536,897.44</u></u>

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$131,176,897.44	\$133,308,962.55	\$137,464,582.89	\$140,791,776.45	\$143,541,943.69	\$145,106,607.75	\$143,802,830.36	\$136,266,619.94	\$123,612,139.60	\$108,871,952.27
Total Net Debt Applicable To Limit	<u>36,640,000.00</u>	<u>36,640,000.00</u>	<u>38,470,000.00</u>	<u>40,515,386.00</u>	<u>42,717,386.00</u>	<u>47,594,386.00</u>	<u>47,594,386.00</u>	<u>50,149,386.00</u>	<u>52,479,386.00</u>	<u>54,089,386.00</u>
Legal Debt Margin	<u><u>\$94,536,897.44</u></u>	<u><u>\$96,668,962.55</u></u>	<u><u>\$98,994,582.89</u></u>	<u><u>\$100,276,390.45</u></u>	<u><u>\$100,824,557.69</u></u>	<u><u>\$97,512,221.75</u></u>	<u><u>\$96,208,444.36</u></u>	<u><u>\$86,117,233.94</u></u>	<u><u>\$71,132,753.60</u></u>	<u><u>\$54,782,566.27</u></u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	27.93%	27.49%	27.99%	28.78%	29.76%	32.80%	33.10%	36.80%	42.45%	49.68%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

(a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>	
				<u>Flemington</u>	<u>Raritan</u>
2015	*	*	*	*	*
2014	26,744	*	*	4.70%	4.70%
2013	26,633	2,011,404,059	\$75,523	7.60%	3.80%
2012	26,566	1,916,232,146	72,131	7.40%	3.70%
2011	26,699	1,851,842,640	69,360	7.50%	3.80%
2010	26,768	1,749,181,728	65,346	7.30%	3.70%
2009	26,919	1,778,296,059	66,061	4.00%	2.00%
2008	26,781	1,843,255,887	68,827	3.10%	1.50%
2007	26,756	1,829,334,476	68,371	3.60%	1.80%
2006	26,669	1,733,538,338	65,002	3.60%	1.80%

Source:

(a) Population information provided by the NJ Dept. of Labor and Workforce Development.

(b) Personal income has been estimated based upon the municipal population and per capita personal income presented.

(c) Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

(d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

* - Data Not Available

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS - CURRENT YEAR AND TEN YEARS AGO
 UNAUDITED

<u>Employer</u>	2014			2005		
	<u># of</u> <u>Employees</u>	<u>Rank</u> <u>(Optional)</u>	<u>Percentage of Total</u> <u>Employment</u>	<u># of</u> <u>Employees</u>	<u>Rank</u> <u>(Optional)</u>	<u>Percentage of Total</u> <u>Employment</u>
(1)						
	<u>0</u>		<u>0.00%</u>	<u>0</u>		<u>0.00%</u>

Source: Municipal Records

(1) - Data not available

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 UNAUDITED

Function/Program	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction:										
Regular	291	266	263	282	272	278	275	278	274	244
Special education	62	54	51	62	51	51	48	48	48	42
Other special education										
Vocational										
Other instruction					65	64	64	63	63	41
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition										
Student and instruction related services	44	43	42							
General administrative services	3	3	3	3	3	3	3	3	3	4
School administrative services	18	20	18	17	17	17	17	17	17	17
Plant operations and maintenance	10	10	10	10	10	10	10	11	11	11
Pupil transportation										
Central services	36	36	36	32	31	33	33	33	33	33
Administration information technology	5	5	5	5	4	4	5	5	5	5
Special Schools										
Food Service	23	23	23	24	24	25	25	25	25	23
Total	<u>492</u>	<u>460</u>	<u>451</u>	<u>435</u>	<u>477</u>	<u>485</u>	<u>480</u>	<u>483</u>	<u>479</u>	<u>420</u>

