

**FLEMINGTON-RARITAN REGIONAL
SCHOOL DISTRICT**

**Flemington-Raritan Regional School District
Flemington, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022**

**Annual Comprehensive
Financial Report**

of the

**Flemington-Raritan Regional
School District**

Flemington, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

**Flemington-Raritan Regional School District
Board of Education**

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INTRODUCTORY SECTION
(UNAUDITED)

Flemington-Raritan Regional School District

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January 18, 2023

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

Dear President and Members:

The Annual Comprehensive Financial Report of the Flemington-Raritan Regional School District for the fiscal year ending June 30, 2022 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 aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive 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 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and New Jersey's OMB Circular 15-08, *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 system and compliance with applicable laws and regulations and findings and recommendations, are 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 Governmental Accounting Standards Board (GASB) as established by National Council on Governmental Accounting (NCGA) Statement No. 3. 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 PK through 8. The Flemington-Raritan School District has six schools that serve grades pre-kindergarten through eighth grade. Children attend one of four elementary schools for grades PK-4: Barley Sheaf Elementary School, Copper Hill Elementary School, Francis A. Desmares Elementary School, or Robert Hunter Elementary School. Reading-Fleming Intermediate School educates children in grades 5-6 while J.P. Case Middle School educates children in grades 7-8. These include regular as well as special education for handicapped children.¹ The community served by the district is ethnically, culturally, and linguistically diverse.

¹ Demographic Study for the Flemington-Raritan Regional School District, February, 2020. Prepared by Richard S. Grip.

Our schools, though individualized to meet changing student needs, are part of a whole system of education. Flemington-Raritan Regional School District partners with our community to provide the highest quality education for students and continued professional development for staff. Flemington-Raritan Regional School District is a district with a common, clear mission and a strategic plan with specific goals and objectives. It is a district where public education is working for all children.

Our parents hold high expectations for their children's personal and educational success. Parent and community involvement support and enhance classroom and district programs. We are proud to be a district that supports parental and community involvement in education.

The Flemington-Raritan Regional School District has an excellent reputation for maintaining high standards of instruction. The instructional program is based upon a comprehensive PK-8 curriculum supported by ongoing professional development opportunities for staff, high-quality instructional materials to engage students in learning, and support staff for additional support for students.

Instructionally the district provides school-based services designed to meet the needs of all students, including those requiring extended learning, special education, or English as a second language.

The following table presents the actual historical pupil enrollment, as of October 15, for the school years 2012-2013 through 2022-2023.

Fiscal Year	<u>School Year Enrollment a/o October 15</u> Student Enrollment	Percent Change
2012-13	3,505	-1.0%
2013-14	3,387	-3.4%
2014-15	3,344	-1.3%
2015-16	3,150	-5.8%
2016-17	3,077	-2.3%
2017-18	3,055	-0.7%
2018-19	3,087	+1.0%
2019-20	3,074	-0.4%
2020-21	2,969	-3.5%
2021-22	3,016.5	+1.6%
2022-23	3,137	+4.0%

Enrollment Projections PK-8 enrollments were computed for a five-year period by the District's hired demographer. At the elementary level (grades PK-4), enrollments are projected to increase through 2022-23. Enrollment is projected to be 1,669 in 2024-25, which would be a gain of 28 students from the 2019-20 enrollment of 1,641. In the adjusted projections, enrollment is projected to be 1,746 in 2024-25, which would be a gain of 105 students from the 2019-20 enrollment. The largest enrollment gains are projected at Francis A. Desmares (+74) and Robert Hunter (+50). At RFIS (grades 5-6), enrollments are projected to remain relatively stable for the next two years in the baseline projections before increasing in the last three years of the projection period.

Flemington-Raritan Regional Schools has 20.8% free/reduced lunch, 19.9% total special education and 14.4% Special Education without ESL students and 15.5% special education students excluding speech students, and 7.9% English Language Learners. Flemington-Raritan Regional School District has 391.8 FTE positions with a total of 606 employees and operates on a \$72 million dollar budget.

2) ECONOMIC CONDITION AND OUTLOOK:

The Flemington Borough section of the Flemington-Raritan Regional School District continues to see housing development in the community. Because of limited open space, the Borough is not expected to grow significantly and the tax base is expected to remain relatively level.

The Flemington-Raritan Regional School District serves Flemington Borough and Raritan Township children providing a full range of educational services appropriate to grades PK through 8. Located in Hunterdon County, Flemington Borough contains a land area of 1.08 square miles. In the 2020 Census, Flemington had 4,523 residents, which is 4,419.8 persons per square mile.

Historical and projected populations for Flemington from 1940-2040 are shown in Table 1 and Figure 1.²

Table 1
Historical and Projected Populations for Flemington Borough 1940-2040

Year	Population	Percent Change
Historical		
1940	2,617	N/A
1950	3,058	+16.9%
1960	3,232	+5.7%
1970	3,917	+21.2%
1980	4,132	+5.5%
1990	4,047	-2.1%
2000	4,200	+3.8%
2010	4,581	+9.1%
2020	4,589	+0.2%
Projected		
2030	4,726	+2.9%
2040	4,803	+1.6%

Sources: ¹United States Census Bureau
North Jersey Transportation Planning Authority. **Inc.** (2013)

Raritan Township, which is also located in Hunterdon County, contains a land area of 37.53 square miles, with an additional 0.16 square miles of water area. Historical and projected populations for Raritan from 1940-2040 are shown in Table 2 and Figure 1. In 2020, Raritan had 23,447 residents, which is 624.8 persons per square mile. Unlike Flemington, the population in Raritan has significantly increased from 1940-2020, growing more than tenfold. Raritan experienced its greatest gain in the 1980s (+88.3%) when the population nearly doubled in size. The population in 2020 is 23,447 persons, which is a gain of 1,262 persons from 2010. Neither Flemington nor Raritan have experienced a significant change in population from 2010-2020. Forecasts prepared by the NJTPA project Raritan's population to increase to 24,078 in 2040, which would be a 2.6% increase and a gain of 631 persons from the 2020 population.

³

² Demographic Study for the Flemington-Raritan Regional School District, February, 2020. Prepared by Richard S. Grip

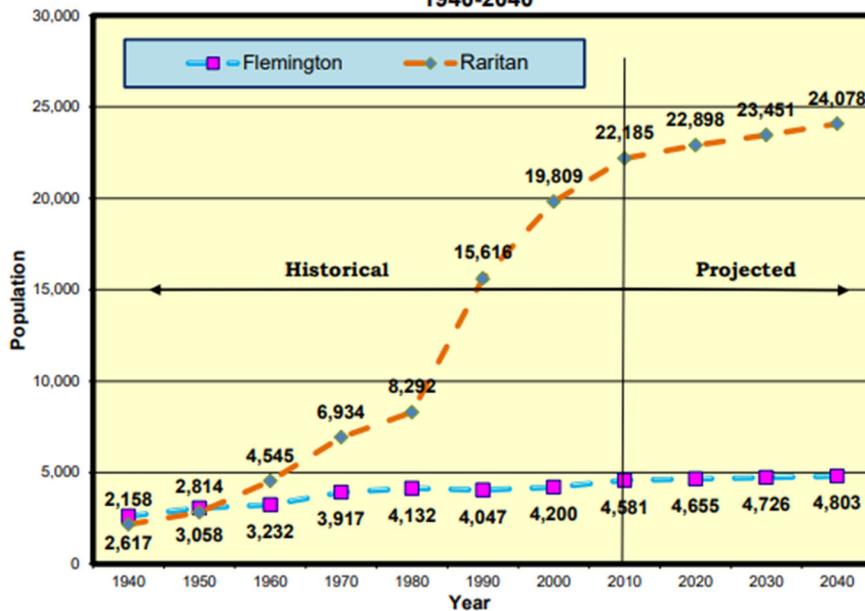
³ Demographic Study for the Flemington-Raritan Regional School District, February, 2020. Prepared by Richard S. Grip

Table 2
Historical and Projected Populations for Raritan
1940-2040

Year	Population	Percent Change
Historical		
1940	2,158	<i>NIA</i>
1950	2,814	+30.4%
1960	4,545	+61.5%
1970	6,934	+52.6%
1980	8,292	+19.6%
1990	15,616	+88.3%
2000	19,809	+26.9%
2010	22,185	+12.0%
2020	23,447	+5.6%
Projected		
2030	23,451	+0%
2040	24,078	+2.7%

Sources: ¹United States Census Bureau
² North Jersey Planning Authority. Inc. (2013)

Figure 1
Historical and Projected Populations
1940-2040



3) MAJOR INITIATIVES:

Financial Planning:

The Board of Education's policies relating to financial matters, reinforced by solid internal controls, have continued to lead the district to success in its central target: providing an excellent educational experience to every student, every day, at every opportunity. External evidence of the result of its practices was seen through the passing of the 2019 November Referendum. The district received a bond rating of AA from Standard & Poor's rating scale. The District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education.

Facility Planning:

Flemington-Raritan Regional School District has completed referendum projects on all six district buildings as a result of the passing of the 2019 November Referendum. With the imposition by the State of New Jersey of its so-called "2% general fund tax levy cap," the district avoids large swings in programs. Capital projects on long life cycles, such as facility roofs, must be planned for the long-term. The district successfully passed the November 2019 referendum to support HVAC, Security and Safety upgrades for district-wide improvements for all six buildings in Flemington-Raritan Regional School District. The maintenance improvements were no longer possible within the annual school budget. Projects focused on safety and security initiated in the spring of 2020. The majority of all projects are completed with small punch list items being completed in the 2022-2023 school year.

Educational Program:

The Flemington-Raritan Regional School District serves the municipalities of Flemington and Raritan. In fulfilling its mission, the district has been successful in providing school facilities and an outstanding education for our student population. The taxpayers of Flemington Borough and Raritan Township realize a remarkable return on their investment. Students graduate from eighth grade to attend top high schools from the region. Many Flemington-Raritan Regional School District students continue their education after high school at top colleges in the nation.

Students in the Flemington-Raritan Regional School District have extraordinary opportunities to develop knowledge and skills in language arts, mathematics, science, social studies, world languages, physical education/health, art, music, and cooking. The district's vocal and instrumental music, fine arts, and theater programs yield exceptional performances. The Flemington-Raritan Regional School District provides a broad array of co-curricular and athletic programs.

The core academic program, aligned with the New Jersey Student Learning Standards, consists of English language arts, mathematics, science, social studies, and world language. The English language arts program is integrated in its approach to early reading skill development, literature and writing.

The mathematics program integrates hands-on, discovery-based learning, problem solving, mathematical modeling, and exploration, with skill development, thereby making mathematical concepts easier to learn and remember. The science program is based upon national and local standards and is designed to promote inquiry and critical thinking through the study of naturally occurring phenomena.

The hands-on, minds on format engages students in problem-solving activities that foster scientific inquiry and understanding. Social studies deals with ancient civilizations, United States history, and world cultures to develop critical thinking about how historical events shape modern perceptions and civilizations. In the area of world language, students have a choice of learning communication and culture in Spanish or French. The comprehensive program promotes language fluency.

The Board of Education remains committed to Professional Development, Curriculum Development and Instructional Program/Technology as outlined on the following pages.

Professional Development

The District’s Professional Development Plan included the following goals, which were aligned to the District’s Strategic Plan. Implementation was hampered by the pandemic, but the District successfully pivoted to provide virtual opportunities for teachers to participate in workshops and by conducting virtual planning/articulation meetings.

Obj	Goal Area	Grade	Goal Statement
2.2 4.5	Balanced Literacy	K-2	Increase opportunities for student choice, voice, and accountability through classroom-embedded professional learning in Balanced Literacy strategies.
1.2 4.3	Math Problem Based Inquiry	3-5	Enhance teachers’ capacity to design mathematics instruction that encourages problem-based inquiry in addition to procedural applications through sustained professional learning.
		K-5	Complete a thorough needs assessment of our K-5 mathematics program and provide professional learning to prepare teachers for possible new math materials and a revised curriculum document to be implemented in the 2023-2024 school year.
3.9	G&T Programs	3-5	Provide professional learning opportunities to strengthen teachers’ knowledge of “best practices” and strategies for rich mathematics instruction in a heterogeneous environment.
1.3 2.3 2.4 4.3	Social Studies Curriculum and Materials	K-5	Improve teachers’ instructional skills by conducting a thorough needs assessment of the K-5 Social Studies curriculum. This is to include curriculum revision and piloting of social studies materials.
2.3 2.4	Equity, Disabled, & LGBTQ		Increase teachers’ knowledge of resources and strategies to appropriately and effectively address topics related to the study of oppression, social justice, and human rights.
2.3 2.4 2.5 4.3	Civics	7-8	Plan for the implementation of a new, mandated Civics course at the middle school level. Identify age-appropriate topics, revise curriculum, identify materials, and prepare teachers with appropriate professional learning opportunities.
1.1 1.3 2.3 4.3	Climate Change	K-8	Plan for the implementation of a mandated instruction in climate change in grades K-8. Identify age-appropriate topics, revise curriculum, identify materials, and prepare teachers with appropriate professional learning opportunities.
5.4	NWEA MAP Growth	K-8	Create building level teams that will participate in MAP Growth Basics, Analyzing Reports 1, and Analyzing Reports 2 workshops. Prepare them to serve as turn-key trainers for building-level professional learning on how to use MAP Growth data to inform instruction.
3.2	Sheltered Instruction	K-4	Reduce the achievement gap of English learners by providing teachers professional learning in Sheltered Instruction.
5.1 5.2 5.3	Standards-Based Report Cards	K-6	Improve parent communication by including the Characteristics of Successful Learners in grades K-6. Implement all new standards-based report cards in grade 6.

2.1 2.2 2.6	Social Emotional Learning	K-8	Integrate social emotional learning in all grades/subject areas, which includes knowledge, attitudes, and skills necessary to understand and manage emotions, set and achieve positive goals, feel and show empathy for others, establish and maintain positive relations, and make responsible decisions through infusion of the Responsive Classroom philosophy, use of Cooperative Learning structures, and an over-arching orientation to mindfulness.
1.4	Financial Literacy	6-8	Provide professional learning and pilot new curriculum opportunities to expand students' knowledge of basic, personal financial literacy in grades 6, 7 and/or 8.
1.5 4.3	Technology	K-4	Provide professional learning to K-4 classroom teachers on how to integrate the skills and knowledge required in NJSLs for Technology into existing content area curriculums.
3.6 3.7 3.8 3.9	Universal Design for Learning	K-8	Provide professional learning to promote lesson planning that prompts multiple means of engagement, multiple means of representation, and multiple means of action and expression with the goal of developing purposeful, motivated, resourceful, and goal-directed learners.

Workshops that supported these professional learning goals and/or prepared teachers for concurrent learning during the 2021-2022 school year included the following:

Summer 2021	Applied Behavior Analysis, Advanced Number Sense, Literacy Learning Academy, Cooperative Learning 1 & 2, Desmos, Genesis Gradebook, New Teacher Math, Mathematics Standards: Coherence and Consolidation, Mentor Teacher Training, Limitless Mind: Learn, Lead, and Live Without Barriers Book Study, New Teacher Orientation, New Teacher Science, Planbook Clinic, Picture Exchange Communication System, Responsive Classroom, Science Phenomena, Sheltered Instruction, Special Education New Teacher, Sondag System Overview, and Website Wednesday Clinic.
September 2021	Safeschools, Fountas and Pinnell, Mentor Text Reading Time, Standards-Based Report Card Review, and a large variety of department meetings.
October 2021	CPI Training, Preschool Inclusion 101, Characteristics of Thriving Learners K-4, Understanding the Characteristics of Thriving Learners 101, Unique Learning Systems, TeachTown Social Skills, HIB Self-Assessment Review, Speech Pathology.com, and a variety of department articulation meetings.
November 2021	Systems 3000, Inclusion Confidence Level Survey, 3 Act Math with Graham Fletcher, F&P Classroom, NWEA MAP Growth Report Analysis, Looking Closely at Assessments and Their Alignment to the Standards and COTL, IQWST webinar, Gizmos Exploration and Climate Change, Biographies that Inspire, Teach, and Spark Conversations, ArtPro Professional Learning, Restructuring Learning Activities in Foods, Adaptive PE Training, Destiny Discover, Functional Language and ABLLs, RETHINK Platform and ABLLs, EnCore and Teachtown, Speechpath.com, Tiered Interventions: Enhancing Instruction and Positive Behavioral Supports, Sondag Instruction and Implementation,
January 2022	Universal Design for Learning, Dyslexia, ACCESS for ELLs, ArtPro Professional Learning, Youth Mental Health First Aid, ReThink, SLP Data Analysis and Decision Making, TeachTown and ULS Online Modules, and Frontline IEP.
February 2022	Understanding Dyslexia, Social Skills Protocol Discussion, Counting Collections, Desmos for Elementary Math Teachers, RFIS School Climate Team, Anti-Bullying Specialists, Desmos 2.0, Sondag System Work Session, Universal Design for Learning, Creating Custom Websites to Better Instruction, Planbook.com Advanced, Supporting Multilingual Learners in the Core Content Area Classroom, Gmail and Google Calendar Basics, Responsive Classroom: Language of Learning, Responsive Classroom: Self-Study, F&P

	Benchmark Assessment, Integrating Foundational Skills in ELA, “How To” of Writing Quality IEP Goals and Objectives, Understanding the Teachers’ Roles and Responsibilities in Crafting a Quality IEP, ABA: Teaching Receptive Language and Other Discrimination Skills, 3-Act Tasks in Math, New and Notable: A Look at Recently Published Best Books K-4, Let’s Read, Time for You in ‘22, A Looking Glass into the LGBTQ+ Community, Rock Climbing for RFIS PE staff, Flyleaf Resource Review, Inquiry Journeys Pilot Team Articulation, K-2 Curriculum Implementation and Articulation, SS Civics Curriculum Planning and Articulation, Conversations on Climate Change, and Youth Mental Health First Aid. In addition, there were a variety of staff-led self-care workshops offered to improve school climate and teacher morale.
March 2022	The Language of Behaviors, Dyslexia, Flyleaf Resource Review, Inquiry Journeys Pilot Team Articulation, Responsive Classroom Self-Study, K-4 Virtual Math Summit Self-Study, Universal Design for Learning, and HIB Law Update Training for School Counselors. The District also offered a “Build Your Own Workshop” option, which allowed small groups of teachers to submit professional learning proposals that addressed specific, teacher-identified needs. In addition, there were a variety of staff-led self-care workshops offered to improve school climate and teacher morale.

Curriculum Development

Curriculum development projects during the 2021-2022 school year included the following:

- K-2 ELA Refinements
- K-5 Social Studies Curriculum
- 6-8 Social Studies Civics Curriculum
- 5-6 Standards Based Report Card Refinement
- K-6 Characteristics of Successful Learners
- K-2 STEM Program
- K-8 Climate Change
- K-5 Mathematics Curriculum Revision
- 6-8 Mathematics Needs Assessment Committee

Instructional Programs/Technology

Title I federal funds were used to support the continued employment of a Bilingual Counselor shared between Robert Hunter and Francis A. Desmares schools during the 2021-2022 SY, and the District provided classroom-embedded professional learning focused on literacy instruction. Title I after school Literacy Lab, Title I Summer Literacy Program, and several parent nights were also funded using ESSA funding.

Title III federal funds were used to support a Title III after school homework program, Friends Counseling Group, and Title III Summer ESL program.

American Rescue Plan funds were used to address student mental health as well as learning loss. The District funded the NWEA MAP Growth assessment to monitor student performance and growth, and the data was used to identify and provide intervention services. This included a variety of summer program, such as Experience Math!, Summer Book Clubs, Foundational Reading Skills program, STEM programs, including field trips and science assemblies.

Other on-going District programs were maintained and/or expanded during the 2021-2022 school year. These programs included the following:

- The District remains committed to maintaining reasonable class sizes at all grade levels.
- Intervention programs, such as Reading Recovery, math support, reading support, special education, ESL, speech, 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 school-wide G&T Passages program were continued. The District also provided a high school level geometry class for our most capable math students in grade 8.
- Our grades K-1 iPad 1:1 initiative and grades 2-8 1:1 Chromebook initiative were continued and several technology infrastructure projects were implemented to ensure dependable access to the internet. These included the installation of external wireless access points at all six schools.

- We also expanded our broadband connection and added redundancy features that helped to support online and virtual learning necessitated by the pandemic.
- The District used the 2021-2022 school year to plan the transition from Outlook to Gmail as well as the greatly expanded use of Google Drive.
- The District improved its security and safety procedures with the installation of the LENS system, the expansion of our virtual server environment, stronger password and authentication protocols, and cybersecurity training for our Technology Department.
- 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.

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's 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. 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2022.

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. These funds 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 3. 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 and applicable limits is included in the statistical section.

9) OTHER INFORMATION:

Independent Audit

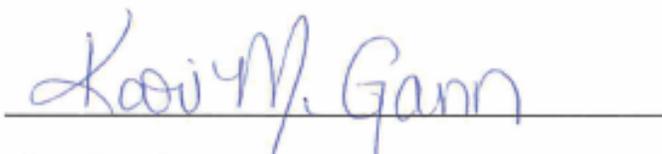
State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board's Finance Committee selected the accounting firm of Nisivoccia LLP to conduct the annual audit.

