Comprehensive Annual
Financial Report

of the

Flemington-Raritan Regional School District

County of Hunterdon

County of Hunterdon, New Jersey

For the Fiscal Year Ended June 30, 2014

Prepared by

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

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INTRODUCTORY SECTION

Flemington-Raritan Regional School District

Gregory T. Nolan
Superintendent
50 Court Street, Flemington, NJ 08822
gnolan@frsd.k12.nj.us
(908)284-7575 - FAX (908)284-7656

October 21, 2014

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

Dear President and Members:

The Comprehensive Annual Financial Report of the Flemington-Raritan Regional School District for the fiscal year ending June 30, 2014 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Flemington-Raritan Regional Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES:

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

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

The District completed the 2013-2014 fiscal year with an enrollment of 3418 students.

The following table presents the actual historical pupil enrollment, as of October 15, for the school years 2001-2002 through 2013-2014.

School Year	Enrollment As of October 15	Percent Change
2001-02	3,452	0.35%
2002-03	3,516	1.85%
2003-04	3,552	1.01%
2004-05	3,569	.48%
2005-06	3,576	.20%
2006-07	3,592	.45%
2007-08	3,544	-1.34%
2008-09	3,584	1.13%
2009-10	3,630	1.28%
2010-11	3,628	-.05%
2011-12	3,598	-.83%
2012-13	3,513	-2.36%
2013-14	3,388	-3.56%

2) ECONOMIC CONDITION AND OUTLOOK:

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

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

3) MAJOR INITIATIVES:

The Board of Education established four goals for the 2013-2014 school year.

1. Personnel- Efficiently plan and complete the Superintendent's and Board's Evaluation and Goals by dates established within state guidelines.
2. Communication- Improve internal communication among Board of Education members by focusing on specific areas in which Board members seek information and clearer understanding.
3. Community Relations- Identify strategies the Board can implement to encourage shared accountability for student and school success among all stakeholders.
4. Negotiations- Successfully negotiate new contracts for the FREA and FRAA that meet the needs of all stakeholders.

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

Professional Development

- The district continues to meet the requirement that all teachers be "highly qualified" in the grade level/subject areas that they are teaching.
- District staff was offered a wide variety of staff development opportunities during the summer.
- Workshops focused on improving teachers' use and familiarity with technology, teaching writing, increasing strategies for teaching math, and promoting positive classroom environments through Responsive Classroom, Response to Intervention (RTI), Full-day kindergarten and Common Core Curriculum.
- The district continued its commitment to a thorough induction process for all teachers hired within the past two years by offering specialized workshops for new teachers. These included New Teacher Writing, New Teacher Reading, New Teacher Science, New Teacher Math, Reading in the Content Area, New Teacher Special Education as well as district and building level orientations for our newest teachers.
- The district also supported its novice teachers through the development and implementation of our District Mentoring Program. Training was provided for all teachers intending to serve as Mentors. In addition, the district continues to provide on-going Mentor training throughout the school year and provided compensation for these teachers.
- The School Improvement Panels (ScIP) in each building outlined training needs as identified through a teacher survey, informal discussions with district and building level administration, and a review of test data. Building principals developed the ScIP plan with teachers and supervisors to identify building needs and provide training for those specific needs.

- The district continued its strong commitment to fostering teachers' use of technology as an instructional and communication tool. A variety of workshops were offered during the summer and computer teachers were provided regularly schedule time in their schedule to support the integration of technology in classroom lessons.
- The District also continued its efforts to participate effectively in the teacher and school leader evaluation reform efforts embodied in TEACHNJ and ACHIEVENJ through a partnership with Danielson Associates and Stronge Associates.

Curriculum Development

The District maintained its commitment to the objective and thorough evaluation of curricular programs and the continual refinement and consistent implementation of curriculum documents.

A series of projects were implemented throughout the 2013-2014 School Year:

- 5-8 Computers
- Guidance Curriculum
- Kindergarten Curriculum Revision & additional Related Arts
- LAL Curriculum 1-5: Persuasive/Opinion Writing Unites
- LAL Curriculum 6-8: Pilot Evaluation of Passages Program
- Library 1-8: Technology and Digital Citizenship
- Math Curriculum Alignment and Benchmarks K-6
- Math Curriculum Model Drawing Lessons
- Music Curriculum 1-6
- Math Curriculum Alignment and Benchmarks 7-8
- Science Curriculum Alignment and Benchmarks 1-8
- Social Studies Curriculum 1-5 Benchmark Assessments
- Social Studies Curriculum 3-5: Identifying Priority Learning Activities and Refining Benchmarks
- Social Studies Curriculum 6-8: Refine Benchmarks and Use of Document Based Questioning
- Language Arts Student Support Data Analysis and Recommendations for Grades K-4.

The district also continues to effectively plan and manage funds provided through grants to further the goals of professional development for teachers and improved educational services to students.

- Title I funds were used to fund three class sections of Project Achieve for Kindergarten. This will change in the upcoming year with the addition of full-day kindergarten.
- Title II-A funds were used to fund the District's Mentoring Program, Summer Professional Development Program, as well as a myriad of language arts, math, and technology initiatives. In particular, funds were used to implement the ACHIEVENJ mandated teacher and principal evaluation training.
- Title III funds were used to fund the Summer ESL program, the FAD, RH and CH AfterSchool Homework Clubs, RFIS ESL Breakfast Club, and purchase innovative classroom materials.

Other on-going district programs were maintained and/or expanded during the 2013-2014 school year. These programs include the following:

- The district maintains its commitment to maintaining reasonable class sizes at all grade levels.
- Consistent with our approved Technology Plan and the District's Strategic Plan, the District refreshed the Reading-Fleming Intermediate School with new computers for their computer lab, new PC desktop computers for their media center, and iPads for teachers
- In addition, the District implemented phase 3 of a four phase plan to make significant improvements to the Technology Infrastructure. During the summer of 2011 new routers, wireless access points, switches/controllers, and new wiring (particularly at CH) were purchased/installed that now provide the District with dependable connectivity to the Internet and LAN while also provide a seamless wireless environment is all six of our schools. During the summer of 2012, the District changed phone providers with a new service medium that is significantly less expensive. The savings was used to significantly defray the costs of upgrading the District to a 100 mbps connection to the Internet and providing a 100 mbps WAN that now connects all six buildings using a fiber connection. This now allows us to add more wireless devices, utilize online resources that require more bandwidth to operate, and will allow us to move toward greater centralization of our technology backbone, a VoIP solution, as well as prepare us for a student BYOD or 1:1 computer environment. During the summer of 2013, the District HUB was relocated to JPC where emergency generators will ensure superior disaster recovery, installed power conditioning equipment at JPC, and replaced our aging servers with a virtualized server environment.
- The Reading Recovery program in Grade 1 was continued.
- The Student Support Math and Language Arts programs were revised as the district has begun to move toward Response to Intervention (RtI) in Language Arts.
- The G&T Math program was sustained with growth in the number of students qualifying for inclusion.
- The G&T Stretch program was sustained with significant improvements to the curriculum and instructional delivery model.
- The School Counseling program was maintained
- The High-Intensity ESL program for Spanish-Speaking students was continued at all district schools, continued at the Francis A. Desmares Elementary School, as approved through the submission of the Bilingual Waiver application. In addition, the ESL Department was further expanded to now include 7.0 FTE staff members.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse; and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally-accepted accounting principles (GAAP).
The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

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

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

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

5) BUDGETARY CONTROLS:

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

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

Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by the state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Based on the opinion of the Attorney General for the State of New Jersey, the district also invests in the MBIA-Cooperative Liquid Assets Securities System (CLASS) and the New Jersey Asset & Rebate Management public investment programs.

8) RISK MANAGEMENT:

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

9) OTHER INFORMATION:

Independent Audit

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

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

10) ACKNOWLEDGMENTS:

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

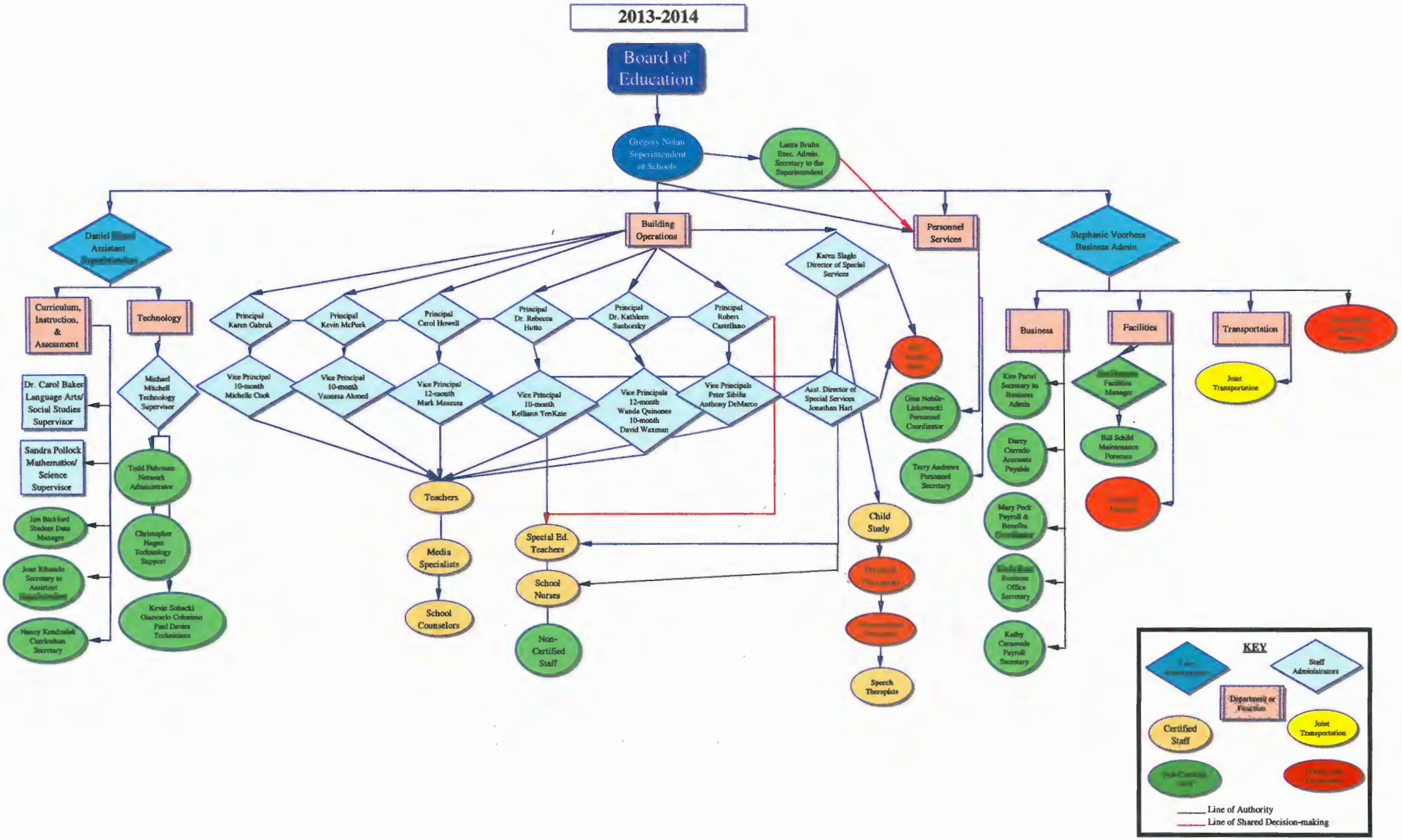
Respectfully Submitted,

Gregory T. Nolan
Superintendent

Stephanie Voorhees
Business Administrator/Board Secretary

District Mission Statement

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


2013-2014
Board of Education
Gregory Nolan Superintendent of Schools
Laura Bruhn Exec. Admin. Secretary to the Superintendent
Daniel Assistant
Curriculum, Instruction, & Assessment
Technology
Dr. Carol Baker Language Arts/ Social Studies Supervisor
Sandra Pollock Mathematics/ Science Supervisor
Jim Bickford Student Data Manager
Joan Ribando Secretary to Assistant
Nancy Kendzelak Curriculum Secretary
Michael Mitchell Technology Supervisor
Todd Fuhrman Network Administrator
Christopher Hagan Technology Support
Kevin Sobacki Giancarlo Colonino Paul Davies Technicians
Building Operations
Principal Karen Gabruk
Principal Kevin McPeek
Principal Carol Howell
Principal Dr. Rebecca Hutto
Principal Dr. Kathleen Suchorsky
Principal Robert Castellano
Vice Principal 10-month Michelle Cook
Vice Principal 10-month Vanessa Ahmed
Vice Principal 12-month Mark Massesa
Vice Principal 10-month Kelliann TenKate
Vice Principals 12-month Wanda Quinones 10-month David Waxman
Vice Principals Peter Sibilia Anthony DeMarco
Teachers
Media Specialists
School Counselors
Special Ed. Teachers
School Nurses
Non-Certified Staff
Karen Slagle Director of Special Services
Asst. Director of Special Services Jonathan Hart
Child Study
Speech Therapists
Personnel Services
Gina Nobile-Liskowacki Personnel Coordinator
Terry Andrews Personnel Secretary
Stephanie Voorhees Business Admin
Business
Facilities
Transportation
Kim Parisi Secretary to Business Admin
Darcy Corrado Accounts Payable
Mary Peck Payroll & Benefits
Business Office Secretary
Kathy Carnowale Payroll Secretary
Facilities Manager
Bill Schild Maintenance Foreman
Joint Transportation
KEY
Staff Administrators
Department or Function
Certified Staff
Joint Transportation
Line of Authority
Line of Shared Decision-making

FLEMINGTON-RARITAN REGIONAL BOARD OF EDUCATION
FLEMINGTON, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2014

Members of the Board of Education	Term Expires
Robin Behn, Vice President	2014
Sandra Borucki	2016
Alan Brewer	2015
Dennis Copeland	2015
Bruce Davidson, President	2016
Anna Fallon	2015
Marianne Kenny	2016
Eric Liszt	2014
Laurie Markowski	2015

Other Officials:

Gregory Nolan, Superintendent

Stephanie Voorhees, Board Secretary/Business Administrator

Jonathan Hart, Interim Assistant Superintendent for Curriculum & Instruction

Karen Slagle, Director of Special Services

Kay Hayes, Treasurer of School Monies

FLEMINGTON-RARITAN REGIONAL BOARD OF EDUCATION
FLEMINGTON, NEW JERSEY

CONSULTANTS AND ADVISORS
JUNE 30, 2014

Architect

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

Audit Firm

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

Attorney

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

Bond Counsel

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

Official Depository

Investors Bank
698 Broad Street
Three Bridges, NJ 08887

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FINANCIAL SECTION

SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
308 East Broad Street, Westfield, New Jersey 07090-2122
Telephone 908-789-9300 Fax 908-789-8535
E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Flemington-Raritan Regional School District, County of Hunterdon, New Jersey as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Flemington-Raritan Regional School District, County of Hunterdon, New Jersey as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The other information, such as the introductory and statistical sections, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express on opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 21, 2014 on our consideration of the Flemington-Raritan Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Flemington-Raritan Regional School District's internal control over financial reporting and compliance.

Suplee, Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

Robert B. Cognevich
PUBLIC SCHOOL ACCOUNTANT NO. 93

October 21, 2014

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED

The Management's Discussion and Analysis of the Flemington-Raritan Regional School District (FRSD) offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2014. The intent of this discussion is to look at the District's financial performance as a whole; therefore readers should also review the transmittal letter at the front of this report, along with the District's financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information (RSI) specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 -Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments, as amended and supplemented.

Financial Highlights

Key financial highlights for 2013-14 are as follows:

- In total, the net position of the District at June 30, 2014 was $18,381,708. Governmental activities accounted for $17,952,625 of the total while Business-type activities accounted for the remaining $429,083. Governmental activities include the operations of the General Fund, Special Revenue Fund, Capital Projects Fund and the Debt Service Fund of the District. Business-type activities comprise the operations of the District's food service program.

- The increase in the net position of the District at June 30, 2014 was attributable to an increase in Governmental activities of $1,381,873 and a decrease in Business-type activities of $27,760 as outlined in Exhibit A-2.

- The school district also received an additional State aid award of $372,418 in June 2014 to provide for a fraction of the extraordinary costs attributable to the special education program

Overview of the Financial Statements

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

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

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

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

District-Wide Financial Statements

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

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

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

- Governmental activities - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and state formula aid finance most of these activities.

- Business-Type activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. District charges fees to help it cover the costs of certain services it provided. The food service activities are reported as business activities.

Fund Financial Statements

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

The District maintains three financial funds:

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

- Proprietary Funds: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flow.

- Fiduciary Funds: The District is the trustee, or fiduciary, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

The District's combined net position has increased from the 2012-2013 fiscal year. The net position from governmental activities increased $1,381,873. Net position from business-type activities decreased $29,760. The increase in the restricted net position from prior year is primarily due to the transfer of unrestricted surplus to the capital reserve fund. Exhibit A-1 below reflects the District's net position as a whole. Exhibit A-2 reflects the changes in net position from operating results.