Source: District Personnel Records

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>% Change</u>	<u>Teaching Staff (b)</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (c)</u>	<u>Average Daily Attendance (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2015	3,328		\$0.00	-100.00%	353	9.4	3,325	3,200	-2.30%	96.23%
2014	3,388	56,923,938.03	16,801.63	3.69%	320	10.6	3,403	3,278	-3.15%	96.33%
2013	3,511	56,892,990.79	16,204.21	6.93%	314	11.2	3,514	3,370	-0.97%	95.90%
2012	3,543	53,692,445.47	15,154.51	4.71%	344	10.3	3,548	3,416	-2.32%	96.26%
2011	3,627	52,493,013.04	14,472.85	-2.82%	325	11.2	3,633	3,491	0.80%	96.10%
2010	3,620	53,909,676.98	14,892.18	1.98%	346	10.5	3,604	3,465	0.82%	96.16%
2009	3,602	52,597,948.69	14,602.83	-1.08%	347	10.4	3,574	3,439	-0.32%	96.21%
2008	3,575	52,765,923.77	14,761.76	6.09%	342	10.5	3,586	3,449	0.61%	96.19%
2007	3,586	49,893,674.89	13,913.85	6.77%	342	10.5	3,564	3,427	-0.39%	96.16%
2006	3,579	46,639,885.36	13,031.54	12.99%	327	10.9	3,578	3,442	0.39%	96.20%

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).

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>District Buildings</u>											
Elementary School(s):											
Barley Sheaf (1967)											
Square Feet	59,105	59,105	59,105	59,105	59,105	70,869	70,869	70,869	70,869	70,869	70,869
Capacity (students)	566	566	566	566	566	566	566	566	566	566	566
Enrollment	351	375	391	409	444	455	458	459	478	475	469
Copper Hill (1996)											
Square Feet	123,000	123,000	123,000	123,000	123,000	127,219	127,219	127,219	127,219	127,219	127,219
Capacity (students)	619	619	619	619	619	619	619	619	619	619	619
Enrollment	508	526	517	570	607	631	548	537	559	560	579
Robert Hunter (1961)											
Square Feet	74,464	74,464	74,464	74,464	74,464	74,464	74,464	74,464	74,464	74,464	74,464
Capacity (students)	547	547	547	547	547	547	547	547	547	547	547
Enrollment	387	393	446	442	449	442	521	487	483	474	465
Desmares (1991)											
Square Feet	85,138	85,138	85,138	85,138	85,138	84,094	84,094	84,094	84,094	84,094	84,094
Capacity (students)	569	569	569	569	569	569	569	569	569	569	569
Enrollment	470	455	495	483	492	488	473	463	447	456	429
Middle School(s):											
JP Case (2006)											
Square Feet	167,000	167,000	167,000	167,000	167,000	137,672	137,672	137,672	137,672	137,672	137,672
Capacity (students)	912	912	912	912	912	912	912	912	912	912	912
Enrollment	838	847	828	808	834	816	791	829	851	841	834
Intermediate School(s)											
Reading-Fleming (1964)											
Square Feet	159,120	159,120	159,120	159,120	159,120	175,318	175,318	175,318	175,318	175,318	175,318
Capacity (students)	902	902	902	902	902	902	902	902	902	902	902
Enrollment	774	792	834	831	801	788	811	800	768	773	812

Number of Schools at June 30, 2015

Elementary = 4

Middle School = 1

Intermediate = 1

Source: District records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the School Enrollment as of 6/30/15.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX