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 as amended and the related Uniform Guidance and New Jersey's OMB Circular 15-08. 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,



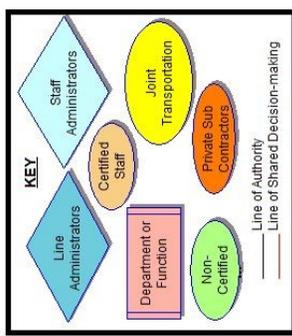
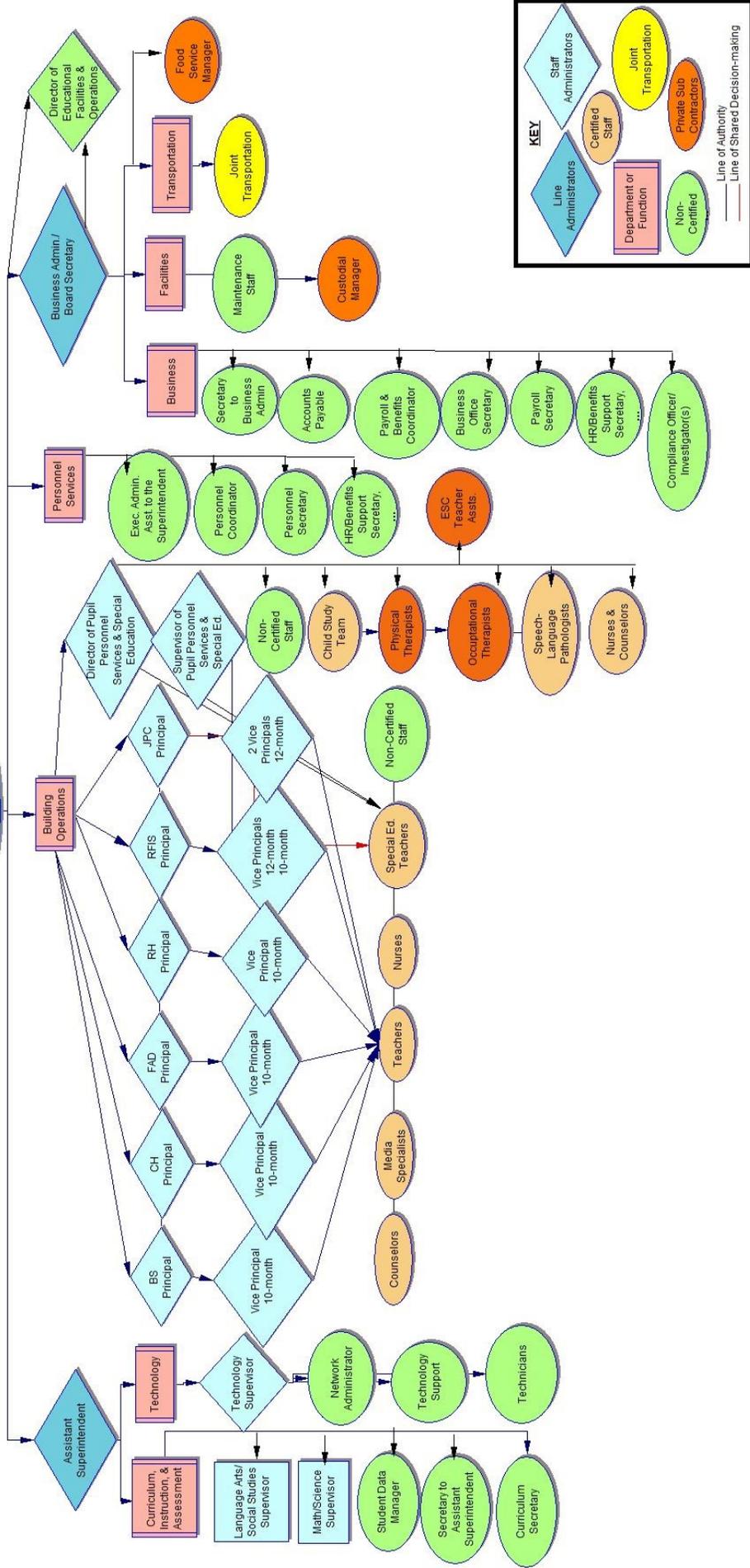
Dr. Kari McGann
Superintendent



Ms. Tanya Dawson
Business Administrator

2021-2022
FRSD Board of Education

Superintendent of Schools



**FLEMINGTON-RARITAN REGIONAL BOARD OF EDUCATION
 ROSTER OF OFFICIALS
 JUNE 30, 2022**

<u>Board of Education Members</u>	<u>Term Expires</u>
Susan Mitcheltree, President	2023
Valerie Bart, Vice President	2023
Jaclyn Arce	2022
Loretta Borowsky	2024
Jeffrey Cain	2022
Michelle Hurley	2024
Laurie Markowski	2024
Melanie Rosengarden	2022
Christopher Smolk	2022

<u>Other Officials</u>	<u>Title</u>
Dr. Kari McGann	Superintendent of Schools
Dr. Edward F. Izbicki, Sr.	Interim Business Administrator/Board Secretary (to January 13, 2023)
Tanya Dawson	School Business Administrator/Board Secretary (from January 16, 2023)
Daniel Bland	Assistant Superintendent for Curriculum & Instruction
Dr. Danielle Hamblin	Director of Pupil Personnel Services
Ray Krov	Treasurer of School Monies

FLEMINGTON-RARITAN REGIONAL BOARD OF EDUCATION

Consultants and Advisors

Attorneys

Comegno Law Group P.C.
(Attorney of Record)
521 Pleasant Valley Avenue
Moorestown, NJ 08057

Busch Law Group LLC
(Special Conflicts Counsel)
450 Main Street
Metuchen, NJ 08840

Audit Firm

Nisivoccia LLP
200 Valley Road, Suite 300
Mount Arlington, NJ 07856-1320

Architect

SSP Architects
50 Division Street, Suite 503
Somerville, NJ 08876

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

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Qualified Opinion

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 Board of Education of the Flemington-Raritan Regional School District (the “District”), in the County of Hunterdon, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Matter Giving Rise to Qualified Opinion

The District’s note disclosure on postemployment benefits other than pensions (OPEB) (Note 19) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan (“SHBP”) has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey (the “Division”), as of the date of this report. The District is in a “special funding situation” in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District’s net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9 to the financial statements, the District implemented GASB Statement No. 87, *Leases*, during the fiscal year ended June 30, 2022. Our opinions are not modified with respect to this matter.

Other Matters

The financial statements of the District as of June 30, 2021 were audited by other auditors whose report dated February 7, 2022 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are 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.

The Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios (Exhibit L-5) do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. The District is in a "special funding situation" in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District's net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable President and Members
of the Board of Education
Flemington-Raritan Regional School District
Page 4

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2023 on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District’s internal control over financial reporting and compliance.

Mount Arlington, New Jersey
January 18, 2023

Nisivoccia LLP
NISIVOCCIA, LLP

Heidi A. Wohlleb

Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

This section of Flemington-Raritan Regional School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report 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:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more* detail than the District-wide statements.
- The *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, such as food services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1
Organization of Flemington-Raritan Regional School District's Financial Report**

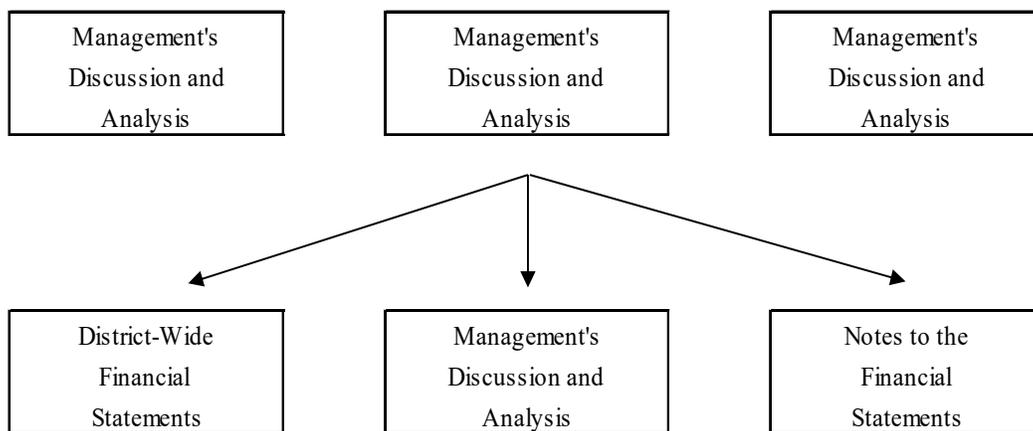


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEAR ENDED JUNE 30, 2022

District-Wide Statements

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

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred outflows and inflows 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 is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food services are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. 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 (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *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 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 flows.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position was \$43,081,584 on June 30, 2022, \$5,593,240 or 14.92% more than the year before (See Figure A-3). Net position from governmental activities increased by \$5,070,254 and net position from business-type activities increased by \$522,986 (See Figure A-4). Net investment in capital assets increased by \$8,785,170, restricted net position decreased by \$6,628,910, and unrestricted net position increased by \$3,436,980.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2022	(Restated) 2021	2022	(Restated) 2021	2022	(Restated) 2021	
Current and							
Other Assets	\$21,142,596	\$30,201,326	\$771,749	\$275,513	\$21,914,345	\$30,476,839	
Capital Assets, Net	93,587,563	83,769,664	224,361	137,157	93,811,924	83,906,821	
Lease Assets, Net	552,969				552,969		
Total Assets	115,283,128	113,970,990	996,110	412,670	116,279,238	114,383,660	1.66%
Deferred Outflows of Resources	819,515	1,371,222			819,515	1,371,222	-40.23%
Other Liabilities	4,358,106	2,517,790	120,119	59,665	4,478,225	2,577,455	
Long-Term Liabilities	66,287,488	72,185,573			66,287,488	72,185,573	
Total Liabilities	70,645,594	74,703,363	120,119	59,665	70,765,713	74,763,028	-5.35%
Deferred Inflows of Resources	3,251,456	3,503,510			3,251,456	3,503,510	-7.19%
Net Position:							
Net Investment in							
Capital Assets	34,506,806	25,808,840	224,361	137,157	34,731,167	25,945,997	
Restricted	11,517,181	18,146,091			11,517,181	18,146,091	
Unrestricted/(Deficit)	(3,818,394)	(6,819,592)	651,630	215,848	(3,166,764)	(6,603,744)	
Total Net Position	\$42,205,593	\$37,135,339	\$875,991	\$353,005	\$43,081,584	\$37,488,344	14.92%

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

Changes in Net Position

The Changes in Net Position shows the cost of program services and the revenues of the District on a comparative schedule (Figure A-4). The net investment in capital assets increased mainly due to capital assets additions and current year maturities of bonds, leases and financed purchases, offset by the issuance of new leases, deletions of capital assets and depreciation expense. Restricted net position decreased mainly due to continuing progress on the referendum projects. Unrestricted net position increased primarily due to the decrease in the net pension liability and the related deferred inflows and outflows as well as current year excess budget revenue and unexpended budget appropriations in the General Fund.

**Figure A-4
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2022	2021	2022	2021	2022	2021	
Revenue:							
Program Revenue:							
Charges for Services	\$ 343,799		\$ 73,545	\$ 3,911	\$ 417,344	\$ 3,911	
Operating Grants & Contributions	20,379,922	27,172,612	1,542,637	961,081	21,922,559	28,133,693	
General Revenue:							
Property Taxes	59,382,615	58,595,261			59,382,615	58,595,261	
Unrestricted Federal & State Aid	3,923,349	3,202,303			3,923,349	3,202,303	
Other	1,247,622	2,214,051	27	1	1,247,649	2,214,052	
Total Revenue	85,277,307	91,184,227	1,616,209	964,993	86,893,516	92,149,220	-5.70%
Expenses:							
Instruction	49,976,343	53,735,501			49,976,343	53,735,501	
Pupil & Instruction Services	9,080,643	10,784,713			9,080,643	10,784,713	
Administration and Business	8,017,774	8,009,101			8,017,774	8,009,101	
Maintenance & Operations	5,979,735	5,997,209			5,979,735	5,997,209	
Transportation	5,423,888	5,385,190			5,423,888	5,385,190	
Other	1,728,670	1,866,837	1,093,223	826,681	2,821,893	2,693,518	
Total Expenses	80,207,053	85,778,551	1,093,223	826,681	81,300,276	86,605,232	-6.13%
Change in Net Position	\$ 5,070,254	\$ 5,405,676	\$ 522,986	\$ 138,312	\$ 5,593,240	\$ 5,543,988	0.89%

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

Governmental Activities

The governmental activities financial position of the District increased by 13.65%. However, maintaining existing programs with expected increased regular pupil enrollment and the provision of a multitude of special programs and services for disabled pupils place great demands on the District’s resources. During the past several years, numerous veteran teachers have retired and have been replaced by teachers of less experience. Such changes have generated significant salary savings, but these have not been sufficient enough to provide for increased special education programs and increased health benefit costs. As a result, the District was subject to a tax increase in fiscal year 2022.

Due to the constraints placed upon the District by legislation, it is crucial that the District examine its expenses carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

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

**Figure A-5
Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
Instruction	\$ 49,976,343	\$ 53,735,501	\$ 32,201,942	\$ 32,941,440
Pupil & Instruction Services	9,080,643	10,784,713	7,758,582	7,438,218
Administration and Business	8,017,774	8,009,101	6,842,405	6,159,665
Maintenance & Operations	5,979,735	5,997,209	5,841,143	5,997,209
Transportation	5,423,888	5,385,190	5,110,590	5,074,944
Other	1,728,670	1,866,837	1,728,670	994,463
Total	\$ 80,207,053	\$ 85,778,551	\$ 59,483,332	\$ 58,605,939

Business-Type Activities

Net position in the District’s business-type activities increased by \$522,986. (Refer to Figure A-4). This was primarily a result of a significant increase in daily sales and federal and state subsidy reimbursements under the Seamless Summer Option, offset by an increase in operating expenses.

Financial Analysis of the District’s Funds

The District’s financial position in the General Fund remains positive despite changes in the student population and difficult economic times. Expenditures during the recent year increased. Difficult economic times have had a direct impact upon the District’s revenue sources. The District has had a multi-year practice of utilizing funds from the unassigned fund balance to offset an increase in the tax levy. All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

General Fund Budgetary Highlights

Over the course of the year, the District revised its annual operating budget several times. These budget amendments consisted of changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Assets and Long-Term Liabilities Administration

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	(Restated)		(Restated)		(Restated)		
	2022	2021	2022	2021	2022	2021	
Land	\$ 2,399,641	\$ 2,399,641			\$ 2,399,641	\$ 2,399,641	
Construction in Progress	16,714,438	4,154,407			16,714,438	4,154,407	
Site Improvements	2,590,065	2,727,475			2,590,065	2,727,475	
Buildings & Bldg. Imps.	71,568,548	74,272,356			71,568,548	74,272,356	
Machinery, Furniture and Equipment	314,871	215,785	\$ 224,361	\$ 137,157	539,232	352,942	
Total	\$93,587,563	\$83,769,664	\$ 224,361	\$ 137,157	\$93,811,924	\$83,906,821	11.80%

The District's Capital Assets increased \$9,905,103 or 11.80%, on a district-wide basis. (More detailed information about the District's Capital Assets is presented on Note 7 to the basic financial statements.)

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

Long-Term Liabilities

(See Note 9 to the basic financial statements for more detailed information about the District’s long-term liabilities.)

**Figure A-7
Outstanding Long-Term Liabilities**

	Governmental Activities		Percent Change
	2022	2021	
Compensated Absences Payable	\$ 1,130,909	\$ 1,157,625	
Net Pension Liability	5,018,664	6,962,352	
Serial Bonds Payable	56,760,000	60,830,000	
Unamortized			
Bond Premium	424,187	499,446	
Financed Purchases Payable	2,398,571	2,736,150	
Leases Payable	555,157		
Total	<u>\$ 66,287,488</u>	<u>\$ 72,185,573</u>	-8.17%

The District’s Long-Term Liabilities decreased \$5,898,085, or 8.17%, due primarily to the pay down of serial bonds and financed purchases payable, as well as the change in the net pension liability, offset by a new lease.

Factors Bearing on the District’s Future

The Flemington-Raritan Regional School District is in satisfactory financial condition at this time. The District is proud of its community support of the public schools. The District continues to grow its program offerings for its students while being sensitive to the taxpayers. The District has a reliance on local property taxes which is a main source of funding. A future concern is the continued increase in enrollment and its impact on program offerings. The District has been both creative and resilient in lowering administrative costs. The Board and the administration will continue working together, with community input, on developing plans for programs to meet the District’s academic needs in light of the continued increase in enrollment. This planning includes the impact on facilities planning.

In conclusion, the Flemington-Raritan Regional School District has committed itself to financial excellence for many years. The District’s system for financial planning, budgeting, and internal financial controls are well regarded and have received accolades at public Board of Education meetings. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator, in the office of the Flemington-Raritan Regional School District Board of Education.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 16,148,786	\$ 618,197	\$ 16,766,983
Cash with Fiscal Agents	236,350		236,350
Receivables from Federal Government	140,776	133,517	274,293
Receivables from State Government	3,286,396	2,880	3,289,276
Inventory		17,155	17,155
Restricted Cash and Cash Equivalents	1,330,288		1,330,288
Capital Assets, Net:			
Sites (Land)	2,399,641		2,399,641
Construction in Progress	16,714,438		16,714,438
Depreciable Site Improvements, Buildings and Building Improvements, Furniture, Machinery and Equipment	74,473,484	224,361	74,697,845
Lease Assets, Net	552,969		552,969
Total Assets	<u>115,283,128</u>	<u>996,110</u>	<u>116,279,238</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	739,513		739,513
Deferred Amount on Refunding	80,002		80,002
Total Deferred Outflows of Resources	<u>819,515</u>		<u>819,515</u>
LIABILITIES			
Current Liabilities:			
Accrued Interest Payable	375,840		375,840
Payable to State Government	22		22
Accounts Payable	1,976,150	83,868	2,060,018
Accrued Liability for Insurance Claims	1,962,374		1,962,374
Unearned Revenue	43,720	36,251	79,971
Noncurrent Liabilities:			
Due Within One Year	4,774,312		4,774,312
Due Beyond One Year	61,513,176		61,513,176
Total Liabilities	<u>70,645,594</u>	<u>120,119</u>	<u>70,765,713</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	3,251,456		3,251,456
Total Deferred Inflows of Resources	<u>3,251,456</u>		<u>3,251,456</u>
NET POSITION			
Net Investment in Capital Assets	34,506,806	224,361	34,731,167
Restricted for:			
Capital Projects	7,175,459		7,175,459
Debt Service	630,004		630,004
Maintenance	251,140		251,140
Unemployment Compensation	504,500		504,500
Student Activities	189,247		189,247
Excess Surplus	2,766,831		2,766,831
Unrestricted/(Deficit)	<u>(3,818,394)</u>	<u>651,630</u>	<u>(3,166,764)</u>
Total Net Position	<u>\$ 42,205,593</u>	<u>\$ 875,991</u>	<u>\$ 43,081,584</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 32,058,768	\$ 140,785	\$ 8,355,305	\$ (23,562,678)		\$(23,562,678)
Special Education	13,783,857		8,273,445	(5,510,412)		(5,510,412)
Other Special Instruction	3,780,756		933,849	(2,846,907)		(2,846,907)
School Sponsored Instruction	352,962		71,017	(281,945)		(281,945)
Support Services:						
Tuition	514,058			(514,058)		(514,058)
Student & Instruction Related Services	8,566,585	203,014	1,119,047	(7,244,524)		(7,244,524)
General Administrative Services	1,170,469		75,374	(1,095,095)		(1,095,095)
School Administrative Services	5,175,925		948,557	(4,227,368)		(4,227,368)
Central Services	846,594		78,450	(768,144)		(768,144)
Administration Information Technology	824,786		72,988	(751,798)		(751,798)
Plant Operations and Maintenance	5,979,735		138,592	(5,841,143)		(5,841,143)
Pupil Transportation	5,423,888		313,298	(5,110,590)		(5,110,590)
Interest on Long-Term Debt	1,728,670			(1,728,670)		(1,728,670)
Total Governmental Activities	80,207,053	343,799	20,379,922	(59,483,332)	\$ -0-	(59,483,332)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:						
Food Service	\$ 1,093,223	\$ 73,545	\$ 1,542,637		\$ 522,959	\$ 522,959
Total Business-Type Activities	<u>1,093,223</u>	<u>73,545</u>	<u>1,542,637</u>		<u>522,959</u>	<u>522,959</u>
Total Primary Government	<u>\$ 81,300,276</u>	<u>\$ 417,344</u>	<u>\$ 21,922,559</u>	<u>\$ (59,483,332)</u>	<u>522,959</u>	<u>(58,960,373)</u>

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes, Net	54,774,236	54,774,236
Taxes Levied for Debt Service	4,608,379	4,608,379
Federal and State Aid Not Restricted	3,923,349	3,923,349
Miscellaneous Income	1,247,622	1,247,622
Total General Revenues	<u>64,553,586</u>	<u>64,553,586</u>

Change in Net Position	5,070,254	522,986	5,593,240
Net Position - Beginning (Restated)	<u>37,135,339</u>	<u>353,005</u>	<u>37,488,344</u>
Net Position - Ending	<u>\$ 42,205,593</u>	<u>\$ 875,991</u>	<u>\$ 43,081,584</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 8,329,629		\$ 7,819,157		\$ 16,148,786
Cash with Fiscal Agents	236,350				236,350
Interfund Receivable	367,929			\$ 956,450	1,324,379
Receivables from Federal Government		\$ 140,776			140,776
Receivables from State Government	3,286,396				3,286,396
Restricted Cash and Cash Equivalents	1,141,041	189,247			1,330,288
TOTAL ASSETS	\$ 13,361,345	\$ 330,023	\$ 7,819,157	\$ 956,450	\$ 22,466,975

LIABILITIES AND FUND BALANCES:

Liabilities:					
Interfund Payable		\$ 41,483		\$ 326,446	\$ 1,324,379
Payable to State Government		22			22
Accounts Payable	\$ 1,255,594	96,151	72,649		1,424,394
Accrued Liability for Insurance Claims	1,962,374				1,962,374
Unearned Revenue	40,600	3,120			43,720
Total Liabilities	3,258,568	140,776	1,029,099	326,446	4,754,889

Fund Balances:

Restricted for:					
Excess Surplus - 2023-2024	1,498,806				1,498,806
Excess Surplus - For Subsequent Year's Expenditures	1,268,025				1,268,025
Capital Reserve Account	385,401				385,401
Maintenance Reserve Account	251,140				251,140
Unemployment Compensation	504,500				504,500
Student Activities		189,247			189,247
Capital Projects			6,790,058		6,790,058
Debt Service				630,004	630,004

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances: (Cont'd)					
Assigned:					
Year-End Encumbrances	\$ 247,494				\$ 247,494
For Subsequent Year's Expenditures	1,278,627				1,278,627
Unassigned	4,668,784				4,668,784
Total Fund Balances	10,102,777	\$ 189,247	\$ 6,790,058	\$ 630,004	17,712,086
TOTAL LIABILITIES & FUND BALANCES	\$ 13,361,345	\$ 330,023	\$ 7,819,157	\$ 956,450	\$ 22,466,975

Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are Different Because:

Total Fund Balances - Governmental Funds (*Above*)

\$ 17,712,086

Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.