Exhibit A-1
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2012	Change
Current and Other Assets	$8,853,029	$10,329,674	$197,637	$196,647	$9,050,665	$10,526,321	-14.02%
Capital Assets	51,744,543	50,686,471	261,415	267,530	52,005,958	50,954,001	2.06%
Total Assets	60,597,572	61,016,146	459,051	464,176	61,056,623	61,480,322	-0.69%
Loss on Refunding of Long-term Debt	290,911				290,911		100.00%
Long-Term Liabilities	42,656,625	44,108,144			42,656,625	44,108,144	-3.29%
Short-Term Liabilities	279,233	337,250	29,968	5,334	309,201	342,583	-9.74%
Total Liabilities	42,935,858	44,445,394	29,968	5,334	42,965,826	44,450,728	-3.34%
Net Position:							
Net Investment in Capital Assets	12,260,134	11,555,839	261,415	267,530	12,521,549	11,823,368	5.91%
Restricted	4,991,208	4,172,343			4,991,208	4,172,343	19.63%
Unrestricted	701,282	842,570	167,669	191,313	868,950	1,033,883	-15.95%
Total Net Position	$17,952,625	$16,570,752	$429,083	$458,843	$18,381,708	$17,029,594	7.94%

Exhibit A-2
Changes in Net Position from Operating Results

	Governmental Activities FY 2014	Business-Type Activities FY 2014	Total School District FY 2014
Revenue:			
Program Revenue:			
Charges for Services		$722,770	$722,770
Operating Grants and Contributions	$5,739,398	369,441	6,108,839
General Revenue:			
Property Taxes	49,001,693		49,001,693
Federal and State Aid	6,443,957		6,443,957
Other	581,175	2,942	584,117
Total Revenue	61,766,223	1,095,153	62,861,375
Expenses:			
Instruction	35,431,730		35,431,730
Student and Instructional Related Services	7,208,587		7,208,587
Administrative and Business	6,665,312		6,665,312
Maintenance and Operations	5,390,776		5,390,776
Transportation	4,013,539		4,013,539
Other	1,672,942	1,124,912	2,797,854
Total Expenses	60,382,886	1,124,912	61,507,798
Disposal of Capital Assets (Net of Depreciation)	1,463		1,463
Increase/(Decrease) in Net Position	$1,381,873	($29,759)	$1,352,114

Sources of Revenue for Fiscal Year 2014

The District's total revenue for the 2013-2014 school year was $62,861,375 as reflected in Exhibit A-3 below. Property taxes accounted for 77.95 percent of the total revenue with the other 22.05 percent consisting of state and federal aid, charges for services, and miscellaneous sources.

Exhibit A-3
Sources of Revenue for Fiscal Year 2014

Sources of Revenue	Amount	Percentage
Property Taxes	$49,001,693	77.95%
Operating State and Federal Aid	6,108,839	9.72%
Unrestricted Federal and State Grants	6,443,957	10.25%
Charges for Services	722,770	1.15%
Other	584,117	0.93%
	$62,861,375	100.00%

Expenses for the Fiscal Year 2014

The total expenses for the 2013-2014 fiscal year for all programs and services were $61,507,798. Exhibit A-4 below summarizes these program costs. The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through twelve, which accounts for 75.85 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in all six school buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds. It is important to note that depreciation expense on capital assets is included in expenses for the year under the GASB entity-wide reporting model; expenses therefore include $1,836,172 for depreciation.

Exhibit A-4
Expenses for Fiscal Year 2014

Expense Category	Amount	Percentage
Instruction	$35,431,730	57.60%
Student and Instructional Related Services	7,208,587	11.72%
Administrative and Business	6,665,312	10.84%
Maintenance and Operations	5,390,776	8.76%
Transportation	4,013,539	6.53%
Other	2,797,854	4.55%
	$61,507,798	100.00%

Governmental Activities

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

Exhibit A-5
Net Cost of Governmental Activities

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

General Fund Budgeting Highlights

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

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

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

Capital Assets

At the end of the fiscal year 2014, the School District had $52,005,958 invested in land, building, machinery and equipment. Table 6 shows fiscal year 2014 balances compared to 2013.

Exhibit A-6
Capital Assets (Net of Depreciation)

Capital Assets (Net of Depreciation)	June 30 2014	June 30 2013
Sites	$ 2,399,641	$ 2,399,641
Construction in Progress	3,154,961	1,065,959
Site Improvements	861,348	927,795
Building and Building Improvements	43,863,351	44,731,261
Machinery and Equipment	1,726,657	1,829,345
Total	$ 52,005,958	$ 50,954,001

Debt Administration

At June 30, 2014, the District had $42,656,625 of outstanding long-term debt, consisting of bonds payable, compensated absences, and capital leases. The District will continue to pay down its debt, as the obligations are due. Exhibit A-7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term debt is presented in Note 4 to the financial statements.

Exhibit A-7
Long-Term Debt

	Total School Debt		Total
	FY 2014	FY 2013	Percentage Change
Capital Leases	$4,935,359	$4,955,000	-0.40%
Compensated Absences	1,081,266	1,046,782	3.29%
Bonds Payable	36,640,000	38,470,000	-4.76%
	$42,656,625	$44,471,782	-4.08%

For the Future

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

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

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

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

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

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

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

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

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

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

Contacting the School District's Financial Management Office

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

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2014.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

EXHIBIT "A-1"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash and cash equivalents	$5,173,696.49	$148,011.78	$5,321,708.27
Receivables, net	806,246.05	24,493.92	830,739.97
Inventory		25,130.83	25,130.83
Interfund receivable	15,963.21		15,963.21
Restricted assets:			
Restricted cash and cash equivalents	2,857,122.81		2,857,122.81
Capital assets:			
Land and construction in progress	5,554,601.77		5,554,601.77
Other capital assets, net of depreciation	46,189,941.31	261,414.69	46,451,356.00
Total Assets	60,597,571.64	459,051.22	61,056,622.86
DEFERRED INFLOW OF RESOURCES:			
Discount on Issuance of Refunding Bond	290,911.00		290,911.00
LIABILITIES:			
Accounts payable	31,154.49		31,154.49
Payable to state government	9,870.00		9,870.00
Unearned revenue	35,702.68	29,968.00	65,670.68
Accrued interest on bonds	202,506.09		202,506.09
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	2,301,820.58		2,301,820.58
Due beyond one year:			
Compensated absences payable	1,081,265.62		1,081,265.62
Bonds and capital leases payable	39,273,538.51		39,273,538.51
Total liabilities	42,935,857.97	29,968.00	42,965,825.97
NET POSITION:			
Net investment in capital assets	12,260,134.41	261,414.69	12,521,549.10
Restricted for:			
Debt service fund	42,521.42		42,521.42
Other purposes	4,948,686.94		4,948,686.94
Unrestricted	701,281.90	167,668.53	868,950.43
Total net position	$17,952,624.67	$429,083.22	$18,381,707.89

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

EXHIBIT "A-2"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Indirect Expense Allocation	Programs Revenues: Charges for Services	Programs Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:							
Instruction:							
Regular	$ 16,358,179.91	$ 8,037,062.38	$	$ 2,322,515.85	$ (22,072,726.44)	$	$ (22,072,726.44)
Special	6,853,830.45	1,630,441.45		1,256,567.31	(7,227,704.59)		(7,227,704.59)
Other Instruction	1,810,815.64	741,400.66		261,158.94	(2,291,057.36)		(2,291,057.36)
Support services:							
Tuition	651,000.44				(651,000.44)		(651,000.44)
Student and instruction related services	4,802,291.20	1,755,295.47		1,048,374.14	(5,509,212.53)		(5,509,212.53)
General administrative services	841,277.53	198,767.43		53,801.48	(986,243.48)		(986,243.48)
School administrative services	2,874,093.37	1,221,448.18		389,305.77	(3,706,235.78)		(3,706,235.78)
Central services	514,069.86	190,420.12		67,075.63	(637,414.35)		(637,414.35)
Administration information technology	683,497.53	141,738.24		49,927.40	(775,308.37)		(775,308.37)
Plant operations and maintenance	4,898,653.62	492,121.91		122,906.23	(5,267,869.30)		(5,267,869.30)
Pupil transportation	4,013,538.80				(4,013,538.80)		(4,013,538.80)
Unallocated benefits	12,616,812.36	(12,616,812.36)					
Charter Schools	21,707.00				(21,707.00)		(21,707.00)
Interest on Long-Term Debt	1,651,235.08			167,765.00	(1,483,470.08)		(1,483,470.08)
Unallocated depreciation	1,791,883.48	(1,791,883.48)					
Total governmental activities	60,382,886.27			5,739,397.75	(54,643,488.52)		(54,643,488.52)
Business-type activities							
Food Service	1,124,912.17		722,769.79	369,441.34		(32,701.04)	(32,701.04)
Total business-type activities	1,124,912.17		722,769.79	369,441.34		(32,701.04)	(32,701.04)
Total primary government	$ 61,507,798.44	$	$ 722,769.79	$ 6,108,839.09	$ (54,643,488.52)	$ (32,701.04)	$ (54,676,189.56)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					$ 45,747,866.00	$	$ 45,747,866.00
Taxes levied for debt service					3,253,827.00		3,253,827.00
Federal and state aid not restricted					6,443,957.00		6,443,957.00
Miscellaneous income					581,174.89	2,941.61	584,116.50
Disposal of capital asset (net)					(1,463.24)		(1,463.24)
Total general revenues and special items					56,025,361.65	2,941.61	56,028,303.26
Change in net position					1,381,873.13	(29,759.43)	1,352,113.70
Net Position - beginning					16,570,751.54	458,842.65	17,029,594.19
Net Position ending					$ 17,952,624.67	$ 429,083.22	$ 18,381,707.89

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

MAJOR FUND FINANCIAL STATEMENTS

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

EXHIBIT "B-1"
SHEET #1

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash and cash equivalents	$ 5,131,175.07	$	$ 42,521.42	$ 5,173,696.49
Cash, Capital Reserve	1,056,596.04			1,056,596.04
Cash on hand with Fiscal Agents	1,800,526.77			1,800,526.77
Other receivables	149,993.91			149,993.91
Due from other funds	121,869.11			121,869.11
Receivables from other governments	476,012.35	180,239.79		656,252.14
Total assets	$ 8,736,173.25	$ 180,239.79	$ 42,521.42	$ 8,958,934.46
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	$ 1,770.97	$ 29,383.52	$	$ 31,154.49
Interfund payables		105,905.90		105,905.90
Payable to state government		9,870.00		9,870.00
Unearned revenue	1,800,661.73	35,080.37		1,835,742.10
Total liabilities	1,802,432.70	180,239.79		1,982,672.49
Fund balances:				
Restricted for:				
Excess surplus	1,712,745.90			1,712,745.90
Excess surplus - designated for subsequent years expenditures	2,179,345.00			2,179,345.00
Capital reserve account	1,056,596.04			1,056,596.04
Debt service			372.42	372.42
Committed to:				
Designated for subsequent years expenditures			42,149.00	42,149.00
Assigned to:				
Other purpose- encumbrances	1,148,266.22			1,148,266.22
Unassigned:				
General fund				
Undesignated	836,787.39			836,787.39
Total fund balances	6,933,740.55		42,521.42	6,976,261.97
Total liabilities and fund balances	$ 8,736,173.25	$ 180,239.79	$ 42,521.42	$ 8,958,934.46

EXHIBIT "B-1"
SHEET #2

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

Total Fund Balances (Brought Forward)		$6,976,261.97
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	$81,928,916.13	
Accumulated Depreciation	(30,184,373.05)	
		51,744,543.08
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated Absences	(1,081,265.62)	
Bonds Payable	(36,640,000.00)	
Deferred Amount on Issuance of Refunding Bonds	290,911.00	
Capital Leases (Net of Unexpended Proceeds)	(3,135,319.67)	
		(40,565,674.29)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accrued Interest Payable	(202,506.09)	
		(202,506.09)
Net Position of Governmental Activities		$17,952,624.67

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

EXHIBIT "B-2"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	$45,747,866.00			$3,253,827.00	$49,001,693.00
Tuition	103,504.59				103,504.59
Interest on capital reserve	758.38				758.38
Miscellaneous	476,539.93	25,444.85		371.99	502,356.77
Total revenues - local sources	46,328,668.90	25,444.85		3,254,198.99	49,608,312.74
State sources	10,876,091.94	4,201.72		167,765.00	11,048,058.66
Federal sources		1,109,851.24			1,109,851.24
Total revenues	57,204,760.84	1,139,497.81		3,421,963.99	61,766,222.64
EXPENDITURES:					
Current expense:					
Regular instruction	16,358,179.91				16,358,179.91
Special instruction	6,174,546.80	679,283.65			6,853,830.45
Other Instruction	1,810,815.64				1,810,815.64
Support services:					
Tuition	651,000.44				651,000.44
Student and instruction related services	4,342,077.04	460,214.16			4,802,291.20
General administrative services	841,277.53				841,277.53
School administrative services	2,874,093.37				2,874,093.37
Central services	514,069.86				514,069.86
Administration information technology	683,497.53				683,497.53
Plant operations and maintenance	4,917,307.11				4,917,307.11
Pupil transportation	4,013,538.80				4,013,538.80
Unallocated benefits	12,582,329.19				12,582,329.19
Charter Schools	21,707.00				21,707.00
Debt Service:					
Principal				1,830,000.00	1,830,000.00
Interest				1,591,956.00	1,591,956.00
Capital outlay	2,852,406.08				2,852,406.08
Total expenditures	58,636,846.30	1,139,497.81		3,421,956.00	63,198,300.11
Excess (deficiency) of revenues over (under) expenditures	(1,432,085.46)			7.99	(1,432,077.47)
Other financing sources (uses):					
Transfers in/(out)			(41,688.36)	41,688.36	
Assets acquired under capital leases (non-budgeted)	2,089,001.69				2,089,001.69
Total other financing sources (uses)	2,089,001.69		(41,688.36)	41,688.36	2,089,001.69
Net change in fund balances	656,916.23		(41,688.36)	41,696.35	656,924.22
Fund balances, July 1, 2013	6,276,824.32	-0-	$41,688.36	825.07	6,319,337.75
Fund balances, June 30, 2014	$6,933,740.55	$-0-	$-0-	$42,521.42	$6,976,261.97

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

EXHIBIT "B-3"

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, 2014

Total net change in fund balances - governmental funds (from B-2)		$656,924.22
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period		
Depreciation expense		(1,791,883.48)
Capital outlays	$2,852,406.08	
Assets not capitalized	(987.42)	
		2,851,418.66
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net positions and is not reported in the statement of activities.		
Payment of bonds payable		1,830,000.00
Payment of capital lease payable		19,640.91
Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net positions.		
Capital lease proceeds		(2,089,001.69)
Deferred amortization on issuance of refunding bonds		(72,727.00)
In the statement of activities, interest on long-term debt is accrued, regardless of when due In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		13,447.92
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net positions will differ from the change in fund balance by the cost of the position removed (-).		($1,463.24)
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).		
Increase in Compensated Absences		(34,483.17)
Change in net positions of governmental activities		$1,381,873.13

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

OTHER FUNDS

EXHIBIT "B-4"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND MAJOR FUND FOOD SERVICE FUND
ASSETS:	
Current assets:	
Cash and cash equivalents	$148,011.78
Intergovernmental Receivables:	
State	845.14
Federal	23,648.78
Inventories	25,130.83
Total current assets	197,636.53
Noncurrent assets:	
Furniture, machinery and equipment	805,244.33
Less accumulated depreciation	(543,829.64)
Total noncurrent assets	261,414.69
Total assets	459,051.22
LIABILITIES:	
Current liabilities:	
Unearned revenue	29,968.00
Total current liabilities	29,968.00
Total liabilities	29,968.00
NET POSITION:	
Net investment in capital assets	261,414.69
Unrestricted	167,668.53
Total net position	$429,083.22

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

EXHIBIT "B-5"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

		BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND MAJOR FUND FOOD SERVICE FUND
OPERATING REVENUES:		
Charges for services:		
Daily sales		$722,729.61
Miscellaneous (Rebates)		40.18
Total operating revenues	-	722,769.79
OPERATING EXPENSES:		
Salaries		301,742.75
Employee Benefits		45,513.03
Other Purchase Service (Administrative Expenses)		23,710.34
General Supplies		3,854.93
Miscellaneous Expenditures		90,997.46
Depreciation		44,288.18
Cost of sales		614,805.48
Total operating expenses		1,124,912.17
Operating income (loss)		(402,142.38)
NONOPERATING REVENUES (EXPENSES):		
State Sources:		
State School Lunch Program		10,322.25
Federal Sources:		
National School Lunch Program		250,058.14
National School Breakfast Program		36,087.74
National food distribution commodities		72,973.21
Interest on Investments		2,941.61
Total nonoperating revenues		372,382.95
Change in net position		(29,759.43)
Total net position - beginning of the year		458,842.65
Total net position - end of the year		$429,083.22

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

EXHIBIT "B-6"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND MAJOR FUND FOOD SERVICE FUND
Cash flows from operating activities:	
Receipts from customers	$746,176.09
Payments to employees	(301,742.75)
Payments to employee benefits	(45,513.03)
Payments to suppliers	(658,507.57)
Net cash provided by (used for) operating activities	(259,587.26)
Cash flows from noncapital financing activities:	
State Sources	10,985.37
Federal Sources	283,084.48
Net cash provided by noncapital financing activities:	294,069.85
Cash flows from capital and related financing activities:	
Purchases of capital assets	(38,173.33)
Net cash provided by (used for) capital and related financing activities	(38,173.33)
Cash flows from investing activities:	
Interest	2,941.61
Net cash provided by (used for) investing activities	2,941.61
Net increase (decrease) in cash and cash equivalents	(749.13)
Cash and cash equivalents, July 1, 2013	148,760.91
Cash and cash equivalents, June 30, 2014	$148,011.78
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	($402,142.38)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	44,288.18
Federal commodities	72,973.21
Change in assets and liabilities:	
(Increase) Decrease in inventories	659.48
Increase (Decrease) in deferred revenue	$24,634.25
	142,555.12
Net cash provided by (used for) operating activities	($259,587.26)

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

EXHIBIT "B-7"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	UNEMPLOYMENT COMPENSATION FUND	AGENCY FUNDS
ASSETS:		
Cash and cash equivalents	$295,564.73	$417,756.43
Intrafunds receivable	19,824.87	
Total assets	$315,389.60	$417,756.43
LIABILITIES:		
Interfunds Payable		$15,963.21
Intrafunds Payable		19,824.87
Payroll deductions and withholdings		277,655.46
Payable to student groups		104,312.89
Total liabilities		417,756.43
NET POSITION:		
Held in trust for unemployment claims	$315,389.60	
Total net position	$315,389.60	$-0-

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

EXHIBIT "B-8"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	UNEMPLOYMENT COMPENSATION FUND
ADDITIONS:	
Contributions:	
Plan Members	$79,448.36
Total contributions	79,448.36
Investment earnings:	
Interest	898.88
Net investment earnings	898.88
Total additions	80,347.24
DEDUCTIONS:	
Unemployment claims	71,252.13
Total deductions	71,252.13
Change in net position	9,095.11
Net position - beginning of the year	306,294.49
Net position - end of the year	$315,389.60

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

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.