School Facilities * Project #(s)	<u>Total</u>	<u>Other</u>	<u>Barley Sheaf</u>	<u>Copper Hill</u>	<u>Frances A. Desmares</u>	<u>Reading- Fleming</u>	<u>JP Case</u>	<u>Robert Hunter</u>
2015	\$1,609,346.46	\$491,668.57	\$85,137.16	\$227,858.11	\$345,155.06	\$255,582.47	\$128,175.08	\$75,770.01
2014	1,514,304.36	204.04	102,691.43	317,182.88	387,377.73	110,353.71	222,501.51	373,993.06
2013	1,653,345.47		316,610.21	230,500.79	231,209.09	337,944.35	76,176.02	460,905.01
2012	1,498,650.54		164,906.84	310,904.19	628,128.88	189,462.74	113,709.70	91,538.19
2011	1,068,790.78	\$1,232.00	73,757.56	127,881.64	256,161.55	450,993.24	94,592.90	64,171.89
2010	1,302,711.41		186,415.33	133,013.58	181,944.99	542,598.99	80,721.30	178,017.22
2009	745,905.97	24,989.00	191,977.59	100,253.59	65,811.25	193,076.20	70,335.19	99,463.15
2008	731,365.52		277,132.62	106,081.53	76,870.49	134,536.09	57,458.06	79,286.73
2007	890,408.18		256,158.63	97,884.86	96,525.43	253,935.24	53,335.39	132,568.63
2006	1,068,080.54	8,031.53	162,196.61	133,435.16	179,330.93	278,235.95	20,579.93	286,270.43
Total School Facilities	<u>\$12,082,909.23</u>	<u>\$526,125.14</u>	<u>\$1,816,983.98</u>	<u>\$1,784,996.33</u>	<u>\$2,448,515.40</u>	<u>\$2,746,718.98</u>	<u>\$917,585.08</u>	<u>\$1,841,984.32</u>

* - 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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
6/30/2015
UNAUDITED

<u>COMPANY</u>	<u>TYPE OF COVERAGE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
SAIF	Property Blanket Building and Contents- Replacement Cost Values	\$250,000,000	\$2,500
SAIF	Environmental/Pollution	1,000,000 occurrence 25,000,000 aggregate	5,000
	Fungi and Legimella	500,000 occurrence 2,000,000 aggregate	50,000
SAIF	General Liability		
	- Each Occurrence	5,000,000	
	- Personal Injury	5,000,000	
	- Fire Damage	5,000,000	
	- Medical Expense (Excluding Students)	5,000	
	- Employee Benefit Liability		
	- Aggregate	5,000,000	
SAIF	Automobile Coverage		
	- Combined Single Limit	5,000,000	
	- Hired/Non-Owned	5,000,000	
	- Uninsured/Underinsured	15,000/30,000/5,000	
SAIF	Crime Coverage		1,000
	- Employee Theft/per Loss	500,000	
	- Theft, Disappearance and Destruction	50,000	
	- Robbery and Safe Burglary - Property Other Than Money and Securities	50,000	
	- Forgery or Alteration	50,000	
SAIF	Cyber Liability		
	- Third Party Pool Limit	25,000,000	50,000
	- Third Party Each Member	2,000,000	50,000
	- First Party	2,000,000	50,000
	Credit Monitoring and Public Relations		
SAIF	Boiler and Machinery Coverage	100,000,000	2,500
SAIF	Umbrella Liability Coverage		
	- Occurrence Limit	5,000,000	
	- Aggregate Limit	5,000,000	
SAIF	Board of Education		
	- Liability Wrongful Acts Coverage Each Loss/Aggregate	5,000,000	10,000
CAN	Fidelity Bonds		
	- Treasurer of School Monies	300,000	
Hanover	- School Business Administrator/Board Secretary	150,000	
SAIF	Workers Compensation		
	- Each Accident	5,000,000	
	- Each Employee	5,000,000	
	- Aggregate	5,000,000	

Source: District Records

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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

Honorable President and Members
of the Board of Education
Flemington-Raritan Regional School District
County of Hunterdon
Flemington, New Jersey 08822

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, the financial statements of Flemington-Raritan Regional School District (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 7, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Flemington-Raritan Regional 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 District'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.

SUPLEE, CLOONEY & COMPANY

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

December 7, 2015



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH U.S. OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members
of the Board of Education
Flemington-Raritan Regional School District
County of Hunterdon
Flemington, New Jersey 08822

Report on Compliance for Each Major Federal and State Program

We have audited the Flemington-Raritan Regional School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Flemington-Raritan Regional School District's major federal and state programs for the year ended June 30, 2015. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Flemington-Raritan Regional 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; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey OMB 04-04*. Those standards, *OMB Circular A-133* and *New Jersey OMB 04-04* 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 Flemington-Raritan Regional 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 Flemington-Raritan Regional School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Flemington-Raritan Regional 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, 2015.