93,587,563

Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.

552,969

Long-Term Liabilities, including Bonds Payable, Leases Payable, Financed Purchases Payable and Net Pension Liability for PERS, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(66,287,488)

Certain amounts related to Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:

187,757

Deferred Outflows

(3,251,456)

Deferred Inflows

The deferred amount on the refunding is not reported as an expenditure on the Governmental Funds in the year of the expenditure.

80,002

Accrued Interest on Long-Term Liabilities is not due and payable in the current period and therefore is not reported as a liability in the funds.

(375,840)

Net Position of Governmental Activities

\$ 42,205,593

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 54,774,236			\$ 4,608,379	\$ 59,382,615
Tuition From Individuals	140,785				140,785
Interest Earned on Maintenance Reserve	1,140				1,140
Interest Earned on Capital Reserve Funds	877				877
Restricted Miscellaneous	769	\$ 203,014			203,783
Unrestricted Miscellaneous	1,108,210		\$ 136,626		1,244,836
Total - Local Sources	56,026,017	203,014	136,626	4,608,379	60,974,036
State Sources	23,649,032	17,523		882,156	24,548,711
Federal Sources	268,365	1,684,658			1,953,023
Total Revenues	79,943,414	1,905,195	136,626	5,490,535	87,475,770
EXPENDITURES					
Current:					
Instruction:					
Regular Instruction	18,787,337	974,784			19,762,121
Special Education Instruction	9,042,447	727,397			9,769,844
Other Special Instruction	2,233,175				2,233,175
School Sponsored Instruction	231,480				231,480
Support Services and Undistributed Costs:					
Tuition	514,058				514,058
Student & Instruction Related Services	5,555,486	141,348			5,696,834
General Administration Services	914,802				914,802
School Administration Services	3,315,883				3,315,883
Central Services	595,822				595,822

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES					
Current:					
Support Services and Undistributed Costs:					
Administrative Information Technology	\$ 590,027				\$ 590,027
Plant Operations and Maintenance	5,605,095				5,605,095
Pupil Transportation	5,426,859				5,426,859
Unallocated Benefits	24,698,388				24,698,388
Capital Outlay	677,539		\$ 12,560,031		13,237,570
Debt Service:					
Principal				\$ 4,070,000	4,070,000
Interest and Other Charges				1,758,046	1,758,046
Total Expenditures	78,188,398	\$ 1,843,529	12,560,031	5,828,046	98,420,004
Excess/(Deficit) of Revenues Over/(Under) Expenditures	1,755,016	61,666	(12,423,405)	(337,511)	(10,944,234)
OTHER FINANCING SOURCES/(USES):					
Lease Proceeds	582,072				582,072
Transfers In/(Out)			(136,626)	136,626	
Total Other Financing Sources/(Uses)	582,072		(136,626)	136,626	582,072
Net Change in Fund Balances	2,337,088	61,666	(12,560,031)	(200,885)	(10,362,162)
Fund Balance - July 1	7,765,689	127,581	19,350,089	830,889	28,074,248
Fund Balance - June 30	\$ 10,102,777	\$ 189,247	\$ 6,790,058	\$ 630,004	\$ 17,712,086

THE ACCOMPANYING NOTES TO THE BASIC 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, 2022

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (10,362,162)

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital Outlays related to capital assets are reported in the 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 differ from depreciation during the period.

Depreciation Expense	\$ (3,116,864)
Capital Asset Additions	<u>12,934,763</u>

9,817,899

Capital Outlays related to lease assets are reported in the Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which capital outlays differ from amortization during the period.

Amortization Expense	(29,103)
Lease Asset Additions	<u>582,072</u>

552,969

Repayments of bond principal, financed purchases and leases are expenditures in the Governmental Funds, but the repayments reduce Long-term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

Leases are an other financing source in the governmental funds. They are not revenue in the statement of activities; leases increase long-term liabilities in the statement of net position.

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	1,943,688
Change in Deferred Outflows	(593,997)
Change in Deferred Inflows	(247,392)

In the Statement of Activities, certain operating expenses, e.g., compensated absences (sick days) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

26,716

In the Statement of Activities, Interest on Long-term Debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).

18,185

The Governmental Funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities (+)

75,259

The Governmental Funds report the effect of the deferred amount on bond refunding when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities (-)

(13,333)

Change in Net Position of Governmental Activities (Exhibit A-2)

\$ 5,070,254

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022

	Business-Type Activities: <u>Enterprise Funds</u> <u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 618,197
Receivable from State Government	2,880
Receivable from Federal Government	133,517
Inventory	<u>17,155</u>
Total Current Assets	<u>771,749</u>
Non-Current Assets:	
Capital Assets	1,079,327
Less: Accumulated Depreciation	<u>(854,966)</u>
Total Non-Current Assets	<u>224,361</u>
Total Assets	<u>996,110</u>
LIABILITIES:	
Current Liabilities:	
Unearned Revenue - Prepaid Sales	34,030
Unearned Revenue - Donated Commodities	2,221
Accounts Payable - Vendors	<u>83,868</u>
Total Liabilities	<u>120,119</u>
NET POSITION:	
Investment in Capital Assets	224,361
Unrestricted	<u>651,630</u>
Total Net Position	<u><u>\$ 875,991</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities: <u>Enterprise Funds</u> <u>Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 73,545
Total Operating Revenue	<u>73,545</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	551,514
Cost of Sales - Nonreimbursable Programs	9,247
Salaries	310,077
Payroll Taxes	42,655
Employee Benefits	50,375
Management Fee	39,140
Supplies and Materials	51,919
Depreciation Expense	30,621
Miscellaneous Expenses	7,675
Total Operating Expenses	<u>1,093,223</u>
Operating Loss	<u>(1,019,678)</u>
Non-Operating Revenue:	
Federal Sources:	
COVID 19 - Seamless Summer Option - Breakfast	91,472
COVID 19 - Seamless Summer Option - Lunch	1,365,169
Food Distribution Program	53,340
COVID-19 - PEBT Cost Reimbursement	628
State Sources:	
COVID 19 - Seamless Summer Option	32,028
Local Sources:	
Interest Revenue	27
Total Non-Operating Revenue	<u>1,542,664</u>
Change in Net Position	522,986
Net Position - Beginning of Year (Restated)	<u>353,005</u>
Net Position - End of Year	<u>\$ 875,991</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities: <u>Enterprise Funds</u> <u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 50,131
Payments to Food Service Vendor	(899,057)
Payments to Suppliers	<u>(22,186)</u>
Net Cash Used for Operating Activities	<u>(871,112)</u>
Cash Flows from Investing Activities:	
Interest Revenue	<u>27</u>
Net Cash Provided by Investing Activities	<u>27</u>
Cash Flows from Noncapital Financing Activities:	
Federal Reimbursements in Food Service Fund	1,426,763
State Reimbursements in Food Service Fund	<u>35,387</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,462,150</u>
Cash Flows from Capital Financing Activities:	
Acquisition of Capital Assets	<u>(117,825)</u>
Net Cash Used for Capital Financing Activities	<u>(117,825)</u>
Net Increase in Cash and Cash Equivalents	473,240
Cash and Cash Equivalents, July 1	<u>144,957</u>
Cash and Cash Equivalents, June 30	<u>\$ 618,197</u>
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (1,019,678)
Adjustment to Reconcile Operating Loss to Cash Used for Operating Activities:	
Depreciation	30,621
Federal Food Distribution Program	53,340
Changes in Assets and Liabilities:	
(Decrease) in Unearned Revenue - Donated Commodities	(7,607)
(Decrease) in Unearned Revenue - Prepaid Sales	(15,807)
Decrease in Inventory	4,151
Increase in Accounts Payable	<u>83,868</u>
Net Cash Used for Operating Activities	<u>\$ (871,112)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$45,733 and \$53,340, respectively, for the fiscal year ended June 30, 2022.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Flemington-Raritan Regional School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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 Board's accounting policies are described below.

A. Reporting Entity:

The Board 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.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate 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. 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.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) 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 requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School 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. Separate statements for each fund category – *governmental and proprietary* - are presented. 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.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for all expendable financial resources not accounted for and reported 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 NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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 expenses by board resolution.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is 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 or lease assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Enterprise Funds: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's Food Service Fund operations. The Enterprise 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 recipients on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting:

The District-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an 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.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting: (Cont'd)

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. 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. Capital asset or lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary 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).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants receivable. These grants are recognized on the budgetary basis in full at the time of the award but are recognized on the GAAP basis as they are expended and requested for reimbursement.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 79,899,650	\$ 2,042,324
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP Basis does not.		
Current Year Encumbrances		(171,081)
Prior Year Encumbrances		33,952
Prior Year State Aid Payments Recognized for GAAP Statements, not recognized for Budgetary Basis	547,841	
Current Year State Aid Payments recognized for Budgetary purposes, not recognized for GAAP Statements	(504,077)	
Total Revenues as reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds	\$ 79,943,414	\$ 1,905,195
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 78,188,398	\$ 1,980,658
Differences - Budgetary to GAAP:		
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.		
Current Year Encumbrances		(171,081)
Prior Year Encumbrances		33,952
Total Expenditures as Reported on the Statement of Revenue, Expenditures, & Changes in Fund Balances - Governmental Funds	\$ 78,188,398	\$ 1,843,529

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	Capital Projects Fund
	Fund Balance
Fund Balance per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis)	\$ 6,953,607
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grants Receivable Not Recognized on GAAP Basis	(163,549)
Fund Balance per Governmental Funds (GAAP)	\$ 6,790,058

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the governmental units.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed and/or assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year-end.

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

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets:

Capital assets acquired or constructed are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	Estimated Useful Life
Buildings and Building Improvements	20-50 Years
Site Improvements	20 Years
Machinery, Furniture and Equipment	5-15 Years
Vehicles	8 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. Accrued Salaries and Wages:

The District does not allow employees who provide services to the District over a ten-month academic year the option to have their salaries evenly disbursed over the entire twelve-month year; therefore, there are no accrued salaries and wages as of June 30, 2022 for this purpose.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

O. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. 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.

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

P. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. Unearned Revenue:

Unearned revenue in the Special Revenue Fund represents cash which has been received but not yet earned. See Note 1(D) regarding the Special Revenue Fund.

R. Fund Balance Appropriated:

General Fund: Of the \$10,102,777 General Fund balance at June 30, 2022, \$247,494 is assigned for encumbrances; \$385,401 is restricted in the capital reserve account; \$251,140 is restricted in the maintenance reserve account; \$504,500 is restricted for unemployment compensation; \$1,268,025 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2023, \$1,498,806 is current year excess surplus and will be anticipated and included as anticipated revenue for the fiscal year ending June 30, 2024; \$1,278,627 is assigned for subsequent year's expenditures; and \$4,668,784 is unassigned which is \$504,077 less than the calculated budgetary unassigned fund balance due to the last two state aid payments, which are not recognized on the GAAP basis until the fiscal year ended June 30, 2023.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2022 is \$189,247 and is restricted for student activities.

Capital Projects Fund: The \$6,790,058 of Capital Projects Fund fund balance at June 30, 2022 is restricted. The committed fund balance is \$163,549 less on a GAAP basis due to the NJ SDA grant which has not been recognized on a GAAP basis.

Debt Service Fund: The \$630,004 of Debt Service Fund fund balance at June 30, 2022 is restricted and \$493,374 has been appropriated and included as revenue for the fiscal year ending June 30, 2023.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General 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 year's budget. The District had excess surplus at June 30, 2022 as detailed on the prior page.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$504,077 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last two state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

S. Deficit Net Position:

The District had a deficit in unrestricted net position of \$3,818,394 in governmental activities. The deficit in unrestricted governmental activities net position is primarily due to the net pension liability and related deferred inflows and outflows, unexpended bond proceeds and compensated absences payable offset by the committed, assigned and unassigned governmental fund balances at June 30, 2022. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

T. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2022 for the deferred amount on refunding and related to pensions.

The District had deferred inflows of resources at June 30, 2022 related to pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Net Position: (Cont'd)

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

U. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, a capital reserve, a maintenance reserve, student activities, the capital projects and debt service funds and for unemployment compensation.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources on a GAAP basis at June 30, 2022.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and amounts designated for subsequent year's expenditures in the General Fund at June 30, 2022.

V. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for the food service program. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Fund.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Revenue - Exchange and Nonexchange 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. Nonexchange transactions, in which the School 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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School 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 to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

X. Management Estimates:

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

Y. Pensions:

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Board ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Board limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the Investments section of this note.

Custodial Credit Risk - The District does not have a formal policy with respect to custodial credit risk. However, the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit.

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

New Jersey statutes permit the Board to purchase the following types 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;

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments (Cont'd)

- (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 school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (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 a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
 - (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.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments (Cont'd)

- (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
- (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
- (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
- (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2022, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Cash With Fiscal Agents	Restricted Cash and Cash Equivalents	Total
Checking Accounts	\$ 16,766,983	\$ 236,350	\$ 1,330,288	\$ 18,333,621
	\$ 16,766,983	\$ 236,350	\$ 1,330,288	\$ 18,333,621

During the period ended June 30, 2022, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2022, was \$18,333,621 and the bank balance was \$19,558,249.

NOTE 4. CAPITAL RESERVE ACCOUNT

A Capital Reserve Account was established by the District 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 State Department of Education, a District can 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 of any unanticipated revenue or unexpended line item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, 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 BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the Capital Reserve Account for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance at July 1, 2021	\$ 384,524
Interest Earnings	877
Ending Balance at June 30, 2022	\$ 385,401

The \$385,401 balance in the Capital Reserve Account at June 30, 2022 does not exceed the local support costs of uncompleted capital projects in the District's approved Long Range Facilities Plan ("LRFP").

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account established by Board resolution. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the Maintenance Reserve Account for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance at July 1, 2021	\$ 250,000
Interest Earnings	1,140
Ending Balance at June 30, 2022	\$ 251,140

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 6. TRANSFERS TO CAPITAL OUTLAY

There were no transfers to capital outlay accounts during the year ended June 30, 2022.

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2022 were as follows:

	(Restated) Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 2,399,641			\$ 2,399,641
Construction in Progress	4,154,407	\$ 12,560,031		16,714,438
Total Capital Assets not being Depreciated	6,554,048	12,560,031		19,114,079
Capital Assets being Depreciated:				
Site Improvements	5,919,415			5,919,415
Buildings and Building Improvements	106,627,264			106,627,264
Machinery and Equipment	3,854,147	374,732		4,228,879
Total Capital Assets being Depreciated	116,400,826	374,732		116,775,558
Governmental Activities Capital Assets	122,954,874	12,934,763		135,889,637
Less Accumulated Depreciation for:				
Site Improvements	(3,191,940)	(137,410)		(3,329,350)
Buildings and Building Improvements	(32,354,908)	(2,703,808)		(35,058,716)
Machinery and Equipment	(3,638,362)	(275,646)		(3,914,008)
Total Accumulated Depreciation	(39,185,210)	(3,116,864)		(42,302,074)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 83,769,664	\$ 9,817,899	\$ - 0 -	\$ 93,587,563
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 961,502	\$ 117,825		\$ 1,079,327
Less Accumulated Depreciation	(824,345)	(30,621)		(854,966)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 137,157	\$ 87,204	\$ - 0 -	\$ 224,361
Total Governmental and Business-Type Activities	\$ 83,906,821	\$ 9,905,103	\$ - 0 -	\$ 93,811,924

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2021</u>	<u>Issued/ Accrued</u>	<u>Matured/ Retired</u>	<u>Balance</u> <u>6/30/2022</u>
Financed Purchases Payable	\$ 2,736,150		\$ 337,579	\$ 2,398,571
Serial Bonds Payable	60,830,000		4,070,000	56,760,000
Unamortized Bond Issuance Premium	499,446		75,259	424,187
Net Pension Liability	6,962,352		1,943,688	5,018,664
Compensated Absences Payable	1,157,625		26,716	1,130,909
Leases Payable		\$ 582,072	26,915	555,157
	<u>\$ 72,185,573</u>	<u>\$ 582,072</u>	<u>\$ 6,480,157</u>	<u>\$ 66,287,488</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated through the Debt Service Fund.

On October 1, 2014, the District issued refunding school bonds of \$24,175,000 with interest rates ranging from 4.00% to 5.00%. The bonds finally mature on June 15, 2027 and are non-callable. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments on the refunded bonds. The refunding met the requirements of an in-substance debt defeasance, and the school bonds were removed from the School's government-wide financial statements.

On November 2, 2016, the District issued refunding school bonds of \$6,355,000 with an interest rate of 1.65%. The bonds finally mature on February 1, 2028 and are non-callable. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments on the refunded bonds. The refunding met the requirements of an in-substance debt defeasance, and the school bonds were removed from the School's government-wide financial statements.

On December 10, 2019, the District issued bonds of \$42,063,000 through a referendum with interest rates ranging from 2.25% to 3.00%. The bonds finally mature on September 1, 2039 and are non-callable.

The District had bonds outstanding as of June 30, 2022 as follows:

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Refunding School Bonds	6/15/2027	4.00% - 5.00%	\$ 14,060,000
Refunding School Bonds 2014	2/1/2028	1.65%	3,605,000
School Bonds	9/1/2039	2.25% - 3.00%	39,095,000
	Total Outstanding Bonds		<u>\$ 56,760,000</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

Principal and interest due on serial bonds outstanding are as follows:

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 4,235,000	\$ 1,623,420	\$ 5,858,420
2024	4,395,000	1,483,065	5,878,065
2025	4,575,000	1,337,011	5,912,011
2026	4,785,000	1,156,820	5,941,820
2027	5,010,000	967,585	5,977,585
2028-2032	13,810,000	3,155,813	16,965,813
2033-2037	11,940,000	1,824,606	13,764,606
2038-2040	8,010,000	341,303	8,351,303
	<u>\$ 56,760,000</u>	<u>\$ 11,889,623</u>	<u>\$ 68,649,623</u>

B. Bonds Authorized But Not Issued:

The District had \$636 of bonds authorized but not issued as of June 30, 2022.

C. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. No portion of the compensated absences balance of the governmental funds at June 30, 2022 is currently payable; therefore, the long-term portion of compensated absences is \$1,130,909.

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, 2022, no liability existed for compensated absences in the Enterprise Funds.

D. Financed Purchases Payable:

On October 31, 2012, the District entered into a financed purchase agreement of \$4,955,000, with a fifteen year term, to fund the implementation of the District's Energy Savings Improvement Program (ESIP), entailing various permitted energy conservation measures under the ESIP Law, throughout the District. As of June 30, 2022, \$2,556,429 has matured and been repaid.

N.J.S.A. 18A:18A-4.6(c), Implementation of an energy savings improvement program by a board of education/board of trustees, provides the authority for public school districts/charter schools to finance an energy savings improvement program through a financed purchase agreement or through the issuance of energy savings obligations. The ESIP law provides that energy savings obligation shall be funded through appropriations in the General Fund annual budget, on the basis that the costs of implemented energy conservation measures should be fully offset by energy savings to be generated by such measures (on both an annual and aggregate basis).

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

D. Financed Purchases Payable: (Cont'd)

The following is a schedule of the future minimum financed purchase payments, and the present value of the net minimum financed purchase payments at June 30, 2022.

Fiscal Year Ending June 30,	Governmental Activities
2023	\$ 407,508
2024	418,840
2025	428,405
2026	438,189
2027	448,196
Thereafter 1 year (2028)	450,963
Total Minimum Financed Purchases Payments	2,592,101
Less: Amount representing interest	(193,530)
Present Value of Net Minimum Financed Purchases Payments	\$ 2,398,571

The current portion of financed purchases payable is \$354,182 and the long-term portion is \$2,044,389. The financed purchases will be liquidated by the General Fund.

E. Leases Payable

The District had leases outstanding as of June 30, 2022 as follows:

<u>Leases Payable</u>				
Purpose	Frequency of Payment	Final Maturity Date	Interest Rate	Amount
Savin Copiers	Monthly	3/28/2027	3.350%	\$ 288,786
Savin Copiers	Monthly	3/28/2027	3.350%	266,371
				\$ 555,157

Principal and interest due on leases outstanding will be liquidated through the General Fund and are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2023	\$ 109,871	\$ 16,416
2024	113,495	12,791
2025	117,239	9,047
2026	121,107	5,179
2027	93,445	1,270
	\$ 555,157	\$ 44,703

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

F. Unamortized Bond Issuance Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$75,259 and is separated from the long-term liability balance of \$348,928.

G. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental activities is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2022 is \$-0- and the long-term portion is \$5,018,664. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$496,133 for 2022.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2022, the District reported a liability of \$5,018,664 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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 members, actuarially determined. At June 30, 2021, the District's proportion was 0.0424%, which was a decrease of 0.0003% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized an actual pension benefit of \$606,166. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources as shown on the following page.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	5.48		\$ 212,090
	2018	5.63		397,624
	2019	5.21		350,773
	2020	5.16		826,190
	2021	5.13	\$ 26,137	
			<u>26,137</u>	<u>1,786,677</u>
Changes in Proportion	2017	5.48	34,175	
	2018	5.63	9,827	
	2019	5.21	38,467	
	2020	5.16		48,797
	2021	5.13		58,006
			<u>82,469</u>	<u>106,803</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		39,202
	2019	5.00		(12,649)
	2020	5.00		(285,080)
	2021	5.00		1,580,575
				<u>1,322,048</u>
Difference Between Expected and Actual Experience	2017	5.48	6,308	
	2018	5.63		15,142
	2019	5.21	26,813	
	2020	5.16	46,030	
	2021	5.13		20,786
			<u>79,151</u>	<u>35,928</u>
District Contribution Subsequent to the Measurement Date	2021	1.00	551,756	
			<u>\$ 739,513</u>	<u>\$ 3,251,456</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the district contribution subsequent to measurement date) related to pensions will be recognized in the pension benefit as follows:

Fiscal Year Ending June 30,	Total
2022	\$ (1,184,186)
2023	(845,506)
2024	(576,491)
2025	(433,350)
2026	168
	\$ (3,039,365)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 6,838,185	\$ 5,018,664	\$ 3,479,677

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2022, the State of New Jersey contributed \$10,521,888 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$2,911,497.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2022, the State's proportionate share of the net pension liability associated with the District was \$123,733,242. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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 members, actuarially determined. At June 30, 2021, the District's proportion was 0.2573%, which was an increase of 0.009% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		123,733,242
Total	\$	123,733,242

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$2,911,497 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the sources on the following page.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$ 5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		12,903,483,645
			<u>5,289,559,561</u>	<u>24,224,281,713</u>
Difference Between Expected and Actual Experience	2014	8.50		1,464,605
	2015	8.30	57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
			<u>941,265,828</u>	<u>142,774,569</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		96,030,373
	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2021	5.00		3,554,633,811
				<u>2,854,036,178</u>
			<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as shown on the following page.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	<u>(3,367,824,517)</u>
	<u>\$ (20,990,267,071)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
 (Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate

The table on the following page presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 146,397,123	\$ 123,733,242	\$ 104,697,031

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$18,514 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$25,140 for the fiscal year ended June 30, 2022.

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report. The District is self-insured for health benefits and the plans are administered by Horizon.

Property and Liability Insurance

The District is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF provides its members with Comprehensive General Liability, Automobile Liability, and Property insurance coverage. The SAIF is a risk-sharing fund that is both an insured and self-administered group of school districts insurance coverage established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the SAIF are elected.

As a member of the SAIF, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the SAIF were to be exhausted, members would become responsible for their respective shares of the SAIF's liabilities.

The SAIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

Selected, summarized financial information for the SAIF as of June 30, 2022 is as follows:

	School Alliance Insurance Fund
Total Assets	\$ 52,198,217
Net Position	\$ 20,990,635
Total Revenue	\$ 46,988,143
Total Expenses	\$ 46,989,023
Change in Net Position	\$ (880)
Members Dividends	\$ -0-

Financial statements for the SAIF are available at the Executive Director's Office:

Risk and Loss Managers Inc.
51 Everett Drive Suite B40
West Windsor, NJ 08550
(609) 275-1155

Health Benefits

The District is self-insured for health benefits (medical, prescription and dental) to the extent of the amounts deductible from stop loss reimbursement. The stop loss policy reimburses the District for individual claimants who exceed a specific deductible which is \$125,000/person.

Horizon Blue Cross Blue Shield is the District's claims administrator.

The District has recorded an accrued liability for insurance claims of \$1,962,374 which includes an estimate for incurred but not reported claims for medical, prescription and dental claims as well as a risk corridor reserve which it believes is sufficient to meet these liabilities.

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.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

The following is a summary of the District's contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 134,253	\$ 769	\$ 108,379	\$ 504,500
2021	87,349		86,564	477,857
2020	111,350		50,860	477,072

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457(b). The plans, which are administered by the entities listed below, 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. The plan administrators are as follows:

- | | |
|----------------------------|-------------------------|
| Ameriprise | Met Life |
| Equitable Advisors | Siracusa Benefits |
| Lincoln Financial Advisors | AIG Retirement Services |

NOTE 14. COMMITMENTS AND CONTINGENCIES

Litigation

The District is periodically involved in pending lawsuits and estimates that the potential claims resulting from any litigation and not covered by insurance would not materially affect the District's financial statements.

Grant Programs

The District participates in federal and state assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 14. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2022, there were encumbrances as detailed below in the governmental funds:

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 247,494	\$ 171,081	\$ 1,179,949	\$ 1,598,524

On the District's Governmental Funds Balance Sheet as of June 30, 2022, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund. On the GAAP basis, actual encumbrances of \$171,081 are not recognized until paid and are reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund. The Capital Projects fund had encumbrances of \$1,151,244 which are included in the restricted fund balance on the Governmental Funds Balance Sheet. The \$28,705 is included in the committed fund balance on a Budgetary basis.

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed as of June 30, 2022:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 367,929	
Special Revenue Fund		\$ 41,483
Capital Projects Fund		956,450
Debt Service Fund	956,450	326,446
	\$ 1,324,379	\$ 1,324,379

The interfund payable in the Special Revenue Fund is for funds received from the General Fund to cover a cash deficit due to grant reimbursements not being received in full at year end. The interfund payable in the Capital Projects Fund is for interest earnings due to the Debt Service Fund.

NOTE 16. TAX CALENDAR

Property taxes are levied by the District's constituent municipality as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 16. TAX CALENDAR (Cont'd)

Taxes are collected by the constituent municipalities and are remitted to the District on predetermined mutually agreed-upon schedules.

NOTE 17. ACCOUNTS PAYABLE

Accounts payable recorded as of June 30, 2022 consisted of the following:

	<u>Governmental Funds</u>		Capital Projects Fund	District	Total Governmental Activities	<u>Business-Type</u>
	General Fund	Special Revenue Fund		Contribution Subsequent to the Measurement Date		<u>Activities</u>
Vendors	\$ 1,176,039	\$ 96,151	\$ 72,649		\$ 1,344,839	\$ 83,868
Payroll Deductions and Withholdings	79,555				79,555	
State of New Jersey				\$ 551,756	551,756	
	<u>\$ 1,255,594</u>	<u>\$ 96,151</u>	<u>\$ 72,649</u>	<u>\$ 551,756</u>	<u>\$ 1,976,150</u>	<u>\$ 83,868</u>

NOTE 18. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

The Township of Raritan recognized revenue in the amount of \$532,937 from two payment in lieu of taxes agreements. The taxes which would have been paid on the properties related to the payment in lieu of taxes agreements for 2021 without the abatement would have been \$674,482 of which \$329,518 would have been for the local school tax.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Employees Covered by Benefit Terms

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

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	149,304
Active Plan Members	216,804
Total	366,108

Total Nonemployer OPEB Liability

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

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 4.45% based on service years	3.00 - 7.00% based on service years

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2019	\$ 89,949,691
Changes for Year:	
Service Cost	3,980,302
Interest on the Total OPEB Liability	3,244,161
Changes of Assumptions	27,060,413
Differences between Expected and Actual Experience	26,408,072
Gross Benefit Payments by the State	(2,579,026)
Contributions from Members	78,170
Net Changes	58,192,092
Balance at June 30, 2020	\$ 148,141,783

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
Total OPEB Liability Attributable to the District	\$ 178,592,566	\$ 148,141,783	\$ 124,332,203

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 119,585,043	\$ 148,141,783	\$ 182,146,513

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$7,904,950 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2020 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Cont'd)

	<u>Deferral Year</u>	<u>Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2017	9.54		\$ 8,990,490
	2018	9.51		7,913,327
	2019	9.29	\$ 1,066,632	
	2020	9.24	24,131,797	
			<u>25,198,429</u>	<u>16,903,817</u>
Differences between Expected and Actual Experience	2018	9.51		7,480,557
	2019	9.29		12,554,322
	2020	9.24	22,491,782	
			<u>22,491,782</u>	<u>20,034,879</u>
Changes in Proportion	N/A	N/A	<u>4,415,529</u>	<u>206,583</u>
			<u>\$ 52,105,740</u>	<u>\$ 37,145,279</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding employer specific amounts for changes in proportion) will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2021	\$ 94,903
2022	94,903
2023	94,903
2024	94,903
2025	94,903
Thereafter	<u>10,277,000</u>
	<u>\$ 10,751,515</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 20. PRIOR YEAR ADJUSTMENT

The District made a prior year adjustment in the district-wide financial statements and the proprietary fund financial statements based on the District's capital assets appraisal report.

	Balance June 30, 2021 as Previously Reported	Retroactive Adjustments	Balance June 30, 2021 as Restated
<u>Statement of Net Position - Governmental Activities:</u>			
Assets:			
Capital Assets, Net:			
Construction in Progress		\$ 4,154,407	\$ 4,154,407
Depreciable Site Improvements, Buildings and Building Improvements and Machinery, Furniture and Equipment	\$ 67,229,579	9,986,037	77,215,616
Total Assets	99,830,546	14,140,444	113,970,990
Net Position:			
Net Investment in Capital Assets	11,668,396	14,140,444	25,808,840
Net Position - Ending	22,994,895	14,140,444	37,135,339

Statement of Net Position - Business-Type Activities/Proprietary Funds

Assets:			
Capital Assets, Net:			
Depreciable Site Improvements, Buildings and Building Improvements and Machinery, Furniture and Equipment	\$ 97,583	\$ 39,574	\$ 137,157
Total Assets	373,096	39,574	412,670
Net Position:			
Net Investment in Capital Assets	97,583	39,574	137,157
Net Position - Ending	313,431	39,574	353,005

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.0383669983%	0.0400174797%	0.0407079936%	0.0424976138%	0.0426480189%	0.0430483870%	0.0426944729%	0.0423641129%
District's proportionate share of the net pension liability	\$ 7,183,351	\$ 8,983,122	\$ 12,056,540	\$ 9,892,765	\$ 8,397,182	\$ 7,756,666	\$ 6,962,352	\$ 5,018,664
District's covered employee payroll	\$ 2,720,358	\$ 2,770,153	\$ 2,862,992	\$ 2,962,596	\$ 3,030,675	\$ 3,053,206	\$ 3,111,657	\$ 3,205,007
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	264.06%	324.28%	421.12%	333.92%	277.07%	254.05%	223.75%	156.59%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 516,756	\$ 344,043	\$ 361,644	\$ 404,921	\$ 418,736	\$ 467,056	\$ 481,801	\$ 496,133
Contributions in relation to the contractually required contribution	(516,756)	(344,043)	(361,644)	(404,921)	(418,736)	(467,056)	(481,801)	(496,133)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 2,770,153	\$ 2,862,992	\$ 2,962,596	\$ 3,030,675	\$ 3,053,206	\$ 3,111,657	\$ 3,205,007	\$ 3,354,039
Contributions as a percentage of covered employee payroll	18.65%	12.02%	12.21%	13.36%	13.71%	15.01%	15.03%	14.79%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
State's proportion of the net pension liability attributable to the District	0.2354205977%	0.2416926633%	0.2447256460%	0.2519903657%	0.2487599487%	0.2488480688%	0.2482035567%	0.2573744291%
State's proportionate share of the net pension liability attributable to the District	\$ 125,824,647	\$ 152,760,084	\$ 192,516,775	\$ 169,900,991	\$ 158,255,736	\$ 152,720,409	\$ 163,439,056	\$ 123,733,242
District's covered employee payroll	\$ 24,492,760	\$ 25,136,772	\$ 25,645,735	\$ 26,101,680	\$ 26,551,849	\$ 27,812,384	\$ 28,317,505	\$ 28,883,855
State proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	513.72%	607.72%	750.68%	650.92%	596.03%	549.11%	577.17%	428.38%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 6,770,547	\$ 9,327,379	\$ 14,464,957	\$ 11,769,880	\$ 9,225,756	\$ 9,007,858	\$ 10,163,336	\$ 2,911,497
Contributions in relation to the contractually required contribution	<u>(1,306,679)</u>	<u>(1,866,397)</u>	<u>(2,735,290)</u>	<u>(3,663,356)</u>	<u>(4,894,240)</u>	<u>(5,444,054)</u>	<u>(7,481,563)</u>	<u>(10,521,888)</u>
Contribution deficiency/(excess)	<u>\$ 5,463,868</u>	<u>\$ 7,460,982</u>	<u>\$ 11,729,667</u>	<u>\$ 8,106,524</u>	<u>\$ 4,331,516</u>	<u>\$ 3,563,804</u>	<u>\$ 2,681,773</u>	<u>\$ (7,610,391)</u>
District's covered employee payroll	\$ 25,136,772	\$ 25,645,735	\$ 26,101,680	\$ 26,551,849	\$ 27,812,384	\$ 28,317,505	\$ 28,883,855	\$ 29,363,841
Contributions as a percentage of covered employee payroll	5.20%	7.28%	10.48%	13.80%	17.60%	19.23%	25.90%	35.83%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST FOUR FISCAL YEARS

	Fiscal Year Ending June 30,		
	2017	2018	2019
	2020		
Service Cost	\$ 5,147,934	\$ 4,254,265	\$ 3,700,184
Interest Cost	3,575,780	4,138,748	3,832,433
Differences Between Expected and Actual Experience		(10,739,848)	(12,900,779)
Changes in Assumptions	(15,187,176)	(11,091,764)	1,341,157
Member Contributions	96,026	89,326	81,849
Gross Benefit Payments	(2,607,820)	(2,584,548)	(2,761,187)
Net Change in Total OPEB Liability	(8,975,256)	(15,933,821)	(6,706,343)
Total OPEB Liability - Beginning	121,565,111	112,589,855	96,656,034
Total OPEB Liability - Ending	<u>\$ 112,589,855</u>	<u>\$ 96,656,034</u>	<u>\$ 89,949,691</u>
District's Covered Employee Payroll *	\$ 28,508,727	\$ 29,064,276	\$ 29,582,524
Total OPEB Liability as a Percentage of Covered Employee Payroll	394.93%	332.56%	304.06%
			479.96%

* - Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019 and 2020 are based on the payroll on the June 30, 2016, 2017, 2018 and 2019 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

C. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%, a change of -1.29%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

C. State Health Benefit Local Education Retired Employees OPEB Plan

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

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

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

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

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

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

BUDGETARY COMPARISON SCHEDULES

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 54,774,236		\$ 54,774,236	\$ 54,774,236	
Tuition From Individuals	101,000		101,000	140,785	\$ 39,785
Unrestricted Miscellaneous Revenues	280,000		280,000	1,108,210	828,210
Interest Earned on Maintenance Reserve				1,140	1,140
Interest Earned on Capital Reserve Funds				877	877
Other Restricted Miscellaneous Revenues				769	769
Total Revenues from Local Sources	55,155,236		55,155,236	56,026,017	870,781
Revenues from State Sources:					
Categorical Transportation Aid	297,208		297,208	297,208	
Extraordinary Aid	500,000		500,000	3,166,247	2,666,247
Categorical Special Education Aid	2,087,364		2,087,364	2,087,364	
Equalization Aid	2,588,893		2,588,893	2,588,893	
Categorical Security Aid	140,035		140,035	140,035	
Other State Aids				14,790	14,790
TPAF Post Retirement Contributions (Non-Budgeted)				2,493,022	2,493,022
TPAF Pension Contributions (Non-Budgeted)				10,521,888	10,521,888
TPAF Non-Contributory Insurance (Non-Budgeted)				148,449	148,449
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,834	3,834
Reimbursed TPAF Social Security Contributions				2,143,538	2,143,538
Total Revenues from State Sources	5,613,500		5,613,500	23,605,268	17,991,768
Revenues from Federal Sources:					
Medicaid Reimbursement	94,211		94,211	75,799	(18,412)
FEMA Reimbursements				192,566	192,566
Total Revenues from Federal Sources	94,211		94,211	268,365	174,154
TOTAL REVENUE	60,862,947		60,862,947	79,899,650	19,036,703

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 1,333,275	\$ 165,855	\$ 1,499,130	\$ 1,499,130	
Grades 1-5 - Salaries of Teachers	10,828,767	(430,329)	10,398,438	10,398,438	
Grades 6-8 - Salaries of Teachers	5,769,808	(162,822)	5,606,986	5,606,986	
Regular Programs - Home Instruction:					
Salaries of Teachers	7,500	(7,201)	299	299	
Purchased Professional-Educational Services	18,400	(6,732)	11,668	11,668	
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	84,253	(52,138)	32,115	29,429	\$ 2,686
Other Purchased Services (400-500 series)	156,492	89,042	245,534	239,764	5,770
General Supplies	1,077,573	(59,932)	1,017,641	1,000,894	16,747
Other Objects	980		980	729	251
Total Regular Programs - Instruction	<u>19,277,048</u>	<u>(464,257)</u>	<u>18,812,791</u>	<u>18,787,337</u>	<u>25,454</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	783,984	192,235	976,219	976,219	
Purchased Professional-Educational Services	485,771	39,965	525,736	525,736	
Other Purchased Services (400-500 series)	6,177	(5,927)	250	250	
General Supplies	8,100	2	8,102	8,031	71
Total Learning and/or Language Disabilities	<u>1,284,032</u>	<u>226,275</u>	<u>1,510,307</u>	<u>1,510,236</u>	<u>71</u>
Behavioral Disabilities:					
Salaries of Teachers	276,799	(60,353)	216,446	216,446	
Purchased Professional-Educational Services	888,971	39,817	928,788	928,788	
Other Purchased Services (400-500 series)	3,639	(3,139)	500	500	500
General Supplies	2,326	(2)	2,324	2,324	
Total Behavioral Disabilities	<u>1,171,735</u>	<u>(23,677)</u>	<u>1,148,058</u>	<u>1,147,558</u>	<u>500</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of Teachers	\$ 74,871	\$ (240)	\$ 74,631	\$ 74,631	
Purchased Professional-Educational Services	483,971	39,817	523,788	523,788	
Other Purchased Services (400-500 series)	1,007		1,007	89	\$ 918
General Supplies	1,118		1,118	1,079	39
Total Multiple Disabilities	560,967	39,577	600,544	599,587	957
Resource Room/Resource Center:					
Salaries of Teachers	3,032,567	(28,304)	3,004,263	3,004,263	
Purchased Professional-Educational Services	483,971	39,817	523,788	523,788	
Other Purchased Services (400-500 series)	49,288	(34,773)	14,515	13,311	1,204
General Supplies	16,132		16,132	15,660	472
Total Resource Room/Resource Center	3,581,958	(23,260)	3,558,698	3,557,022	1,676
Autism:					
Salaries of Teachers	652,845	132,935	785,780	785,780	
Purchased Professional-Educational Services	485,771	39,965	525,736	525,736	
Other Purchased Services (400-500 series)	6,275	(5,284)	991	253	738
General Supplies	9,430		9,430	9,391	39
Total Autism	1,154,321	167,616	1,321,937	1,321,160	777
Preschool Disabilities - Part-Time:					
Salaries of Teachers	63,823	(60,074)	3,749	3,749	
Purchased Professional-Educational Services	483,975	39,817	523,792	523,675	117
Other Purchased Services (400-500 series)	150		150		150
General Supplies	563		563	563	
Total Preschool Disabilities - Part-Time	548,511	(20,257)	528,254	527,987	267

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 429,963	\$ (60,547)	\$ 369,416	\$ 369,416	\$ 600
Other Purchased Services (400-500 series)	600		600		541
General Supplies	3,126		3,126	2,585	1,141
Total Preschool Disabilities - Full-Time	433,689	(60,547)	373,142	372,001	
Home Instruction:					
Salaries of Teachers	7,500	(604)	6,896	6,896	
Total Home Instruction	7,500	(604)	6,896	6,896	
TOTAL SPECIAL EDUCATION - INSTRUCTION	8,742,713	305,123	9,047,836	9,042,447	5,389
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,504,129	35,659	1,539,788	1,539,788	
Other Purchased Services (400-500 series)	750	(750)			
General Supplies	5,617	(258)	5,359	5,332	27
Total Basic Skills/Remedial - Instruction	1,510,496	34,651	1,545,147	1,545,120	27
Bilingual Education - Instruction:					
Salaries of Teachers	591,518	83,562	675,080	675,080	
Other Purchased Services (400-500 series)	6,511	(935)	5,576	4,694	882
General Supplies	8,600		8,600	8,281	319
Other Objects	385	(385)			
Total Bilingual Education - Instruction	607,014	82,242	689,256	688,055	1,201

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	\$ 68,145	\$ 16,634	\$ 84,779	\$ 84,779	
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	68,145	16,634	84,779	84,779	
School-Sponsored Athletics - Instruction:					
Salaries	93,974	(10,320)	83,654	83,654	
Purchased Services (300-500 series)	45,029	2,785	47,814	47,814	
Supplies and Materials	18,661	(1,203)	17,458	15,233	\$ 2,225
Total School-Sponsored Athletics - Instruction	157,664	(8,738)	148,926	146,701	2,225
TOTAL INSTRUCTION	30,363,080	(34,345)	30,328,735	30,294,439	34,296
Undistributed Expenditures - Instruction:					
Tuition to Priv. Sch. for the Handicap. W/I State	563,309	(24,393)	538,916	514,058	24,858
Total Undistributed Expenditures - Instruction	563,309	(24,393)	538,916	514,058	24,858
Undistributed Expenditures - Health Services:					
Salaries	579,665	45,036	624,701	624,701	
Purchased Professional and Technical Services	219,521	(164,526)	54,995	44,855	10,140
Other Purchased Services (400-500 series)	4,880	(4,385)	495	494	1
Supplies and Materials	21,357	(9,907)	11,450	11,188	262
Other Objects	400		400	400	
Total Undist. Expenditures - Health Services	825,823	(133,782)	692,041	681,638	10,403