2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.

3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting

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

Basis of Presentation

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

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

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

Food Service Fund:

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

Fiduciary Fund Types

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. .All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2014 totaled $980,000.00, representing the Board resolution to transfer funds to the Capital Reserve Fund.

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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

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

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

Interfunds

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

Inventories and Prepaid Expenses

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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

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

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

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

Unearned Revenue

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

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

Net Position

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. In compliance with GASB 63, the Statement of Net Assets has been renamed the Statement of Net Position. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions

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

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

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

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

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

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions (Continued)

The general fund is the only fund that will report a negative unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned.

Revenues – Exchange and Non-Exchange Transactions

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

Management Estimates

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits

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

As of June 30, 2014, cash and cash equivalents of the District consisted of the following:

Fund Type	Bank Balance	NJ Cash Management	Reconciling Items Additions	Reconciling Items Deletions	Reconciled Balance
Governmental	$6,442,147.06	$656,210.31	$54.09	$868,118.93	$6,230,292.53
Proprietary	148,011.78				148,011.78
Fiduciary	828,062.66		2,627.61	117,369.11	713,321.16
	$7,418,221.50	$656,210.31	$2,681.70	$985,488.04	$7,091,625.47

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

Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2014, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank $250,000.00 was covered by Federal Depository Insurance and $7,168,221.50 was covered by NJ GUDPA. The New Jersey Cash Management Fund is an investment pool and is not insured by either FDIC or GUDPA.

Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

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

Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

8. Agreements for the repurchase of fully collateralized securities if:

    a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;

    b. the custody of collateral is transferred to a third party;

    c. the maturity of the agreement is not more than 30 days;

    d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;

    e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2014, the District has $656,210.31 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

Flemington-Raritan Regional School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Transfers	Additions	Retirements	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	$ 2,399,641.19	$	$	$	$ 2,399,641.19
Construction in Progress	1,065,958.89		2,089,001.69		3,154,960.58
Total Capital assets not being depreciated	3,465,600.08		2,089,001.69		5,554,601.77
Land Improvements	3,133,975.49	338,843.33			3,472,818.82
Building and Building Improvements	64,907,883.88		438,101.99		65,345,985.87
Furniture and Equipment	7,597,878.02	(338,843.33)	324,314.98	27,840.00	7,555,509.67
Totals as historical cost	75,639,737.39		762,416.97	27,840.00	76,374,314.36
Total Gross assets (Memo only)	$ 79,105,337.47	$	$ 2,851,418.66	$ 27,840.00	$ 81,928,916.13
Less: Accumulated Depreciation for:					
Land Improvements	$ (2,206,180.29)	$ (305,597.18)	$ (106,007.55)	$ (6,314.12)	$ (2,611,470.90)
Building and Building Improvements	(20,176,623.17)		(1,306,011.39)		(21,482,634.56)
Furniture and Equipment	(6,036,062.87)	305,597.18	(379,864.54)	(20,062.64)	(6,090,267.59)
Total depreciation	(28,418,866.33)		(1,791,883.48)	(26,376.76)	(30,184,373.05)
Total Capital assets being depreciated net of accumulated depreciation	47,220,871.06		(1,029,466.51)	1,463.24	46,189,941.31
Governmental activities capital assets, net	$ 50,686,471.14	$	$ 1,059,535.18	$ 1,463.24	$ 51,744,543.08
Business-type activities:					
Equipment	$ 767,071.00	$	$ 38,173.33	$	$ 805,244.33
Less: Accumulated Depreciation	(499,541.46)		(44,288.18)		(543,829.64)
Proprietary fund capital assets, net	$ 267,529.54	$	$ (6,114.85)	$	$ 261,414.69
Total Capital Assets - All Funds, net	$ 50,954,000.68	$	$ 1,053,420.33	$ 1,463.24	$ 52,005,957.77

NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)

Depreciation Expense was charged to governmental expenses as follows:

Instruction:		
Regular	$	1,451,067.24
Specials		59,311.34
Support Services:		
Student and Instruction Related Services		77,767.74
General Administrative Services		9,855.36
School Administrative Services		49,993.55
Plant Operations and Maintenance		143,888.25
	$	1,791,883.48

NOTE 4: LONG-TERM LIABILITIES

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

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

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2014:

	Bonds Payable	Leases Payable	Compensated Absences Payable	Total
Balance June 30, 2013	$ 38,470,000.00	$ 4,955,000.00	$ 1,046,782.45	$ 44,471,782.45
Additions			53,643.36	53,643.36
	38,470,000.00	4,955,000.00	1,100,425.81	44,525,425.81
Deletions	1,830,000.00	19,640.91	19,160.19	1,868,801.10
Balance June 30, 2014	$ 36,640,000.00	$ 4,935,359.09	$ 1,081,265.62	$ 42,656,624.71
Amounts due within one year	$ 1,905,000.00	$ 396,820.58		$ 2,301,820.58

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable

The annual requirements to amortize all debt outstanding as of June 30, 2014, with interest payments on issued debt, are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2015	$ 1,905,000.00	$ 1,516,121.26	$ 3,421,121.26
2016	2,005,000.00	1,428,446.26	3,433,446.26
2017	2,095,000.00	1,340,846.26	3,435,846.26
2018	2,195,000.00	1,249,296.26	3,444,296.26
2019	2,295,000.00	1,161,496.26	3,456,496.26
2020	2,395,000.00	1,069,696.26	3,464,696.26
2021	2,510,000.00	973,896.26	3,483,896.26
2022	2,625,000.00	873,496.26	3,498,496.26
2023	2,750,000.00	765,891.26	3,515,891.26
2024	2,875,000.00	653,161.26	3,528,161.26
2025	3,010,000.00	534,592.50	3,544,592.50
2026	3,150,000.00	410,455.00	3,560,455.00
2027	3,300,000.00	279,760.00	3,579,760.00
2028	3,530,000.00	141,200.00	3,671,200.00
	$ 36,640,000.00	$ 12,398,355.10	$ 49,038,355.10

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

The District has entered into a lease agreement for energy savings equipment in the amount of $4,955,000.00. The capital lease is for a term of 15 years at an interest rate of 2.213%. The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2014:

Year	Amount
2015	$ 502,133.75
2016	448,008.51
2017	353,067.54
2018	360,939.09
2019	362,092.02
2020-2024	1,976,280.06
2025-2028	1,747,177.61
Total minimum lease payments	5,749,698.58
Less: Amounts representing interest	814,339.49
Present value of net minimum lease payment	$ 4,935,359.09

NOTE 5: PENSION PLANS

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

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

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

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

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

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

Pension Plan Design Changes

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

Funding Changes

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

COLA Suspension

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

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

NOTE 5: PENSION PLANS (CONTINUED)

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

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

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

Three-Year Trend Information for PERS

Year June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2014	$306,785.00	100.00%	$306,785.00
2013	$493,423.00	100.00%	$493,423.00
2012	$563,467.00	100.00%	$563,467.00

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

Year June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2014	$995,926.00	100.00%	$995,926.00
2013	$1,533,155.00	100.00%	$1,533,155.00
2012	$767,747.00	100.00%	$767,747.00

During the fiscal years ended June 30, 2014, 2013, and 2012, the State of New Jersey contributed $995,926.00, $1,533,155, and $767,747.00, respectively to the TPAF pension system on behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District $1,803,263.94 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 6: OTHER POST-RETIREMENT BENEFITS

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

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

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on state disability retirement. P.L. 2007, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees eligible for post-retirement medical benefits, and the State contributed $1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

NOTE 6: OTHER POST-RETIREMENT BENEFITS (CONTINUED)

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2014, 2013 and 2012 were $1,632,945, $1,733,612 and $1,543,374, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 7: LITIGATION

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

NOTE 8: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2013-2014 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The District management does not believe such an audit would result in material amounts of disallowed costs.

NOTE 9: RISK MANAGEMENT

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

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

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

Fiscal Year	Interest Earnings	Contributions	Amount Reimbursed	Ending Balance
2013-14	$ 898.88	$ 79,448.36	$ 71,252.13	$ 315,389.60
2012-13	329.84	263,211.27	109,650.18	306,294.49
2011-12	614.39	195,300.88	436,927.64	152,403.56

NOTE 10: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2014, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of $1,081,265.62.

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, 2014 no liability existed for compensated absences in the proprietary fund.

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

NOTE 11: FUND BALANCE APPROPRIATED

General Fund – Of the $6,933,740.55 General Fund fund balance at June 30, 2014, $3,892,090.90 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, of which $2,179,345.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2014, $1,056,596.04 has been restricted in the Capital Reserve Account; $1,148,266.22 is assigned for encumbrances; and $836,787.39 is unassigned.

Debt Service Fund – Of the $42,521.42 in Debt Service Fund fund balance at June 30, 2014, $42,149.00 has been appropriated and included as anticipated revenue in the 2014-2015 Budget and $372.42 is committed to debt service.

NOTE 12: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

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

General Fund Expenditures	
Fiscal Year Ended June 30, 2014	$58,636,846.30
Less:	
On-behalf TPAF Pension and Social Security Reimbursement	4,432,134.94
Assets acquired under Capital Leases	2,089,001.69
Adjusted General Fund Expenditures	$52,115,709.67
Excess Surplus Percentage	2.00%
2% of Adjusted 2013-14 General Fund Expenditures	1,042,313.39
Add: Allowable Adjustments	387,062.00
Maximum Unreserved/Undesignated Fund Balance	1,429,375.39
Actual Unreserved/Undesignated Fund Balance	3,142,121.29
Excess Surplus - current year	$1,712,745.90

Based on the above calculation, as of June 30, 2014, $2,179,345.00 is reported as Reserved Fund Balance - Excess Surplus Designated for Subsequent Year's Expenditure and was required to be appropriated for property tax relief in the 2014-15 budget. $1,712,745.90 is reported as Restricted Fund Balance - Excess Surplus and is required to be appropriated for property tax relief in the 2015-16 budget.

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NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

FUND	INTERFUND RECEIVABLE	INTERFUND PAYABLE
General Fund	$ 121,869.11	$
Special Revenue Fund		105,905.90
Payroll Agency Fund		15,963.21
	$ 121,869.11	$ 121,869.11

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

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District by the inclusion of $1.00 in the 2000-2001 school year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NOTE 14: CAPITAL RESERVE ACCOUNT (CONTINUED)

Capital Reserve Account

Beginning balance, July 1, 2013		$75,837.66
Transferred by Board Resolution	$980,000.00	
Interest earned	758.38	
		980,758.38
Ending balance, June 30, 2014		$1,056,596.04

NOTE 15: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the Board does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2014.

NOTE 16: INVENTORY

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

Food and Supplies	$25,130.83

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 17: SUBSEQUENT EVENTS

The District has evaluated material subsequent events occurring after the financial statement date through October 21, 2014 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events needed to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

EXHIBIT C-1
SHEET #1

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local sources:					
Local tax levy	$ 45,747,866.00	$	$ 45,747,866.00	$ 45,747,866.00	$
Tuition from LEAs				103,504.59	103,504.59
Interest earned on capital reserve funds				758.38	758.38
Unrestricted miscellaneous revenues	200,000.00		200,000.00	476,539.93	276,539.93
Total revenues-local sources	45,947,866.00		45,947,866.00	46,328,668.90	380,802.90
State sources:					
Extraordinary aid				372,418.00	372,418.00
Categorical special education aid	2,067,960.00		2,067,960.00	2,067,960.00	
Equalization aid	3,583,525.00		3,583,525.00	3,583,525.00	
Categorical security aid	133,295.00		133,295.00	133,295.00	
Categorical Transportation aid	276,640.00		276,640.00	276,640.00	
Non public transportation aid				14,644.00	14,644.00
Reimbursed TPAF social security contributions (non-budgeted)				1,803,263.94	1,803,263.94
On-behalf TPAF post retirement medical (non-budgeted)				1,632,945.00	1,632,945.00
On-behalf TPAF pension contributions (non-budgeted)				995,926.00	995,926.00
Total - state sources	6,061,420.00		6,061,420.00	10,880,616.94	4,819,196.94
Total revenues	52,009,286.00		52,009,286.00	57,209,285.84	5,199,999.84
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	733,797.00	(101,097.09)	632,699.91	632,422.49	277.42
Grades 1-5	9,533,539.00	(173,299.65)	9,360,239.35	9,351,051.79	9,187.56
Grades 6-8	5,340,452.00	142,664.38	5,483,116.38	5,482,335.42	780.96
Regular programs - home instruction:					
Salaries of teachers		2,671.60	2,671.60	2,671.60	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Regular programs - Undistributed Instruction:					
Purchased Professional Educational Services	$ 42,308.00	$ (12,751.05)	$ 29,556.95	$ 25,354.95	$ 4,202.00
Other Purchased Services (400-500 series)	30,683.58	(21,045.04)	9,638.54	6,118.26	3,520.28
General Supplies	755,161.92	220,090.65	975,252.57	853,857.86	121,394.71
Textbooks	40,526.00	(36,472.51)	4,053.49	3,912.54	140.95
Other Objects	1,075.00	(445.00)	630.00	455.00	175.00
Total Regular Programs	16,477,542.50	20,316.29	16,497,858.79	16,358,179.91	139,678.88
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	571,104.00	(20,419.92)	550,684.08	549,688.77	995.31
Other Salaries for Instruction	13,306.00	(13,306.00)			
Purchased Professional Educational Services	413,774.00	65,509.64	479,283.64	479,283.64	
Other Purchased Services (400-500 series)	810.00	230.00	1,040.00	975.00	65.00
General Supplies	9,000.00	(1,700.00)	7,300.00	7,211.60	88.40
Total Learning and/or Language Disabilities	1,007,994.00	30,313.72	1,038,307.72	1,037,159.01	1,148.71
Special education - instruction					
Behavioral Disabilities:					
Salaries of Teachers		26,085.00	26,085.00	26,085.00	
Total Behavioral Disabilities		26,085.00	26,085.00	26,085.00	
Multiple Disabilities:					
Salaries of Teachers	374,036.00	(55,315.17)	318,720.83	317,669.97	1,050.86
Other Salaries for Instruction	26,611.00	(26,611.00)			
Purchased Professional- Educational Services	413,775.00	(0.56)	413,774.44	413,774.44	
Other Purchased Services (400-500 series)	360.00	(280.00)	80.00		80.00
General Supplies	4,000.00	(1,200.00)	2,800.00	2,793.85	6.15
Total Multiple Disabilities	818,782.00	(83,406.73)	735,375.27	734,238.26	1,137.01
Resource Room/ Resource Center:					
Salaries of Teachers	1,768,275.00	236,447.15	2,004,722.15	2,004,717.68	4.47
Purchased Professional- Educational Services	826,849.00	(8,749.46)	818,099.54	713,432.64	104,666.90
Other Purchased Services (400-500 series)	2,745.00	50.00	2,795.00	1,807.64	987.36
General Supplies	42,644.42	(18,200.00)	24,444.42	22,383.31	2,061.11
Total Resource Room/ Resource Center	2,640,513.42	209,547.69	2,850,061.11	2,742,341.27	107,719.84