Report on Internal Control Over Compliance

Management of the Flemington-Raritan Regional 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 Flemington-Raritan Regional School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 program and to test and report on internal control over compliance in accordance with *OMB Circular A-133* and New Jersey *OMB 04-04*, 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 Flemington-Raritan Regional 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 program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *OMB Circular A-133* and State of New Jersey *OMB 04-04*. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

December 7, 2015

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD		BALANCE AT JUNE 30, 2014	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2015		
				FROM	TO							(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR AT
Special Revenue Funds														
U.S. Department of Education														
Passed-Through State Department of Education:														
Title I, Part A Grants to Local Education Agencies	84.010A	NCLB-1510-14	\$94,107.00	7/1/13	6/30/14	\$ (18,006.52)	\$ (19,383.00)	\$ 37,389.00	\$ (94,573.15)	\$ 0.52	\$	\$	\$	\$
Title I, Part A Grants to Local Education Agencies	84.010A	NCLB-1510-15	109,081.00	7/1/14	6/30/15		19,383.00	34,111.00		(0.52)			(41,079.67)	
Title II, Part A, Improving Teacher Quality	84.367A	NCLB-1510-14	78,592.00	7/1/13	6/30/14	37,194.67	(37,195.00)			0.33				
Title II, Part A, Improving Teacher Quality	84.367A	NCLB-1510-15	102,452.00	7/1/14	6/30/15		37,195.00	16,650.00	(78,967.41)	630.47			(24,491.94)	
Title III English Language Acquisition	84.365A	NCLB-1510-14	41,469.00	7/1/13	6/30/14	(4,398.53)	(9,019.00)	13,418.00		(0.47)				
Title III English Language Acquisition	84.365A	NCLB-1510-15	40,366.00	7/1/14	6/30/15		9,019.00	15,323.00	(36,002.57)	(103.00)			(11,763.57)	
Title III, Immigrant	84.365A	NCLB-1510-14	11,707.00	7/1/13	6/30/14	(9,399.00)	2,308.00	7,091.00						
Title III, Immigrant	84.365A	NCLB-1510-15	2,308.00	7/1/14	6/30/15		(2,308.00)	2,308.00	(2,306.10)				(2,306.10)	
Race to the Top	84.413A	N/A	8,039.00	7/1/12	9/30/13	(1,139.00)		1,139.00						
I.D.E.A. Part B, Individuals with Disabilities	84.027	FT-1510-14	1,012,416.00	7/1/13	6/30/14	(193,680.61)		193,680.00		0.61				
I.D.E.A. Part B, Individuals with Disabilities	84.027	FT-1510-15	884,519.00	7/1/14	6/30/15			549,271.00	(801,582.01)	(0.61)			(252,311.62)	
I.D.E.A. Part B, Preschool Grants for Children with Disabilities	84.173	PS-1510-14	33,403.00	7/1/13	6/30/14	(4,030.79)		4,031.00		(0.21)				
I.D.E.A. Part B, Preschool Grants for Children with Disabilities	84.173	PS-1510-15	36,672.00	7/1/14	6/30/15			22,054.00	(34,027.83)	0.21			(11,973.62)	
Total U.S. Department of Education						(193,459.78)		896,465.00	(1,047,459.07)	527.33			(343,926.52)	
Enterprise Funds														
U.S. Department of Agriculture														
Passed-Through State Department of Education:														
Non-Cash Assistance (Commodities):														
National School Lunch Program	10.555	N/A	74,201.16	7/1/13	6/30/14	6,561.70			(6,561.70)					
National School Lunch Program	10.555	N/A	62,697.95	7/1/14	6/30/15			62,697.95	(54,946.27)				7,751.68	
Cash Assistance:														
School Breakfast Program	10.553	N/A	36,087.74	7/1/13	6/30/14	(3,119.14)		3,119.14						
School Breakfast Program	10.553	N/A	43,417.83	7/1/14	6/30/15			39,630.05	(43,417.83)				(3,787.78)	
National School Lunch Program	10.555	N/A	250,058.14	7/1/13	6/30/14	(20,529.64)		20,529.64						
National School Lunch Program	10.555	N/A	262,209.62	7/1/14	6/30/15			240,489.20	(262,209.62)				(21,720.42)	
Total U.S. Department of Agriculture						(17,087.08)		366,465.98	(367,135.42)				(25,508.20)	7,751.68
Total Federal Financial Assistance						\$ (210,546.86)	\$ -0-	\$ 1,262,930.98	\$ (1,414,594.49)	\$ 527.33	\$	\$ (369,434.72)	\$ 7,751.68	\$

