

**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, 2016**

**Prepared by**

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



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**INTRODUCTORY SECTION**



# Flemington-Raritan Regional School District

**Maryrose Caulfield**  
**Superintendent**  
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(908)284-7575 - FAX (908)284-7656

November 4, 2016

Honorable President Fallon  
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, 2016 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 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 principle officials. The financial section includes the Management's Discussion and Analysis, the basic financial statements and required supplemental information, 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." 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 Governmental Accounting Standards Board (GASB) as established by National Council on Governmental Accounting (NCGA) Statement No. 3. The Flemington-Raritan Regional Board of Education and all its schools constitute the District's reporting entity.

The Flemington-Raritan Regional School District serves Flemington Borough and Raritan Township children providing a full range of educational services appropriate to grades 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 2015-2016 fiscal year with an enrollment of 3178 students.



The following table presents the actual historical pupil enrollment, as of October 15, for the school years 2006-2007 through 2015-2016.

<u>School Year</u>	<u>Enrollment as of October 15</u>	<u>Percent Change</u>
2006-07	3,592	.45%
2007-08	3,544	-1.34%
2008-09	3,584	1.13%
2009-10	3,610	.73%
2010-11	3,616	.17%
2011-12	3,541	-2.11%
2012-13	3,505	-1.03%
2013-14	3,387	-3.48%
2014-15	3,344	-1.29%
2015-16	3,150	-6.16%

2) ECONOMIC CONDITION AND OUTLOOK:

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

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

3) MAJOR INITIATIVES:

The Board of Education established three goals for the 2015-2016 school year.

1. Adhere to School Board Best Practices
2. Improve the Board’s external communication with all stakeholders.
3. Develop and execute a plan to improve the Board’s internal communications and the exchange of information amongst Board members.

The Board remains committed to Professional Development, Curriculum Development and Instructional Program/Technology as outlined below:

**Professional Development**

Major Professional Development Offerings during the 2015-2016 school year included support for the following:

- Readers Workshop instruction for grades 3-5
- New, K-8 math curriculum and materials adoption
- New, 6-8 science curriculum and materials adoption, particularly through a partnership with Rider University to increase teachers’ knowledge of the Next Generation Science Standards
- New, 6-8 social studies and materials adoption
- Technology integration in preparation of 1:1 Chromebook initiative, including the hiring of Technology Integration Specialists to promote job-embedded professional development
- New Bilingual Program
- New 5-6 Computer Curriculum
- Novice Teachers through implementation of the Mentoring Program, New Teacher Summer Institute, and New Teacher Orientation
- Response to Intervention through Anecdotal Records training
- Support was provided for teacher’s pursuit of graduate credits and degrees.
- Consultants were used to support the Readers Workshop program implementation.
- Title I funds were also used to address priority problems identified in our two Title I schools. Specifically, Literacy Coaches were hired to work directly with the teachers of Title I students to strengthen their strategies and skills in providing Tier 1 interventions.

## **Curriculum Development**

Curriculum development projects during the 2015-2016 school year included the following:

- Computer Curriculum Adoption – Grades K-2
- Food and Sewing with technology integration – Grades 7-8
- Geometry Curriculum Adoption – Grade 8
- G&T Stretch with technology integration – Grades 5-6
- Word Study Curriculum Adoption – Grade 1
- World Language with technology integration – Grades K-2
- World Language Curriculum Adoption – Grades 5-6
- Stretch Curriculum Adoption – Grades 7-8
- Library/Media Literacy Curriculum Adoption – K-8
- Mathematics – K-8
- Music Curriculum – Grades K-8
- Science Curriculum Adoption – Grades 6-8
- Social Studies Curriculum Adoption – Grades 6-8

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

## **Instructional Programs/Technology**

Title I federal funds were used to support Literacy Coaches at RH and FAD. In addition, after an extended school year programs were implemented to support improved reading and writing achievement.

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

Other on-going district programs were maintained and/or expanded during the 2015-2016 school year. These programs include the following:

- The District maintains its commitment to maintaining reasonable class sizes at all grade levels.
- The District continued its support high speed, broadband internet access. Wireless access points were upgraded at CH and RH. During the summer of 2016, wireless access points will be upgraded at BS and FAD.
- The District continued to replace technology devices as they failed for all teachers, administrators, office staff, and in our media centers. However, in addition, we gradually increased the number of Chromebooks throughout the 2015-2016 school year to meet demand and in anticipation of the September 2016 1:1 initiative.
- Intervention programs, such as Reading Recovery, Math Support, Reading Support, Special Education, ESL, Speech, OT/PT, etc., continued and were expanded as necessary to meet increasing demands.
- Gifted programs, including grades 3-8 Stretch, 3-6 Gifted Math, 7-8 Leveled Math, and 7-8 Passages program were continued.
- The District expanded the use of Technology Integration Specialists to strengthen the use of technology as an instructional and learning tool.
- The District also provided counseling services to assist students in growing socially and emotionally into productive learning community members. Small and large group counseling was provided on a variety of age-appropriate topics. In addition, counselors worked to assist students through transitions between grades, particularly as students prepared to enter high school.

## Assessment

The District replaced the CogAT-6 with the CogAT-7 assessment during the 2015-2016 school year. We also eliminated the use of NJPASS and are currently using homegrown benchmarks to replace it. This year also marked the second year of implementation of the PARCC assessment. This assessment requires students in grades 3-8 to have access to a Chromebook, ear buds, computer mouse, and the internet.

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

### 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. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

### 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 as amended and the related Uniform Guidance and State Treasury Circular Letter 15-08. The auditor's report on the basic financial statements, combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

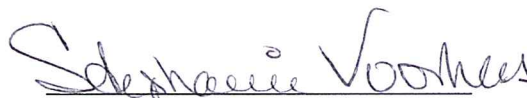
10) ACKNOWLEDGMENTS:

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

Respectfully Submitted,



Maryrose Caulfield  
Superintendent



Stephanie Voorhees  
Business Administrator/Board Secretary

mrc/sv:lab

## **District Mission Statement**

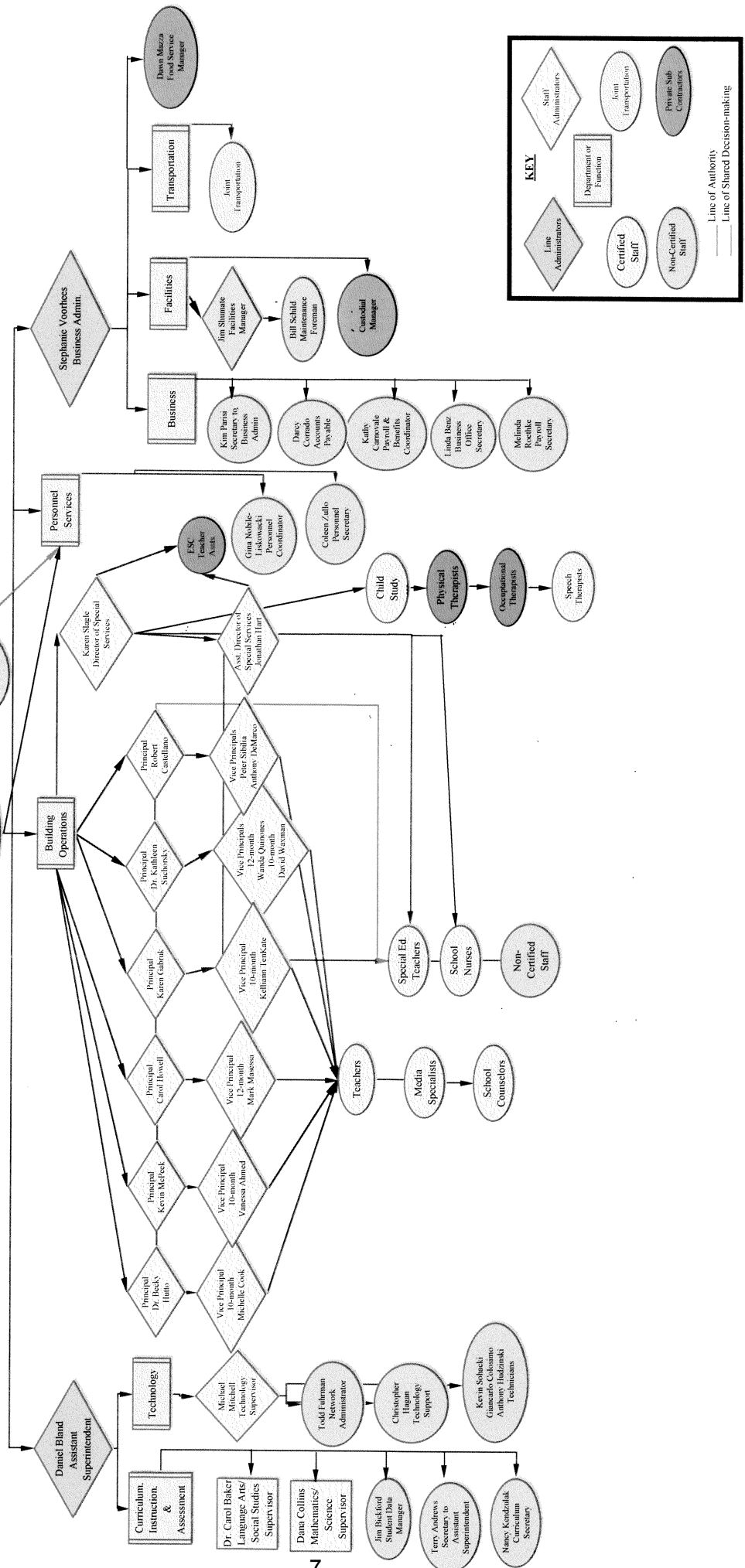
**The Flemington-Raritan Regional Schools provides our students with an exceptional education, empowering them to become problem solvers, collaborators and critical thinkers. The district creates a culture in which students act responsibly and communicate effectively in preparing to become productive 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.**