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	\$ 710,192	\$ (34,345)	\$ 675,847	\$ 675,847	\$ 29,239
Purchased Professional - Educational Services	333,520	77,426	410,946	381,707	3,869
Supplies and Materials	16,355	(1,187)	15,168	11,299	33,108
Total Undist. Expend. - Speech, OT, PT, Related Svcs	1,060,067	41,894	1,101,961	1,068,853	
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	540,064	12,289	552,353	552,353	
Salaries of Secretarial and Clerical Assistants	167,470	(16,465)	151,005	151,005	
Purchased Professional - Educational Services	2,471	(1,346)	1,125	1,125	
Other Purchased Services (400-500 series)	2,000	(2,000)			
Supplies and Materials	6,704	(1,888)	4,816	3,845	971
Total Undist Expend. - Guidance	718,709	(9,410)	709,299	708,328	971
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	1,064,056	91,001	1,155,057	1,155,057	
Salaries of Secretarial and Clerical Assistants	123,697	37,521	161,218	161,218	
Other Purchased Prof. and Tech. Services	189,223	(23,378)	165,845	159,845	6,000
Other Purchased Services (400-500 series)	36,298	10,195	46,493	26,807	19,686
Supplies and Materials	11,081	1,673	12,754	10,237	2,517
Total Undist Expend. - Child Study Team	1,424,355	117,012	1,541,367	1,513,164	28,203
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	275,426	1,170	276,596	276,596	
Salaries of Other Professional Staff	46,595	(13,774)	32,821	32,821	
Salaries of Secretarial and Clerical Assistants	36,034	(4,133)	31,901	31,901	
Other Purchased Prof. and Tech. Services	1,500	(1,500)			
Other Purchased Services (400-500 series)	27,347	(11,604)	15,743	6,479	9,264
Supplies and Materials	12,045	(1,637)	10,408	5,436	4,972
Other Objects	7,154	(264)	6,890	6,890	
Total Undist. Expend. - Improv. of Inst. Serv.	406,101	(31,742)	374,359	360,123	14,236

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	\$ 475,464	\$ (12,524)	\$ 462,940	\$ 462,940	
Purchased Professional and Technical Services	3,447	68	3,515	3,245	\$ 270
Other Purchased Services (400-500 series)	63,660	(4,374)	59,286	58,736	550
Supplies and Materials	62,056	5,895	67,951	66,408	1,543
Total Undist Expend-Edu. Media Serv./Sch. Library	604,627	(10,935)	593,692	591,329	2,363
Undist.Expend.-Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	406,805	5,620	412,425	412,425	
Salaries of Other Professional Staff	65,512	(32,505)	33,007	33,007	
Salaries of Secretarial and Clerical Assistants	105,102	(9,398)	95,704	95,704	
Other Salaries	19,100	(5,744)	13,356	11,856	1,500
Other Purchased Prof. And Tech. Services	61,738	(17,592)	44,146	44,146	
Other Purchased Services (400-500 series)	55,657	(14,429)	41,228	25,070	16,158
Supplies and Materials	17,497	(7,654)	9,843	9,843	
Total Undist.Expend.-Instructional Staff Training Services	731,411	(81,702)	649,709	632,051	17,658
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	467,789	41,221	509,010	509,010	
Legal Services	190,000	(69,886)	120,114	79,558	40,556
Audit Fees	23,855	(1,380)	22,475	22,475	
Other Purchased Professional Services	19,650	(6,770)	12,880	12,880	
Purchased Technical Services	63,000	7,059	70,059	51,359	18,700
Communications / Telephone	159,768	9,831	169,599	166,455	3,144
BOE Other Purchased Services	5,500	(1,539)	3,961	3,622	339
Other Purch. Serv. (400-500 series other than 530 & 585)	23,600	(609)	22,991	20,629	2,362
General Supplies	14,743	1,199	15,942	12,768	3,174
BOE In-house training/ Meeting Supplies	250		250	150	100
Miscellaneous Expenditures	10,568	800	11,368	10,896	472
BOE Membership Dues and Fees	25,000		25,000	25,000	
Total Undist. Expend.-Support Serv.-Gen. Admin.	1,003,723	(20,074)	983,649	914,802	68,847

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 1,788,122	\$ 21,029	\$ 1,809,151	\$ 1,809,151	
Salaries of Other Professional Staff	292,171	5,563	297,734	297,734	
Salaries of Secretarial and Clerical Assistants	973,734	(16,946)	956,788	956,788	
Purchased Professional and Technical Services	73,481		73,481	69,251	\$ 4,230
Other Purchased Services (400-500 series)	158,343	(25,115)	133,228	131,411	1,817
Supplies and Materials	45,998	(7,726)	38,272	36,044	2,228
Other Objects	16,545	(452)	16,093	15,504	589
Total Undist. Expend.-Support Serv.-School Adm.	<u>3,348,394</u>	<u>(23,647)</u>	<u>3,324,747</u>	<u>3,315,883</u>	<u>8,864</u>
Undist. Expend. - Central Services:					
Salaries	582,379	(52,598)	529,781	529,781	
Purchased Professional Services	11,900	(4,400)	7,500	7,500	
Purchased Technical Services	38,567	11,575	50,142	50,142	
Miscellaneous Purchased Services (400-500 series other than 594)	2,000	(1,785)	215	215	
Supplies and Materials	10,000	(2,011)	7,989	7,989	
Other Objects	2,000	(1,805)	195	195	
Total Undist. Expend. - Central Services	<u>646,846</u>	<u>(51,024)</u>	<u>595,822</u>	<u>595,822</u>	
Undist. Expend. - Admin. Info. Technology:					
Salaries	89,956	402,940	492,896	492,896	
Other Purchased Services (400-500 series)	77,063	(1,876)	75,187	74,874	313
Supplies and Materials	4,050	29,178	33,228	22,257	10,971
Total Undist. Expend. - Admin. Info. Technology	<u>171,069</u>	<u>430,242</u>	<u>601,311</u>	<u>590,027</u>	<u>11,284</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	\$ 593,699	\$ (76,834)	\$ 516,865	\$ 516,865	\$ 88,218
Cleaning, Repair, and Maintenance Services	602,723	(159,390)	443,333	355,115	35,484
General Supplies	202,303	(114,819)	87,484	52,000	123,702
Total Undist. Expend.- Required Maint. for School Facilities	1,398,725	(351,043)	1,047,682	923,980	
Undist. Expend.-Custodial Services:					
Salaries	441,141	(27,083)	414,058	414,058	
Purchased Professional and Technical Services	22,500	(6,504)	15,996	15,996	
Cleaning, Repair, and Maintenance Services	1,955,638	111,383	2,067,021	1,999,312	67,709
Other Purchased Property Services	152,800	(77,000)	75,800	75,471	329
Insurance	315,006	47,938	362,944	362,944	
Miscellaneous Purchased Services	102,954	(61,618)	41,336	25,636	15,700
General Supplies	128,933	(10,695)	118,238	107,214	11,024
Energy (Natural Gas)	251,525	(1,660)	249,865	249,865	
Energy (Electricity)	1,363,600	(228,779)	1,134,821	1,134,821	
Energy (Gasoline)	26,400	(4,394)	22,006	22,006	
Other Objects	13,199		13,199	7,315	5,884
Total Undist. Expend.-Custodial Services	4,773,696	(258,412)	4,515,284	4,414,638	100,646
Security:					
Salaries		5,000	5,000	5,000	
Purchased Professional and Technical Services	246,686		246,686	192,393	54,293
Cleaning, Repair, and Maintenance Services	60,000	(4,574)	55,426	55,426	
General Supplies	6,000	(3,836)	2,164	2,164	
Other Objects	13,002	(1,508)	11,494	11,494	
Total Security	325,688	(4,918)	320,770	266,477	54,293
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	6,498,109	(614,373)	5,883,736	5,605,095	278,641

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	\$ 81,500	\$ (72,603)	\$ 8,897	\$ 8,897	
Management Fee - ESC&CTSA Transportation Program		76,589	76,589	76,589	
Other Purchased Professional and Technical Services	5,087,962	(5,087,962)			
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studis		55,000	55,000	55,000	
Contr Serv.-Aid in Lieu of Payments-Choice Stud.		5,000	5,000	5,000	
Contract. Serv.(Bet. Home & Sch.)-Joint Agrmnts.		3,849,928	3,849,928	3,849,928	
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts		1,431,445	1,431,445	1,431,445	
Total Undist. Expend.-Student Trans. Serv.	<u>5,169,462</u>	<u>257,397</u>	<u>5,426,859</u>	<u>5,426,859</u>	
UNALLOCATED BENEFITS					
Group Insurance	15,600	(74)	15,526	15,526	
Social Security Contributions	460,000	41,805	501,805	485,066	\$ 16,739
Other Retirement Contributions - PERS	460,000	36,133	496,133	496,133	
Other Retirement Contributions - Regular		18,514	18,514	18,514	
Workers Compensation	230,629	(43,914)	186,715	186,715	
Health Benefits	7,508,782	435,924	7,944,706	7,895,106	49,600
Tuition Reimbursement	225,623	(31,915)	193,708	193,708	
Other Employee Benefits	69,711	53,052	122,763	96,889	25,874
TOTAL UNALLOCATED BENEFITS	<u>8,970,345</u>	<u>509,525</u>	<u>9,479,870</u>	<u>9,387,657</u>	<u>92,213</u>
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				2,493,022	(2,493,022)
TPAF Pension Contributions (Non-Budgeted)				10,521,888	(10,521,888)
TPAF Non-Contributory Insurance (Non-Budgeted)				148,449	(148,449)
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,834	(3,834)
Reimbursed TPAF Social Security Contributions				2,143,538	(2,143,538)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				<u>15,310,731</u>	<u>(15,310,731)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	8,970,345	509,525	9,479,870	24,698,388	(15,218,518)
TOTAL UNDISTRIBUTED EXPENDITURES	32,142,350	354,988	32,497,338	47,216,420	(14,719,082)
TOTAL GENERAL CURRENT EXPENSE	62,505,430	320,643	62,826,073	77,510,859	(14,684,786)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Grades 1-5	\$ 3,499	\$	3,499	3,499	
Grades 6-8	3,499		3,499	3,499	
Special Education - Instruction:					
Multiple Disabilities		\$ 5,715	5,715		\$ 5,715
Undistributed:					
Undist. Expend. - Supp Serv. - Related & Extraord.	2,500	5,642	8,142	4,642	3,500
Undistributed Expenditures - General Admin.	2,000	(2,000)			
Undistributed Expenditures - School Admin.	15,592		15,592	15,592	
Undistributed Expenditures - Central Services	2,000		2,000		2,000
Undist. Expend. - Required Maint for School Fac.	31,450		31,450	17,500	13,950
Undist. Expend.-Student Trans.- Non-Inst. Equip.	20,000	(20,000)			
School Buses - Regular	170,000	(170,000)			
School Buses - Special	140,000	(140,000)			
Total Equipment	390,540	(320,643)	69,897	44,732	25,165
Facilities Acquisition and Construction Serv.:					
Construction Services	62,000		62,000		62,000
Assessment for Debt Service on SDA Funding	50,735		50,735	50,735	
Total Facilities Acquisition and Const. Serv.	112,735		112,735	50,735	62,000
Assets Acquired Under Leases (Non-Budgeted):					
Regular Programs - Equipment				582,072	(582,072)
Total Assets Acquired Under Leases (Non-Budgeted)				582,072	(582,072)
TOTAL CAPITAL OUTLAY	503,275	(320,643)	182,632	677,539	(494,907)
TOTAL EXPENDITURES	63,008,705		63,008,705	78,188,398	(15,179,693)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ (2,145,758)		\$ (2,145,758)	\$ 1,711,252	\$ 3,857,010
Other Financing Sources/(Uses):					
Leases (Non-budgeted)				582,072	582,072
Total Other Financing Sources/(Uses)				582,072	582,072
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(2,145,758)		(2,145,758)	2,293,324	4,439,082
Fund Balance, July 1	8,313,530		8,313,530	8,313,530	
Fund Balance, June 30	<u>\$ 6,167,772</u>	<u>\$ -0-</u>	<u>\$ 6,167,772</u>	<u>\$ 10,606,854</u>	<u>\$ 4,439,082</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2023-2024				\$ 1,498,806	
Excess Surplus - Restricted For 2022-2023				1,268,025	
Capital Reserve				385,401	
Maintenance Reserve				251,140	
Unemployment Compensation				504,500	
Assigned Fund Balance:					
Year End Encumbrances				247,494	
Designated for Subsequent Year's Expenditures				1,278,627	
Unassigned Fund Balance				<u>5,172,861</u>	
				<u>10,606,854</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(504,077)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 10,102,777</u>	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 203,014	\$ 203,014	\$ 203,014	
State Sources		70,023	70,023	70,023	
Federal Sources	\$ 872,645	896,642	1,769,287	1,769,287	
Total Revenues	<u>872,645</u>	<u>1,169,679</u>	<u>2,042,324</u>	<u>2,042,324</u>	
EXPENDITURES:					
Instruction:					
Salaries	142,000	90,844	232,844	232,844	
Purchased Professional - Educational Services		21,186	21,186	21,186	
Other Purchased Services	495,550	289,509	785,059	785,059	
General Supplies	17,753	326,862	344,615	344,615	
Total Instruction	<u>655,303</u>	<u>728,401</u>	<u>1,383,704</u>	<u>1,383,704</u>	
Support Services:					
Salaries	76,525	19,921	96,446	96,446	
Personal Services - Employee Benefits	16,740	59,017	75,757	75,757	
Purchased Professional and Technical Services	120,077	131,013	251,090	251,090	
Other Purchased Services		24,626	24,626	24,626	
Supplies and Materials	4,000	3,687	7,687	7,687	
Student Activities		141,348	141,348	141,348	
Total Support Services	<u>217,342</u>	<u>379,612</u>	<u>596,954</u>	<u>596,954</u>	
Total Expenditures	<u>872,645</u>	<u>1,108,013</u>	<u>1,980,658</u>	<u>1,980,658</u>	
Excess of Revenues Over Expenditures	<u>\$ -0-</u>	<u>\$ 61,666</u>	<u>\$ 61,666</u>	<u>\$ 61,666</u>	<u>\$ -0-</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures	General	Special
Sources/Inflows of Resources:	Fund	Revenue
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	<u>\$ 79,899,650</u>	<u>\$ 2,042,324</u>
Difference - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP basis does not.		
Current Year Encumbrances		(171,081)
Prior Year Encumbrances		33,952
Prior Year State aid payments recognized for GAAP statements, not recognized for budgetary purposes.	547,841	
Current Year State aid payments recognized for budgetary purposes, not recognized for GAAP statements.	<u>(504,077)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u><u>\$ 79,943,414</u></u>	<u><u>\$ 1,905,195</u></u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 78,188,398	\$ 1,980,658
Differences - Budgetary to GAAP:		
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.		
Current Year Encumbrances		(171,081)
Prior Year Encumbrances		<u>33,952</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 78,188,398</u></u>	<u><u>\$ 1,843,529</u></u>

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County Office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)l. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. All budgetary 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
BUDGETARY COMPARISON SCHEDULE - NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from the GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	SDA Emergent and Capital Maintenance Needs	Elementary and Secondary Education Act			
		Title I	Title II Part A	Title III	Title III Immigrant
REVENUE:					
Local Sources					
State Sources	\$ 70,023	\$ 95,645	\$ 39,909	\$ 40,227	\$ 5,559
Federal Sources					
Total Revenue	70,023	95,645	39,909	40,227	5,559
EXPENDITURES:					
Instruction:					
Salaries		62,668		34,856	4,970
Purchased Professional - Educational Services					9,048
Other Purchased Services					
General Supplies	70,023	5,878		2,068	1,920
Total Instruction	70,023	68,546		36,924	4,970
Support Services:					
Salaries		2,061	36,584	405	5,000
Personal Services - Employee Benefits		23,059	2,799	2,698	380
Purchased Professional and Technical Services					
Other Purchased Services		1,979	526	200	209
Supplies and Materials					
Student Activities					
Total Support Services		27,099	39,909	3,303	589
Total Expenditures	\$ 70,023	\$ 95,645	\$ 39,909	\$ 40,227	\$ 5,559
					\$ 16,677

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Student Activities	IDEA Part B, Basic Regular FY22	IDEA Part B, Basic Regular FY21	IDEA Part B, Preschool FY22	IDEA Part B, Preschool FY21	American Rescue Plan IDEA Basic	IDEA Preschool
REVENUE:							
Local Sources	\$ 203,014						
State Sources		\$ 693,571	\$ 24,988	\$ 33,826	\$ 117	\$ 135,711	\$ 11,567
Federal Sources							
Total Revenue	203,014	693,571	24,988	33,826	117	135,711	11,567
EXPENDITURES:							
Instruction:							
Salaries							
Purchased Professional - Educational Services							
Other Purchased Services		693,571	24,988			135,711	
General Supplies							
Total Instruction		693,571	24,988			135,711	
Support Services:							
Salaries							
Personal Services - Employee Benefits							
Purchased Professional and Technical Services				33,826	117		11,567
Other Purchased Services							
Supplies and Materials							
Student Activities	141,348						
Total Support Services	141,348			33,826	117		11,567
Total Expenditures	\$ 141,348	\$ 693,571	\$ 24,988	\$ 33,826	\$ 117	\$ 135,711	\$ 11,567

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	American Rescue Plan					CRRSA Mental Health	Learning Acceleration	Total Expenditures
	ESSER III	Accelerated Learning Coach	Beyond the School Day	CARES Emergency Relief Act	ESSER II			
REVENUE:								
Local Sources								\$ 203,014
State Sources								70,023
Federal Sources	\$ 347,590	\$ 59,443	\$ 13,616	\$ 11,694	\$ 198,668	\$ 10,500	\$ 29,979	1,769,287
Total Revenue	347,590	59,443	13,616	11,694	198,668	10,500	29,979	2,042,324
EXPENDITURES:								
Instruction:								
Salaries	77,280		12,600		12,736		27,734	232,844
Purchased Professional - Educational Services	5,880				6,258			21,186
Other Purchased Services				11,694	54,806			785,059
General Supplies	31,943	38,472			58,523		77	344,615
Total Instruction	115,103	38,472	12,600	11,694	132,323		27,811	1,383,704
Support Services:								
Salaries	43,905	8,491						96,446
Personal Services - Employee Benefits	41,682	650	964		975		2,168	75,757
Purchased Professional and Technical Services	146,500	11,830			36,750	10,500		251,090
Other Purchased Services					24,626			24,626
Supplies and Materials	400		52		3,994			7,687
Student Activities								141,348
Total Support Services	232,487	20,971	1,016		66,345	10,500	2,168	596,954
Total Expenditures	\$ 347,590	\$ 59,443	\$ 13,616	\$ 11,694	\$ 198,668	\$ 10,500	\$ 29,979	\$ 1,980,658

CAPITAL PROJECTS FUND

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Revenue and Other Financing Sources:	
Investment Income	\$ 136,626
Total Revenue and Other Financing Sources	<u>136,626</u>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	879,406
Construction Services	11,672,497
Supplies	8,128
Transfers Out:	
Transfer to Debt Service Fund - Interest Earnings	<u>136,626</u>
Total Expenditures and Other Financing Uses	<u>12,696,657</u>
Excess of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	(12,560,031)
Fund Balance - Beginning	<u>19,513,638</u>
Fund Balance - Ending	<u>\$ 6,953,607</u>
Recapitulation:	
Restricted - Other Purposes	\$ 5,638,814
Restricted - Year-End Encumbrances	1,151,244
Committed - Year-End Encumbrances	28,705
Committed - Other Purposes	<u>134,844</u>
Fund Balance (Budgetary Basis)	6,953,607
Reconciliation to Governmental Funds Statement (GAAP):	
State Sources - SDA Grant not Recognized on GAAP Basis	<u>(163,549)</u>
Fund Balance per Governmental Funds - GAAP	<u>\$ 6,790,058</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
SECURITY UPGRADES AND IMPROVEMENTS, SITE IMPROVEMENTS, ROOF REPLACEMENT,
WINDOW REPLACEMENT AND EXTERIOR BUILDING REPAIRS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 21,755,000		\$ 21,755,000	\$ 21,755,617
Total Revenue and Other Financing Sources	21,755,000		21,755,000	21,755,617
Expenditures:				
Legal Services	48,715		48,715	49,444
Purchased Professional & Technical Services	2,447,589	\$ 531,176	2,978,765	3,578,778
Construction Services	9,682,200	4,304,520	13,986,720	17,138,100
Supplies	809,125	8,128	817,253	989,295
Total Expenditures	12,987,629	4,843,824	17,831,453	21,755,617
Excess/(Deficiency) of Revenue and Other Financing Sources Over Expenditures	\$ 8,767,371	\$ (4,843,824)	\$ 3,923,547	\$ -0-

Additional Project Information:

Bonds Authorization Date	12/10/2019
Bonds Authorized	\$ 21,755,617
Bonds Issued	\$ 21,755,000
Original Authorized Cost	\$ 21,755,617
Revised Authorized Cost	\$ 21,755,617
Percentage Completion	81.96%
Original Target Completion Date	6/30/2022
Revised Target Completion Date	6/30/2023

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
AIR QUALITY UPGRADES INCLUDING AIR-CONDITIONING AND HUMIDITY CONTROL MEASURES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 20,308,000		\$ 20,308,000	\$ 20,308,019
Total Revenue and Other Financing Sources	<u>20,308,000</u>		<u>20,308,000</u>	<u>20,308,019</u>
Expenditures:				
Legal Services	40,391		40,391	40,629
Purchased Professional & Technical Services	1,353,765	\$ 348,230	1,701,995	2,154,779
Construction Services	8,331,126	7,367,977	15,699,103	18,112,611
Total Expenditures	<u>9,725,282</u>	<u>7,716,207</u>	<u>17,441,489</u>	<u>20,308,019</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over Expenditures	<u>\$ 10,582,718</u>	<u>\$ (7,716,207)</u>	<u>\$ 2,866,511</u>	<u>\$ -0-</u>
Additional Project Information:				
Bonds Authorization Date	12/10/2019			
Bonds Authorized	\$ 20,308,019			
Bonds Issued	\$ 20,308,000			
Original Authorized Cost	\$ 20,308,019			
Revised Authorized Cost	\$ 20,308,019			
Percentage Completion	85.88%			
Original Target Completion Date	6/30/2022			
Revised Target Completion Date	6/30/2023			