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Autism:					
Salaries of Teachers	$ 472,600.00	$ (2,008.54)	$ 470,591.46	$ 470,591.46	$
Other Salaries for Instruction	16,632.00	(16,632.00)			
Purchased Professional- Educational Services	300,715.00	(0.06)	300,714.94	300,714.94	
Other Purchased Services (400-500 series)	450.00		450.00	362.28	87.72
General Supplies	6,823.53	(3,900.00)	2,923.53	2,872.75	50.78
Total Autism	797,220.53	(22,540.60)	774,679.93	774,541.43	138.50
Preschool Disabilities - Part Time:					
Salaries of Teachers	284,611.00	(361.26)	284,249.74	284,249.08	0.66
Other Salaries for Instruction	6,653.00	(6,653.00)			
Purchased Professional Educational Services	376,010.00	0.24	376,010.24	376,010.24	
Other Purchased Services (400-500 series)	180.00		180.00	40.00	140.00
General Supplies	5,614.98		5,614.98	5,289.75	325.23
Total Preschool Disabilities - Part Time	673,068.98	(7,014.02)	666,054.96	665,589.07	465.89
Preschool Disabilities - Full Time:					
Salaries of Teachers	176,942.00	10,088.55	187,030.55	187,030.55	
Other Salaries for Instruction	19,959.00	(19,959.00)			
Purchased Professional- Educational Services	7,000.00		7,000.00		7,000.00
Other Purchased Services (400-500 series)	90.00		90.00		90.00
General Supplies	3,384.45		3,384.45	2,754.86	629.59
Total Preschool Disabilities - Full Time	207,375.45	(9,870.45)	197,505.00	189,785.41	7,719.59
Home Instruction:					
Salaries of Teachers	10,000.00	(5,192.65)	4,807.35	4,807.35	
Total Home Instruction	10,000.00	(5,192.65)	4,807.35	4,807.35	
Total Special Education - Instruction	6,154,954.38	137,921.96	6,292,876.34	6,174,546.80	118,329.54
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,197,070.00	11,277.99	1,208,347.99	1,206,900.18	1,447.81
General Supplies	10,897.09	(3,698.32)	7,198.77	7,194.42	4.35
Total Basic Skills/Remedial - Instruction	1,207,967.09	7,579.67	1,215,546.76	1,214,094.60	1,452.16

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Bilingual education - Instruction:					
Salaries of Teachers	$ 404,140.00	$ (28,095.80)	$ 376,044.20	$ 375,656.63	$ 387.57
Other Purchased Services (400-500 series)	2,189.39	(0.40)	2,188.99	589.43	1,599.56
General Supplies	8,936.29	(1,689.52)	7,246.77	6,821.57	425.20
Textbooks	5,229.78	1,020.00	6,249.78	3,371.23	2,878.55
Other Objects	245.00	(35.00)	210.00	210.00	
Total Bilingual Education - Instruction	420,740.46	(28,800.72)	391,939.74	386,648.86	5,290.88
School Sponsored Co/Extra Curricular Activities - Instruction:					
Salaries	74,950.00	17,489.47	92,439.47	91,375.95	1,063.52
Supplies and Materials	200.00		200.00	169.04	30.96
Total School Sponsored Co/Extra Curricular Activities - Instruction	75,150.00	17,489.47	92,639.47	91,544.99	1,094.48
School Sponsored Athletics - Instruction:					
Salaries	88,738.00	(23,293.00)	65,445.00	65,444.92	0.08
Purchased Services (300-500 series)	14,630.00	23,079.00	37,709.00	37,705.14	3.86
Supplies and Materials	15,124.00	730.90	15,854.90	15,377.13	477.77
Total School Sponsored Athletics - Instruction	118,492.00	516.90	119,008.90	118,527.19	481.71
Undistributed Expenditures - Instruction					
Tuition to CSSD & Regular Day Schools	60,000.00	1.00	60,001.00	60,000.90	0.10
Tuition to Private Schools for the Disabled W/I State	544,975.00	60,749.00	605,724.00	590,999.54	14,724.46
Total Undistributed Expenditures - Instruction	604,975.00	60,750.00	665,725.00	651,000.44	14,724.56
Undistributed Expenditures - Health Services:					
Salaries	648,586.00	18,058.29	666,644.29	666,644.29	
Purchased Professional and Technical Services	6,000.00		6,000.00	4,012.50	1,987.50
Other Purchased Services (400-500 series)	12,570.00		12,570.00	7,438.90	5,131.10
Supplies and Materials	15,000.00		15,000.00	13,356.31	1,643.69
Total Undistributed Expenditures - Health Services	682,156.00	18,058.29	700,214.29	691,452.00	8,762.29
Undistributed Expend. - Speech, OT, PT and Related Services:					
Salaries	517,284.00	61,988.34	579,272.34	579,272.34	
Purchased professional - Educational Services	112,745.09	8,750.00	121,495.09	114,584.44	6,910.65
Supplies and materials	3,900.00		3,900.00	3,900.00	
Total Undistributed Expend. - Speech, OT, PT and Related Services	633,929.09	70,738.34	704,667.43	697,756.78	6,910.65

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	$ 511,610.00	$	$ 511,610.00	$ 511,610.00	$
Salaries of Secretarial and Clerical Assistants	115,262.00		115,262.00	115,261.92	0.08
Purchased Professional - Educational Services		92.00	92.00	91.86	0.14
Other Purchased Services (400-500 series)	2,250.00	(2,250.00)			
Supplies and Materials	6,611.66	(826.61)	5,785.05	5,785.05	
Total Undistributed Expenditures - Guidance	635,733.66	(2,984.61)	632,749.05	632,748.83	0.22
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	710,525.00	(17,640.49)	692,884.51	692,884.51	
Salaries of Secretarial and Clerical Assistants	111,644.00	(8,060.00)	103,584.00	103,584.00	
Other Purchased Professional and Technical Services	50,090.00	25,000.00	75,090.00	50,580.35	24,509.65
Miscellaneous Purchased Services (400-500 series o/than resid. cost)	27,000.00	(2,528.73)	24,471.27	9,658.11	14,813.16
Supplies and Materials	17,500.00		17,500.00	12,975.00	4,525.00
Total Undistributed Expenditures - Child Study Teams	916,759.00	(3,229.22)	913,529.78	869,681.97	43,847.81
Undistributed Expenditures - Improvement of Instr. Serv.					
Salaries of Supervisors of Instruction	246,101.00	(7,852.71)	238,248.29	238,248.29	
Salaries of Other Professional Staff	56,750.00	(19,545.26)	37,204.74	37,204.74	
Salaries of Secretarial and Clerical Assistants	28,816.00	(0.50)	28,815.50	27,825.36	990.14
Other Purchased Services (400-500 series)	46,798.00	4,504.15	51,302.15	39,305.10	11,997.05
Supplies and Materials	20,202.55	3,940.00	24,142.55	23,501.34	641.21
Other Objects	7,294.00	(2,324.00)	4,970.00	4,970.00	
Total Undistributed Expenditures - Improvement of Instr. Serv.	405,961.55	(21,278.32)	384,683.23	371,054.83	13,628.40
Undistributed Expend. - Educational Media Serv./School Library:					
Salaries	490,507.00	1,288.71	491,795.71	491,168.89	626.82
Purchased Professional and Technical Services	12,193.00	387.28	12,580.28	10,715.46	1,864.82
Other Purchased Services (400-500 series)	951.00	396.42	1,347.42	522.37	825.05
Supplies and Materials	99,720.41	(3,557.83)	96,162.58	93,879.30	2,283.28
Other Objects	2,640.00	323.25	2,963.25	2,634.75	328.50
Total Undistributed Expend. - Educational Media Serv./School Library	606,011.41	(1,162.17)	604,849.24	598,920.77	5,928.47

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.- Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	$ 354,151.00	$ 1,903.11	$ 356,054.11	$ 356,054.11	$
Salaries of Other Professional Staff	19,221.00	(17,800.18)	1,420.82	1,283.64	137.18
Salaries of Secretarial and Clerical Assistants	86,446.00	0.50	86,446.50	83,476.56	2,969.94
Other Salaries	19,900.00	(4,973.43)	14,926.57	12,760.00	2,166.57
Other Purchased Professional and Technical Services	26,825.00	2,025.00	28,850.00	19,081.00	9,769.00
Other Purchased Services (400-500 series)	14,984.00	671.11	15,655.11		15,655.11
Supplies and Materials	10,963.10		10,963.10	7,806.55	3,156.55
Total Undistributed Expend.- Instructional Staff Training Services	532,490.10	(18,173.89)	514,316.21	480,461.86	33,854.35
Undistributed Expend.-Support Services-General Administration:					
Salaries	356,838.00	1,492.07	358,330.07	358,330.07	
Legal Services	172,600.00	76,500.00	249,100.00	213,698.58	35,401.42
Other Purchased Professional Services	96,342.00	(1,500.00)	94,842.00	42,342.48	52,499.52
Purchased Technical Services	45,228.00	6,494.95	51,722.95	43,063.06	8,659.89
Communications/Telephone	192,458.00	(39,791.50)	152,666.50	121,628.83	31,037.67
Misc. Purchased Services (400-500 series, O/T 530 & 585)	13,600.00	6,500.00	20,100.00	18,459.63	1,640.37
General Supplies	16,750.00	(1,000.00)	15,750.00	11,351.83	4,398.17
BOE In-house Training/Meeting Supplies	900.00		900.00	276.00	624.00
Miscellaneous Expenditures	22,750.00	(5,000.00)	17,750.00	7,146.00	10,604.00
BOE Membership Dues and Fees	25,000.00		25,000.00	24,981.05	18.95
Total Undistributed Expend.-Support Services-General Administration	942,466.00	43,695.52	986,161.52	841,277.53	144,883.99
Undistributed Expend.-Support Services- School Administration:					
Salaries of Principals/Assistant Principals	1,497,573.00	114,008.53	1,611,581.53	1,610,738.04	843.49
Salaries of Other Professional Staff	168,801.00	7,188.61	175,989.61	175,988.96	0.65
Salaries of Secretarial and Clerical Assistants	804,872.00	1,265.57	806,137.57	806,137.57	
Purchased Professional and Technical Services	44,220.00	1,408.00	45,628.00	42,103.00	3,525.00
Other Purchased Services (400-500 series)	160,005.42	(5,800.79)	154,204.63	137,146.73	17,057.90
Supplies and Materials	82,682.95	8,625.49	91,308.44	86,809.07	4,499.37
Other Objects	15,428.00	489.00	15,917.00	15,170.00	747.00
Total Undistributed Expend.-Support Services- School Administration	2,773,582.37	127,184.41	2,900,766.78	2,874,093.37	26,673.41

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend. - Central Services					
Salaries	$ 434,744.00	$ 11,994.88	$ 446,738.88	$ 446,738.88	$
Purchased Professional Services	11,000.00		11,000.00	10,600.00	400.00
Purchased Technical Services	40,000.00	336.08	40,336.08	40,336.08	
Miscellaneous Purchased Services (400-500 series, O/T 594)	3,000.00	(325.00)	2,675.00	868.66	1,806.34
Supplies and Materials	13,000.00	1,450.00	14,450.00	14,341.24	108.76
Other Objects	6,000.00	(511.08)	5,488.92	1,185.00	4,303.92
Total Undistributed Expend. - Central Services	507,744.00	12,944.88	520,688.88	514,069.86	6,619.02
Undistributed Expend. - Admin. Info. Technology:					
Salaries	336,747.00	(4,118.58)	332,628.42	332,527.79	100.63
Other Purchased Services (400-500 series)	56,045.00	(2,465.44)	53,579.56	52,338.31	1,241.25
Supplies and Materials	231,475.00	70,627.04	302,102.04	298,631.43	3,470.61
Total Undistributed Expend. - Admin. Info. Technology	624,267.00	64,043.02	688,310.02	683,497.53	4,812.49
Undistributed Expend.-Required Maintenance for School Facilities:					
Salaries	474,027.00	3,593.81	477,620.81	477,620.81	
Cleaning, Repair and Maintenance Services	2,121,726.36	(529,715.48)	1,592,010.88	919,472.03	672,538.85
General Supplies	159,112.40	(14,143.50)	144,968.90	117,211.33	27,757.57
Total Undistributed Expend.-Required Maintenance for School Facilities	2,754,865.76	(540,265.17)	2,214,600.59	1,514,304.17	700,296.42
Undistributed Expend.-Custodial Services:					
Salaries	334,903.00	6,059.49	340,962.49	340,962.49	
Purchased Professional and Technical Services	11,725.00	27,324.40	39,049.40	22,912.60	16,136.80
Cleaning, Repair and Maintenance Services	1,452,632.00	(10,000.00)	1,442,632.00	1,390,503.62	52,128.38
Other Purchased Property Services	150,000.00		150,000.00	139,704.54	10,295.46
Insurance	182,160.00	1.14	182,161.14	178,457.00	3,704.14
Miscellaneous Purchased Services	39,607.97	(3,855.00)	35,752.97	19,730.29	16,022.68
General Supplies	169,703.97	27,639.10	197,343.07	158,357.25	38,985.82
Energy (Natural Gas)	5,362.88	1,175,000.00	1,180,362.88	1,144,904.31	35,458.57
Energy (Electricity)	1,000,000.00	(1,000,000.00)			
Other Objects	9,696.00		9,696.00	7,470.84	2,225.16
Total Undistributed Expend.-Custodial Services:	3,355,790.82	222,169.13	3,577,959.95	3,403,002.94	174,957.01
Total Undistributed Expend.- Oper. and Maintenance of Plant Serv.	6,110,656.58	(318,096.04)	5,792,560.54	4,917,307.11	875,253.43

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Student Transportation Services:					
Other Purchased Professional and Technical Services	$ 3,988,380.00	$ 25,158.80	$ 4,013,538.80	$ 4,013,538.80	$
Total Undistributed Expend.-Student Transportation Services	3,988,380.00	25,158.80	4,013,538.80	4,013,538.80	
Unallocated Benefits:					
Group Insurance	18,700.00		18,700.00	16,251.12	2,448.88
Social Security Contributions - Other	420,000.00	1,650.00	421,650.00	421,649.14	0.86
Other Retirement Contributions - Regular	570,000.00	(195,858.68)	374,141.32	299,664.42	74,476.90
Workmen's Compensation	187,000.00		187,000.00	186,660.00	340.00
Health Benefits	7,759,754.00	(346,015.57)	7,413,738.43	7,072,399.65	341,338.78
Tuition Reimbursement	216,800.42		216,800.42	136,228.42	80,572.00
Other Employee Benefits	69,160.00		69,160.00	17,341.50	51,818.50
Total Unallocated Benefits	9,241,414.42	(540,224.25)	8,701,190.17	8,150,194.25	550,995.92
Total Personal Services - Employee	9,241,414.42	(540,224.25)	8,701,190.17	8,150,194.25	550,995.92
Reimbursed TPAF social security contributions (non-budgeted)				1,803,263.94	(1,803,263.94)
On-behalf TPAF post retirement medical (non-budgeted)				1,632,945.00	(1,632,945.00)
On-behalf TPAF pension contributions (non-budgeted)				995,926.00	(995,926.00)
TOTAL UNDISTRIBUTED EXPENDITURES	29,206,526.18	(482,575.24)	28,723,950.94	31,419,190.87	(2,695,239.93)
TOTAL GENERAL CURRENT EXPENSE	53,661,372.61	(327,551.67)	53,333,820.94	55,762,733.22	(2,428,912.28)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
CAPITAL OUTLAY:					
EQUIPMENT:					
Undistributed:					
Undist. Expend. - Support Serv. - Inst. Staff	$	$ 2,257.59	$ 2,257.59	$ 2,257.59	$
Undistributed Expenditures - Gen. Admin.	2,175.00		2,175.00		2,175.00
Undistributed Expenditures - Central Services	2,000.00	(1,450.00)	550.00		550.00
Undistributed Expenditures - Admin. Info. Tech.		22,122.50	22,122.50		22,122.50
Undist. Expend. - Required Maintenance for School Facilities	59,935.00	42,531.00	102,466.00	68,911.00	33,555.00
Undist. Expend. - Student Trans. - Non-Inst. Equip.	8,500.00		8,500.00	8,500.00	
School Buses - Regular	145,000.00		145,000.00	145,000.00	
School Buses - Special	65,000.00		65,000.00	65,000.00	
TOTAL EQUIPMENT	282,610.00	65,461.09	348,071.09	289,668.59	58,402.50
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	175,000.00		175,000.00	133,635.00	41,365.00
Construction Services	989,185.82	(686,827.42)	302,358.40	289,365.80	12,992.60
Assessment for debt Service on SDA funding	81,817.00	(31,082.00)	50,735.00	50,735.00	
	1,246,002.82	(717,909.42)	528,093.40	473,735.80	54,357.60
Assets acquired under capital leases (non-budgeted)				2,089,001.69	(2,089,001.69)
TOTAL CAPITAL OUTLAY	1,528,612.82	(652,448.33)	876,164.49	2,852,406.08	(1,976,241.59)
Transfer of Funds to Charter Schools	21,707.00		21,707.00	21,707.00	
TOTAL EXPENDITURES	55,211,692.43	(980,000.00)	54,231,692.43	58,636,846.30	(4,405,153.87)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,202,406.43)	980,000.00	(2,222,406.43)	(1,427,560.46)	794,845.97
Other financing sources (use)					
Assets acquired under capital leases (non-budgeted)				2,089,001.69	(2,089,001.69)
Total other financing sources				2,089,001.69	(2,089,001.69)
Excess/Deficit of Revenues and Other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(3,202,406.43)	980,000.00	(2,222,406.43)	661,441.23	(1,294,155.72)
Fund Balances, July 1,	6,864,887.32		6,864,887.32	6,864,887.32	
Fund Balances, June 30,	$ 3,662,480.89	$ 980,000.00	$ 4,642,480.89	$ 7,526,328.55	$ (1,294,155.72)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				$ 1,056,596.04	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,179,345.00	
Excess Surplus - Current Year				1,712,745.90	
Assigned Fund Balance:					
Year-end Encumbrances				1,148,266.22	
Unassigned Fund Balance				1,429,375.39	
				7,526,328.55	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(592,588.00)	
Fund Balance per Governmental Funds (GAAP)				$ 6,933,740.55	