2015-2016

# Board of Education

Dr. Maryrose Cimfield  
Superintendent of Schools

Laura Bradin  
Exec. Admin. Services  
Superintendent



**KEY**

- Line Administrators (Diamond)
- Certified Staff (Circle)
- Non-Certified Staff (Oval)
- Department or Function (Rectangle)
- Joint Transportation (Oval)
- Staff Administrators (Diamond)
- Team Transportation (Oval)
- Private Sub Contractors (Oval)

— Line of Authority  
- - - Line of Shared Decision-making

**FLEMINGTON-RARITAN REGIONAL BOARD OF EDUCATION**  
**FLEMINGTON, NEW JERSEY**

**ROSTER OF OFFICIALS**  
**AS OF JUNE 30, 2016**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jessica Abbott	2016
Tim Bart	2018
Sandra Borucki	2016
Dennis Copeland	2016
Bruce Davidson, President	2016
Anna Fallon, Vice President	2018
Marianne Kenny	2016
Laurie Markowski	2018
Michael Stager	2017

Other Officials:

Maryrose Caulfield, Superintendent

Stephanie Voorhees, Board Secretary/Business Administrator

Daniel Bland, 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, 2016**

**Architect**

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

**Audit Firm**

Suplee, Clooney & Co.  
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Westfield, NJ 07090

**Attorney**

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

**Bond Counsel**

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

**Official Depository**

Investors Bank  
698 Broad Street  
Three Bridges, NJ 08887



**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

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## **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, 2016, 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, and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of New Jersey *OMB Circular 15-08* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

## SUPLEE, CLOONEY & COMPANY

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Flemington-Raritan Regional School District, County of Hunterdon, New Jersey as of June 30, 2016, 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 and the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

# SUPLEE, CLOONEY & COMPANY

## *Other Information*



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Flemington-Raritan Regional School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "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 the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and by the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 4, 2016 on our consideration of the Flemington-Raritan Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Flemington-Raritan Regional School District's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS  
  
PUBLIC SCHOOL ACCOUNTANT NO. 962

November 4, 2016

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

**FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
HUNTERDON COUNTY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016  
UNAUDITED**

The Management's Discussion and Analysis of the Flemington-Raritan Regional School District (the "District") offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2016. 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 the Required Supplementary Information (RSI) specified in the Governmental Accounting Standards Board's (GASB) Statement Number 34, Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments. Certain comparative information between the current fiscal year (2015-2016) and the prior fiscal year (2014-2015) is required to be presented in the MD&A.

**Financial Highlights**

In the District-wide Financial Statements:

- Net position of Governmental Activities increased \$2,501,344.53 or 20.85%
- Net position of the Business-type Activities increased by \$15,775.84 or 3.66%.

In the Major Fund Financial Statements:

- Governmental fund revenues exceed expenditures by \$1,586,353.21.
- Among governmental funds, the General Fund's fund balance increased \$1,661,728.79.

**FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
HUNTERDON COUNTY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016  
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**Overview of the Financial Statements**

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

- District-wide Financial Statements provide both short-term and long-term information about the District’s overall financial status.
- Major 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.



**FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
HUNTERDON COUNTY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**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 Position 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 it has 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 is 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. The District charges fees to help it cover the costs of certain services it provided. The food service account is 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).

**FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
HUNTERDON COUNTY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016  
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**Fund Financial Statements (Continued)**

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 position belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

**FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
HUNTERDON COUNTY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016  
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**Financial Analysis of the District as a Whole**

Table 1 below reflects the District's net position as a whole for the Fiscal years 2016 and 2015.

TABLE 1  
NET POSITION

	<u>FY2016</u>	<u>FY2015</u>
<b>ASSETS</b>		
Current & Other Assets	\$8,360,498.44	\$7,112,240.27
Capital Assets	<u>51,545,745.54</u>	<u>52,542,079.30</u>
<b>TOTAL ASSETS</b>	<u>59,906,243.98</u>	<u>59,654,319.57</u>
<b>DEFERRED OUTFLOWS</b>		
Related to pensions	<u>2,040,238.00</u>	<u>860,799.00</u>
<b>TOTAL DEFERRED OUTFLOWS</b>	<u>2,040,238.00</u>	<u>860,799.00</u>
<b>LIABILITIES</b>		
Other Liabilities	823,085.70	647,966.81
Long-Term Liabilities	<u>45,190,457.33</u>	<u>45,649,233.28</u>
<b>TOTAL LIABILITIES</b>	<u>46,013,543.03</u>	<u>46,297,200.09</u>
<b>DEFERRED INFLOWS</b>		
Related to pensions	<u>992,805.10</u>	<u>1,794,905.00</u>
<b>TOTAL DEFERRED INFLOWS</b>	<u>992,805.10</u>	<u>1,794,905.00</u>
<b>NET POSITION</b>		
Net investment in capital assets	16,871,496.92	15,554,939.21
Restricted	4,421,901.36	3,851,540.74
Unrestricted ( Deficit)	<u>(6,353,264.43)</u>	<u>(6,983,466.47)</u>
<b>TOTAL NET POSITION</b>	<u><u>\$14,940,133.85</u></u>	<u><u>\$12,423,013.48</u></u>

The District's combined net position was \$14,940,133.85 on June 30, 2016. The District's investment in capital assets is shown net of any related debt used to acquire those assets.

**FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
HUNTERDON COUNTY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016  
UNAUDITED**

Table 2 shows changes in net position for Fiscal Years 2016 and 2015.

TABLE 2  
CHANGES IN NET POSITION

	<u>FY2016</u>	<u>FY2015</u>
<b>REVENUES</b>		
Program Revenues:		
Charges for Services	\$642,080.98	\$653,154.22
Operating Grants & Contributions	17,848,723.37	14,887,293.73
General Revenues:		
Property Taxes	51,447,607.00	49,435,174.00
Grants & Entitlements	3,828,932.72	4,227,312.03
Other	1,037,366.01	787,867.43
Total Revenue	<u>74,804,710.08</u>	<u>69,990,801.41</u>
<b>EXPENSES</b>		
Instruction	44,546,208.87	42,464,433.19
Pupils and Instructional Staff	8,569,599.65	8,147,629.69
General & School Administration, Central Services & Technology	7,670,536.49	7,002,141.97
Maintenance	5,045,276.55	5,285,132.91
Transportation	4,518,683.55	3,853,922.13
Interest on Long-Term Debt	931,401.43	1,154,121.58
Charter School		22,159.00
Business Type	985,840.57	1,031,601.35
Total Expense	<u>72,267,547.11</u>	<u>68,961,141.82</u>
Disposal of Capital Assets (Net)	(20,042.60)	
Change in Net Position	2,517,120.37	1,029,659.59
Net Position - July 1,	<u>\$12,423,013.48</u>	<u>11,393,353.89</u>
Net Position - June 30,	<u><u>\$14,940,133.85</u></u>	<u><u>\$12,423,013.48</u></u>

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Both revenues and expenses increased mainly as a result of the district recognizing a larger on-behalf TPAF contribution as a revenue and as an expense based upon the State's Actuarial report

**FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
HUNTERDON COUNTY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Sources of Revenue for Fiscal Year 2016**

In the District-wide Financial Statements, the District's total revenue for the 2015-2016 school year was \$74,804,710.08 as reflected in Table 3 below. Property taxes accounted for 68.78 percent of the total revenue with the other 31.22 percent consisting of federal & state aid, charges for service, operating grants & contributions, and miscellaneous sources. Table 3 below summarizes these revenues for Fiscal Years 2016 and 2015.