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
SECURITY PROJECTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - Securing Our Children's Future Bond Act	\$ 163,549		\$ 163,549	\$ 163,549
Total Revenue and Other Financing Sources	163,549		163,549	163,549
Expenditures:				
Purchased Professional & Technical Services				50,000
Construction Services				113,549
Total Expenditures				163,549
Excess/(Deficiency) of Revenue and Other Financing Sources Over Expenditures	<u>\$ 163,549</u>	<u>\$ -0-</u>	<u>\$ 163,549</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number(s)	20EO119
Grant Date	FY2020
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 163,549
Revised Authorized Cost	\$ 163,549
Percentage Completion	0.00%
Original Target Completion Date	6/30/2022
Revised Target Completion Date	6/30/2023

PROPRIETARY FUNDS

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 618,197
Receivable from State Government	2,880
Receivable from Federal Government	133,517
Inventory	17,155
Total Current Assets	771,749
Non-Current Assets:	
Capital Assets	1,079,327
Less: Accumulated Depreciation	(854,966)
Total Non-Current Assets	224,361
Total Assets	996,110
LIABILITIES:	
Current Liabilities:	
Unearned Revenue - Prepaid Sales	34,030
Unearned Revenue - Donated Commodities	2,221
Accounts Payable - Vendors	83,868
Total Liabilities	120,119
NET POSITION:	
Investment in Capital Assets	224,361
Unrestricted	651,630
Total Net Position	\$ 875,991

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 73,545
Total Operating Revenue	73,545
Operating Expenses:	
Cost of Sales - Reimbursable Programs	551,514
Cost of Sales - Nonreimbursable Programs	9,247
Salaries	310,077
Payroll Taxes	42,655
Employee Benefits	50,375
Management Fee	39,140
Supplies and Materials	51,919
Depreciation Expense	30,621
Miscellaneous Expenses	7,675
Total Operating Expenses	1,093,223
Operating Loss	(1,019,678)
Non-Operating Revenue:	
Federal Sources:	
COVID 19 - Seamless Summer Option - Breakfast	91,472
COVID 19 - Seamless Summer Option - Lunch	1,365,169
Food Distribution Program	53,340
COVID-19 - PEBT Cost Reimbursement	628
State Sources:	
COVID 19 - Seamless Summer Option	32,028
Local Sources:	
Interest Revenue	27
Total Non-Operating Revenue	1,542,664
Change in Net Position	522,986
Net Position - Beginning of Year (Restated)	353,005
Net Position - End of Year	\$ 875,991

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 50,131
Payments to Food Service Vendor	(899,057)
Payments to Suppliers	(22,186)
Net Cash Used for Operating Activities	(871,112)
Cash Flows from Investing Activities:	
Interest Revenue	27
Net Cash Provided by Investing Activities	27
Cash Flows from Noncapital Financing Activities:	
Federal Reimbursements in Food Service Fund	1,426,763
State Reimbursements in Food Service Fund	35,387
Net Cash Provided by Noncapital Financing Activities	1,462,150
Cash Flows from Capital Financing Activities:	
Acquisition of Capital Assets	(117,825)
Net Cash Used for Capital Financing Activities	(117,825)
Net Increase in Cash and Cash Equivalents	473,240
Cash and Cash Equivalents, July 1	144,957
Cash and Cash Equivalents, June 30	\$ 618,197
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (1,019,678)
Adjustment to Reconcile Operating Loss to Cash	
Used for Operating Activities:	
Depreciation	30,621
Federal Food Distribution Program	53,340
Changes in Assets and Liabilities:	
(Decrease) in Unearned Revenue - Donated Commodities	(7,607)
(Decrease) in Unearned Revenue - Prepaid Sales	(15,807)
Decrease in Inventory	4,151
Increase in Accounts Payable	83,868
Net Cash Used for Operating Activities	\$ (871,112)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$45,733 and \$53,340, respectively, for the fiscal year ended June 30, 2022.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM DEBT

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Interest Rate	Balance July 1, 2021	Matured	Balance June 30, 2022
			Date	Amount	Outstanding June 30, 2022	Balance				
Refunding School Bonds	10/1/2014	\$ 24,175,000	6/15/2023	\$ 2,550,000		4.000%				
			6/15/2024	2,665,000		4.000%				
			6/15/2025	2,790,000		5.000%				
			6/15/2026	2,945,000		5.000%				
			6/15/2027	3,110,000		5.000%	\$ 16,495,000	\$ 2,435,000	\$ 14,060,000	
Refunding School Bonds 2016	11/2/2016	6,355,000	2/1/2023	20,000		1.650%				
			2/1/2024	15,000		1.650%				
			2/1/2025	15,000		1.650%				
			2/1/2026	15,000		1.650%				
			2/1/2027	15,000		1.650%				
			2/1/2028	3,525,000		1.650%	3,625,000	20,000	3,605,000	
School Bonds	12/10/2019	42,063,000	9/1/2022	1,665,000		2.250%				
			9/1/2023	1,715,000		2.250%				
			9/1/2024	1,770,000		2.250%				
			9/1/2025	1,825,000		2.250%				
			9/1/2026	1,885,000		2.250%				
			9/1/2027	1,935,000		2.250%				
			9/1/2028	1,995,000		2.250%				
			9/1/2029	2,055,000		2.250%				
			9/1/2030	2,120,000		2.250%				
			9/1/2031	2,180,000		2.250%				
			9/1/2032	2,245,000		2.250%				
			9/1/2033	2,315,000		2.375%				
			9/1/2034	2,385,000		2.375%				
			9/1/2035	2,460,000		2.375%				
			9/1/2036	2,535,000		2.500%				
		9/1/2037	2,615,000		2.500%					
		9/1/2038	2,695,000		2.625%					
		9/1/2039	2,700,000		3.000%	40,710,000	1,615,000	39,095,000		
						<u>\$ 60,830,000</u>	<u>\$ 4,070,000</u>	<u>\$ 56,760,000</u>		

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Purpose	Original Issue	Interest Rate	Balance July 1, 2021	Matured	Balance June 30, 2022
Energy Savings Improvement Plan	\$ 4,955,000	2.213%	\$ 2,736,150	\$ 337,579	\$ 2,398,571
			<u>\$ 2,736,150</u>	<u>\$ 337,579</u>	<u>\$ 2,398,571</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Purpose	Original Issue	Interest Rate	Balance July 1, 2021	Issued	Matured	Balance June 30, 2022
Savin Copiers	\$ 302,787	3.350%		\$ 302,787	\$ 14,001	\$ 288,786
Savin Copiers	279,285	3.350%		279,285	12,914	266,371
			\$ - 0 -	\$ 582,072	\$ 26,915	\$ 555,157

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 4,608,379		\$ 4,608,379	\$ 4,608,379	
State Sources:					
Debt Service Aid Type II	882,156		882,156	882,156	
Total Revenues	5,490,535		5,490,535	5,490,535	
EXPENDITURES:					
Regular Debt Service:					
Interest and Other Charges	1,758,050		1,758,050	1,758,046	\$ 4
Redemption of Principal	4,070,000		4,070,000	4,070,000	
Total Regular Debt Service	5,828,050		5,828,050	5,828,046	4
Total Expenditures	5,828,050		5,828,050	5,828,046	4
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(337,515)		(337,515)	(337,511)	4
Other Financing Sources:					
Transfer from Capital Projects Fund:					
Investment Income				136,626	136,626
Total Other Financing Sources				136,626	136,626
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(337,515)		(337,515)	(200,885)	136,630
Fund Balance, July 1	830,889		830,889	830,889	
Fund Balance, June 30	\$ 493,374	\$ -0-	\$ 493,374	\$ 630,004	\$ 136,630
<u>Recapitulation of Fund Balance at June 30, 2022:</u>					
Restricted for Subsequent Year's Budget				\$ 493,374	
Restricted				136,630	
				<u>\$ 630,004</u>	

STATISTICAL SECTION
UNAUDITED

This part of the District’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District’s overall financial health.

Contents

	<u>Exhibit</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 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru 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 thru 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 and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	June 30,				
	2013	2014	2015	2016	2017
Governmental Activities:					
Net Investment in Capital Assets	\$ 11,555,839	\$ 12,260,134	\$ 15,316,441	\$ 16,663,677	\$ 18,974,259
Restricted	4,172,343	4,991,208	3,851,541	4,421,901	4,407,580
Unrestricted/(Deficit)	842,570	701,282	(7,175,310)	(6,591,562)	(7,790,467)
Total Governmental Activities Net Position	<u>\$ 16,570,752</u>	<u>\$ 17,952,625</u>	<u>\$ 11,992,672</u>	<u>\$ 14,494,017</u>	<u>\$ 15,591,372</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 267,530	\$ 261,415	\$ 238,498	\$ 207,820	\$ 181,085
Unrestricted	191,313	167,669	191,844	238,298	252,093
Total Business-Type Activities Net Position	<u>\$ 458,843</u>	<u>\$ 429,083</u>	<u>\$ 430,341</u>	<u>\$ 446,117</u>	<u>\$ 433,178</u>
District-Wide:					
Net Investment in Capital Assets	\$ 11,823,368	\$ 12,521,549	\$ 15,554,939	\$ 16,871,497	\$ 19,155,344
Restricted	4,172,343	4,991,208	3,851,541	4,421,901	4,407,580
Unrestricted/(Deficit)	1,033,883	868,950	(6,983,466)	(6,353,264)	(7,538,374)
Total District Net Position	<u>\$ 17,029,594</u>	<u>\$ 18,381,708</u>	<u>\$ 12,423,013</u>	<u>\$ 14,940,134</u>	<u>\$ 16,024,550</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	June 30,				
	2018	2019	2020	2021*	2022
Governmental Activities:					
Net Investment in Capital Assets	\$ 20,479,690	\$ 22,213,672	\$ 10,814,413	\$ 25,808,840	\$ 34,506,806
Restricted	3,220,781	1,951,548	14,916,176	18,146,091	11,517,181
Unrestricted/(Deficit)	(7,698,431)	(9,240,904)	(8,744,506)	(6,819,592)	(3,818,394)
Total Governmental Activities Net Position	<u>\$ 16,002,040</u>	<u>\$ 14,924,316</u>	<u>\$ 16,986,082</u>	<u>\$ 37,135,339</u>	<u>\$ 42,205,593</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 168,524	\$ 135,964	\$ 117,602	\$ 137,157	\$ 224,361
Unrestricted	231,095	187,447	57,517	215,848	651,630
Total Business-Type Activities Net Position	<u>\$ 399,619</u>	<u>\$ 323,410</u>	<u>\$ 175,119</u>	<u>\$ 353,005</u>	<u>\$ 875,991</u>
District-Wide:					
Net Investment in Capital Assets	\$ 20,648,215	\$ 22,349,635	\$ 10,932,015	\$ 25,945,997	\$ 34,731,167
Restricted	3,220,781	1,951,548	14,916,176	18,146,091	11,517,181
Unrestricted/(Deficit)	(7,467,336)	(9,053,458)	(8,686,990)	(6,603,744)	(3,166,764)
Total District Net Position	<u>\$ 16,401,659</u>	<u>\$ 15,247,726</u>	<u>\$ 17,161,201</u>	<u>\$ 37,488,344</u>	<u>\$ 43,081,584</u>

* - Restated

Source: School District Financial Reports

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2013	2014	2015	2016	2017
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 25,138,256	\$ 24,395,242	\$ 25,391,654	\$ 30,138,761	\$ 33,532,378
Special Education	8,409,118	8,484,272	9,434,616	10,852,597	12,535,442
Other Special Education	2,575,970	2,552,216	2,483,746	3,554,851	3,717,753
School Sponsored Instruction					
Support Services:					
Tuition	477,193	651,000	364,957	405,224	530,753
Student & Instruction Related Services	6,732,857	6,557,587	6,795,527	8,164,376	9,094,380
General Administrative Services	1,040,655	1,040,045	1,005,534	1,155,947	1,239,654
School Administrative Services	3,939,031	4,095,542	4,095,489	4,994,822	5,570,574
Central Services	1,128,076	1,529,726	1,272,135	1,519,768	1,404,158
Administrative Information Technology					
Plant Operations and Maintenance	6,075,393	5,390,776	5,285,133	5,045,277	5,679,997
Pupil Transportation	3,569,328	4,013,539	3,853,922	4,518,684	4,154,474
Interest on Long-term Debt	1,734,687	1,651,235	1,154,122	931,401	1,155,672
Charter Schools		21,707	22,159		
Total Governmental Activities Expenses	<u>60,820,564</u>	<u>60,382,886</u>	<u>61,158,993</u>	<u>71,281,707</u>	<u>78,615,236</u>
Business-Type Activities:					
Food Service	1,184,119	1,124,912	1,031,601	985,841	1,003,446
Total Business-type Activities Expense	<u>1,184,119</u>	<u>1,124,912</u>	<u>1,031,601</u>	<u>985,841</u>	<u>1,003,446</u>
Total District Expenses	<u>\$ 62,004,682</u>	<u>\$ 61,507,798</u>	<u>\$ 62,190,595</u>	<u>\$ 72,267,547</u>	<u>\$ 79,618,682</u>
Program Revenues					
Charges for Services:					
Regular Instruction					
Student & Instructional Related Services					
Operating Grants and Contributions and Charges for Services	<u>\$ 6,341,926</u>	<u>\$ 5,739,398</u>	<u>\$ 5,244,196</u>	<u>\$ 17,492,525</u>	<u>\$ 22,706,422</u>
Total Governmental Activities Program Revenues	<u>6,341,926</u>	<u>5,739,398</u>	<u>5,244,196</u>	<u>17,492,525</u>	<u>22,706,422</u>
Business-Type Activities:					
Charges for Services:					
Food Service	743,733	722,770	653,154	642,081	622,186
Operating Grants and Contributions	330,412	369,441	377,294	356,199	362,016
Total Business-type Activities Program Revenues	<u>1,074,145</u>	<u>1,092,211</u>	<u>1,030,448</u>	<u>998,279</u>	<u>984,202</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2013	2014	2015	2016	2017
Total District Program Revenues	\$ 7,416,071	\$ 6,831,609	\$ 6,274,644	\$ 18,490,804	\$ 23,690,624
Net (Expense)/Revenue					
Governmental Activities	\$ (54,478,638)	\$ (54,643,489)	\$ (55,914,798)	\$ (53,789,182)	\$ (55,908,814)
Business-type Activities	(109,974)	(32,701)	(1,153)	12,439	(19,244)
Total District-wide Net Expense	\$ (54,588,612)	\$ (54,676,190)	\$ (55,915,951)	\$ (53,776,743)	\$ (55,928,057)
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 44,332,300	\$ 45,747,866	\$ 46,307,968	\$ 48,158,053	\$ 49,178,554
Property Taxes Levied for Debt Service	3,494,779	3,253,827	3,127,206	3,289,554	3,013,753
Unrestricted Grants and Contributions	6,402,105	6,443,957	6,722,569	3,828,933	3,839,253
Miscellaneous Income	945,846	581,175	785,456	1,034,029	975,530
Other Item - Disposal of Capital Assets	(14,395)	(1,463)		(20,043)	(921)
Total Governmental Activities	55,160,636	56,025,362	56,943,199	56,290,526	57,006,170
Business-Type Activities:					
Miscellaneous Income	876	2,942	2,411	3,337	6,304
Total Business-Type Activities	876	2,942	2,411	3,337	6,304
Total District-Wide	\$ 55,161,511	\$ 56,028,303	\$ 56,945,610	\$ 56,293,863	\$ 57,012,474
Change in Net Position:					
Governmental Activities	\$ 681,997	\$ 1,381,873	\$ 1,028,401	\$ 2,501,345	\$ 1,097,356
Business-type Activities	(109,098)	(29,759)	1,258	15,776	(12,939)
Total District	\$ 572,899	\$ 1,352,114	\$ 1,029,660	\$ 2,517,120	\$ 1,084,416

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2018	2019	2020	2021	2022
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 35,277,254	\$ 32,578,768	\$ 30,491,833	\$ 34,619,823	\$ 32,058,768
Special Education	13,526,586	12,716,535	12,878,571	15,284,419	13,783,857
Other Special Education	3,786,816	3,720,472	3,634,911	3,831,260	3,780,756
School Sponsored Instruction					352,962
Support Services:					
Tuition	704,545	1,289,331	869,390	977,600	514,058
Student & Instruction Related Services	9,607,432	8,975,325	8,414,434	9,807,112	8,566,585
General Administrative Services	1,254,932	1,128,481	1,166,473	1,044,332	1,170,469
School Administrative Services	5,850,876	5,391,817	5,283,022	5,802,720	5,175,925
Central Services	1,290,382	1,514,047	1,168,043	1,162,049	846,594
Administrative Information Technology					824,786
Plant Operations and Maintenance	5,698,753	6,366,719	5,795,965	5,997,209	5,979,735
Pupil Transportation	4,527,617	4,970,243	5,236,955	5,385,190	5,423,888
Interest on Long-term Debt	1,090,626	1,022,563	1,461,584	1,866,837	1,728,670
Charter Schools					
Total Governmental Activities Expenses	<u>82,615,818</u>	<u>79,674,298</u>	<u>76,401,181</u>	<u>85,778,552</u>	<u>80,207,053</u>
Business-Type Activities:					
Food Service	1,010,002	1,053,052	902,798	826,680	1,093,223
Total Business-type Activities Expense	<u>1,010,002</u>	<u>1,053,052</u>	<u>902,798</u>	<u>826,680</u>	<u>1,093,223</u>
Total District Expenses	<u>\$ 83,625,821</u>	<u>\$ 80,727,351</u>	<u>\$ 77,303,979</u>	<u>\$ 86,605,232</u>	<u>\$ 81,300,276</u>
Program Revenues					
Charges for Services:					
Regular Instruction					\$ 140,785
Student & Instructional Related Services					203,014
Operating Grants and Contributions and Charges for Services	\$ 25,225,190	\$ 19,495,546	\$ 17,980,321	\$ 27,172,612	20,379,922
Total Governmental Activities Program Revenues	<u>25,225,190</u>	<u>19,495,546</u>	<u>17,980,321</u>	<u>27,172,612</u>	<u>20,723,721</u>
Business-Type Activities:					
Charges for Services:					
Food Service	590,798	594,967	394,863	3,911	73,545
Operating Grants and Contributions	385,291	381,308	359,269	961,081	1,542,637
Total Business-type Activities Program Revenues	<u>976,089</u>	<u>976,276</u>	<u>754,133</u>	<u>964,992</u>	<u>1,616,182</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2018	2019	2020	2021	2022
Total District Program Revenues	<u>\$ 26,201,279</u>	<u>\$ 20,471,822</u>	<u>\$ 18,734,454</u>	<u>\$ 28,137,604</u>	<u>\$ 22,339,903</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (57,390,628)	\$ (60,178,752)	\$ (58,420,860)	\$ (58,605,939)	\$ (59,483,332)
Business-type Activities	(33,913)	(76,776)	(148,665)	138,311	522,959
Total District-wide Net Expense	<u>\$ (57,424,541)</u>	<u>\$ (60,255,529)</u>	<u>\$ (58,569,525)</u>	<u>\$ (58,467,628)</u>	<u>\$ (58,960,373)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 50,162,125	\$ 51,581,028	\$ 52,612,649	\$ 53,700,231	\$ 54,774,236
Property Taxes Levied for Debt Service	3,073,535	3,078,116	3,090,159	4,895,030	4,608,379
Unrestricted Grants and Contributions	3,764,426	3,672,158	3,588,816	3,202,303	3,923,349
Miscellaneous Income	801,110	774,826	1,191,002	2,214,051	1,247,622
Other Item - Disposal of Capital Assets		(5,100)			
Total Governmental Activities	<u>57,801,196</u>	<u>59,101,028</u>	<u>60,482,626</u>	<u>64,011,615</u>	<u>64,553,586</u>
Business-Type Activities:					
Miscellaneous Income	354	568	374	1	27
Total Business-Type Activities	<u>354</u>	<u>568</u>	<u>374</u>	<u>1</u>	<u>27</u>
Total District-Wide	<u>\$ 57,801,550</u>	<u>\$ 59,101,596</u>	<u>\$ 60,483,000</u>	<u>\$ 64,011,616</u>	<u>\$ 64,553,613</u>
Change in Net Position:					
Governmental Activities	\$ 410,568	\$ (1,077,724)	\$ 2,061,767	\$ 5,405,676	\$ 5,070,254
Business-type Activities	(33,559)	(76,208)	(148,292)	138,312	522,986
Total District	<u>\$ 377,009</u>	<u>\$ (1,153,933)</u>	<u>\$ 1,913,475</u>	<u>\$ 5,543,988</u>	<u>\$ 5,593,240</u>

Source: School District Financial Reports

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	June 30,				
	2013	2014	2015	2016	2017
General Fund:					
Restricted	\$ 4,171,518	\$ 4,948,687	\$ 3,462,956	\$ 4,131,186	\$ 4,561,779
Assigned	1,286,071	1,148,266	346,787	1,072,855	870,629
Unassigned/(Deficit)	819,235	836,787	666,916	934,347	820,058
Total General Fund	<u>\$ 6,276,824</u>	<u>\$ 6,933,741</u>	<u>\$ 4,476,659</u>	<u>\$ 6,138,388</u>	<u>\$ 6,252,466</u>
All Other Governmental Funds:					
Restricted	\$ 42,149	\$ 372	\$ 457,270	\$ (179,897)	\$ (92,771)
Committed	364	42,149		138,454	1,600
Assigned			69,769	493,106	21,563
Total All Other Governmental Funds	<u>\$ 42,513</u>	<u>\$ 42,521</u>	<u>\$ 527,039</u>	<u>\$ 451,663</u>	<u>\$ (69,609)</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	June 30,				
	2018	2019	2020	2021	2022
General Fund:					
Restricted	\$ 3,280,886	\$ 1,996,244	\$ 2,803,346	\$ 4,235,929	\$ 3,907,872
Assigned	1,029,740	174,839	490,755	297,300	1,526,121
Unassigned/(Deficit)	1,319,159	872,411	1,288,168	3,232,460	4,668,784
Total General Fund	<u>\$ 5,629,785</u>	<u>\$ 3,043,494</u>	<u>\$ 4,582,270</u>	<u>\$ 7,765,689</u>	<u>\$ 10,102,777</u>
All Other Governmental Funds:					
Restricted	\$ 8,715	\$ 15,086	\$ 25,981,135	\$ 6,632,392	\$ 7,609,309
Committed	7,825	8,715	12,375,734	13,676,167	
Assigned					
Total All Other Governmental Funds	<u>\$ 16,540</u>	<u>\$ 23,801</u>	<u>\$ 38,356,869</u>	<u>\$ 20,308,559</u>	<u>\$ 7,609,309</u>