EXHIBIT "C-2"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State Aid	$	$ 14,367.16	$ 14,367.16	$ 4,201.72	$ (10,165.44)
Federal Aid	802,208.00	535,885.46	1,338,093.46	1,087,404.24	(250,689.22)
Local Sources		40,841.37	40,841.37	28,735.89	(12,105.48)
Total Revenues	802,208.00	591,093.99	1,393,301.99	1,120,341.85	(272,960.14)
EXPENDITURES:					
Instruction:					
Salaries	214,292.00	(69,978.45)	144,313.55	121,377.70	22,935.85
Purchased Professional and Technical Services	90,264.00	(12,376.34)	77,887.66	75,085.00	2,802.66
Purchased Professional - Educational Services		873.00	873.00		873.00
Other Purchased Services (400-500 Series)	425,000.00	92,793.15	517,793.15	434,814.85	82,978.30
General Supplies	7,836.00	45,788.45	53,624.45	25,467.66	28,156.79
Textbooks		1,261.00	1,261.00	296.67	964.33
Other Objects		11,216.03	11,216.03	11,216.03	
Total Instruction	737,392.00	69,576.84	806,968.84	668,257.91	138,710.93
Support Services:					
Salaries	20,000.00	201,426.52	221,426.52	163,110.84	58,315.68
Personal Services - Employee Benefits	19,315.00	31,588.96	50,903.96	33,670.83	17,233.13
Purchased Professional and Technical Services		154,267.00	154,267.00	140,170.13	14,096.87
Purchased Professional - Educational Services		11,358.00	11,358.00	3,905.05	7,452.95
Other Purchased Services (400-500 Series)		86,568.35	86,568.35	82,789.98	3,778.37
Supplies and Materials	25,501.00	35,813.32	61,314.32	28,437.11	32,877.21
Total Support Services	64,816.00	521,022.15	585,838.15	452,083.94	133,754.21
Facilities Acquisition and Construction Services:					
Instructional Equipment		495.00	495.00		495.00
Total Facilities Acquisition and Construction Services		495.00	495.00		495.00
Total Expenditures	802,208.00	591,093.99	1,393,301.99	1,120,341.85	272,960.14
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$	$	$	$	$

EXHIBIT "C-3"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	$57,209,285.84	$1,120,341.85
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	19,155.96
The last State aid payment of the current year is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(592,588.00)	
The last State aid payment of the prior year is recognized as revenue under GAAP when the State recognizes the related expense (GASB 33). (This revenue was recognized during the previous fiscal year for budgetary purposes.)	588,063.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	$57,204,760.84	$1,139,497.81
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	$58,636,846.30	$1,120,341.85
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	N/A	19,155.96
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$58,636,846.30	$1,139,497.81

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

EXHIBIT "E-1"
SHEET #1

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	IDEA PSH CURRENT YEAR	IDEA BASIC CURRENT YEAR	IDEA BASIC PRIOR YEAR	RACE TO THE TOP	TITLE I CURRENT YEAR	TITLE I PRIOR YEAR
Revenues:						
State Aid						
Federal Aid	$28,633.24	$802,172.48	$32,228.99	$1,138.74	$74,724.58	$985.00
Local Sources						
Total Revenues	28,633.24	802,172.48	32,228.99	1,138.74	74,724.58	985.00
Expenditures:						
Instruction:						
Salaries	24,133.00	5,821.72	2,970.60		62,762.14	985.00
Purchased Professional and Technical Services		66,285.00				
Other purchased services		420,267.70	12,319.50			
General Supplies		5,278.17	529.31			
Textbooks						
Other Objects						
Total Instruction	24,133.00	497,652.59	15,819.41		62,762.14	985.00
Support Services:						
Salaries		103,369.16				
Personal Services - Employee Benefits	3,873.37	12,331.06			11,962.44	
Purchased Professional and Technical Services		126,903.13	7,517.00			
Purchased Professional - Educational Services						
Other Purchased Services (400-500 Series)		50,900.00				
Supplies and Materials	626.87	11,016.54	8,892.58	1,138.74		
Total Support Services	4,500.24	304,519.89	16,409.58	1,138.74	11,962.44	
Total Expenditures	$28,633.24	$802,172.48	$32,228.99	$1,138.74	$74,724.58	$985.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

EXHIBIT "E-1"
SHEET #2

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	TITLE II -A CURRENT YEAR	TITLE II -A PRIOR YEAR	TITLE III CURRENT YEAR	TITLE III PRIOR YEAR	TITLE III IMMIGRANT	NONPUBLIC TEXTBOOK
Revenues:						
State Aid						$296.67
Federal Aid	$41,397.29	$54,001.50	$32,448.64	$10,274.78	$9,399.00	
Local Sources						
Total Revenues	41,397.29	54,001.50	32,448.64	10,274.78	9,399.00	296.67
Expenditures:						
Instruction:						
Salaries			15,879.45	8,825.79		
Purchased Professional and Technical Services						
Other purchased services						
General Supplies			3,760.98	7.99	9,399.00	
Textbooks						296.67
Other Objects						
Total Instruction			19,640.43	8,833.78	9,399.00	296.67
Support Services:						
Salaries	5,996.93	49,936.54	3,808.21			
Personal Services - Employee Benefits		4,062.96		1,441.00		
Purchased Professional and Technical Services	5,750.00					
Purchased Professional - Educational Services						
Other Purchased Services (400-500 Series)	22,889.98		9,000.00			
Supplies and Materials	6,760.38	2.00				
Total Support Services	41,397.29	54,001.50	12,808.21	1,441.00		
Total Expenditures	$41,397.29	$54,001.50	$32,448.64	$10,274.78	$9,399.00	$296.67
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

EXHIBIT "E-1"
SHEET #3

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	NONPUBLIC NURSING	CORRECTIVE SPEECH	EXAMINATION & CLASSIFICATION	SUPPLEMENTAL INSTRUCTION	LOCAL PROJECTS	TOTAL
Revenues:						
State Aid	$2,188.93	$703.08	$319.20	$693.84		$4,201.72
Federal Aid						1,087,404.24
Local Sources					$28,735.89	28,735.89
Total Revenues	2,188.93	703.08	319.20	693.84	28,735.89	1,120,341.85
Expenditures:						
Instruction:						
Salaries						121,377.70
Purchased Professional and Technical Services					8,800.00	75,085.00
Other purchased services					2,227.65	434,814.85
General Supplies					6,492.21	25,467.66
Textbooks						296.67
Other Objects					11,216.03	11,216.03
Total Instruction					28,735.89	668,257.91
Support Services:						
Salaries						163,110.84
Personal Services - Employee Benefits						33,670.83
Purchased Professional and Technical Services						140,170.13
Purchased Professional - Educational Services	2,188.93	703.08	319.20	693.84		3,905.05
Other Purchased Services (400-500 Series)						82,789.98
Supplies and Materials						28,437.11
Total Support Services	2,188.93	703.08	319.20	693.84		452,083.94
Total Expenditures	$2,188.93	$703.08	$319.20	$693.84	$28,735.89	$1,120,341.85
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

CAPITAL PROJECTS FUND DETAIL STATEMENTS

EXHIBIT "F-1"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014

Other financing sources (uses):	
Transfers in/(out)	($41,688.36)
Canceled	(386.00)
Total other financing sources (uses)	(42,074.36)
Net change in fund balances	(42,074.36)
Fund balance - beginning	42,074.36
Fund balance - ending	

EXHIBIT "F-2"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
AS OF JUNE 30, 2014

ISSUE/PROJECT TITLE	ORIGINAL DATE	REVISED BUDGETARY APPROPRIATIONS	EXPENDITURES TO DATE PRIOR YEAR	EXPENDITURES TO DATE CURRENT YEAR	CANCELLED	(MEMO ONLY) UNEXPENDED PROJECT BALANCE
Acquire land, construct, furnish and equip a new middle school	9/24/2002	$39,225,000.00	$39,182,925.64		$42,074.36	
Totals		$39,225,000.00	$39,182,925.64		$42,074.36	

PROPRIETARY FUND DETAIL STATEMENTS

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

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

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS

B-4,B-5 AND B-6

FIDUCIARY FUND DETAIL STATEMENTS

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

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

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

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

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

EXHIBIT "H-1"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
TRUST AND AGENCY FUNDS
JUNE 30, 2014

	TRUST FUNDS	AGENCY FUNDS		
	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL AGENCY	TOTAL AGENCY FUNDS
ASSETS:				
Cash and cash equivalents	$295,564.73	$104,312.89	$313,443.54	$417,756.43
Intrafunds receivable	19,824.87			
Total assets	$315,389.60	$104,312.89	$313,443.54	$417,756.43
LIABILITIES:				
Interfunds Payable			$15,963.21	$15,963.21
Intrafunds Payable			19,824.87	19,824.87
Payroll deductions and withholdings			277,655.46	277,655.46
Payable to student groups		$104,312.89		104,312.89
Total liabilities		104,312.89	313,443.54	417,756.43
NET POSITION:				
Held in trust for unemployment claims	$315,389.60			
Total net position	$315,389.60	$-0-	$-0-	$-0-

EXHIBIT "H-2"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	UNEMPLOYMENT COMPENSATION TRUST FUND	TOTAL
ADDITIONS:		
Contributions:		
Plan Members	$79,448.36	$79,448.36
Total contributions	79,448.36	79,448.36
Investment earnings:		
Interest	898.88	898.88
Net investment earnings	898.88	898.88
Total additions	80,347.24	80,347.24
DEDUCTIONS:		
Unemployment claims	71,252.13	71,252.13
Total deductions	71,252.13	71,252.13
Change in net position	9,095.11	9,095.11
Net position - beginning of the year	306,294.49	306,294.49
Net position - end of the year	$315,389.60	$315,389.60

EXHIBIT "H-3"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BALANCE JUNE 30, 2013	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2014
J.P. Case Student Fund	$58,330.54	$284,487.23	$268,766.30	$74,051.47
Athletic Fund	(24.72)	16,020.97	15,983.61	12.64
Robert Hunter	1,481.94	41.30	868.47	654.77
Flem/Raritan Student Fund	16,951.85	52,293.27	42,727.80	26,517.32
Desmares Student Fund	1,030.00	2,260.17	213.48	3,076.69
Total all schools	$77,769.61	$355,102.94	$328,559.66	$104,312.89

EXHIBIT "H-4"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BALANCE JULY 1, 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2014
ASSETS:				
Cash and cash equivalents	$49,378.10	$32,146,852.20	$31,882,786.76	$313,443.54
Total assets	$49,378.10	$32,146,852.20	$31,882,786.76	$313,443.54
LIABILITIES:				
Payroll deductions and withholdings	$11,603.52	$14,878,442.31	$14,612,390.37	$277,655.46
Net payroll		17,160,252.15	17,160,252.15	
Interfunds payable	14,067.54	1,895.67		15,963.21
Intrafund payable	23,707.04	106,262.07	110,144.24	19,824.87
Total liabilities	$49,378.10	$32,146,852.20	$31,882,786.76	$313,443.54

LONG-TERM DEBT SCHEDULES

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

EXHIBIT "I-1"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
YEAR ENDED JUNE 30, 2014

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES DATE	MATURITIES AMOUNT	RATE OF INTEREST	BALANCE JULY 1, 2013	RETIRED	BALANCE JUNE 30, 2014
Renovation of the Barley Sheaf Media Center and Construction of an addition to the Middle School	2/1/00	5,832,000.00	2/1/2015	675,000.00	5.700%	$830,000.00	$155,000.00	$675,000.00
School Bonds	6/15/03	33,248,000.00	6/15/2015	625,000.00	3.500%			
			6/15/2016	1,265,000.00	3.670%			
			6/15/2017	1,320,000.00	4.000%			
			6/15/2018	1,385,000.00	4.000%			
			6/15/2019	1,455,000.00	4.000%			
			6/15/2020	1,520,000.00	4.000%			
			6/15/2021	2,490,000.00	4.000%			
			6/15/2022	2,605,000.00	4.100%			
			6/15/2023	2,730,000.00	4.100%			
			6/15/2024	2,855,000.00	4.125%			
			6/15/2025	2,990,000.00	4.125%			
			6/15/2026	3,130,000.00	4.150%			
			6/15/2027	3,280,000.00	4.200%	28,040,000.00	390,000.00	27,650,000.00
Refunding School Bonds	12/13/2006	$8,115,000.00	2/01/15	55,000.00	4.000%			
			2/01/16	740,000.00	5.000%			
			2/01/17	775,000.00	5.000%			
			2/01/18	810,000.00	4.000%			
			2/01/19	840,000.00	4.000%			
			2/01/20	875,000.00	4.000%			
			2/01/21-27	20,000.00	4.000%			
			2/01/28	3,530,000.00	4.000%	7,820,000.00	55,000.00	7,765,000.00
Refunding School Bonds	5/1/2009	6,495,000.00	5/1/2015	550,000.00	4.000%	1,780,000.00	1,230,000.00	550,000.00
						$38,470,000.00	$1,830,000.00	$36,640,000.00

EXHIBIT "I-2"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
YEAR ENDED JUNE 30, 2014

SERIES	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE PRINCIPAL	AMOUNT OF ORIGINAL LEASE INTEREST	INTEREST RATE PAYABLE	BALANCE JUNE 30, 2013	DECREASE	BALANCE JUNE 30, 2014
Energy Savings Improvement Plan	10/31/2012	15	$ 4,955,000.00	$ 970,960.75	2.213%	$ 4,955,000.00	$ 19,640.91	$ 4,935,359.09
						$ 4,955,000.00	$ 19,640.91	$ 4,935,359.09

EXHIBIT "I-3"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFER	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local sources:					
Local tax levy	$3,253,827.00		$3,253,827.00	$3,253,827.00	
Interest				371.99	$371.99
State sources:					
Debt service aid type II	167,765.00		167,765.00	167,765.00	
Total revenues	3,421,592.00		3,421,592.00	3,421,963.99	371.99
EXPENDITURES:					
Regular debt service:					
Interest	1,591,956.00		1,591,956.00	1,591,956.00	
Redemption of principal	1,830,000.00		1,830,000.00	1,830,000.00	
Total regular debt service-expenditures	3,421,956.00		3,421,956.00	3,421,956.00	
Excess (deficiency) of revenues over (under) expenditures	(364.00)		(364.00)	7.99	371.99
Other financing sources:					
Transfers in/(out)				41,688.36	41,688.36
	(364.00)		(364.00)	41,696.35	42,060.35
Fund balance, July 1	825.07		825.07	825.07	
Fund balance, June 30	$461.07		$461.07	$42,521.42	$42,060.35

STATISTICAL SECTION (UNAUDITED)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATISTICAL SECTION

Contents | Page

Financial Trends:

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time. J-1 to J-5

Revenue Capacity:

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax. J-6 to J-9

Debt Capacity:

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future. J-10 to J-13

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place. J-14 to J-15

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs. J-16 to J-20

Sources

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

EXHIBIT "J-1"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities										
Net investment in capital assets	$12,260,134.41	$11,555,838.61	$10,708,863.59	$9,865,912.95	$9,073,401.55	$8,392,463.05	$7,261,201.28	$6,525,697.70	$6,787,528.23	$5,683,422.94
Restricted	4,991,208.36	4,172,343.11	3,658,975.67	2,488,726.97	2,327,129.08	2,656,036.66	2,710,231.24	2,810,757.56	2,560,029.96	3,880,824.90
Unrestricted	701,281.90	842,569.82	1,520,914.86	1,063,722.72	553,742.67	(150,242.86)	334,634.03	485,218.68	129,632.18	521,929.69
Total governmental activities net position	$17,952,624.67	$16,570,751.54	$15,888,754.12	$13,418,362.64	$11,954,273.30	$10,898,256.85	$10,306,066.55	$9,821,673.94	$9,477,190.37	$10,086,177.53
Business-type activities										
Net investment in capital assets	$261,414.69	$267,529.54	$290,334.56	$317,291.16	$351,583.34	$354,072.16	$332,768.76	$352,608.89	$349,599.44	$61,149.97
Unrestricted	167,668.53	191,313.11	277,605.92	254,634.50	171,123.29	129,660.15	146,403.62	157,030.78	112,620.53	289,381.49
Total business-type activities net position	$429,083.22	$458,842.65	$567,940.48	$571,925.66	$522,706.63	$483,732.31	$479,172.38	$509,639.67	$462,219.97	$350,531.46
District-wide										
Net investment in capital assets	$12,521,549.10	$11,823,368.15	$10,999,198.15	$10,183,204.11	$9,424,984.89	$8,746,535.21	$7,593,970.04	$6,878,306.59	$7,137,127.67	$5,744,572.91
Restricted	4,991,208.36	4,172,343.11	3,658,975.67	2,488,726.97	2,327,129.08	2,656,036.66	2,710,231.24	2,810,757.56	2,560,029.96	3,880,824.90
Unrestricted	868,950.43	1,033,882.93	1,798,520.78	1,318,357.22	724,865.96	(20,582.71)	481,037.65	642,249.46	242,252.71	811,311.18
Total district net position	$18,381,707.89	$17,029,594.19	$16,456,694.60	$13,990,288.30	$12,476,979.93	$11,381,989.16	$10,785,238.93	$10,331,313.61	$9,939,410.34	$10,436,708.99

Source: CAFR Schedule A-1

EXHIBIT "J-2"
SHEET #1

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
EXPENSES										
Governmental activities										
Instruction										
Regular	$24,395,242.29	$25,138,255.80	$23,474,124.58	$22,529,358.67	$23,004,696.55	$23,484,841.13	$22,733,788.93	$21,670,703.01	$21,110,410.00	$18,256,297.91
Special education	8,484,271.90	8,409,117.85	7,695,284.60	8,061,100.15	8,247,335.20	7,718,335.27	7,385,022.09	6,910,137.70	6,006,308.28	5,217,210.11
Other instruction	2,552,216.30	2,575,969.96	2,293,198.90	2,260,323.07	2,424,289.28	1,668,701.43	1,970,546.09	1,874,916.11	1,629,389.84	1,454,371.06
Support Services:										
Tuition	651,000.44	477,192.92	258,421.86	139,445.03	203,956.80	399,700.06	696,507.93	547,910.56	529,051.82	587,815.39
Student and instruction related services	6,557,586.67	6,732,856.91	6,274,158.86	6,140,697.82	6,759,251.63	6,396,940.66	6,422,342.75	6,089,380.26	5,993,330.11	5,147,455.37
General administrative services	1,040,044.96	1,040,654.74	1,154,257.88	893,495.83	950,753.97	1,479,395.00	1,407,843.95	1,462,105.01	1,232,795.36	1,031,639.06
School administrative services	4,095,541.55	3,939,030.97	3,544,758.03	3,451,054.83	3,539,474.59	3,241,245.92	3,130,852.48	3,118,461.20	2,950,393.28	2,473,424.98
Central services/Admin. Info. Technology	1,529,725.75	1,128,076.37	1,065,831.03	950,318.12	1,001,101.23	810,981.33	790,066.42	821,151.28	843,447.72	1,176,612.36
Plant operations and maintenance	5,390,775.53	6,075,392.90	5,402,890.46	5,200,080.13	5,169,258.05	5,279,337.48	6,049,336.00	5,692,142.10	4,989,247.75	3,860,352.41
Student transportation services	4,013,538.80	3,569,328.04	4,242,357.53	4,691,569.46	4,632,460.23	4,092,227.83	3,926,666.12	3,742,232.00	3,405,979.15	2,998,876.83
Charter School	21,707.00									
Interest on long-term debt	1,651,235.08	1,734,687.22	1,839,696.90	1,932,076.93	2,017,964.23	2,044,955.02	2,337,510.94	2,222,843.11	2,540,341.13	2,660,795.25
Total governmental activities expenses	60,382,886.27	60,820,563.68	57,244,980.63	56,249,520.05	57,950,541.77	56,616,661.13	56,850,483.70	54,151,982.34	51,230,694.44	44,864,850.73
Business-type activities:										
Food Service	1,124,912.17	1,184,118.60	1,092,731.99	1,020,243.58	1,024,645.31	1,113,466.73	1,045,511.63	956,874.66	1,044,741.45	801,535.56
School Store									2,093.95	2,114.15
Total business-type activities expense	1,124,912.17	1,184,118.60	1,092,731.99	1,020,243.58	1,024,645.31	1,113,466.73	1,045,511.63	956,874.66	1,046,835.40	803,649.71
Total district expenses	$61,507,798.44	$62,004,682.28	$58,337,712.62	$57,269,763.63	$58,975,187.08	$57,730,127.86	$57,895,995.33	$55,108,857.00	$52,277,529.84	$45,668,500.44
PROGRAM REVENUES										
Governmental activities:										
Operating grants and contributions	$5,739,397.75	$6,341,925.60	$5,426,483.93	$4,677,882.82	$4,808,419.30	$4,386,374.40	$5,871,175.65	$5,435,711.26	$3,925,305.16	$3,336,913.82
Total governmental activities program revenues	5,739,397.75	6,341,925.60	5,426,483.93	4,677,882.82	4,808,419.30	4,386,374.40	5,871,175.65	5,435,711.26	3,925,305.16	3,336,913.82
Business-type activities:										
Charges for services										
Food Service	722,769.79	743,732.76	777,241.31	809,571.33	814,338.57	864,168.80	807,193.22	810,538.56	788,090.67	661,971.48
School Store									1,603.11	2,335.50
Operating grants and contributions	369,441.34	330,412.17	311,499.96	272,339.57	248,879.82	213,301.26	204,655.36	172,800.78	152,059.52	155,204.23
Total business type activities program revenues	1,092,211.13	1,074,144.93	1,088,741.27	1,081,910.90	1,063,218.39	1,077,470.06	1,011,848.58	983,339.34	941,753.30	819,511.21
Total district program revenues	$6,831,608.88	$7,416,070.53	$6,515,225.20	$5,759,793.72	$5,871,637.69	$5,463,844.46	$6,883,024.23	$6,419,050.60	$4,867,058.46	$4,156,425.03
NET (EXPENSE)/REVENUE										
Governmental activities	($54,643,488.52)	($54,478,638.08)	($51,818,496.70)	($51,571,637.23)	($53,142,122.47)	($52,230,286.73)	($50,979,308.05)	($48,716,271.08)	($47,305,389.28)	($41,527,936.91)
Business-type activities	(32,701.04)	(109,973.67)	(3,990.72)	61,667.32	38,573.08	(35,996.67)	(33,663.05)	26,464.68	(105,082.10)	15,861.50
Total district-wide net expense	($54,676,189.56)	($54,588,611.75)	($51,822,487.42)	($51,509,969.91)	($53,103,549.39)	($52,266,283.40)	($51,012,971.10)	($48,689,806.40)	($47,410,471.38)	($41,512,075.41)

EXHIBIT "J-2"
SHEET #2

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	$45,747,866.00	$44,332,300.00	$43,463,039.00	$42,610,823.00	$42,610,823.00	$40,978,349.00	$39,510,870.00	$37,820,501.00	$35,454,737.00	$30,150,203.00
Taxes levied for debt service	3,253,827.00	3,494,779.00	3,753,984.00	3,995,475.00	4,188,069.00	4,246,932.00	4,296,398.00	4,286,238.00	3,776,256.00	4,386,690.00
Unrestricted grants and contributions	6,443,957.00	6,402,104.51	6,045,397.28	5,159,490.37	6,380,582.00	7,148,271.00	6,831,875.61	6,728,703.89	6,735,924.46	6,701,323.52
Disposal of capital assets	(1,463.24)	(14,394.50)	(32,000.02)	(17,293.34)	(14,796.00)	(62,969.61)	(54,892.95)	(956,052.42)		
Receivables cancelled								(8,550.75)		
Miscellaneous income	581,174.89	945,846.49	1,058,467.92	1,287,231.53	1,033,460.92	536,575.91	879,450.00	1,189,914.93	729,484.66	763,514.41
Total governmental activities	56,025,361.65	55,160,635.50	54,288,888.18	53,035,726.56	54,198,138.92	52,847,158.30	51,463,700.66	49,060,754.65	46,696,402.12	42,001,730.93
Business-type activities:										
Miscellaneous Income	2,941.61	875.84	1,845.54	1,018.40	2,001.24	2,547.16	6,183.43	24,132.54	216,770.61	2,917.10
Disposal of capital assets	-		(1,840.00)	(13,466.69)	(1,600.00)	(1,239.99)	(2,987.67)			
Total business-type activities	2,941.61	875.84	5.54	(12,448.29)	401.24	1,307.17	3,195.76	24,132.54	216,770.61	2,917.10
Total district-wide	$56,028,303.26	$55,161,511.34	$54,288,893.72	$53,023,278.27	$54,198,540.16	$52,848,465.47	$51,466,896.42	$49,084,887.19	$46,913,172.73	$42,004,648.03
CHANGE IN NET POSITION										
Governmental activities	$1,381,873.13	$681,997.42	$2,470,391.48	$1,464,089.33	$1,056,016.45	$616,871.57	$484,392.61	$344,483.57	($608,987.16)	$473,794.02
Business-type activities	(29,759.43)	(109,097.83)	(3,985.18)	49,219.03	38,974.32	(34,689.50)	(30,467.29)	50,597.22	111,688.51	18,778.60
Total district	$1,352,113.70	$572,899.59	$2,466,406.30	$1,513,308.36	$1,094,990.77	$582,182.07	$453,925.32	$395,080.79	($497,298.65)	$492,572.62

Source: CAFR Schedule A-2

EXHIBIT "J-3"

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

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

Source: CAFR Schedule B-1

EXHIBIT "J-4"

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Tax levy	$49,001,693.00	$47,827,079.00	$47,217,023.00	$46,606,298.00	$46,798,892.00	$45,225,281.00	$43,807,268.00	$42,106,739.00	$39,230,993.00	$34,536,893.00
Miscellaneous	606,619.74	946,298.80	1,081,920.72	1,345,490.19	1,041,253.75	528,239.04	844,115.46	1,148,841.00	704,587.66	593,086.70
State sources	11,048,058.66	11,702,443.62	10,065,305.48	8,771,389.00	9,402,309.28	10,701,738.22	11,734,668.16	11,234,257.34	9,698,735.68	9,140,586.08
Federal sources	1,109,851.24	1,041,134.18	1,383,122.93	1,007,725.54	1,778,899.19	830,738.73	959,507.53	916,310.53	946,476.43	878,629.34
Total revenue	61,766,222.64	61,516,955.60	59,747,372.13	57,730,902.73	59,021,354.22	57,285,996.99	57,345,559.15	55,406,147.87	50,580,792.77	45,149,195.12
Expenditures										
Instruction										
Regular Instruction	16,358,179.91	16,186,536.62	15,671,564.42	15,352,121.79	15,926,517.76	16,314,063.05	15,390,991.09	14,537,053.28	14,245,312.50	12,684,443.34
Special education instruction	6,853,830.45	6,454,380.80	6,129,082.39	5,929,429.62	6,204,727.29	5,378,391.96	4,969,101.16	4,634,849.29	4,074,937.02	3,537,242.90
Other instruction	1,810,815.64	1,749,491.01	1,608,369.32	1,627,826.62	1,796,788.56	1,668,701.43	1,970,546.09	1,874,916.11	1,629,389.84	1,454,371.06
Support Services:										
Tuition	651,000.44	477,192.92	258,421.86	139,445.03	203,956.80	399,700.06	690,830.26	547,910.56	529,051.82	587,815.39
Student and instruction related services	4,802,291.20	4,769,841.64	4,552,426.74	4,542,845.76	5,139,050.23	5,291,224.24	5,291,067.08	5,029,266.30	5,063,293.92	4,363,944.25
General administrative services	841,277.53	845,525.22	949,572.98	737,399.15	842,497.63	818,219.02	767,679.67	795,743.11	809,603.99	681,258.09
School Administrative services	2,874,093.37	2,676,611.88	2,548,829.95	2,524,085.23	2,632,792.20	2,690,887.44	2,592,515.60	2,579,814.44	2,393,710.08	1,998,237.19
Central services/Administration Information Technology	1,197,567.39	777,305.27	767,370.69	691,243.71	747,847.07	810,981.33	790,066.42	821,151.28	843,447.72	1,176,612.36
Plant operations and maintenance	4,917,307.11	5,284,600.03	4,921,888.71	4,757,548.94	4,750,174.11	4,390,883.17	5,145,295.36	4,794,345.54	4,590,986.45	3,564,053.11
Student transportation services	4,013,538.80	3,017,132.73	3,831,380.00	4,072,975.00	4,198,095.00	4,092,227.83	3,926,666.12	3,742,232.00	3,405,979.15	2,998,876.83
Unallocated employee benefits	12,582,329.19	14,654,372.67	12,453,538.41	12,118,092.19	11,467,230.33	10,742,669.16	11,231,164.92	10,536,392.98	8,628,892.87	7,503,396.19
Capital outlay	2,852,406.08	1,793,543.39	454,533.44	414,679.18	497,477.49	720,894.64	844,665.99	1,188,262.86	7,609,751.64	23,778,243.08
Charter School	21,707.00									
Debt service:										
Principal	1,830,000.00	2,045,000.00	2,202,000.00	2,359,000.00	2,518,000.00	2,390,000.00	2,330,000.00	2,410,000.00	2,120,000.00	1,996,877.84
Interest and other charges	1,591,956.00	1,681,613.76	1,782,518.76	1,881,462.76	1,978,404.54	2,165,424.26	2,291,663.00	2,314,196.76	2,573,271.76	2,690,732.45
Total expenditures	63,198,300.11	62,413,147.94	58,131,497.67	57,148,154.98	58,903,559.01	57,874,267.59	58,232,252.76	55,806,134.51	58,517,628.76	69,016,104.08
Excess (Deficiency) of revenues over (under) expenditures	(1,432,077.47)	(896,192.34)	1,615,874.46	582,747.75	117,795.21	(588,270.60)	(886,693.61)	(399,986.64)	(7,936,835.99)	(23,866,908.96)
Other Financing sources (uses)										
Capital leases (non-budgeted)	2,089,001.69	1,065,958.89								
Bond proceeds					6,495,000.00		8,115,000.00			32,583,032.28
Premium on sale of bonds					349,361.15		146,424.00			
Cost of issuance					(95,849.71)		(126,024.63)			
Payment to refunded bonds escrow agent					(6,748,511.44)		(8,135,399.77)			
Grants canceled							(8,550.75)			
Interest earned/bond sale					10,505.32	44,210.11	54,921.21	40,914.51	189,449.63	396,200.08
Total other financing sources (uses)	2,089,001.69				10,505.32	44,210.11	46,370.06	40,914.51	189,449.63	32,979,232.36
Net change in fund balances	$656,924.22	($896,192.34)	$1,615,874.46	$582,747.75	$128,300.53	($544,060.49)	($840,323.55)	($359,072.13)	($7,747,386.36)	$9,112,323.40
Debt service as a percentage of noncapital expenditures	5.67%	6.15%	6.91%	7.47%	7.70%	7.97%	8.05%	8.65%	9.22%	10.36%

Source: CAFR Schedule B-2

EXHIBIT "J-5"

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

Fiscal Year Ended June 30,	Tuition	Interest On Investments	Rental Income	Transportation Refunds	Miscellaneous	Total
2014	$ 103,504.59	$ 33,024.57	$ 165,099.01	$ 265,110.11	$ 13,306.24	$ 580,044.52
2013	165,969.33	29,725.17	179,124.75	537,318.24	33,248.76	945,386.25
2012	31,010.11	58,378.84	237,482.38	669,626.63	61,606.04	1,058,104.00
2011	65,825.61	52,398.94	155,187.35	958,406.44	49,644.66	1,281,463.00
2010	87,241.29	165,999.27		627,172.89	149,587.72	1,030,001.17
2009	24,264.21	147,172.64		253,218.38	101,415.36	526,070.59
2008	105,990.82	220,526.00		400,102.26	99,907.51	826,526.59
2007	101,240.04	286,057.37		339,599.00	399,798.91	1,126,695.32
2006	14,521.94	365,212.76		271,664.90	29,956.40	681,356.00
2005	64,767.64	192,247.27		264,303.59	52,746.28	574,064.78