TABLE 3  
DISTRICT-WIDE REVENUES

	<u>FY2016</u>		<u>FY2015</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$51,447,607.00	68.78%	\$49,435,174.00	70.63%
Federal & State Grants not Restricted	3,828,932.72	5.12%	4,227,312.03	6.04%
Miscellaneous Income	1,037,366.01	1.39%	787,867.43	1.13%
Charges for Services	642,080.98	0.86%	653,154.22	0.93%
Operating Grants & Contributions	17,848,723.37	23.86%	14,887,293.73	21.27%
	<u>\$74,804,710.08</u>	<u>100.00%</u>	<u>\$69,990,801.41</u>	<u>100.00%</u>

**FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
HUNTERDON COUNTY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016  
UNAUDITED**

**Expenses for the Fiscal Year 2016**

The total expenditures for the 2015-2016 fiscal year for all programs and services were \$72,267,547.11. Table 4 below summarizes these program costs.

TABLE 4  
DISTRICT-WIDE EXPENSES

	<u>FY2016</u>		<u>FY2015</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$44,546,208.87	61.64%	\$42,464,433.19	61.58%
Pupils and Instructional Staff	8,569,599.65	11.86%	8,147,629.69	11.81%
General & School Administration, Central Services & Technology	7,670,536.49	10.61%	7,002,141.97	10.15%
Maintenance	5,045,276.55	6.98%	5,285,132.91	7.66%
Transportation	4,518,683.55	6.25%	3,853,922.13	5.59%
Interest on Long-Term Debt	931,401.43	1.29%	1,154,121.58	1.67%
Charter School			22,159.00	0.03%
Business Type	985,840.57	1.36%	1,031,601.35	1.50%
	<u>\$72,267,547.11</u>	<u>100.00%</u>	<u>\$68,961,141.82</u>	<u>100.00%</u>

The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through twelve, which accounts for 73 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 \$1,937,797.36 for depreciation.

**FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
HUNTERDON COUNTY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016  
UNAUDITED**

**Governmental Activities**

Table 5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of District activities. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

TABLE 5  
NET COST OF SERVICE

	Total Cost of Services <u>FY2016</u>	Total Cost of Services <u>FY2015</u>	Net Cost of Services <u>FY2016</u>	Net Cost of Services <u>FY2015</u>
Instruction	\$44,546,208.87	\$42,464,433.19	\$30,984,246.28	\$31,495,981.71
Pupils and Instructional Staff	8,569,599.65	8,147,629.69	6,313,020.60	6,381,372.93
General & School Administration, Central Services & Technology	7,670,536.49	7,002,141.97	6,414,113.60	5,885,236.11
Maintenance	5,045,276.55	5,285,132.91	5,045,276.55	5,174,632.37
Transportation	4,518,683.55	3,853,922.13	4,235,169.22	3,557,804.00
Interest on Long-Term Debt	931,401.43	1,154,121.58	797,355.43	902,354.58
Charter School		22,159.00		22,159.00
Business Type	985,840.57	1,031,601.35	(12,438.92)	1,153.17
	<u>\$72,267,547.11</u>	<u>\$68,961,141.82</u>	<u>\$53,776,742.76</u>	<u>\$53,420,693.87</u>

**General Fund Budgeting Highlights**

The District's budget is prepared according to New Jersey Statutes and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

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 over expenditures in specific line item accounts. In addition, the following revision is noteworthy:

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

**FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
HUNTERDON COUNTY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016  
UNAUDITED**

**Capital Assets**

During the fiscal year 2015-2016 the District's depreciation expense exceeded capital acquisitions, therefore capital assets net of depreciation decreased by \$996,336.76. Table 6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

TABLE 6  
CAPITAL ASSETS (NET OF DEPRECIATION) AT JUNE 30,

	<u>FY2016</u>	<u>FY2015</u>
Land	\$2,399,641.19	\$2,399,641.19
Construction in Progress	3,723,344.32	3,161,785.58
Site Improvements	663,925.08	755,340.36
Building Improvements	42,303,523.22	43,660,242.71
Machinery Equipment	2,455,311.73	2,565,069.46
	<u>\$51,545,745.54</u>	<u>\$52,542,079.30</u>

**Debt Administration**

At June 30, 2016, the District had \$45,190,457.33 of outstanding long-term debt, consisting of bonds payable, compensated absences, capital leases and net pension liability. The District will continue to pay down its debt, as the obligations are due. Table 7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term debt is presented in Note 4 to the financial statements.

TABLE 7  
LONG-TERM DEBT AT JUNE 30,

	<u>FY2016</u>	<u>FY2015</u>
Bonds Payable	\$30,870,000.00	\$32,875,000.00
Capital Leases Payable	4,187,530.20	4,538,538.51
Compensated Absences	1,149,805.13	1,052,343.77
Net Pension Liability	8,983,122.00	7,183,351.00
	<u>\$45,190,457.33</u>	<u>\$45,649,233.28</u>



**FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
HUNTERDON COUNTY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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UNAUDITED**

**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.

**FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
HUNTERDON COUNTY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Reading-Fleming Intermediate School supports 5<sup>th</sup> and 6<sup>th</sup> 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 (FREAA) also provides for required attendance at three full-day staff development programs, two half-day programs and eight 90-minute meetings.

**FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
HUNTERDON COUNTY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Contacting the School District's Financial Management Office**

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

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2016.

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2016

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$4,709,686.78	\$229,584.21	\$4,939,270.99
Receivables, net	1,481,019.58	20,562.73	1,501,582.31
Inventory		22,627.68	22,627.68
Interfund receivable	15,209.49		15,209.49
Restricted assets:			
Restricted cash and cash equivalents	1,881,807.97		1,881,807.97
Capital assets:			
Land and construction in progress	6,122,985.51		6,122,985.51
Other capital assets, net of depreciation	45,214,940.45	207,819.58	45,422,760.03
Total Assets	59,425,649.78	480,594.20	59,906,243.98
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Pension related	2,040,238.00		2,040,238.00
<b>LIABILITIES:</b>			
Accounts payable	613,608.70	411.91	614,020.61
Payable to state government	4,392.41		4,392.41
Unearned revenue	9,659.78	34,064.99	43,724.77
Accrued interest on bonds	160,947.91		160,947.91
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	2,217,891.54		2,217,891.54
Due beyond one year:			
Compensated absences payable	1,149,805.13		1,149,805.13
Net pension liability	8,983,122.00		8,983,122.00
Bonds and capital leases payable	32,839,638.66		32,839,638.66
Total liabilities	45,979,066.13	34,476.90	46,013,543.03
<b>DEFERRED INFLOW OF RESOURCES:</b>			
Pension related	144,431.00		144,431.00
Gain on Refunding of Long-Term Debt	848,374.10		848,374.10
Total deferred inflow of resources	992,805.10		992,805.10
<b>NET POSITION:</b>			
Net investment in capital assets	16,663,677.34	207,819.58	16,871,496.92
Restricted for:			
Capital projects fund	311,609.46		311,609.46
Debt service fund (deficit)	(20,894.27)		(20,894.27)
Other purposes	4,131,186.17		4,131,186.17
Unrestricted (deficit)	(6,591,562.15)	238,297.72	(6,353,264.43)
Total net position	\$14,494,016.55	\$446,117.30	\$14,940,133.85