See accompanying notes to schedules of financial assistance.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM TO	BALANCE AT JUNE 30, 2014			CARRYOVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2015			BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
				(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR					(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR		
State Department of Education															
General Funds															
Special Education Aid	15-495-034-5120-089	\$ 2,067,960.00	7/1/14	6/30/15	\$	\$	\$	\$	\$ 1,865,384.40	\$ (2,067,960.00)	\$	\$	\$	\$ (202,575.60)	\$ (2,067,960.00)
Security Aid	15-495-034-5120-084	133,295.00	7/1/14	6/30/15					120,237.54	(133,295.00)				(13,057.46)	(133,295.00)
Equalization Aid	15-495-034-5120-078	3,583,525.00	7/1/14	6/30/15					3,232,485.96	(3,583,525.00)				(351,039.04)	(3,583,525.00)
Transportation Aid	15-495-034-5120-014	276,640.00	7/1/14	6/30/15					249,540.58	(276,640.00)				(27,099.42)	(276,640.00)
PARCC Readiness	15-495-034-5120-098	32,465.00	7/1/14	6/30/15					29,284.76	(32,465.00)				(3,180.24)	(32,465.00)
Per Pupil Growth	15-495-034-5120-097	32,465.00	7/1/14	6/30/15					29,284.76	(32,465.00)				(3,180.24)	(32,465.00)
Nonpublic Transportation Aid	14-495-034-5120-044	14,644.00	7/1/13	6/30/14	(14,644.00)				14,644.00						
Nonpublic Transportation Aid	15-495-034-5120-044	13,955.00	7/1/14	6/30/15						(13,955.00)	(13,955.00)				(13,955.00)
Extraordinary Special Education Costs Aid	15-100-034-5120-473	136,702.00	7/1/14	6/30/15						(136,702.00)	(136,702.00)				(136,702.00)
Extraordinary Special Education Costs Aid	14-100-034-5120-473	372,418.00	7/1/13	6/30/14	(372,418.00)				372,418.00						(136,702.00)
Reimbursed TPAF Social Security Contribution	15-495-034-5095-002	1,843,262.19	7/1/14	6/30/15					1,713,557.21	(1,843,262.19)			(129,704.98)		(1,843,262.19)
Reimbursed TPAF Social Security Contribution	14-495-034-5095-002	1,603,263.94	7/1/13	6/30/14	(88,950.35)				88,950.35						
					(476,012.35)				7,715,787.56	(8,120,269.19)			(280,361.98)	(600,132.00)	(8,120,269.19)
Special Revenue Funds															
Character Education	06-100-034-5120-418	9,563.00	7/1/05	6/30/06		295.44						295.44			
N.J. Non-Public Aid															
Handicapped Services															
Corrective Speech	15-100-034-5120-066	5,301.00	7/1/14	6/30/15					5,301.00					5,301.00	
Corrective Speech	14-100-034-5120-066	4,687.00	7/1/13	6/30/14		3,984.04				3,984.04					
Examination and Classification	14-100-034-5120-066	3,661.00	7/1/13	6/30/14		3,341.80				3,341.80					
Examination and Classification	15-100-034-5120-066	4,141.00	7/1/14	6/30/15					4,141.00					4,141.00	
Supplemental Instruction	14-100-034-5120-066	694.00	7/1/13	6/30/14		0.16				0.16	(0.30)				
Supplemental Instruction	15-100-034-5120-066	785.00	7/1/14	6/30/15					785.00	(784.70)					(784.70)
Auxiliary Services															
E.S.L.	14-100-034-5120-067	873.00	7/1/13	6/30/14		873.00					873.00				