Source: District Records

EXHIBIT "J-6"
SHEET #1

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Req.	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2014	$66,809,275	$3,106,721,300	$70,297,200	$609,384,640	$106,157,496	$12,713,200	$3,972,083,111		$3,972,083,111	$3,857,601,219	$1.096
2013	54,240,100	3,109,189,600	72,644,500	611,756,940	109,899,696	12,713,200	3,970,444,036	8,154,192	3,978,598,228	4,017,974,377	1.078
2012	64,626,500	3,097,354,300	73,952,200	602,906,740	102,401,596	12,713,200	3,953,954,536	8,313,709	3,962,268,245	4,136,411,155	1.064
2011	71,362,300	3,086,291,900	75,439,500	599,594,100	99,712,296	12,000,400	3,944,400,496	7,750,312	3,952,150,808	4,213,829,628	1.047
2010	76,421,100	3,075,441,300	74,173,800	587,488,500	102,443,496	12,000,400	3,927,968,596	7,164,889	3,935,133,485	4,293,331,070	1.052
2009	83,602,300	3,174,796,750	72,719,300	551,130,525	112,267,100	12,039,400	4,006,555,375	5,255,322	4,011,810,697	4,288,296,452	1.023
2008	96,565,800	3,484,223,675	77,788,000	514,880,200	115,852,600	12,686,700	4,301,996,975	6,484,948	4,308,481,923	4,513,661,478	0.922
2007	90,288,300	3,471,183,800	78,340,200	517,905,600	113,115,500	12,686,700	4,283,520,100	6,991,505	4,290,511,605	4,624,967,955	0.887
2006	61,862,300	1,824,119,900	42,135,800	257,214,700	59,192,800	6,112,000	2,250,637,500	4,561,079	2,255,198,579	4,190,961,100	1.590
2005	58,921,800	1,772,932,500	47,522,600	246,015,300	58,902,300	6,112,000	2,190,406,500	5,094,825	2,195,501,325	3,781,394,395	1.481

Source: District records Tax list summary and Municipal Tax Assessor
Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
Reassessment occurs when ordered by the County Board of Taxation
(a): Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
(b): Tax rates are per $100

EXHIBIT "J-6"
SHEET #2

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Q-Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2014	$2,725,700	$209,921,500		$188,275,300	$2,687,700	$36,721,200	$440,331,400			$440,331,400	$454,362,765	$1.300
2013	2,725,700	205,135,900		180,830,700	2,557,700	35,969,100	427,219,100		2,094,055	429,313,155	461,765,994	1.292
2012	3,138,500	210,453,900		194,354,480	2,777,000	36,932,400	447,656,280		2,709,007	450,365,287	478,096,178	1.200
2011	3,769,700	210,592,400		202,435,700	3,097,000	37,979,000	457,873,800		3,508,064	461,381,864	525,523,353	1.194
2010	3,902,700	216,142,600		210,993,100	3,223,000	39,940,200	474,201,600		4,488,355	478,689,955	545,874,986	1.107
2009	4,500,000	241,327,200		243,748,200	3,651,100	42,234,000	535,460,500		6,245,384	541,705,884	570,686,479	1.023
2008	5,010,500	258,907,500		221,209,500	3,365,000	42,997,200	531,489,700		7,850,869	539,340,569	567,073,152	0.887
2007	4,926,100	258,451,200		209,805,200	3,257,100	41,253,600	517,693,200		6,095,584	523,788,784	557,587,233	0.932
2006	4,568,800	234,695,900		197,857,700	3,100,400	39,874,100	480,096,900		5,721,733	485,818,633	504,031,338	0.991
2005	3,529,400	208,390,600		184,883,700	2,859,000	36,253,000	435,915,700		4,897,263	440,812,963	451,088,670	0.993

Source: District records Tax list summary and Municipal Tax Assessor
Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
Reassessment occurs when ordered by the County Board of Taxation
(a): Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
(b): Tax rates are per $100

EXHIBIT "J-7"
SHEET #1

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

	Township of Raritan			Overlapping Rates			
Fiscal Year Ended June 30,	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Township of Raritan	Hunterdon Central High School	Hunterdon County	Total Direct and Overlapping Tax Rate
2014	$1.023	$0.073	$1.096	$0.307	$0.552	$0.359	$2.314
2013	0.999	0.079	1.078	0.308	0.557	0.368	2.311
2012	0.979	0.085	1.064	0.299	0.554	0.370	2.287
2011	0.957	0.090	1.047	0.296	0.553	0.370	2.266
2010	0.958	0.094	1.052	0.294	0.541	0.377	2.264
2009	0.927	0.096	1.023	0.265	0.511	0.369	2.168
2008	0.832	0.090	0.922	0.243	0.474	0.348	1.987
2007	0.797	0.090	0.887	0.248	0.465	0.360	1.960
2006	1.437	0.153	1.590	0.360	0.828	0.662	3.440
2005	1.293	0.188	1.481	0.307	0.774	0.648	3.210

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

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

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

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

EXHIBIT "J-7"
SHEET #2

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

Fiscal Year Ended June 30,	Borough of Flemington			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Borough of Flemington	Hunterdon Central High School	Hunterdon County	
2014	$1.214	$0.086	$1.300	$0.891	$0.427	$0.351	$2.969
2013	1.198	0.094	1.292	0.784	0.447	0.360	2.883
2012	1.105	0.095	1.200	0.685	0.492	0.343	2.720
2011	1.092	0.102	1.194	0.543	0.632	0.364	2.733
2010	1.008	0.099	1.107	0.581	0.524	0.370	2.582
2009	0.927	0.096	1.023	0.508	0.480	0.316	2.327
2008	0.803	0.084	0.887	0.488	0.494	0.323	2.192
2007	0.837	0.095	0.932	0.478	0.540	0.330	2.280
2006	0.896	0.095	0.991	0.496	0.552	0.341	2.380
2005	0.867	0.126	0.993	0.510	0.527	0.360	2.390

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

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

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

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

EXHIBIT "J-8"
SHEET # 1

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

	2014			2005		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Flemington Fair Associates	$59,242,600.00	1	1.49%			
Flemington Mall Ltd.	30,675,300.00	2	0.77%	16,000,000.00	1	0.73%
Linique Flemington, LLC				11,500,000.00	2	0.52%
Bedford Falls Land Co.	28,765,100.00	3	0.72%			
Hunterdon Medical Center	25,405,775.00	4	0.64%	6,824,900.00	6	0.31%
Clojo Circle, LLC.	19,486,900.00	5	0.49%	5,638,700.00	9	0.26%
Johanna Foods Inc.	18,135,800.00	6	0.46%	7,400,000.00	5	0.34%
Hunterdon Convalescent Center Inc			0.00%	7,795,900.00	4	0.36%
Equity Industrial Flemington LLC	17,000,000.00	7	0.43%			
Raritan Village Shopping Ctr. LLC	16,944,900.00	8	0.43%	6,000,000.00	8	0.27%
Raritan Junction LLC				6,300,000.00	7	0.29%
M R Development Corp.	15,615,000.00	9	0.39%			
Foremost Realty LP	15,181,000.00	10	0.38%			
FBS Partners III LP			0.00%	8,000,000.00	3	0.36%
Healthquest of Central Jersey LLC				5,500,000.00	10	0.25%
Total	$187,209,775.00		4.71%	$80,959,500.00		3.69%

Source: Municipal Tax Assessor

EXHIBIT "J-8"
SHEET # 2

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

	2014			2005		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Flemington South	$21,206,000.00	1	4.82%	$7,181,400.00	5	1.63%
Liberty Village	17,531,100.00	2	3.98%	$31,351,100.00	1	7.11%
Flemington Apts. LLC	12,776,000.00	3	2.90%	10,824,000.00	2	2.46%
Bitmore Realty Co.	9,900,000.00	4	2.25%	10,656,000.00	3	2.42%
Hunterdon Shopping Center	7,550,000.00	5	1.71%	7,579,000.00	4	1.72%
Roho LLC	7,110,000.00	6	1.61%	5,600,000.00	7	1.27%
Flemington Fidelco	6,160,000.00	7	1.40%	6,524,000.00	6	1.48%
Taxpayer # 8	4,485,600.00	8	1.02%	4,828,000.00	8	1.10%
Taxpayer # 9	4,082,000.00	9	0.93%			
Flemington Glass				4,671,500.00	9	1.06%
NJN Associates	3,336,000.00	10	0.76%	4,025,000.00	10	0.91%
Total	$94,136,700.00		21.38%	$93,240,000.00		21.15%

Source: Municipal Tax Assessor

EXHIBIT "J-9"
SHEET # 1

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

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	
2014	$43,235,657.00	$43,235,657.00	100.00%	-
2013	42,504,107.04	42,504,107.04	100.00%	-
2012	41,733,971.18	41,733,971.18	100.00%	-
2011	41,075,313.53	41,075,313.53	100.00%	-
2010	41,729,291.63	41,729,291.63	100.00%	-
2009	40,364,516.65	40,364,516.65	100.00%	-
2008	39,102,565.20	39,102,565.20	100.00%	-
2007	37,065,195.30	37,065,195.30	100.00%	-
2006	34,646,664.10	34,646,664.10	100.00%	-
2005	30,366,963.11	30,366,963.11	100.00%	-

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

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

EXHIBIT "J-9"
SHEET # 2

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

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	
2014	$5,766,036.00	$5,766,036.00	100.00%	-
2013	5,322,971.96	5,322,971.96	100.00%	-
2012	5,483,051.82	5,483,051.82	100.00%	-
2011	5,530,984.47	5,530,984.47	100.00%	-
2010	5,069,600.37	5,069,600.37	100.00%	-
2009	4,860,764.35	4,860,764.35	100.00%	-
2008	4,884,702.80	4,884,702.80	100.00%	-
2007	5,041,543.70	5,041,543.70	100.00%	-
2006	4,584,328.90	4,584,328.90	100.00%	-
2005	4,169,929.89	4,169,929.89	100.00%	-

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

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

EXHIBIT "J-10"

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

	Governmental Activities				Business-Type Activities			
Fiscal Year Ended June 30,	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases	Total District	Percentage of Personal Income (a)	Per Capita (a)
2014	$36,640,000.00		$4,935,359.09			$41,575,359.09	*	*
2013	38,470,000.00		4,955,000.00			43,425,000.00	*	1,630.50
2012	40,515,000.00					40,515,000.00	0.18%	1,525.07
2011	42,717,000.00					42,717,000.00	0.16%	1,599.95
2010	45,076,000.00					45,076,000.00	0.14%	1,683.95
2009	47,594,000.00					47,594,000.00	0.14%	1,768.04
2008	50,149,000.00					50,149,000.00	0.14%	1,872.56
2007	52,479,000.00					52,479,000.00	0.13%	1,961.39
2006	54,089,000.00					54,089,000.00	0.12%	2,028.16
2005	56,209,000.00					56,209,000.00	0.11%	2,122.62

Source: District CAFR Schedules I-1, I-2
Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
(a) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
(b) Includes Early Retirement Incentive Plan (ERIP) refunding

* - Data Not Available

EXHIBIT "J-11"

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
2014	$36,640,000.00		$36,640,000.00	0.83%	*
2013	38,470,000.00		38,470,000.00	0.87%	1,444.45
2012	40,515,000.00		40,515,000.00	0.92%	1,525.07
2011	42,717,000.00		42,717,000.00	0.97%	1,599.95
2010	45,076,000.00		45,076,000.00	1.02%	1,683.95
2009	47,594,000.00		47,594,000.00	1.05%	1,768.04
2008	50,149,000.00		50,149,000.00	1.03%	1,872.56
2007	52,479,000.00		52,479,000.00	1.09%	1,961.39
2006	54,089,000.00		54,089,000.00	1.97%	2,028.16
2005	56,209,000.00		56,209,000.00	2.13%	2,122.62

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
(a) See Exhibit NJ J-6 for property tax data.
(b) Population data can be found in Exhibit NJ J-14.

* - Data Not Available

EXHIBIT "J-12"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2013
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Flemington Borough	$8,001,016.83	100.00%	$8,001,016.83
Raritan Township	18,091,082.12	100.00%	18,091,082.12
Other debt			
Hunterdon County	69,514,671.77	21.12%	14,683,964.08
Subtotal, overlapping debt			$40,776,063.03
Flemington-Raritan Regional School District Direct Debt			41,575,359.09
Total direct and overlapping debt			$82,351,422.12

Source: Municipal Chief Financial Officer, County Treasurer's Office

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

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

EXHIBIT "J-13"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2014:

Equalized Valuation Basis

Calendar Year	Borough of Flemington	Township of Raritan	Total
2013	$447,771,827.00	$3,842,117,318.00	$4,289,889,145.00
2012	460,788,760.00	3,993,086,787.00	4,453,875,547.00
2011	469,373,450.00	4,117,758,113.00	4,587,131,563.00
	$1,377,934,037.00	$11,952,962,218.00	13,330,896,255.00
Average Equalized Valuation of Taxable Property			$4,443,632,085.00
Debt Limit (3% (a) of average equalization value)			133,308,962.55
Total Net Debt Applicable to Limit			36,640,000.00
Legal Debt Margin			$96,668,962.55

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	$133,308,962.55	$137,464,582.89	$140,791,776.45	$143,541,943.69	$145,106,607.75	$143,802,830.36	$136,266,619.94	$123,612,139.60	$108,871,952.27	$95,062,349.15
Total Net Debt Applicable To Limit	36,640,000.00	38,470,000.00	40,515,386.00	42,717,386.00	47,594,386.00	47,594,386.00	50,149,386.00	52,479,386.00	54,089,386.00	56,209,386.00
Legal Debt Margin	$96,668,962.55	$98,994,582.89	$100,276,390.45	$100,824,557.69	$97,512,221.75	$96,208,444.36	$86,117,233.94	$71,132,753.60	$54,782,566.27	$38,852,963.15
Total Net Debt Applicable to the Limit as a % of Debt Limit	27.49%	27.99%	28.78%	29.76%	32.80%	33.10%	36.80%	42.45%	49.68%	59.13%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
(a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

EXHIBIT "J-14"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d) Flemington	Unemployment Rate (d) Raritan
2014	*	*	*	4.80%	5.80%
2013	26,633	*	*	7.60%	3.80%
2012	26,566	1,916,232,146	$72,131	7.40%	3.70%
2011	26,699	1,851,842,640	69,360	7.50%	3.80%
2010	26,768	1,749,181,728	65,346	7.30%	3.70%
2009	26,919	1,778,296,059	66,061	4.00%	2.00%
2008	26,781	1,843,255,887	68,827	3.10%	1.50%
2007	26,756	1,829,334,476	68,371	3.60%	1.80%
2006	26,669	1,733,538,338	65,002	3.60%	1.80%
2005	26,481	1,603,212,702	60,542	3.70%	1.60%

Source:
(a) Population information provided by the NJ Dept. of Labor and Workforce Development.
(b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
(c) Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
(d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

* - Data Not Available

EXHIBIT "J-15"

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

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

Source: Municipal Records

(1) - Data not available

EXHIBIT "J-16"

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

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction:										
Regular	266	263	282	272	278	275	278	274	244	234
Special education	54	51	62	51	51	48	48	48	42	37
Other special education										
Vocational										
Other instruction				65	64	64	63	63	41	38
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition										
Student and instruction related services	43	42								
General administrative services	3	3	3	3	3	3	3	3	4	4
School administrative services	20	18	17	17	17	17	17	17	17	15
Plant operations and maintenance	10	10	10	10	10	10	11	11	11	10
Pupil transportation										
Central services	36	36	32	31	33	33	33	33	33	29
Administration information technology	5	5	5	4	4	5	5	5	5	4
Special Schools										
Food Service	23	23	24	24	25	25	25	25	23	23
Total	460	451	435	477	485	480	483	479	420	394

Source: District Personnel Records

EXHIBIT "J-17"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio	Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	3,388	$56,923,938.03	$16,801.63	3.69%	320	10.6	3,403	3,278	-3.15%	96.33%
2013	3,511	56,892,990.79	16,204.21	6.93%	314	11.2	3,514	3,370	-0.97%	95.90%
2012	3,543	53,692,445.47	15,154.51	4.71%	344	10.3	3,548	3,416	-2.32%	96.26%
2011	3,627	52,493,013.04	14,472.85	-2.82%	325	11.2	3,633	3,491	0.80%	96.10%
2010	3,620	53,909,676.98	14,892.18	1.98%	346	10.5	3,604	3,465	0.82%	96.16%
2009	3,602	52,597,948.69	14,602.83	-1.08%	347	10.4	3,574	3,439	-0.32%	96.21%
2008	3,575	52,765,923.77	14,761.76	6.09%	342	10.5	3,586	3,449	0.61%	96.19%
2007	3,586	49,893,674.89	13,913.85	6.77%	342	10.5	3,564	3,427	-0.39%	96.16%
2006	3,579	46,639,885.36	13,031.54	12.99%	327	10.9	3,578	3,442	0.39%	96.20%
2005	3,569	41,162,450.44	11,533.33	7.76%	322	11.1	3,564	3,427	-0.14%	96.14%