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Indirect Expense Allocation	Charges for Services	Programs Revenues and Contributions	Net (Expense) Revenue and Changes in Net Position			
					Governmental Activities	Business-Type Activities	Total	
<b>Governmental Activities:</b>								
Instruction:								
Regular	\$ 17,118,970.08	\$ 13,019,790.51	\$	\$ 7,424,931.88	\$ (22,713,828.71)	\$	\$ (22,713,828.71)	
Special	7,823,641.48	3,028,955.75		5,184,908.29	(5,667,688.94)		(5,667,688.94)	
Other Instruction	2,088,955.60	1,465,895.45		982,122.41	(2,602,728.63)		(2,602,728.63)	
Support services:								
Tuition	405,223.82				(405,223.82)		(405,223.82)	
Student and instruction related services	5,049,387.34	3,114,988.49		2,256,579.05	(5,907,796.78)		(5,907,796.78)	
General administrative services	883,282.96	272,664.19			(1,155,947.15)		(1,155,947.15)	
School administrative services	2,985,878.51	1,986,943.02		1,256,422.90	(3,738,398.63)		(3,738,398.63)	
Central services	543,855.08	306,715.20			(850,570.28)		(850,570.28)	
Administration information technology	435,454.73	233,742.81			(669,197.54)		(669,197.54)	
Plant operations and maintenance	4,366,983.90	678,292.65			(5,045,276.55)		(5,045,276.55)	
Pupil transportation	4,469,556.88	49,126.67			(4,235,169.22)		(4,235,169.22)	
Unallocated benefits	22,270,251.09	(22,270,251.09)		283,514.33				
Interest on Long-Term Debt	931,401.43			134,046.00	(797,355.43)		(797,355.43)	
Unallocated depreciation	1,898,863.64	(1,898,863.64)						
Total governmental activities	71,281,706.54			17,492,524.86	(53,789,181.68)		(53,789,181.68)	
<b>Business-type activities</b>								
Food Service	985,840.57		642,080.98	356,198.51		12,438.92	12,438.92	
Total business-type activities	985,840.57		642,080.98	356,198.51		12,438.92	12,438.92	
<b>Total primary government</b>	<b>\$ 72,267,547.11</b>		<b>\$ 642,080.98</b>	<b>\$ 17,848,723.37</b>	<b>\$ (53,789,181.68)</b>	<b>\$ 12,438.92</b>	<b>\$ (53,776,742.76)</b>	
<b>General Revenues:</b>								
Taxes:								
Property taxes, levied for general purposes, net					48,158,053.00		48,158,053.00	
Taxes levied for debt service					3,289,554.00		3,289,554.00	
Federal and state aid not restricted					3,828,932.72		3,828,932.72	
Miscellaneous income					1,034,029.09	3,336.92	1,037,366.01	
Disposal of capital asset (net)					(20,042.60)		(20,042.60)	
Total general revenues and special items					56,290,526.21	3,336.92	56,293,863.13	
Change in net position					2,501,344.53	15,775.84	2,517,120.37	
Net Position - beginning					11,992,672.02	430,341.46	12,423,013.48	
Net Position ending					14,494,016.55	446,117.30	14,940,133.85	

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

## **MAJOR FUND FINANCIAL STATEMENTS**

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



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 4,569,633.14	\$	\$	\$ 140,053.64	\$ 4,709,686.78
Cash, Capital Reserve	649,334.84				649,334.84
Cash on hand with Fiscal Agents	1,232,473.13				1,232,473.13
Other receivables	201,826.47				201,826.47
Due from other funds	377,387.65				377,387.65
Receivables from other governments	551,279.74	223,678.26	504,235.11		1,279,193.11
	<u>551,279.74</u>	<u>223,678.26</u>	<u>504,235.11</u>	<u>140,053.64</u>	<u>1,279,193.11</u>
Total assets	\$ <u>7,581,934.97</u>	\$ <u>223,678.26</u>	\$ <u>504,235.11</u>	\$ <u>140,053.64</u>	\$ <u>8,449,901.98</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 211,073.69	\$ 40,891.01	\$	\$	\$ 251,964.70
Interfund payables		169,552.51	192,625.65		362,178.16
Payable to state government		4,392.41			4,392.41
Unearned revenue	1,232,473.13	8,842.33			1,241,315.46
	<u>1,232,473.13</u>	<u>8,842.33</u>	<u>192,625.65</u>	<u>140,053.64</u>	<u>1,241,315.46</u>
Total liabilities	<u>1,443,546.82</u>	<u>223,678.26</u>	<u>192,625.65</u>	<u>140,053.64</u>	<u>1,859,850.73</u>
Fund balances:					
Restricted for:					
Excess surplus	2,377,745.33				2,377,745.33
Excess surplus - designated for subsequent years expenditures	1,104,106.00				1,104,106.00
Capital reserve account	649,334.84				649,334.84
Capital projects			(181,496.54)		(181,496.54)
Debt service				1,599.64	1,599.64
Committed to:					
Designated for subsequent years expenditures				138,454.00	138,454.00
Assigned to:					
Other purpose- encumbrances	1,072,855.22				1,072,855.22
Capital projects			493,106.00		493,106.00
Unassigned:					
General fund	934,346.76				934,346.76
	<u>934,346.76</u>	<u>223,678.26</u>	<u>311,609.46</u>	<u>140,053.64</u>	<u>6,590,051.25</u>
Total fund balances	<u>6,138,388.15</u>	<u>223,678.26</u>	<u>311,609.46</u>	<u>140,053.64</u>	<u>6,590,051.25</u>
Total liabilities and fund balances	\$ <u>7,581,934.97</u>	\$ <u>223,678.26</u>	\$ <u>504,235.11</u>	\$ <u>140,053.64</u>	\$ <u>8,449,901.98</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

Total Fund Balances (Brought Forward)		\$6,590,051.25
<p>Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Cost of Assets	\$84,751,081.25	
Accumulated Depreciation	<u>(33,413,155.29)</u>	
		51,337,925.96
<p>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.</p>		
Compensated Absences	(1,149,805.13)	
Bonds Payable	(30,870,000.00)	
Deferred Amount on Issuance of Refunding Bonds	(848,374.10)	
Net Pension Liability	(8,983,122.00)	
Capital Leases (Net of Unexpended Proceeds)	<u>(2,955,874.52)</u>	
		(44,807,175.75)
<p>Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.</p>		
Pensions:		
Deferred Outflows:		
Pension related		2,040,238.00
Deferred Inflows:		
Pension related		(144,431.00)
<p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Accounts Payable - Pension Related	(361,644.00)	
Accrued Interest Payable	<u>(160,947.91)</u>	
		<u>(522,591.91)</u>
Net Position of Governmental Activities		<u><u>\$14,494,016.55</u></u>

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$48,158,053.00			\$3,289,554.00	\$51,447,607.00
Tuition	125,417.53				125,417.53
Interest on capital reserve	3,230.52				3,230.52
Miscellaneous	903,781.39	\$5,828.38		1,599.65	911,209.42
Total revenues - local sources	49,190,482.44	5,828.38		3,291,153.65	52,487,464.47
State sources	12,733,710.08	2,767.05	\$51,129.08	134,046.00	12,921,652.21
Federal sources	72,730.42	953,236.57			1,025,966.99
Total revenues	61,996,922.94	961,832.00	51,129.08	3,425,199.65	66,435,083.67
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	17,118,970.08				17,118,970.08
Special instruction	7,146,521.38	677,120.10			7,823,641.48
Other Instruction	2,088,955.60				2,088,955.60
Support services:					
Tuition	405,223.82				405,223.82
Student and instruction related services	4,764,675.44	284,711.90			5,049,387.34
General administrative services	883,282.96				883,282.96
School administrative services	2,995,878.51				2,995,878.51
Central services	543,855.08				543,855.08
Administration information technology	435,454.73				435,454.73
Plant operations and maintenance	4,747,542.21				4,747,542.21
Pupil transportation	4,469,556.88				4,469,556.88
Unallocated benefits	14,450,504.73				14,450,504.73
Debt Service:					
Principal				2,005,000.00	2,005,000.00
Interest				1,418,600.00	1,418,600.00
Capital outlay	846,331.47		128,104.31		974,435.78
Total expenditures	60,896,752.89	961,832.00	128,104.31	3,423,600.00	65,410,289.20
Excess (deficiency) of revenues over (under) expenditures	1,100,170.05		(76,975.23)	1,599.65	1,024,794.47
Other financing sources (uses):					
Assets acquired under capital leases (non-budgeted)	561,558.74				561,558.74
Total other financing sources (uses)	561,558.74				561,558.74
Net change in fund balances	1,661,728.79		(76,975.23)	1,599.65	1,586,353.21
Fund balances, July 1, 2015	4,476,659.36	-0-	388,584.69	138,453.99	5,003,698.04
Fund balances, June 30, 2016	\$6,138,388.15	\$-0-	\$311,609.46	\$140,053.64	\$6,590,051.25

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Total net change in fund balances - governmental funds (from B-2)		\$1,586,353.21
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>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</p>		
Depreciation expense		(1,898,863.64)
Disposition of capital assets, net of accumulated depreciation	(\$20,042.60)	
Capital outlays	974,435.78	
Capital outlays not capitalized	<u>(21,185.00)</u>	
		933,208.18
<p>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.</p>		
Payment of bonds payable		2,005,000.00
Payment of capital lease payable		351,008.31
<p>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.</p>		
Capital lease proceeds		(561,558.74)
Deferred amortization on issuance of refunding bonds		518,441.90
<p>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.</p>		
		19,491.67
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
District pension contributions	344,043.00	
Less: Pension expense	<u>(698,318.00)</u>	
		(354,275.00)
<p>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 (+).</p>		
Increase in Compensated Absences		<u>(97,461.36)</u>
Change in net positions of governmental activities		<u><u>\$2,501,344.53</u></u>

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

**OTHER FUNDS**

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

BUSINESS-TYPE ACTIVITIES  
ENTERPRISE FUND  
MAJOR FUND  
FOOD SERVICE  
FUND

## ASSETS:

## Current assets:

Cash and cash equivalents	\$229,584.21
Intergovernmental Receivables:	
State	673.44
Federal	19,889.29
Inventories	22,627.68
	<hr/>
Total current assets	272,774.62
	<hr/>