E.S.L.	15-100-034-5120-067	914.00	7/1/14	6/30/15					914.00					914.00	
Nonpublic Technology Aid	15-100-034-5120-373	448.00	7/1/14	6/30/15					448.00	(429.00)				19.00	(429.00)
Nonpublic Technology Aid	14-100-034-5120-373	580.00	7/1/13	6/30/14		580.00					580.00				
Nonpublic Textbook Aid	14-100-034-5120-064	1,261.00	7/1/13	6/30/14		964.00					964.00				
Nonpublic Textbook Aid	15-100-034-5120-064	536.00	7/1/14	6/30/15					536.00					536.00	
Nonpublic Nursing Services	15-100-034-5120-070	1,328.00	7/1/14	6/30/15					1,328.00	(474.00)				854.00	(474.00)
Nonpublic Nursing Services	14-100-034-5120-070	2,316.00	7/1/13	6/30/14		127.00					127.00				
						295.44	9,870.00		13,453.00	(1,687.70)	9,869.70		295.44	11,765.00	(1,687.70)
Capital Projects Fund															
Educational Facilities Construction and Financing Act	1510-030-14-1001	65,832.00	Continuous							(44,460.00)		(44,460.00)			(44,460.00)
Educational Facilities Construction and Financing Act	1510-033-14-1003	264,213.00	Continuous							(106,643.28)		(106,643.28)			(106,643.28)
Educational Facilities Construction and Financing Act	1510-035-14-1006	13,492.00	Continuous							(2,772.00)		(2,772.00)			(2,772.00)
Educational Facilities Construction and Financing Act	1510-035-14-1007	280,610.00	Continuous							(262,513.45)		(262,513.45)			(262,513.45)
Educational Facilities Construction and Financing Act	1510-045-14-1009	31,800.00	Continuous							(30,424.64)		(30,424.64)			(30,424.64)
Educational Facilities Construction and Financing Act	1510-050-14-1010	36,599.00	Continuous							(6,292.66)		(6,292.66)			(6,292.66)
										(453,106.03)		(453,106.03)			(453,106.03)
Debt Service Fund															
Debt Service Aid - Type II	15-495-034-5120-075	251,767.00	7/1/14	6/30/15					251,767.00	(251,767.00)					(251,767.00)
									251,767.00	(251,767.00)					(251,767.00)
Enterprise Fund															
National School Lunch Program (State Share)	15-100-010-3350-023	10,158.54	7/1/14	6/30/15					9,302.78	(10,158.54)					(10,158.54)
National School Lunch Program (State Share)	14-100-010-3350-023	10,322.25	7/1/13	6/30/14	(845.14)				845.14						
					(845.14)				10,147.92	(10,158.54)					(10,158.54)
Total State Financial Assistance Subject to Single Audit Testing					(476,857.49)	295.44	9,870.00		7,991,155.46	(8,836,988.46)	9,869.70	(734,323.77)	295.44	11,765.00	(600,132.00)
On-Behalf Amounts Utilized for Determining Single Audit															
General Fund															
On-Behalf TPAF	15-495-034-5095-006	1,306,679.00	7/1/14	6/30/15					1,306,679.00	(1,306,679.00)					(1,306,679.00)
On-Behalf TPAF Post-Retirement Medical Benefits	15-495-034-5095-001	2,074,354.00	7/1/14	6/30/15					2,074,354.00	(2,074,354.00)					(2,074,354.00)
Total State Financial Assistance					\$ (476,857.49)	\$ 295.44	\$ 9,870.00	\$	\$ 11,372,188.48	\$ (12,218,021.46)	\$ 9,869.70	\$ (734,323.77)	\$ 295.44	\$ 11,765.00	\$ (12,218,021.46)