Source: School District Financial Reports

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2013	2014	2015	2016	2017
Revenues:					
Tax Levy	\$ 47,827,079	\$ 49,001,693	\$ 49,435,174	\$ 51,447,607	\$ 52,192,307
Tuition from Individuals					
Interest Earned on Maintenance Reserve Funds					
Interest Earned on Capital Reserve Funds					
Restricted Miscellaneous	946,299	606,620	812,682	1,039,857	988,237
Unrestricted Miscellaneous	11,702,444	11,048,059	12,200,319	12,921,652	13,761,772
State Sources	1,041,134	1,109,851	1,045,899	1,025,967	1,147,315
Federal Sources					
Total Revenue	61,516,956	61,766,223	63,494,074	66,435,084	68,089,631
Expenditures:					
Instruction:					
Regular Instruction	16,186,537	16,358,180	17,361,875	17,118,970	17,930,533
Special Education Instruction	6,454,381	6,853,830	7,704,181	7,823,641	8,312,816
Other Special Instruction	1,749,491	1,810,816	1,773,223	2,088,956	1,968,837
School Sponsored Instruction					
Support Services:					
Tuition	477,193	651,000	525,579	405,224	530,753
Student & Instruction Related Services	4,769,842	4,802,291	4,881,136	5,049,387	5,043,414
General Administrative Services	845,525	841,278	928,057	883,283	841,872
School Administrative Services	2,676,612	2,874,093	2,903,681	2,995,879	3,018,509
Central Services	777,305	1,197,567	950,405	979,310	765,045
Administrative Information Technology					
Plant Operations and Maintenance	5,284,600	4,917,307	5,165,913	4,747,542	4,827,662
Student Transportation	3,017,133	4,013,539	4,205,339	4,469,557	4,361,861
Unallocated Benefits	14,654,373	12,582,329	13,838,836	14,450,505	16,125,993

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2013	2014	2015	2016	2017
Expenditures:					
Capital Outlay	\$ 1,793,543	\$ 2,852,406	\$ 1,929,619	\$ 974,436	\$ 2,720,287
Charter Schools		21,707	22,159		
Debt Service:					
Principal	2,045,000	1,830,000	2,180,000	2,005,000	2,050,000
Interest and Other Charges	1,681,614	1,591,956	1,103,461	1,418,600	1,231,819
Total Expenditures	62,413,148	63,198,300	65,473,463	65,410,289	69,729,401
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(896,192)	(1,432,077)	(1,979,389)	1,024,794	(1,639,770)
Other Financing Sources/(Uses):					
Cancellation of Prior Year Receivable					6,355,000
Proceeds from Bonds or Refunding Bond Issues					1,232,576
Proceeds for Financed Purchases	1,065,959		6,825	561,559	(6,318,900)
Payment to Refunding Bond Agent					(36,100)
Cost of Issuance					
Lease Proceeds					
Total Other Financing Sources/(Uses)	1,065,959		6,825	561,559	1,232,576
Net Change in Fund Balances	\$ 169,767	\$ (1,432,077)	\$ (1,972,564)	\$ 1,586,353	\$ (407,194)
Debt Service as a Percentage of Noncapital Expenditures	6.15%	5.67%	5.17%	5.31%	4.90%

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,			
	2018	2019	2020	2021
Revenues:				
Tax Levy	\$ 53,235,660	\$ 54,659,144	\$ 55,702,808	\$ 58,595,261
Tuition from Individuals				140,785
Interest Earned on Maintenance Reserve Funds				1,140
Interest Earned on Capital Reserve Funds				877
Restricted Miscellaneous	892,362	774,826	1,191,002	203,783
Unrestricted Miscellaneous	15,146,855	15,715,512	16,713,734	2,246,304
State Sources				20,230,219
Federal Sources	1,113,923	970,447	943,018	2,061,520
Total Revenue	70,388,800	72,119,929	74,550,563	83,133,304
Expenditures:				
Instruction:				
Regular Instruction	18,311,761	18,578,271	18,312,628	18,729,138
Special Education Instruction	8,785,723	8,502,859	9,060,661	10,248,709
Other Special Instruction	1,959,420	2,099,452	2,162,303	2,016,631
School Sponsored Instruction				231,480
Support Services:				
Tuition	704,545	1,289,331	869,390	977,600
Student & Instruction Related Services	5,284,172	5,571,005	5,286,944	5,722,143
General Administrative Services	901,557	806,861	852,137	819,996
School Administrative Services	3,084,305	3,092,604	3,190,177	3,164,038
Central Services	793,143	1,060,370	747,855	778,120
Administrative Information Technology				595,822
Plant Operations and Maintenance	5,006,546	5,777,433	5,320,404	5,536,580
Student Transportation	4,292,352	4,731,506	5,016,592	5,113,718
Unallocated Benefits	17,401,819	18,667,470	18,198,600	20,659,262
				24,698,388

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,			
	2018	2019	2020	2021
Expenditures:				
Capital Outlay	\$ 1,113,197	\$ 1,314,966	\$ 4,503,657	\$ 19,052,976
Charter Schools				
Debt Service:				
Principal	2,095,000	2,170,000	2,250,000	3,698,000
Interest and Other Charges	1,100,540	1,036,832	970,371	2,084,422
Total Expenditures	70,834,081	74,698,959	76,741,719	98,601,332
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(445,280)	(2,579,030)	(2,191,156)	(15,468,028)
Other Financing Sources/(Uses):				
Cancellation of Prior Year Receivable	(91,252)			
Proceeds from Bonds or Refunding Bond Issues			42,063,000	
Proceeds for Financed Purchases				
Payment to Refunding Bond Agent				
Cost of Issuance				
Lease Proceeds				582,072
Total Other Financing Sources/(Uses)	(91,252)		42,063,000	582,072
Net Change in Fund Balances	\$ (536,532)	\$ (2,579,030)	\$ 39,871,844	\$ (15,468,028)
Debt Service as a Percentage of Noncapital Expenditures	4.58%	4.37%	4.46%	7.27%

Source: School District Financial Reports

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Other</u> <u>Miscellaneous</u>	<u>Insurance</u> <u>Settlement</u>	<u>Transportation</u> <u>Refunds</u>	<u>Total</u>
2013	\$ 29,725	\$ 165,969	\$ 33,249		\$ 537,318	\$ 766,262
2014	33,025	103,505	13,306		265,110	414,946
2015	24,409	132,222	7,454		435,773	599,859
2016	28,402	146,444	30,376		656,013	861,234
2017	38,488	53,622	10,216		720,011	822,337
2018	98,706	60,716	9,584		561,808	730,814
2019	118,667	177,850	6,057		312,733	615,306
2020	102,894	78,952	54,913		521,263	758,022
2021	18,569	143,650	49,229	\$ 500,000	960,176	1,671,624
2022	24,402	140,785	39,862		1,046,732	1,251,781

Source: School District Financial Reports

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
UNAUDITED

RARITAN TOWNSHIP

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2012	\$ 64,626,500	\$ 3,097,354,300	\$ 73,952,200	\$ 3,033,200	\$ 602,906,740	\$ 102,401,596	\$ 12,713,200	\$ 3,956,987,736	\$ 8,313,709	\$ 3,965,301,445	\$ 1.064	\$ 4,151,009,933
2013	54,240,100	3,109,189,600	69,609,900	3,034,600	611,756,940	109,899,696	12,713,200	3,970,444,036	8,154,192	3,978,598,228	1.078	4,017,974,377
2014	66,809,275	3,106,721,300	67,392,100	2,905,100	609,384,640	106,157,496	12,713,200	3,972,083,111		3,972,083,111	1.096	3,857,601,219
2015	68,935,700	3,124,946,400	65,361,100	2,921,200	612,089,040	100,503,896	12,713,200	3,987,470,536		3,987,470,536	1.117	3,929,879,980
2016	63,634,700	3,148,815,000	63,259,700	2,887,700	610,793,500	99,941,196	12,713,200	4,002,044,996		4,002,044,996	1.141	4,053,342,161
2017	51,373,300	3,171,053,600	65,031,600	2,883,240	620,335,100	99,855,400	12,713,200	4,023,245,440		4,023,245,440	1.159	4,155,815,969
2018	55,928,400	3,189,821,800	64,705,300	2,868,722	615,661,800	101,154,900	12,713,200	4,042,854,122		4,042,854,122	1.188	4,138,452,372
2019	73,780,700	3,231,535,200	64,535,600	2,767,700	614,566,500	104,218,000	12,713,200	4,104,116,900		4,104,116,900	1.202	4,262,688,928
2020	64,085,700	3,280,438,500	64,291,900	2,755,500	611,238,700	104,218,000	12,713,200	4,139,786,500		4,139,786,500	1.235	4,289,934,197
2021	49,627,400	3,316,988,500	65,138,300	2,684,200	616,567,800	105,985,900	27,691,000	4,185,681,100		4,185,681,100	1.280	4,388,886,547

FLEMINGTON BOROUGH

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
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	\$ 1.200	\$ 478,096,178
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	1.922	461,765,994
2014	2,725,700	209,921,500			188,275,300	2,687,700	36,721,200	440,331,400		440,331,400	1.300	454,362,765
2015	2,670,400	213,974,000			186,465,500	1,871,200	40,131,100	445,112,200		445,112,200	1.329	473,746,762
2016	2,743,600	217,771,700			181,895,900	1,871,200	42,615,900	446,898,300		446,898,300	1.382	473,859,761
2017	2,839,400	220,991,100			179,626,200	1,871,200	45,443,500	450,771,400		450,771,400	1.351	452,218,499
2018	3,309,600	226,032,500			173,638,400	1,833,500	49,100,600	453,914,600		453,914,600	1.309	447,162,447
2019	2,336,600	228,716,600			172,222,500	1,845,000	52,429,800	457,550,500		457,550,500	1.279	453,199,782
2020	2,141,100	232,640,700			170,495,500	1,855,000	54,822,500	461,954,800		461,954,800	1.305	463,344,835
2021	2,134,800	238,288,700			169,576,000	1,855,000	57,610,900	469,465,400		469,465,400	1.250	437,200,037

Source: Municipal Tax Assessors and State of New Jersey Website

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 of Net Valuation Taxable

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

LAST TEN YEARS

UNAUDITED

(rate per \$100 of assessed value)

Borough of Flemington

Year Ended December 31,	Flemington-Raritan Regional School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Direct Rate			Municipality	County	
	Basic Rate ^a	Debt Service ^b	Total Direct			
2012	\$ 1.11	\$ 0.10	\$ 1.20	\$ 0.69	\$ 0.34	\$ 2.72
2013	1.20	0.09	1.29	0.78	0.36	3.88
2014	1.21	0.09	1.30	0.89	0.35	2.97
2015	1.25	0.08	1.33	0.91	0.36	3.05
2016	1.29	0.09	1.38	0.94	0.36	3.14
2017	0.13	0.08	1.35	0.96	0.34	3.09
2018	1.23	0.08	1.31	0.96	0.35	3.06
2019	1.21	0.07	1.28	1.00	0.35	3.11
2020	1.23	0.07	1.31	1.01	0.35	3.18
2021	1.15	0.10	1.25	1.04	0.33	3.15

Township of Raritan

Year Ended December 31,	Flemington-Raritan Regional School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Direct Rate			Municipality	County	
	Basic Rate ^a	Debt Service ^b	Total Direct			
2012	\$ 0.98	\$ 0.09	\$ 1.06	\$ 0.30	\$ 0.37	\$ 2.29
2013	1.00	0.08	1.08	0.31	0.37	2.31
2014	1.02	0.07	1.10	0.31	0.36	2.31
2015	1.05	0.07	1.12	0.31	0.37	2.35
2017	1.07	0.07	1.14	0.32	0.38	2.41
2018	1.09	0.07	1.16	0.32	0.38	2.45
2018	1.12	0.07	1.19	0.31	0.39	2.49
2019	1.34	0.07	1.20	0.31	0.39	2.52
2020	1.17	0.07	1.24	0.31	0.39	2.57
2021	1.18	0.10	1.28	0.32	0.40	2.62

Note: 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 calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net V
b Rates for debt service are based on each year's requirements.

Source: Municipal Tax Collectors

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
TOWNSHIP OF RARITAN
UNAUDITED

Taxpayer	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Flemington Fair Associates	\$ 61,946,600	1.45%		
Hunterdon Medical Center	35,808,400	0.84%		
Bedford Falls LLC	35,359,200	0.83%		
REEP-RTL Flemington NJ LLC	25,900,000	0.61%		
Johanna Foods, Inc	23,654,700	0.56%		
RVSC II Villages at Healthquest, LLC	19,818,200	0.47%		
Clojo Circle LLC (c/o Flem Retail)	19,486,900	0.46%		
Raritan Junction LLC	19,197,700	0.45%		
Raritan Village Shopping Center	17,105,500	0.40%		
1200 Route 523 LLC	16,850,000	0.40%		
Total	<u>\$ 275,127,200</u>	<u>6.46%</u>		
Total 2022 NVT	<u>\$ 4,260,254,500</u>			

Not Available

Source: Municipal Tax Assessor

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
BOROUGH OF FLEMINGTON
UNAUDITED

	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value % of Total District Net Assessed Value
4C Flemington Apts. LLC	\$ 21,816,000	4.38%		
Biltmore Realty Company LLC	16,740,000	3.36%		
Flemington South LLC	16,000,000	3.22%		
Flemington Fidelco LLC	10,528,000	2.12%		
Hunterdon Shopping Center Partners	7,956,000	1.60%		
Roho LLC	7,492,000	1.51%		
Flemington Center Urban Renewal LLC	5,971,920	1.20%		
Hunterdon Mews LLC	5,532,000	1.11%		
Acramal Enterprises Inc.	5,412,000	1.09%		
John M. Saums & Sons Inc.	4,570,000	0.92%		
Total	\$ 102,017,920	20.50%		
Total 2022 NVT	\$ 497,614,920			

Not Available

Source: Municipal Tax Assessor

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

TOWNSHIP OF RARITAN

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 42,504,107	\$ 42,504,107	100.00%	\$ -0-
2014	43,235,657	43,235,657	100.00%	-0-
2015	43,735,990	43,735,990	100.00%	-0-
2016	45,304,515	45,304,515	100.00%	-0-
2017	45,988,747	45,988,747	100.00%	-0-
2018	47,263,285	47,263,285	100.00%	-0-
2019	48,756,811	48,756,811	100.00%	-0-
2020	49,902,757	49,902,757	100.00%	-0-
2021	52,346,186	52,346,186	100.00%	-0-
2022	53,534,774	53,534,774	100.00%	-0-

BOROUGH OF FLEMINGTON

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 5,322,972	\$ 5,322,972	100.00%	\$ -0-
2014	5,766,036	5,766,036	100.00%	-0-
2015	5,681,184	5,681,184	100.00%	-0-
2016	6,143,092	6,143,092	100.00%	-0-
2017	6,203,560	6,203,560	100.00%	-0-
2018	5,972,375	5,972,375	100.00%	-0-
2019	5,972,375	5,972,375	100.00%	-0-
2020	5,800,051	5,800,051	100.00%	-0-
2021	6,249,075	6,249,075	100.00%	-0-
2022	5,847,841	5,847,841	100.00%	-0-

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Financed Purchases	Leases			
2013	\$ 38,470,000	\$ 4,955,000		\$ 43,425,000	2.15%	\$ 1,620.52
2014	36,640,000	4,935,359		41,575,359	2.06%	1,552.83
2015	32,875,000	4,538,539		37,413,539	1.86%	1,398.95
2016	30,870,000	4,187,530		35,057,530	1.66%	1,311.74
2017	28,980,000	3,924,639		32,904,639	1.47%	1,190.64
2018	26,885,000	3,647,877		30,532,877	1.37%	1,143.98
2019	24,715,000	3,363,727		28,078,727	1.23%	1,043.86
2020	64,528,000	3,057,688		67,585,688	2.86%	2,513.60
2021	60,830,000	2,736,150		63,566,150	2.47%	2,352.82
2022	56,760,000	2,398,571	\$ 555,157	59,713,728	2.18%	2,077.29

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

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

Source: School District Financial Reports

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$ 38,470,000	\$ -0-	\$ 38,470,000	0.871%	\$ 1,435.61
2014	36,640,000	-0-	36,640,000	0.831%	1,368.49
2015	32,875,000	-0-	32,875,000	0.745%	1,229.25
2016	30,870,000	-0-	30,870,000	0.696%	1,155.06
2017	28,980,000	-0-	28,980,000	0.651%	1,048.63
2018	26,885,000	-0-	26,885,000	0.601%	1,007.31
2019	24,715,000	-0-	24,715,000	0.550%	918.81
2020	64,528,000	-0-	64,528,000	1.415%	2,399.88
2021	60,830,000	-0-	60,830,000	1.322%	2,251.55
2022	56,760,000	-0-	56,760,000	1.219%	1,974.54

Source: School District Financial Reports

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
UNAUDITED
AS OF DECEMBER 31, 2021

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable ^a</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt repaid with property taxes			
Flemington Borough	\$ 8,849,124	100.00%	\$ 8,849,124
Raritan Township	20,212,000	100.00%	20,212,000
Other debt			
Hunterdon County	96,226,693	22.10%	<u>21,266,099</u>
Subtotal, overlapping debt			50,327,224
Flemington-Raritan Regional School District Direct Bonded Debt			<u>59,215,000</u>
Total direct and overlapping debt			<u><u>\$ 109,542,224</u></u>

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, 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 unit.

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

Sources: Assessed value data used to estimate applicable percentages provided by the Hunterdon County Board of Taxation; debt outstanding data provided by each governmental unit.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2022

Year Ended December 31,	Borough of Flemington	Township of Raritan	Total Equalized Valuation Basis
2019	\$ 463,248,456	\$ 4,252,970,881	\$ 4,716,219,337
2020	436,176,754	4,340,763,867	4,776,940,621
2021	451,843,503	4,382,779,591	4,834,623,094
	<u>\$ 1,351,268,713</u>	<u>\$ 4,325,504,780</u>	<u>\$ 14,327,783,052</u>
Average Equalized Valuation of Taxable Property			<u>\$ 4,775,927,684</u>
Debt Limit (3% of Average Equalization Value) ^a			\$ 143,277,831
Net Bonded School Debt			56,760,000
Legal Debt Margin			<u>\$ 86,517,831</u>

Fiscal Year Ended June 30,

	2013	2014	2015	2016	2017
Debt Limit	\$ 137,464,286	\$ 133,308,963	\$ 131,176,897	\$ 131,589,972	\$ 134,555,344
Total Net Debt Applicable to Limit	<u>38,470,000</u>	<u>36,640,000</u>	<u>32,875,000</u>	<u>30,870,000</u>	<u>28,980,000</u>
Legal Debt Margin	<u>\$ 98,994,286</u>	<u>\$ 96,668,963</u>	<u>\$ 98,301,897</u>	<u>\$ 100,719,972</u>	<u>\$ 105,575,344</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	27.99%	27.49%	25.06%	23.46%	21.54%

Fiscal Year Ended June 30,

	2018	2019	2020	2021	2022
Debt Limit	\$ 136,459,445	\$ 138,017,917	\$ 139,315,847	\$ 141,441,902	\$ 143,277,831
Total Net Debt Applicable to Limit	<u>26,885,000</u>	<u>24,715,000</u>	<u>64,528,000</u>	<u>60,830,000</u>	<u>56,760,000</u>
Legal Debt Margin	<u>\$ 109,574,445</u>	<u>\$ 113,302,917</u>	<u>\$ 74,787,847</u>	<u>\$ 80,611,902</u>	<u>\$ 86,517,831</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	19.70%	17.91%	46.32%	43.01%	39.62%

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
UNAUDITED

TOWNSHIP OF RARITAN

Year	Population ^a	Personal Income ^b	Hunterdon County	
			Per Capita Personal Income ^c	Unemployment Rate ^d
2013	22,066	\$ 1,663,313,014	\$ 75,379	7.60%
2014	22,047	1,658,265,105	75,215	4.70%
2015	22,056	1,739,380,272	78,862	4.10%
2016	22,989	1,861,672,209	80,981	3.80%
2017	22,069	1,848,565,647	83,763	3.90%
2018	22,289	1,892,603,568	84,912	3.50%
2019	22,289	1,959,960,926	87,934	2.70%
2020	22,432	2,133,014,016	95,088	6.20%
2021	23,855	2,268,324,240 ***	95,088 *	7.00%
2022	23,855 **	2,268,324,240 ***	95,088 *	N/A

BOROUGH OF FLEMINGTON

Year	Population ^a	Personal Income ^b	Hunterdon County	
			Per Capita Personal Income ^c	Unemployment Rate ^d
2013	4,708	\$ 354,884,332	\$ 75,379	7.60%
2014	4,697	353,284,855	75,215	4.70%
2015	4,670	368,285,540	78,862	4.10%
2016	4,647	376,318,707	80,981	3.80%
2017	4,621	387,068,823	83,763	3.90%
2018	4,610	391,444,320	84,912	3.50%
2019	4,599	404,408,466	87,934	2.70%
2020	4,585	435,978,480	95,088	6.20%
2021	4,891	465,075,408 ***	95,088 *	8.20%
2022	4,891 **	465,075,408 ***	95,088 *	N/A

*- Latest Hunterdon County per capita personal income available (2020) was used for calculation purposes.