## Noncurrent assets:

Furniture, machinery and equipment	828,955.95
Less accumulated depreciation	(621,136.37)
	<hr/>
Total noncurrent assets	207,819.58
	<hr/>
Total assets	480,594.20
	<hr/>

## LIABILITIES:

## Current liabilities:

Accounts payable	411.91
Unearned revenue	34,064.99
	<hr/>
Total current liabilities	34,476.90
	<hr/>
Total liabilities	34,476.90
	<hr/>

## NET POSITION:

Net investment in capital assets	207,819.58
Unrestricted	238,297.72
	<hr/>
Total net position	\$446,117.30
	<hr/> <hr/>

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>BUSINESS-TYPE ACTIVITIES</u> <u>ENTERPRISE FUND</u> <u>MAJOR FUND</u> <u>FOOD SERVICE</u> <u>FUND</u>
<b>OPERATING REVENUES:</b>	
Charges for services:	
Daily sales - reimbursable programs	\$394,199.68
Daily sales - non-reimbursable programs	246,833.00
Special Functions	1,048.30
	1,048.30
Total operating revenues	642,080.98
<b>OPERATING EXPENSES:</b>	
Salaries	287,698.13
Employee Benefits	71,703.75
Other Purchase Service (Administrative Expenses)	32,100.00
General Supplies	10,760.94
Miscellaneous Expenditures	55,029.35
Depreciation	38,933.72
Cost of sales - reimbursable programs	361,217.36
Cost of sales - non-reimbursable programs	128,397.32
	128,397.32
Total operating expenses	985,840.57
Operating income (loss)	(343,759.59)
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	9,935.15
Federal Sources:	
National School Lunch Program	260,756.22
National School Breakfast Program	29,881.60
National food distribution commodities	55,625.54
Interest on Investments	3,336.92
	3,336.92
Total nonoperating revenues	359,535.43
Change in net position	15,775.84
Total net position - beginning of the year	430,341.46
Total net position - end of the year	\$446,117.30

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>BUSINESS-TYPE ACTIVITIES</u> <u>ENTERPRISE FUND</u> <u>MAJOR FUND</u> <u>FOOD SERVICE</u> <u>FUND</u>
Cash flows from operating activities:	
Receipts from customers	\$641,499.66
Payments to employees	(287,698.13)
Payments to employee benefits	(71,703.75)
Payments to suppliers	(524,519.61)
	(242,421.83)
Net cash provided by (used for) operating activities	(242,421.83)
Cash flows from noncapital financing activities:	
State Sources	10,117.47
Federal Sources	296,256.73
	306,374.20
Net cash provided by noncapital financing activities:	306,374.20
Cash flows from capital and related financing activities:	
Purchases of capital assets	(8,255.42)
	(8,255.42)
Net cash provided by (used for) capital and related financing activities	(8,255.42)
Cash flows from investing activities:	
Interest	3,336.92
	3,336.92
Net cash provided by (used for) investing activities	3,336.92
Net increase (decrease) in cash and cash equivalents	59,033.87
Cash and cash equivalents, July 1, 2015	170,550.34
Cash and cash equivalents, June 30, 2016	\$229,584.21
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(\$343,759.59)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	38,933.72
Federal commodities	55,625.54
Change in assets and liabilities:	
(Increase) Decrease in inventories	6,472.77
Increase (Decrease) in accounts payable	411.91
Increase (Decrease) in deferred revenue	(106.18)
	101,337.76
Net cash provided by (used for) operating activities	(\$242,421.83)

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



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>UNEMPLOYMENT COMPENSATION FUND</u>	<u>AGENCY FUNDS</u>
<b>ASSETS:</b>		
Cash and cash equivalents	\$293,050.09	\$188,250.25
Intrafunds receivable	27,071.26	
	<hr/>	<hr/>
Total assets	<u>\$320,121.35</u>	<u>\$188,250.25</u>
<b>LIABILITIES:</b>		
Interfunds Payable		\$15,209.49
Intrafunds Payable		27,071.26
Payroll deductions and withholdings		27,860.04
Payable to student groups		118,109.46
	<hr/>	<hr/>
Total liabilities		<u>\$188,250.25</u>
<b>NET POSITION:</b>		
Held in trust for unemployment claims	\$320,121.35	
	<hr/>	<hr/>
Total net position	<u>\$320,121.35</u>	<u>\$-0-</u>

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>UNEMPLOYMENT COMPENSATION FUND</u>
ADDITIONS:	
Contributions:	
Plan Members	\$80,173.62
Total contributions	<u>80,173.62</u>
Investment earnings:	
Interest	1,050.54
Net investment earnings	<u>1,050.54</u>
Total additions	<u>81,224.16</u>
DEDUCTIONS:	
Unemployment claims	76,545.33
Total deductions	<u>76,545.33</u>
Change in net position	4,678.83
Net position - beginning of the year	<u>315,442.52</u>
Net position - end of the year	<u><u>\$320,121.35</u></u>

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, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

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

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

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

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

**Basis of Presentation**

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.

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

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

**Governmental Fund Types**

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

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Types (Continue)**

**Capital Projects Fund** - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

**Proprietary Fund**

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

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

**Food Service Fund:**

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fiduciary Fund Types**

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

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

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

**Basis of Accounting – Measurement Focus**

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

**Districtwide, Proprietary, and Fiduciary Fund Financial Statements**

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting – Measurement Focus (Continued)**

**Governmental Fund Financial Statements**

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

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

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2016 totaled \$346,787.36, representing the balance of June 30, 2015 general fund encumbrances.

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



**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control (Continued)**

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

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

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

**Encumbrance Accounting**

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Encumbrance Accounting (Continued)**

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 unearned revenues at fiscal year end.

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

**Interfunds**

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

**Inventories and Prepaid Expenses**

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

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**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.

In fiscal year 2016, the District implemented GASB 72. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature.

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

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

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

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

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

**Unearned Revenue**

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Restrictions**

Under GASB 54, in the fund financial statements, governmental funds report the following classifications of fund balance:

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

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

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Restrictions (Continued)**

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

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

**Revenues – Exchange and Non-Exchange Transactions**

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

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Operating Revenues and Expenses**

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

**Allocation of Indirect Expenses**

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

**Extraordinary and Special Items**

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

**Management Estimates**

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



**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting and Financial Reporting for Pensions**

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

In the Governmental Fund Financial Statements the year end Net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1<sup>st</sup> of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The governmental fund financial statements reflects both a revenue and expenses for this pension contribution.

**Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the District has two items that qualify for reporting in this category, deferred amounts from a gain on refunding debt and deferred amounts related to pensions.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**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, 2016, cash and cash equivalents of the District consisted of the following:

<b><u>Fund Type</u></b>	<b><u>Bank Balance</u></b>	<b><u>NJ Cash Management</u></b>	<b><u>Reconciling Items</u></b>		<b><u>Reconciled Balance</u></b>
			<b><u>Additions</u></b>	<b><u>Deletions</u></b>	
Governmental	\$7,860,287.04	\$658,230.54	\$21.81	\$3,159,517.77	\$5,359,021.62
Proprietary	229,584.21				229,584.21
Fiduciary	583,550.26		\$2,389.04	104,638.96	481,300.34
	<u>\$8,673,421.51</u>	<u>\$658,230.54</u>	<u>\$2,410.85</u>	<u>\$3,264,156.73</u>	<u>\$6,069,906.17</u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**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, 2016, 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 \$8,423,421.51 was covered by NJ GUDPA. The New Jersey Cash Management Fund is an investment pool and is not insured by either FDIC or GUDPA.