See accompanying notes to schedules of financial assistance

Flemington-Raritan Regional School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2015

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Flemington-Raritan Regional School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Flemington-Raritan Regional School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2015

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$7,544.00) for the general fund and \$1,066.22 for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$11,493,758.19	\$11,493,758.19
Special Revenue Fund	\$1,045,898.93	1,687.70	1,047,586.63
Capital Projects Fund		453,106.03	453,106.03
Debt Service Fund		251,767.00	251,767.00
Food Service Fund	367,135.42	10,158.54	377,293.96
	<u> </u>	<u> </u>	<u> </u>
Total Awards & Financial Assistance	<u>\$1,413,034.35</u>	<u>\$12,210,477.46</u>	<u>\$13,623,511.81</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2015. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2015.

Flemington-Raritan Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| (a) | Material weakness identified? | No |
| (b) | Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to basic financial statements noted? | No |

Federal Program(s)

- | | | |
|-----|--|---------------|
| (1) | Internal Control Over Major Federal Programs: | |
| (a) | Material weakness identified? | No |
| (b) | Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular OMB A-133? | None Reported |

- (4) Identification of Major Federal Program(s):

<u>Program</u>	<u>Grant Number</u>
School Breakfast Program	10.553
National School Lunch Program	10.555

- | | | |
|-----|---|-----|
| (5) | Program Threshold Determination:
Type A Federal Program Threshold > \$300,000.00
Type B Federal Program Threshold <= \$300,000.00 | |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular A-133? | Yes |

Flemington-Raritan Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section I – Summary of Auditor’s Results (Continued)

State Program(s)

- | | | | | | | | | | | | | |
|---|--|----------------|---------------------|-------------------------------------|------------------|---------------------------------------|------------------|--------------------|------------------|---|---------|--|
| (1) | Internal Control Over Major State Programs: | | | | | | | | | | | |
| | (a) Material weakness identified? | No | | | | | | | | | | |
| | (a) Significant deficiencies identified that are not considered to be material weaknesses? | No | | | | | | | | | | |
| (2) | Type of Auditor’s Report issued on compliance for major state program(s)? | Unmodified | | | | | | | | | | |
| (3) | Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04? | None Reported | | | | | | | | | | |
| (4) | Identification of Major State Program(s): | | | | | | | | | | | |
| | <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><u>Program</u></td> <td style="text-align: center;"><u>Grant Number</u></td> </tr> <tr> <td>Extraordinary Special Education Aid</td> <td>100-034-5120-473</td> </tr> <tr> <td>Reimbursed TPAF Social Security Cont.</td> <td>495-034-5094-003</td> </tr> <tr> <td>Transportation Aid</td> <td>495-034-5120-014</td> </tr> <tr> <td>Educational Facilities Construction and Financing Act</td> <td>Various</td> </tr> </table> | <u>Program</u> | <u>Grant Number</u> | Extraordinary Special Education Aid | 100-034-5120-473 | Reimbursed TPAF Social Security Cont. | 495-034-5094-003 | Transportation Aid | 495-034-5120-014 | Educational Facilities Construction and Financing Act | Various | |
| <u>Program</u> | <u>Grant Number</u> | | | | | | | | | | | |
| Extraordinary Special Education Aid | 100-034-5120-473 | | | | | | | | | | | |
| Reimbursed TPAF Social Security Cont. | 495-034-5094-003 | | | | | | | | | | | |
| Transportation Aid | 495-034-5120-014 | | | | | | | | | | | |
| Educational Facilities Construction and Financing Act | Various | | | | | | | | | | | |
| (5) | Program Threshold Determination: | | | | | | | | | | | |
| | Type A State Program Threshold > \$366,540.64 | | | | | | | | | | | |
| | Type B State Program Threshold <= \$366,540.64 | | | | | | | | | | | |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular A-133? | Yes | | | | | | | | | | |

Flemington-Raritan Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section II – Financial Statement Audit – Reported Findings
Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

Flemington-Raritan Regional School District

Schedule of Prior Year Audit Findings

Not Applicable