** - Latest population data available (2021) was used for calculation purposes

*** - Latest personal income data calculated using latest Hunterdon County per capita personal income data (2020) and latest available population data (2021)

N/A - Information Unavailable

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF HUNTERDON
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Information was not available as of the date of these financial statements.

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

LAST TEN FISCAL YEARS

UNAUDITED

<u>Function/Program:</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction:										
Regular	263	266	291	279	269	242	237	234	237	238
Special Education	51	54	62	60	75	85	87	88	90	89
Support Services:										
Student & Instruction Related Services	42	43	44	49	43	53	55	51	52	47
General Administrative Services	3	3	3	3	3	3	3	3	3	3
School Administrative Services	18	20	18	19	19	19	19	18	19	19
Plant Operations and Maintenance	10	10	10	10	10	9	9	9	9	8
Central Services	36	36	36	36	33	33	34	34	34	32
Administration Information Technology	5	5	5	6	6	6	6	6	7	8
Food Service	23	23	23	23	23	23	24	22	22	23
Total	451	437	469	462	458	450	450	443	451	467

Source: School District Financial Reports

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	3,511	\$ 56,892,991	\$ 16,204	6.93%	314	11:2	3,514	3,370	-0.97%	95.90%
2014	3,388	56,923,938	16,802	3.69%	320	10:6	3,403	3,278	-3.15%	96.33%
2015	3,328	60,260,382	18,107	7.77%	353	9:4	3,325	3,200	-2.30%	96.23%
2016	3,177	61,012,253	19,204	6.06%	339	9:4	3,156	3,038	-5.09%	96.29%
2017	3,118	63,727,295	20,439	6.43%	344	9:1	3,092	2,970	-2.03%	96.08%
2018	3,054	66,525,343	21,783	6.58%	327	9:3	3,057	2,930	-1.13%	95.85%
2019	3,082	70,177,162	22,770	4.53%	324	9:5	3,082	2,945	0.83%	95.55%
2020	3,082	66,985,890	21,735	-1.70%	322	9:6	3,009	2,913	-2.37%	96.81%
2021	2,998	73,765,935	24,605	9.93%	327	9:2	2,986	2,896	-0.76%	96.99%
2022	3,030	79,354,388	26,190	6.44%	375	9:7	3,055	2,962	2.29%	96.97%

Sources: School 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).
- d The Cost per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

UNAUDITED

District Building	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Barley Sheaf Elementary (1967)</u>										
Square Feet	59,105	59,105	59,105	59,105	59,105	72,293	72,293	72,293	72,293	72,293
Capacity (students)	566	566	566	566	566	566	487	487	487	487
Enrollment	391	375	351	333	337	339	348	348	352	367
<u>Copper Hill Elementary (1996)</u>										
Square Feet	123,000	123,000	123,000	123,000	123,000	113,134	113,134	113,134	113,134	113,134
Capacity (students)	619	619	619	619	619	619	740	740	740	740
Enrollment	517	526	508	468	446	412	426	426	421	443
<u>Robert Hunter Elementary (1961)</u>										
Square Feet	74,464	74,464	74,464	74,464	74,464	65,667	65,667	65,667	65,667	65,667
Capacity (students)	547	547	547	547	547	547	508	508	508	508
Enrollment	446	393	387	356	353	357	393	393	394	405
<u>Frances A. Desmares Elementary (1991)</u>										
Square Feet	85,138	85,138	85,138	85,138	85,138	85,220	85,220	85,220	85,220	85,220
Capacity (students)	569	569	569	569	569	569	590	590	590	590
Enrollment	495	455	470	454	434	425	452	452	473	484
<u>JP Case Middle (2006)</u>										
Square Feet	167,000	167,000	167,000	167,000	167,000	177,013	177,013	177,013	177,013	177,013
Capacity (students)	912	912	912	912	912	912	1,259	1,259	1,259	1,259
Enrollment	828	847	838	810	785	764	781	781	710	681
<u>Reading-Flemington Intermediate (1864)</u>										
Square Feet	159,120	159,120	159,120	159,120	159,120	174,361	174,361	174,361	174,361	174,361
Capacity (students)	902	902	902	902	902	902	1,132	1,132	1,132	1,132
Enrollment	834	792	774	756	763	757	682	682	682	650

Number of Schools at June 30, 2022

Elementary = 4

Middle School = 1

Intermediate School = 1

Source: School District Records

Note: Enrollment is based on the annual October district count.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance
 For School Facilities - Account #11-000-261-XXX:

Fiscal Year Ended	Barley Sheaf School	Copper Hill School	Frances A. Desmares School	Robert Hunter School	JP Case Middle School	Reading-Flemington Intermediate School	Other	Total School Facilities*
2013	\$ 316,610	\$ 230,501	\$ 231,209	\$ 46,090,501	\$ 76,176	\$ 337,944		\$ 47,282,941
2014	102,691	317,182	387,378	373,993	222,501	110,353	204	1,514,302
2015	85,137	227,858	345,155	75,770	128,175	255,582	491,668	1,609,345
2016	52,685	117,739	105,868	75,516	66,024	91,078	510,183	1,019,093
2017	56,343	145,268	71,090	58,952	102,818	101,384	533,533	1,069,388
2018	52,142	155,196	91,972	70,139	96,940	115,223	552,157	1,133,769
2019	59,775	160,674	63,853	13,313	63,009	80,910	501,399	942,933
2020	66,309	182,314	86,705	64,572	111,790	89,872	491,549	1,093,111
2021	52,053	146,796	88,375	57,566	100,451	120,356	513,417	1,079,013
2022	31,960	65,720	40,868	33,582	94,623	101,864	555,363	923,980

Source: School District Records

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2022
UNAUDITED

<u>COMPANY</u>	<u>TYPE OF COVERAGE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
SAIF	Property Blanket Building and Contents-- Replacement Cost Values	\$ 500,000,000	\$ 2,500
Crum & Forster SAIF	Environmental/Pollution	1,000,000 occurrence 25,000,000 aggregate	10,000
	Fungi and Legionella	100,000	100,000
SAIF	General Liability		
	- Each Occurrence	5,000,000	
	- Rented Premises	2,500,000	
	- Fire Damage	5,000,000	
	- Medical Expense (Excluding Students)	10,000	
	- Employee Benefit Liability		
	-Aggregate	50,000,000	
SAIF	Automobile Coverage		
	- Combined Single Limit	5,000,000	
	- Hired/Non-Owned	5,000,000	
	- 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	
Beazley SAIF	Cyber Liability		
	- Third Party Pool Limit	25,000,000	10,000
	- Third Party Each Member	2,000,000	10,000
	- First Party	2,000,000	10,000
	Credit Monitoring and Public Relations		
SAIF	Boiler and Machinery Coverage	100,000,000	2,500
SAIF	Umbrella Liability Coverage		
	- Occurrence Limit	10,000,000	
	- Aggregate Limit	10,000,000	
SAIF	Board of Education		
	- Liability Wrongful Acts Coverage		
	Each Loss/Aggregate	5,000,000	15,000
Hanover	Fidelity Bonds		
	- Treasurer of School Monies	350,000	
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

Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the 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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Flemington-Raritan Regional School District, in the County of Hunterdon (the "District") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 18, 2023. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

The Honorable President and Members
of the Board of Education
Flemington-Raritan Regional School District
Page 2

Our consideration of the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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 result 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.

Mount Arlington, New Jersey
January 18, 2023

Nisivoccia LLP
NISIVOCCIA, LLP

Heidi A. Wohlleb

Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Flemington-Raritan Regional School District's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Honorable President and Members
of the Board of Education
Flemington-Raritan Regional School District
Page 2

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Honorable President and Members
of the Board of Education
Flemington-Raritan Regional School District
Page 3

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
January 18, 2023

Nisivoccia LLP
NISIVOCCIA, LLP

Heidi A. Wohlleb
Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing #	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Cancellation of Prior Year Encumbrances	Balance at June 30, 2022		
					Budgetary (Accounts Receivable)/ Unearned Revenue	Revenue				Budgetary (Accounts Receivable)	Budgetary Unearned Revenue	
U.S. Department of Education Passed-through State Department of Education:												
Special Revenue Fund:												
Special Education Cluster (IDEA):												
ID.E.A. Part B, Basic	84.027A	IDEA151021	7/1/20-9/30/21	\$ 809,847	\$ (217,740)	\$ 242,728	\$ (24,988)					
ID.E.A. Part B, Basic	84.027A	IDEA151022	7/1/21-9/30/22	693,838		617,197	(693,571)			\$ (76,374)		
COVID-19 ARP I.D.E.A. Basic	84.027X	IDEA151022	7/1/21-9/30/22	135,711		126,795	(135,711)			(8,916)		
ID.E.A. Part B, Preschool	84.173A	IDEA151021	7/1/20-9/30/21	37,041	(8,574)	8,691	(117)					
ID.E.A. Part B, Preschool	84.173A	IDEA151022	7/1/21-9/30/22	33,826		31,056	(33,826)			(2,770)		
COVID-19 ARP I.D.E.A. Preschool	84.173X	IDEA151022	7/1/21-9/30/22	11,567		5,229	(11,567)			(6,338)		
Total Special Education Cluster (IDEA)					(226,314)	1,031,696	(899,780)			(94,398)		
Elementary and Secondary Education Act:												
Title I	84.010	ESEA151021	7/1/20-9/30/21	244,509	(105,777)	105,726		\$ 51				
Title I	84.010	ESEA151022	7/1/21-9/30/22	98,164		60,135	(95,645)			(35,510)		
Total Title I					(105,777)	165,861	(95,645)		51	(35,510)		
Title II, Part A	84.367	ESEA151021	7/1/20-9/30/21	46,283	(3,289)	3,289						
Title II, Part A	84.367	ESEA151022	7/1/21-9/30/22	39,909		37,110	(39,909)			(2,799)		
Total Title II, Part A					(3,289)	40,399	(39,909)			(2,799)		
Title III	84.365	ESEA151021	7/1/20-9/30/21	35,065	(7,199)	7,199						
Title III	84.365	ESEA151022	7/1/21-9/30/22	41,188		32,392	(40,227)			(7,835)		
Total Title III					(7,199)	39,591	(40,227)			(7,835)		
Title III - Immigrant	84.365	ESEA151021	7/1/20-9/30/21	7,509	(7,123)	6,861			262			
Title III - Immigrant	84.365	ESEA151022	7/1/21-9/30/22	8,626		4,970	(5,559)			(589)		
Total Title III - Immigrant					(7,123)	11,831	(5,559)		262	(589)		
Title IV	84.424	ESEA151021	7/1/20-9/30/21	19,445	(10,280)	10,280						
Title IV	84.424	ESEA151022	7/1/21-9/30/22	16,881		11,295	(16,677)			(5,382)		
Total Title IV					(10,280)	21,575	(16,677)			(5,382)		
Total Elementary and Secondary Education Act					(133,668)	279,257	(198,017)		313	(52,115)		

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing #	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Cancellation of Prior Year Encumbrances	Balance at June 30, 2022		
					Budgetary (Accounts Receivable)/ Unearned Revenue	Budgetary (Accounts Receivable)				Budgetary Unearned Revenue	Amount Paid to Sub-Recipients	
U.S. Department of Education Passed-through State Department of Education (Cont'd):												
Education Stabilization Fund:												
COVID 19 - CARES Emergency Relief	84-425D	CARES151021	3/13/20-9/30/22	\$ 143,460	\$ (12,762)	\$ 24,456	\$ (11,694)					
COVID 19 - CRRSA:												
ESSER II	84-425D	S425D210027	3/13/20-9/30/23	571,040	(372,372)	557,835	(198,668)			\$ (13,205)		
Learning Acceleration	84-425D	S425D210027	3/13/20-9/30/23	36,646	(6,667)	34,401	(29,979)			(2,245)		
Mental Health	84-425D	S425D210027	3/13/20-9/30/23	45,000	(34,500)	45,000	(10,500)					
COVID 19 - American Rescue Plan:												
ESSER III	84-425U	S425U210027	3/13/20-9/30/24	1,283,376		244,714	(347,590)			(102,876)		
Accelerated Learning Coach and Educator Support	84-425U	S425U210027	3/13/20-9/30/24	269,881		16,321	(59,443)			(43,122)		
Evidence Based Comprehensive Beyond the School Day	84-425U	S425U210027	3/13/20-9/30/24	40,000		9,720	(13,616)			(3,896)		
Total Education Stabilization Fund						932,447	(671,490)			(165,344)		
Total U.S. Department of Education						2,243,400	(1,769,287)	\$ 313		(311,857)		
Total Special Revenue Fund						2,243,400	(1,769,287)	313		(311,857)		
U.S. Department of Agriculture Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Food Distribution Program	10.555	N/A	7/1/21-6/30/22	45,733		45,733	(43,512)				\$ 2,221	
Food Distribution Program	10.555	N/A	7/1/20-6/30/21	65,817		9,828	(9,828)					
COVID 19 - Seamless Summer Option:												
Breakfast	10.553	N/A	7/1/21-6/30/22	91,472		83,123	(91,472)			(8,349)		
Breakfast	10.553	N/A	7/1/20-6/30/21	308,456		28,662						
Lunch	10.555	N/A	7/1/21-6/30/22	1,365,169		1,240,001	(1,365,169)			(125,168)		
Lunch	10.555	N/A	7/1/20-6/30/21	519,734		48,431						
COVID 19 - Emergency Operational Cost Reimbursement Program	10.555	N/A	7/1/20-6/30/21	25,304		25,304						
Total Child Nutrition Cluster						1,471,254	(1,509,981)			(133,517)		2,221
COVID 19 - P-EBT Cost Reimbursement	10.649	N/A	7/1/20-6/30/22	614		1,242	(628)					
Total U.S. Department of Agriculture						1,472,496	(1,510,609)			(133,517)		2,221
U.S. Department of Health and Human Services:												
Medicaid Cluster:												
Medical Assistance Program	93.778	N/A	7/1/21-6/30/22	75,799		75,799	(75,799)					
Total U.S. Department of Health and Human Services/Total Medicaid Cluster						75,799	(75,799)					

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grant Program Title/Cluster Title	Assistance Listing #	Grant or State Project Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Cancellation of Prior Year Encumbrances	Balance at June 30, 2022	
								Budgetary (Accounts Receivable)/ Unearned Revenue	Budgetary Unearned Revenue
U.S. Department of Homeland Security Passed-through State Department of Law and Public Safety Disaster Grants - Public Assistance: COVID-19 - FEMA - Disaster Relief	97.036	N/A	3/13/20-6/30/22	\$ 192,566	\$ 192,566	\$ (192,566)		\$ (879,466)	\$ 2,221
Total U.S. Department of Homeland Security					192,566	(192,566)			
Total Federal Awards					\$3,984,261	\$ (3,548,261)	\$ 313	\$ (445,374)	\$ 2,221
									\$ -0-

N/A - Not Available/Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at		Balance at		MEMO	
				June 30, 2021		June 30, 2022		Budgetary Accounts Receivable	Cumulative Total Expenditures
				Budgetary Accounts Receivable	Cash Received	Budgetary Expenditures	GAAP Accounts Receivable		
New Jersey Department of Education									
General Fund:									
Categorical Special Education Aid	22-495-034-5120-089	7/1/21 - 6/30/22	\$ 2,087,364	\$ 1,881,596	\$ (2,087,364)	\$ (205,768)	\$ 2,087,364		
Equalization Aid	22-495-034-5120-078	7/1/21 - 6/30/22	2,588,893	2,333,686	(2,588,893)	(255,207)	2,588,893		
Categorical Security Aid	22-495-034-5120-084	7/1/21 - 6/30/22	140,035	126,231	(140,035)	(13,804)	140,035		
Categorical Transportation Aid	22-495-035-5120-014	7/1/21 - 6/30/22	297,208	267,910	(297,208)	(29,298)	297,208		
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21 - 6/30/22	2,143,538	2,038,179	(2,143,538)	(105,359)	2,143,538		
Extraordinary Aid	22-495-034-5120-044	7/1/21 - 6/30/22	3,166,247		(3,166,247)	(3,166,247)	3,166,247		
Non-Public Transportation Aid	22-495-034-5120-014	7/1/21 - 6/30/22	14,790		(14,790)	(14,790)	14,790		
Categorical Special Education Aid	21-495-034-5120-089	7/1/20 - 6/30/21	2,087,364	205,649			2,087,364		
Equalization Aid	21-495-034-5120-078	7/1/20 - 6/30/21	3,036,043	299,114			3,036,043		
Categorical Security Aid	21-495-034-5120-084	7/1/20 - 6/30/21	140,035	13,797			140,035		
Categorical Transportation Aid	21-495-035-5120-014	7/1/20 - 6/30/21	297,208	29,281			297,208		
Extraordinary Aid	21-495-034-5120-044	7/1/20 - 6/30/21	1,595,141	1,595,141			1,595,141		
Non-Public Transportation Aid	21-495-034-5120-014	7/1/20 - 6/30/21	13,340				13,340		
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20 - 6/30/21	2,056,157	100,887			2,056,157		
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/21 - 6/30/22	2,493,022	2,493,022	(2,493,022)		2,493,022		
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21 - 6/30/22	10,521,888	10,521,888	(10,521,888)		10,521,888		
On-Behalf TPAF Long Term Disability Insurance	22-495-034-5094-004	7/1/21 - 6/30/22	3,834	3,834	(3,834)		3,834		
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21 - 6/30/22	148,449	148,449	(148,449)		148,449		
Total General Fund				(2,257,209)	(23,605,268)	(3,790,473)	32,830,556		
Total New Jersey Department of Education/General Fund				(2,257,209)	(23,605,268)	(3,790,473)	32,830,556		
Schools Development Authority									
Special Revenue Fund:									
SDA Emergent and Capital Maintenance Needs Grant	N/A	7/1/21 - 6/30/22	70,023	70,023	(70,023)		70,023		
Total Special Revenue Fund				70,023	(70,023)		70,023		
New Jersey Department of Agriculture:									
Enterprise Fund:									
COVID 19 - Seamless Summer Option	22-100-010-3350-023	7/1/21 - 6/30/22	32,028	29,148	(32,028)	(2,880)	32,028		
COVID 19 - Seamless Summer Option	21-100-010-3350-023	7/1/20 - 6/30/21	26,846	6,239			26,846		
Total Enterprise Fund				(6,239)	(32,028)	(2,880)	58,874		
Total New Jersey Department of Agriculture				(6,239)	(32,028)	(2,880)	58,874		

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Balance at June 30, 2022		MEMO	
				Budgetary Accounts Receivable	Budgetary Expenditures		GAAP Accounts Receivable	Budgetary Accounts Receivable	Cumulative Total Expenditures	
New Jersey Department of Education										
Debt Service Fund:										
Debt Service Aid - Type II	22-495-034-5120-075	7/1/21 - 6/30/22	\$ 882,156		\$ (882,156)	\$ 882,156		\$ 882,156		\$ 882,156
Total Debt Service Fund					(882,156)	882,156		882,156		882,156
Total State Awards Subject to Single Audit Determination				\$ (2,263,448)	\$ (24,589,475)	\$ 23,059,570	\$ (3,289,276)	\$ (3,793,353)	\$ 33,841,609	
Less: State Awards Not Subject to Single Audit Major Program Determination										
On-Behalf TPAF Pension System Contributions:										
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/21 - 6/30/22	2,493,022		\$ 2,493,022					
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21 - 6/30/22	10,521,888		10,521,888					
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21 - 6/30/22	3,834		3,834					
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21 - 6/30/22	148,449		148,449					
Subtotal - On-Behalf TPAF Pension System Contributions					13,167,193					
Total State Awards Subject to Single Audit Major Program Determination					\$ (11,422,282)					

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Flemington-Raritan Regional School District under programs of the federal and state governments for the fiscal year ended June 30, 2022. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreements 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 two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Grant revenue in the capital projects fund is recognized on the budgetary basis in the fiscal year of award but is not recognized on the GAAP basis until expended and submitted for reimbursement.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$43,764 for the General Fund and (\$137,129) for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 268,365	\$ 23,649,032	\$ 23,917,397
Special Revenue Fund	1,684,658	17,523	1,702,181
Debt Service Fund		882,156	882,156
Food Service Fund	<u>1,510,609</u>	<u>32,028</u>	<u>1,542,637</u>
Total Awards	<u>\$ 3,463,632</u>	<u>\$ 24,580,739</u>	<u>\$ 28,044,371</u>

NOTE 5. 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 6. OTHER

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 fiscal year ended June 30, 2022. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

In a prior year, the District was awarded a grant in the amount of \$163,549 from the Schools Development Authority (SDA) under the Securing Our Children's Future Bond Act. As of June 30, 2022, there have not been any grant funds expended and drawn down on a GAAP basis. In the Capital Projects Fund, the District realized the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures reported on the NJSDA grants on the Schedule of Expenditures of State Awards represent reimbursement requests submitted to the NJSDA.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	Assistance Listing # or State Grant #	Grant Period	Award Amount	Budgetary Expenditures
Federal:				
Special Education Cluster (IDEA):				
I.D.E.A. Part B, Basic	84.027A	7/1/21-9/30/22	\$ 693,838	\$ 693,571
I.D.E.A. Part B, Basic	84.027A	7/1/20-9/30/21	809,847	24,988
COVID-19 ARP I.D.E.A. Basic	84.027X	7/1/21-9/30/22	135,711	135,711
I.D.E.A. Part B, Preschool	84.173A	7/1/21-9/30/22	33,826	33,826
I.D.E.A. Part B, Preschool	84.173A	7/1/20-9/30/21	37,041	117
COVID-19 ARP I.D.E.A. Preschool	84.173X	7/1/21-9/30/22	11,567	11,567
State:				
Categorical Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	2,087,364	2,087,364
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	2,588,893	2,588,893
Categorical Security Aid	22-495-034-5120-084	7/1/21-6/30/22	140,035	140,035

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

Summary of Auditors' Results (Cont'd):

- The threshold used for distinguishing between Type A and Type B federal and state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for both state and federal programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance or NJ OMB 15-08.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Status of Prior Year Finding/Recommendation:

There were no prior year audit findings.