**Investments**

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**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, 2016, the District has \$658,230.54 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, 2016**

**NOTE 3: CHANGE IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,399,641.19	\$	\$	\$ 2,399,641.19
Construction in Progress	<u>3,161,785.58</u>	<u>561,558.74</u>	<u>                    </u>	<u>3,723,344.32</u>
Total Capital assets not being depreciated	<u>5,561,426.77</u>	<u>561,558.74</u>	<u>                    </u>	<u>6,122,985.51</u>
Land Improvements	3,472,818.82			3,472,818.82
Building and Building Improvements	66,479,627.21			66,479,627.21
Furniture and Equipment	<u>8,689,332.17</u>	<u>391,692.04</u>	<u>405,374.50</u>	<u>8,675,649.71</u>
Totals as historical cost	<u>78,641,778.20</u>	<u>391,692.04</u>	<u>405,374.50</u>	<u>78,628,095.74</u>
Total Gross assets (Memo only)	<u>\$ 84,203,204.97</u>	<u>\$ 953,250.78</u>	<u>\$ 405,374.50</u>	<u>\$ 84,751,081.25</u>
Less: Accumulated Depreciation for:				
Land Improvements	\$ (2,717,478.46)	\$ (91,415.28)	\$	\$ (2,808,893.74)
Building and Building Improvements	(22,819,384.50)	(1,356,719.49)		(24,176,103.99)
Furniture and Equipment	<u>(6,362,760.59)</u>	<u>(450,728.87)</u>	<u>(385,331.90)</u>	<u>(6,428,157.56)</u>
Total depreciation	<u>(31,899,623.55)</u>	<u>(1,898,863.64)</u>	<u>(385,331.90)</u>	<u>(33,413,155.29)</u>
Total Capital assets being depreciated net of accumulated depreciation	<u>46,742,154.65</u>	<u>(1,507,171.60)</u>	<u>20,042.60</u>	<u>45,214,940.45</u>
Governmental activities capital assets, net	<u>\$ 52,303,581.42</u>	<u>\$ (945,612.86)</u>	<u>\$ 20,042.60</u>	<u>\$ 51,337,925.96</u>
Business-type activities:				
Equipment	\$ 820,700.53	\$ 8,255.42	\$	\$ 828,955.95
Less: Accumulated Depreciation	<u>(582,202.65)</u>	<u>(38,933.72)</u>	<u>                    </u>	<u>(621,136.37)</u>
Proprietary fund capital assets, net	<u>\$ 238,497.88</u>	<u>\$ (30,678.30)</u>	<u>                    </u>	<u>\$ 207,819.58</u>
Total Capital Assets - All Funds, net	<u>\$ 52,542,079.30</u>	<u>\$ (976,291.16)</u>	<u>\$ 20,042.60</u>	<u>\$ 51,545,745.54</u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)**

Depreciation Expense was charged to governmental expenses as follows:

Instruction:	
Regular	\$ 1,537,699.78
Specials	62,852.39
Support Services:	
Student and Instruction Related Services	82,410.68
General Administrative Services	10,443.75
School Administrative Services	52,978.29
Plant Operations and Maintenance	125,693.95
Pupil Transportation	<u>26,784.80</u>
	<u>\$ 1,898,863.64</u>

**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.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

Under New Jersey Statutes the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2016, the District borrowing capacity under N.J.S. 18A:24-19 is as follows:

	<u>Year</u>	<u>Equalized Valuation of Real Property</u>
	2015	\$4,495,183,026.00
	2014	4,373,925,052.00
	2013	4,289,889,145.00
		<u>13,158,997,223.00</u>
Average equalized valuation of property		4,386,332,407.67
School borrowing margin (2.5% of average equalized valuation of property)		109,658,310.19
Net bonded school debt as of December 31, 2015		<u>30,870,000.00</u>
School borrowing power available		<u>\$78,788,310.19</u>

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2016:

	<u>Bonds Payable</u>	<u>Net Pension Liability</u>	<u>Leases Payable</u>	<u>Compensated Absences Payable</u>	<u>Total</u>
Balance June 30, 2015	\$ 32,875,000.00	\$ 7,183,351.00	\$ 4,538,538.51	\$ 1,052,343.77	\$ 45,649,233.28
Additions	<u>32,875,000.00</u>	<u>1,799,771.00</u>	<u>4,538,538.51</u>	<u>105,296.99</u>	<u>1,905,067.99</u>
Deletions	<u>2,005,000.00</u>	<u>8,983,122.00</u>	<u>351,008.31</u>	<u>7,835.63</u>	<u>2,363,843.94</u>
Balance June 30, 2016	<u>\$ 30,870,000.00</u>	<u>\$ 8,983,122.00</u>	<u>\$ 4,187,530.20</u>	<u>\$ 1,149,805.13</u>	<u>\$ 45,190,457.33</u>
Amounts due within one year	<u>\$ 1,955,000.00</u>	<u>\$</u>	<u>\$ 262,891.54</u>	<u>\$</u>	<u>\$ 2,217,891.54</u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

**Bonds Payable**

The annual requirements to amortize all debt outstanding as of June 30, 2016, with interest payments on issued debt, are as follows:

Fiscal Year Ended		<u>Principal</u>		<u>Interest</u>		<u>Total</u>
<u>June 30,</u>						
2017	\$	1,955,000.00	\$	1,331,000.00	\$	3,286,000.00
2018		2,050,000.00		1,245,050.00		3,295,050.00
2019		2,140,000.00		1,163,050.00		3,303,050.00
2020		2,235,000.00		1,077,450.00		3,312,450.00
2021		2,345,000.00		988,050.00		3,333,050.00
2022		2,455,000.00		894,250.00		3,349,250.00
2023		2,570,000.00		796,050.00		3,366,050.00
2024		2,685,000.00		693,250.00		3,378,250.00
2025		2,810,000.00		585,850.00		3,395,850.00
2026		2,965,000.00		445,550.00		3,410,550.00
2027		3,130,000.00		297,500.00		3,427,500.00
2028		<u>3,530,000.00</u>		<u>141,200.00</u>		<u>3,671,200.00</u>
	\$	<u><u>30,870,000.00</u></u>	\$	<u><u>9,658,250.00</u></u>	\$	<u><u>40,528,250.00</u></u>

**2014 Refunding**

The District issued \$24,175,000.00 in refunding school bonds to advance refund \$25,760,000.00 of the districts previously issued and outstanding refunding school bonds. As a result, the \$25,760,000.00 of the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.



**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**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, 2016:

<u>Year</u>	<u>Amount</u>
2017	\$ 353,067.54
2018	360,939.09
2019	362,092.02
2020	377,420.34
2021	385,942.57
2022-2026	2,070,606.74
2027-2028	<u>889,488.02</u>
Total minimum lease payments	4,799,556.32
Less: Amounts representing interest	<u>612,026.12</u>
Present value of net minimum lease payment	<u><u>\$ 4,187,530.20</u></u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**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](http://www.state.nj.us/treasury/pensions).

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

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Significant Legislation**

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

**Pension Plan Design Changes**

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

**Funding Changes**

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

**COLA Suspension**

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

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 5: PENSION PLANS (CONTINUED)**

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

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

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

<u>Three-Year Trend Information for PERS</u>			
<u>Year June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2016	\$344,043.00	100.00%	\$344,043.00
2015	\$316,292.00	100.00%	\$316,292.00
2014	\$275,512.00	100.00%	\$275,512.00

<u>Three-Year Trend Information for TPAF (Paid On-Behalf of the District)</u>			
<u>Year June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2016	\$1,866,397.00	100.00%	\$1,866,397.00
2015	\$1,306,679.00	100.00%	\$1,306,679.00
2014	\$995,926.00	100.00%	\$995,926.00

Also, in accordance with N.J.S.A. 18A:66-66 during the years ended June 30, 2016, 2015 and 2014, the State of New Jersey reimbursed the District \$1,864,019.08, \$1,843,262.19 and \$1,803,263.94 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Public Employees Retirement System (PERS)**

At June 30, 2016, the District reported a liability of \$8,983,122.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.0400174797 percent, which was an increase of 0.0016504814 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$698,318.00. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience		\$214,306.00
Changes of assumptions		964,716.00
Net difference between projected and actual earnings on pension plan investments	\$144,431.00	
Changes in proportion and differences between District contributions and proportionate share of contributions		499,572.00
District contributions subsequent to the measurement date		<u>361,644.00</u>
	<u>\$144,431.00</u>	<u>\$2,040,238.00</u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Public Employees Retirement System (PERS) (Continued)**

The \$361,644.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2016	\$296,725.00
2017	\$296,725.00
2018	\$296,725.00
2019	\$403,747.00
2020	\$240,241.00

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Public Employees Retirement System (PERS) (Continued)**

**Mortality Rates**

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Public Employees Retirement System (PERS) (Continued)**

**Actuarial Assumptions (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate.**

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2015		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>3.90%</u>	<u>4.90%</u>	<u>5.90%</u>
District's proportionate share of the pension liability	\$11,164,922.00	\$8,983,122.00	\$7,153,917.00



**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Public Employees Retirement System (PERS) (Continued)**

**Pension Plan Fiduciary Net position.**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

**Teachers Pensions and Annuity Fund (TPAF)**

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2016 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State’s proportionate share associated with the District	<u>\$152,760,084</u>
	<u><u>\$152,760,084</u></u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. . At June 30, 2015, the proportion of the TPAF net pension liability associated with the District was .2416926633% which was an increase of .0062720656 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue of \$9,327,379.00 for contributions provided by the State.