Sources: District records
Note: Enrollment based on annual October district count.
(a) Operating expenditures equal total expenditures less debt service and capital outlay.
(b) Teaching staff includes only full-time equivalents of certificated staff.
(c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

EXHIBIT "J-18"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

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

Number of Schools at June 30, 2014
Elementary = 4
Middle School = 1
Intermediate = 1
Source: District records
Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

EXHIBIT "J-19"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
UNAUDITED

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

School Facilities * Project #(s)	Total	Other	Barley Sheaf	Copper Hill	Frances A. Desmares	Reading-Fleming	JP Case	Robert Hunter
2014	$1,514,304.36	$204.04	$102,691.43	$317,182.88	$387,377.73	$110,353.71	$222,501.51	$373,993.06
2013	1,653,345.47		316,610.21	230,500.79	231,209.09	337,944.35	76,176.02	460,905.01
2012	1,498,650.54		164,906.84	310,904.19	628,128.88	189,462.74	113,709.70	91,538.19
2011	1,068,790.78	$1,232.00	73,757.56	127,881.64	256,161.55	450,993.24	94,592.90	64,171.89
2010	1,302,711.41		186,415.33	133,013.58	181,944.99	542,598.99	80,721.30	178,017.22
2009	745,905.97	24,989.00	191,977.59	100,253.59	65,811.25	193,076.20	70,335.19	99,463.15
2008	731,365.52		277,132.62	106,081.53	76,870.49	134,536.09	57,458.06	79,286.73
2007	890,408.18		256,158.63	97,884.86	96,525.43	253,935.24	53,335.39	132,568.63
2006	1,068,080.54	8,031.53	162,196.61	133,435.16	179,330.93	278,235.95	20,579.93	286,270.43
2005	1,011,104.86	3,253.16	145,906.90	150,809.43	138,465.98	199,897.77		372,771.62
Total School Facilities	$12,144,246.53	$48,641.95	$1,937,128.77	$1,869,298.80	$2,316,198.76	$2,851,393.26	$789,410.00	$2,332,174.99

* - School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

EXHIBIT "J-20"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
6/30/2014
UNAUDITED

COMPANY	TYPE OF COVERAGE	COVERAGE	DEDUCTIBLE
SAIF	Property Blanket Building and Contents- Replacement Cost Values	$250,000,000	$2,500
SAIF	Environmental/Pollution	1,000,000 occurrence 25,000,000 aggregate	5,000
	Fungi and Legimella	500,000 occurrence 2,000,000 aggregate	50,000
SAIF	General Liability		
	- Each Occurrence	5,000,000	
	- Personal Injury	5,000,000	
	- Fire Damage	5,000,000	
	- Medical Expense (Excluding Students)	5,000	
	- Employee Benefit Liability		
	- Aggregate	5,000,000	
SAIF	Automobile Coverage		
	- Combined Single Limit	5,000,000	
	- Hired/Non-Owned	5,000,000	
	- Uninsured/Underinsured	15,000/30,000/50,000	
SAIF	Crime Coverage		1,000
	- Employee Theft/per Loss	500,000	
	- Theft, Disappearance and Destruction	50,000	
	- Robbery and Safe Burglary - Property Other Than Money and Securities	50,000	
	- Forgery or Alteration	50,000	
SAIF	Cyber Liability		
	- Third Party Pool Limit	20,000,000	100,000
	- Third Party Each Member	2,000,000	100,000
	- First Party	2,000,000	100,000
	Credit Monitoring and Public Relations		
SAIF	Boiler and Machinery Coverage	100,000,000	2,500
SAIF	Umbrella Liability Coverage		
	- Occurrence Limit	5,000,000	
	- Aggregate Limit	5,000,000	
SAIF	Board of Education		
	- Liability Wrongful Acts Coverage Each Loss/Aggregate	5,000,000	10,000
CAN	Fidelity Bonds		
	- Treasurer of School Monies	300,000	
Hanover	- School Business Administrator/Board Secretary	150,000	
SAIF	Workers Compensation		
	- Each Accident	5,000,000	
	- Each Employee	5,000,000	
	- Aggregate	5,000,000	

Source: District Records

SINGLE AUDIT SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Flemington-Raritan Regional School District (the "District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 21, 2014.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of This Report

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

Suplee, Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

PUBLIC SCHOOL ACCOUNTANT NO. 93

October 21, 2014

SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL AND STATE FINANCIAL ASSISTANCE PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH U.S. OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

Report on Compliance for Each Major Federal and State Program

We have audited the Flemington-Raritan Regional School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Flemington-Raritan Regional School District's major federal and state programs for the year ended June 30, 2014. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Flemington-Raritan Regional School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133*, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey *OMB 04-04*. Those standards, *OMB Circular A-133* and New Jersey *OMB 04-04* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Flemington-Raritan Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Flemington-Raritan Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Flemington-Raritan Regional School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Flemington-Raritan Regional School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB Circular A-133* and New Jersey *OMB 04-04*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Flemington-Raritan Regional School District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Suplee, Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

PUBLIC SCHOOL ACCOUNTANT NO. 93

October 21, 2014

EXHIBIT "K-3"
SCHEDULE A

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM	GRANT PERIOD TO	BALANCE AT JUNE 30, 2013	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2014 (ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2014 DEFERRED REVENUE	BALANCE AT JUNE 30, 2014 DUE TO GRANTOR AT
General Fund														
U.S. Department of Education														
Education Job Funds	84.410A	N/A	$610.00	7/1/12	9/30/13	$ (610.00)	$	$ 610.00	$	$	$	$	$	$
						(610.00)		610.00						
Special Revenue Funds														
U.S. Department of Education														
Passed-through State Department of Education:														
Title I, Part A Grants to Local Education Agencies	84.010A	NCLB-1510-14	94,107.00	7/1/13	6/30/14		217.00	56,501.00	(74,724.58)	0.06		(18,006.52)		
Title I, Part A Grants to Local Education Agencies	84.010A	NCLB-1510-13	109,970.00	9/1/12	8/31/13	(28,658.94)	(217.00)	29,861.00	(985.00)	(0.06)				
Title II, Part A, Improving Teacher Quality	84.367A	NCLB-1510-14	78,592.00	7/1/13	6/30/14		14,130.00	64,462.00	(41,397.29)	(0.04)			37,194.67	
Title II, Part A, Improving Teacher Quality	84.367A	NCLB-1510-13	84,010.00	9/1/12	8/31/13	11,535.46	(14,130.00)	52,026.00	(54,001.50)	4,570.04				
Title III English Language Acquisition	84.365A	NCLB-1510-14	41,469.00	7/1/13	6/30/14		5,668.00	22,382.00	(32,448.64)	0.11		(4,398.53)		
Title III English Language Acquisition	84.365A	NCLB-1510-13	33,986.00	9/1/12	8/31/13	(8,290.23)	(5,668.00)	24,024.00	(10,274.78)	209.01				
Title III, Immigrant	84.365A	NCLB-1510-14	11,707.00	7/1/13	6/30/14				(9,399.00)			(9,399.00)		
Race to the Top	84.413A	N/A	8,039.00	7/1/12	9/30/13	(6,900.26)		6,900.00	(1,138.74)			(1,139.00)		
I.D.E.A. Part B, Individuals with Disabilities	84.027	FT-1510-14	1,012,416.00	7/1/13	6/30/14		295,054.00	321,759.00	(802,172.48)	(8,321.13)		(193,680.61)		
I.D.E.A. Part B, Individuals with Disabilities	84.027	FT-1510-13	1,162,906.00	9/1/12	8/31/13	(429,111.96)	(295,054.00)	693,919.00	(32,228.99)	62,475.95				
I.D.E.A. Part B, Preschool Grants for Children with Disabilities	84.173	PS-1510-14	33,403.00	7/1/13	6/30/14		1,244.00	23,358.00	(28,633.24)	0.45		(4,030.79)		
I.D.E.A. Part B, Preschool Grants for Children with Disabilities	84.173	PS-1510-13	42,222.00	9/1/12	8/31/13	(43,322.93)	(1,244.00)	42,222.00		2,344.93				
Total U.S. Department of Education						(504,748.86)		1,337,414.00	(1,087,404.24)	61,279.32		(230,654.45)	37,194.67	
Enterprise Funds														
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Non-Cash Assistance (Commodities):														
National School Lunch Program	10.555	N/A	59,060.07	7/1/12	6/30/13	5,333.75			(5,333.75)					
National School Lunch Program	10.555	N/A	74,201.16	7/1/13	6/30/14			74,201.16	(67,639.46)				6,561.70	
Cash Assistance:														
School Breakfast Program	10.553	N/A	21,489.35	7/1/12	6/30/13	(1,789.92)		1,789.92						
School Breakfast Program	10.553	N/A	36,087.74	7/1/13	6/30/14			32,968.60	(36,087.74)			(3,119.14)		
National School Lunch Program	10.555	N/A	236,327.73	7/1/12	6/30/13	(18,797.46)		18,797.46						
National School Lunch Program	10.555	N/A	250,058.14	7/1/13	6/30/14			229,528.50	(250,058.14)			(20,529.64)		
Total U.S. Department of Agriculture						(15,253.63)		357,285.64	(359,119.09)			(23,648.78)	6,561.70	
Total Federal Financial Assistance						$ (520,612.49)	$ -0-	$ 1,695,309.64	$ (1,446,523.33)	$ 61,279.32	$	$ (254,303.23)	$ 43,756.37	$

See accompanying notes to schedules of financial assistance.

EXHIBIT "K-4"
SCHEDULE B

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM	GRANT PERIOD TO	BALANCE AT JUNE 30, 2013 (ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2013 DEFERRED REVENUE	BALANCE AT JUNE 30, 2013 DUE TO GRANTOR	CARRYOVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2014 (ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2014 DEFERRED REVENUE	BALANCE AT JUNE 30, 2014 DUE TO GRANTOR	MEMO BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
State Department of Education																
General Funds:																
Special Education Aid	14-495-034-5120-089	$ 2,067,960.00	7/1/13	6/30/14	$	$	$	$	$ 1,865,788.19	$ (2,067,960.00)	$	$	$	$	$ (202,171.81)	$ (2,067,960.00)
Security Aid	14-495-034-5120-084	133,295.00	7/1/13	6/30/14					120,263.56	(133,295.00)					(13,031.44)	(133,295.00)
Equalization Aid	14-495-034-5120-078	3,583,525.00	7/1/13	6/30/14					3,233,185.65	(3,583,525.00)					(350,339.35)	(3,583,525.00)
Transportation Aid	14-495-034-5120-014	276,640.00	7/1/13	6/30/14					249,594.60	(276,640.00)					(27,045.40)	(276,640.00)
Nonpublic Transportation Aid	14-495-034-5120-044	14,644.00	7/1/13	6/30/14						(14,644.00)		(14,644.00)				(14,644.00)
Nonpublic Transportation Aid	13-495-034-5120-044	20,158.80	7/1/12	6/30/13	(20,158.80)				20,158.80							
Extraordinary Special Education Costs Aid	13-100-034-5120-473	357,012.00	7/1/12	6/30/13	(357,012.00)				357,012.00							
Extraordinary Special Education Costs Aid	14-100-034-5120-473	372,418.00	7/1/13	6/30/14						(372,418.00)		(372,418.00)				(372,418.00)
Reimbursed TPAF Social Security Contribution	13-495-034-5095-002	1,711,306.27	7/1/12	6/30/13	(88,235.20)				88,235.20							
Reimbursed TPAF Social Security Contribution	14-495-034-5095-002	1,803,263.94	7/1/13	6/30/14					1,714,313.59	(1,803,263.94)		(88,950.35)				(1,803,263.94)
					(465,406.00)				7,648,551.59	(8,251,745.94)		(476,012.35)			(592,588.00)	(8,251,745.94)
Special Revenue Funds:																
Character Education	06-100-034-5120-418	9,563.00	7/1/05	6/30/08		295.44							295.44			
N.J. Non-Public Aid:																
Handicapped Services:																
Corrective Speech	13-100-034-5120-066	4,609.00	7/1/12	6/30/13			78.00				78.00					
Corrective Speech	14-100-034-5120-066	4,687.00	7/1/13	6/30/14					4,687.00	(703.08)	0.12			3,984.04		(703.08)
Examination and Classification	14-100-034-5120-066	3,661.00	7/1/13	6/30/14					3,661.00	(319.20)				3,341.80		(319.20)
Supplemental Instruction	14-100-034-5120-066	694.00	7/1/13	6/30/14					694.00	(693.84)				0.16		(693.84)
Supplemental Instruction	13-100-034-5120-066	1,041.00	7/1/12	6/30/13			694.00				694.00					
Auxiliary Services:																
E.S.L.	14-100-034-5120-067	873.00	7/1/13	6/30/14					873.00					873.00		
Nonpublic Technology Aid	13-100-034-5120-373	664.00	7/1/12	6/30/13			664.00				664.00					
Nonpublic Technology Aid	14-100-034-5120-373	580.00	7/1/13	6/30/14					580.00					580.00		
Nonpublic Textbook Aid	14-100-034-5120-064	1,261.00	7/1/13	6/30/14					1,261.00	(296.67)	(0.33)			964.00		(296.67)
Nonpublic Textbook Aid	13-100-034-5120-064	1,480.00	7/1/12	6/30/13			1,042.00				1,042.00					
Nonpublic Nursing Services	14-100-034-5120-070	2,316.00	7/1/13	6/30/14					2,316.00	(2,188.93)	(0.07)			127.00		(2,188.93)
						295.44	2,478.00		14,072.00	(4,201.72)	2,477.72		295.44	9,870.00		(4,201.72)
Debt Service Fund:																
Debt Service Aid - Type II	14-495-034-5120-075	167,765.00	7/1/13	6/30/14					167,765.00	(167,765.00)						(167,765.00)
									167,765.00	(167,765.00)						(167,765.00)
Enterprise Fund:																
National School Lunch Program (State Share)	13-100-010-3350-023	10,614.47	7/1/12	6/30/13	(1,508.26)				1,508.26							
National School Lunch Program (State Share)	14-100-010-3350-023	10,322.25	7/1/13	6/30/14					9,477.11	(10,322.25)		(845.14)				(10,322.25)
					(1,508.26)				10,985.37	(10,322.25)		(845.14)				(10,322.25)
Total State Financial Assistance Subject to Single Audit Testing					(466,914.26)	295.44	2,478.00		7,841,373.96	(8,434,034.91)	2,477.72	(476,857.49)	295.44	9,870.00	(592,588.00)	(8,434,034.91)
On-Behalf Amounts Utilized for Determining Single Audit:																
General Fund:																
On-Behalf TPAF	14-495-034-5095-006	995,926.00	7/1/13	6/30/14					995,926.00	(995,926.00)						(995,926.00)
On-Behalf TPAF Post-Retirement Medical Benefits	14-495-034-5095-001	1,632,945.00	7/1/13	6/30/14					1,632,945.00	(1,632,945.00)						(1,632,945.00)
Total State Financial Assistance					$ (466,914.26)	$ 295.44	$ 2,478.00	$	$ 10,470,244.96	$ (11,062,905.91)	$ 2,477.72	$ (476,857.49)	$ 295.44	$ 9,870.00	$ (592,588.00)	$ (11,062,905.91)

See accompanying notes to schedules of financial assistance.

EXHIBIT "K-5"

Flemington-Raritan Regional School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2014

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($4,525.00) for the general fund and $19,155.96 for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund		$10,876,091.94	$10,876,091.94
Special Revenue Fund	$1,109,851.24	4,201.72	1,114,052.96
Debt Service Fund		167,765.00	167,765.00
Food Service Fund	359,119.09	10,322.25	369,441.34
Total Awards & Financial Assistance	$1,468,970.33	$11,058,380.91	$12,527,351.24

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2014.

EXHIBIT "K-6"

Flemington-Raritan Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

Section I – Summary of Auditor's Results

Financial Statements

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

Federal Program(s)

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

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

Program	Grant Number
IDEA Part B	84.027
IDEA Preschool	84.173

(5) Program Threshold Determination:
Type A Federal Program Threshold > $300,000.00
Type B Federal Program Threshold <= $300,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

Flemington-Raritan Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

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

State Program(s)

(1) Internal Control Over Major State Programs:

(a) Material weakness identified? No

(a) Significant deficiencies identified that are not considered to be material weaknesses? No

(2) Type of Auditor's Report issued on compliance for major state program(s)? Unmodified

(3) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04? None Reported

(4) Identification of Major State Program(s):

Program	Number
Debt Service Aid	495-034-5120-075
Equalization Aid	495-034-5120-078
Special Education Categorical Aid	495-034-5120-089
Security Aid	495-034-5120-084

(5) Program Threshold Determination:
Type A State Program Threshold > $331,887.18
Type B State Program Threshold <= $331,887.18

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

Flemington-Raritan Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

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

Internal Control Findings

None Reported

Compliance Findings

None Reported

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

Federal Programs – None Reported

State Programs – None Reported

EXHIBIT "K-7"

Flemington-Raritan Regional School District

Schedule of Prior Year Audit Findings

Not Applicable