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Mortality Rates**

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

**Long-Term Expected Rate of Return (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
High Yield Bonds	2.00%	4.57%
US Equities Markets	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmlands	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.50%
Hedge Funds - Multi Strategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
	<u>100.00%</u>	

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

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

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 7: OTHER POST-RETIREMENT BENEFITS**

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

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.

P.L. 1987, c. 384 and P.L. 1990, c.6 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 a disability retirement. P.L. 2007, c.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, 2015 there were 107,314 retirees eligible for post-retirement medical benefits and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. 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 P.L. 1992 c. 126, 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 7: 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, 2016, 2015 and 2014 were \$2,333,068, \$2,074,354 and \$1,632,945, 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 8: LITIGATION**

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

**NOTE 9: CONTINGENCIES**

The District 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 2015-2016 fiscal year were subject to the U.S. OMB Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are 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. The District's management does not believe any such audit would result in material amounts of disallowed costs.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 10: RISK MANAGEMENT**

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

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

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

<u>Fiscal Year</u>	<u>Interest Earnings</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-16	\$ 1,050.54	\$ 80,173.62	\$ 76,545.33	\$ 320,121.35
2014-15	1,034.52	82,411.00	83,392.60	315,442.52
2013-14	898.88	79,448.36	71,252.13	315,389.60



**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 11: COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2016, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$1,149,805.13.

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, 2016 no liability existed for compensated absences in the proprietary fund.

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 12: FUND BALANCE APPROPRIATED**

**General Fund** – The table below reflects the District’s Fund Balance at June 30, 2016 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	<u>Budgetary</u> <u>Basis</u>	<u>Adjustment</u>	<u>GAAP</u> <u>Basis</u>
Restricted for:			
Excess surplus:			
Designated for subsequent			
years expenditures	\$ 1,104,106.00	\$	\$ 1,104,106.00
Current year excess	2,377,745.33		2,377,745.33
Capital reserve	649,334.84		649,334.84
Assigned to:			
Encumbrances	1,072,855.22		1,072,855.22
Unassigned	<u>1,540,871.76</u>	<u>(606,525.00)</u>	<u>934,346.76</u>
	<u>\$ 6,744,913.15</u>	<u>\$ (606,525.00)</u>	<u>\$ 6,138,388.15</u>

**Debt Service Fund** – Of the \$140,053.64 in Debt Service Fund fund balance at June 30, 2016, \$138,454.00 has been appropriated and included as anticipated revenue in the 2016-2017 Budget and \$1,599.64 is committed to debt service.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

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

General Fund Expenditures Fiscal Year Ended June 30, 2016	\$60,896,752.89
Less:	
On-behalf TPAF Pension and Social Security Reimbursement	6,156,456.08
Assets acquired under Capital Leases	<u>561,558.74</u>
Adjusted General Fund Expenditures	\$54,178,738.07
Excess Surplus Percentage	<u>2.00%</u>
2% of Adjusted 2015-16 General Fund Expenditures	<u>1,083,574.76</u>
Add: Allowable Adjustments	457,297.00
Maximum Unreserved/Undesignated Fund Balance	1,540,871.76
Actual Unreserved/Undesignated Fund Balance	<u>3,918,617.09</u>
Excess Surplus - current year	<u><u>\$2,377,745.33</u></u>
Recapitulation of Excess Surplus, June 30, 2016:	
Current Year	\$2,377,745.33
Prior Year - Designated for Subsequent Year's Expenditures	<u>1,104,106.00</u>
	<u><u>\$3,481,851.33</u></u>

Based on the above calculation, as of June 30, 2016, \$1,104,106.00 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 2016-17 budget. \$2,377,745.33 is reported as Restricted Fund Balance - Excess Surplus and is required to be appropriated for property tax relief in the 2017-18 budget.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 14: INTERFUND RECEIVABLES AND PAYABLES**

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$ 377,387.65	\$
Special Revenue Fund		169,552.51
Capital Projects Fund		192,625.65
Payroll Agency Fund		15,209.49
	\$ <u>377,387.65</u>	\$ <u>377,387.65</u>

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

**NOTE 15: CAPITAL RESERVE ACCOUNT**

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2016**

**NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)**

**Capital Reserve Account**

Beginning balance, July 1, 2015	\$646,104.32
Interest earned	<u>3,230.52</u>
Ending balance, June 30, 2016	<u><u>\$649,334.84</u></u>

**NOTE 16: DEFERRED COMPENSATION**

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). 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, 2016.

**NOTE 17: INVENTORY**

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

Food and Supplies	<u>\$22,627.68</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**NOTE 18: SUBSEQUENT EVENTS**

The District has evaluated material subsequent events occurring after the financial statement date through November 4, 2016 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events needed to be disclosed.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 48,158,053.00	\$	\$ 48,158,053.00	\$ 48,158,053.00	\$ 125,417.53
Tuition from LEAs				125,417.53	3,230.52
Interest earned on capital reserve funds				3,230.52	658,781.39
Unrestricted miscellaneous revenues	245,000.00		245,000.00	903,781.39	
Total revenues-local sources	48,403,053.00		48,403,053.00	49,190,482.44	787,429.44
State sources:					
School choice aid					
Aid for adult and post-graduate programs					
Extraordinary aid	64,930.00		64,930.00	450,134.00	450,134.00
Other state aids	2,067,960.00		2,067,960.00	2,067,960.00	
Categorical special education aid					
Educational adequacy aid					
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	
Adjustment aid					
Categorical Transportation aid	276,640.00		276,640.00	276,640.00	
Non public transportation aid				7,163.00	7,163.00
Reimbursed TPAF social security contributions (non-budgeted)				1,864,019.08	1,864,019.08
On-Behalf TPAF - Non-contributory Insurance (non-budgeted)				92,972.00	92,972.00
On-behalf TPAF post retirement medical (non-budgeted)				2,333,068.00	2,333,068.00
On-behalf TPAF pension contributions (non-budgeted)				1,866,397.00	1,866,397.00
Total - state sources	6,126,350.00		6,126,350.00	12,740,103.08	6,613,753.08
Federal sources:					
Medicaid Reimbursement	34,036.00		34,036.00	72,730.42	38,694.42
Total - federal sources	34,036.00		34,036.00	72,730.42	38,694.42
Total revenues	54,563,439.00		54,563,439.00	62,003,315.94	7,439,876.94
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - regular programs:					
Kindergarten	1,176,025.00		941,803.51	941,629.84	173.67
Grades 1-5	9,341,769.00	(234,221.49)	9,379,882.85	9,345,961.79	33,921.06
Grades 6-8	5,534,294.00	38,113.85	5,562,868.50	5,562,113.89	754.61
Regular programs - home instruction:		28,574.50			
Salaries of teachers	10,000.00	(7,948.45)	2,051.55	2,051.55	
Purchased Prof. Ed Services		5,000.00	5,000.00	3,578.02	1,421.98



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
Regular programs - Undistributed Instruction:					
Purchased Professional Educational Services	\$ 180,046.00	\$ (77,607.00)	\$ 102,439.00	\$ 93,678.60	8,760.40
Other Purchased Services (400-500 series)	37,256.00	62,068.74	99,324.74	81,063.19	18,261.55
General Supplies	910,601.87	376,630.61	1,287,232.48	1,082,915.06	204,317.42
Textbooks	36,738.00	5,982.00	42,720.00	3,571.14	39,148.86
Other Objects	1,075.00	1,916.50	2,991.50	2,407.00	584.50
<b>Total Regular Programs</b>	<b>17,227,804.87</b>	<b>198,509.26</b>	<b>17,426,314.13</b>	<b>17,118,970.08</b>	<b>307,344.05</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	540,798.59	(75,221.14)	465,577.45	465,577.45	43.23
Purchased Professional Educational Services	494,594.52	47,700.00	542,294.52	542,251.29	720.00
Other Purchased Services (400-500 series)	720.00		720.00	7,180.76	819.24
General Supplies	8,000.00		8,000.00		
<b>Total Learning and/or Language Disabilities</b>	<b>1,044,113.11</b>	<b>(27,521.14)</b>	<b>1,016,591.97</b>	<b>1,015,009.50</b>	<b>1,582.47</b>
Special education - instruction					
Behavioral Disabilities:					
Salaries of Teachers	205,222.71	(11,050.00)	194,172.71	194,126.48	46.23
Purchased Professional- Educational Services	494,909.52		494,909.52	494,743.52	166.00
General Supplies	3,500.00		3,500.00	1,469.25	2,030.75
<b>Total Behavioral Disabilities</b>	<b>703,632.23</b>	<b>(11,050.00)</b>	<b>692,582.23</b>	<b>690,339.25</b>	<b>2,242.98</b>
Multiple Disabilities:					
Salaries of Teachers	293,721.02	(2,695.13)	291,025.89	290,967.59	58.30
Purchased Professional- Educational Services	494,594.52		494,594.52	494,594.52	
Other Purchased Services (400-500 series)	360.00		360.00		360.00
General Supplies	4,000.00	(2,000.00)	2,000.00	1,926.47	73.53
<b>Total Multiple Disabilities</b>	<b>792,675.54</b>	<b>(4,695.13)</b>	<b>787,980.41</b>	<b>787,488.58</b>	<b>491.83</b>
Resource Room/ Resource Center:					
Salaries of Teachers	2,019,706.41	148,489.38	2,168,195.79	2,167,861.85	333.94
Purchased Professional- Educational Services	494,594.52		494,594.52	494,594.52	
Other Purchased Services (400-500 series)	2,880.00	199.90	3,079.90	199.90	2,880.00
General Supplies	35,446.00	(14,804.90)	20,641.10	19,427.60	1,213.50
<b>Total Resource Room/ Resource Center</b>	<b>2,552,626.93</b>	<b>133,884.38</b>	<b>2,686,511.31</b>	<b>2,682,083.87</b>	<b>4,427.44</b>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
Autism:					
Salaries of Teachers	\$ 512,499.94	\$ 77,788.99	\$ 590,288.93	\$ 590,288.93	
Purchased Professional- Educational Services	494,594.52		494,594.52	494,594.52	
Other Purchased Services (400-500 series)	450.00		450.00		450.00
General Supplies	5,000.00	(3,461.00)	1,539.00	1,538.42	0.58
<b>Total Autism</b>	<b>1,012,544.46</b>	<b>74,327.99</b>	<b>1,086,872.45</b>	<b>1,086,421.87</b>	<b>450.58</b>
Preschool Disabilities - Part Time:					
Salaries of Teachers	300,675.10	(20,000.00)	280,675.10	279,908.85	766.25
Purchased Professional Educational Services	494,594.53		494,594.53	494,594.53	
Other Purchased Services (400-500 series)	180.00		180.00	34.78	145.22
General Supplies	2,000.00	(352.00)	1,648.00	1,647.07	0.93
<b>Total Preschool Disabilities - Part Time</b>	<b>797,449.63</b>	<b>(20,352.00)</b>	<b>777,097.63</b>	<b>776,185.23</b>	<b>912.40</b>
Preschool Disabilities - Full Time:					
Salaries of Teachers	151,111.00	(44,000.00)	107,111.00	106,868.16	242.84
Purchased Professional- Educational Services	7,000.00	(5,000.00)	2,000.00	2,000.00	2,000.00
Other Purchased Services (400-500 series)	180.00		180.00	180.00	180.00
General Supplies	3,131.75	(2,146.00)	985.75	984.32	1.43
<b>Total Preschool Disabilities - Full Time</b>	<b>161,422.75</b>	<b>(51,146.00)</b>	<b>110,276.75</b>	<b>107,852.48</b>	<b>2,424.27</b>
Home Instruction:					
Salaries of Teachers		1,140.60	1,140.60	1,140.60	
<b>Total Home Instruction</b>		<b>1,140.60</b>	<b>1,140.60</b>	<b>1,140.60</b>	
<b>Total Special Education - Instruction</b>	<b>7,064,464.65</b>	<b>94,588.70</b>	<b>7,159,053.35</b>	<b>7,146,521.38</b>	<b>12,531.97</b>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,280,358.59	229,099.00	1,509,457.59	1,509,457.05	0.54
General Supplies	23,100.00	(14,806.00)	8,294.00	8,293.13	0.87
<b>Total Basic Skills/Remedial - Instruction</b>	<b>1,303,458.59</b>	<b>214,293.00</b>	<b>1,517,751.59</b>	<b>1,517,750.18</b>	<b>1.41</b>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
Bilingual education - Instruction:					
Salaries of Teachers	393,597.00	(6,500.00)	387,097.00	386,679.27	417.73
Other Purchased Services (400-500 series)	1,939.00	99.95	2,038.95	1,931.80	107.15
General Supplies	11,892.00	(99.95)	11,792.05	6,486.92	5,305.13
Textbooks	10,635.48		10,635.48	3,135.48	7,500.00
Other Objects	210.00		210.00		210.00
<b>Total Bilingual Education - Instruction</b>	<b>418,273.48</b>	<b>(6,500.00)</b>	<b>411,773.48</b>	<b>398,233.47</b>	<b>13,540.01</b>
School Sponsored Co/Extra Curricular Activities - Instruction:					
Salaries	77,526.00		77,526.00	40,298.34	37,227.66
Supplies and Materials	200.00		200.00		200.00
<b>Total School Sponsored Co/Extra Curricular Activities - Instruction</b>	<b>77,726.00</b>		<b>77,726.00</b>	<b>40,298.34</b>	<b>37,427.66</b>
School Sponsored Athletics - Instruction:					
Salaries	121,009.00	(20,215.57)	100,793.43	96,787.40	4,006.03
Purchased Services (300-500 series)	18,050.00		18,050.00	15,478.83	2,571.17
Supplies and Materials	21,314.00		21,314.00	20,407.38	906.62
<b>Total School Sponsored Athletics - Instruction</b>	<b>160,373.00</b>	<b>(20,215.57)</b>	<b>140,157.43</b>	<b>132,673.61</b>	<b>7,483.82</b>
Undistributed Expenditures - Instruction					
Tuition to CSSD & Regular Day Schools	75,000.00		75,000.00	46,379.00	28,621.00
Tuition to Private Schools for the Disabled W/ State	475,590.00	(35,033.21)	440,556.79	358,844.82	81,711.97
<b>Total Undistributed Expenditures - Instruction</b>	<b>550,590.00</b>	<b>(35,033.21)</b>	<b>515,556.79</b>	<b>405,223.82</b>	<b>110,332.97</b>
Undistributed Expenditures - Health Services:					
Salaries	659,363.80	(30,769.29)	628,594.51	622,171.40	6,423.11
Purchased Professional and Technical Services	6,830.00		6,830.00	6,370.00	460.00
Other Purchased Services (400-500 series)	13,270.00	2,659.00	15,929.00	15,769.00	160.00
Supplies and Materials	15,000.00		15,000.00	9,410.10	5,589.90
<b>Total Undistributed Expenditures - Health Services</b>	<b>694,463.80</b>	<b>(28,110.29)</b>	<b>666,353.51</b>	<b>653,720.50</b>	<b>12,633.01</b>
Undistributed Expend. - Speech, OT, PT and Related Services:					
Salaries	566,854.06	78,244.22	645,098.28	645,098.28	
Purchased professional - Educational Services	170,400.00	5,700.00	176,100.00	166,684.65	9,415.35
Supplies and materials	5,586.00	(1,246.00)	4,340.00	3,494.01	845.99
Other Objects	1,246.00	1,246.00	1,246.00	1,246.00	
<b>Total Undistributed Expend. - Speech, OT, PT and Related Services</b>	<b>742,840.06</b>	<b>83,944.22</b>	<b>826,784.28</b>	<b>816,522.94</b>	<b>10,261.34</b>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	\$ 537,508.00	\$ (40,000.00)	\$ 497,508.00	\$ 496,796.26	711.74
Salaries of Secretarial and Clerical Assistants	124,784.00		124,784.00	121,400.55	3,383.45
Other Purchased Services (400-500 series)	9,800.00		9,800.00	3,867.86	5,932.14
Supplies and Materials	6,171.00		6,171.00	5,461.00	710.00
<b>Total Undistributed Expenditures - Guidance</b>	<b>678,263.00</b>	<b>(40,000.00)</b>	<b>638,263.00</b>	<b>627,525.67</b>	<b>10,737.33</b>
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	908,578.00	(98,124.80)	810,453.20	792,378.03	18,075.17
Salaries of Secretarial and Clerical Assistants	105,045.00	486.84	105,531.84	105,531.84	
Purchased Professional - Educational Services	75,000.00	(75,000.00)			
Other Purchased Professional and Technical Services	3,105.00	100,135.00	103,240.00	86,279.04	16,960.96
Miscellaneous Purchased Services (400-500 series o/than resid. cost)	29,000.00	(12,896.79)	16,103.21	9,742.93	6,360.28
<b>Total Undistributed Expenditures - Child Study Teams</b>	<b>1,138,228.00</b>	<b>(85,399.75)</b>	<b>1,052,828.25</b>	<b>1,009,468.43</b>	<b>43,359.82</b>
Undistributed Expenditures - Improvement of Instr. Serv.					
Salaries of Supervisors of Instruction	255,172.45	12,217.00	267,389.45	267,388.40	1.05
Salaries of Other Professional Staff	92,955.00	(21,564.48)	71,390.52	71,390.52	
Salaries of Secretarial and Clerical Assistants	28,194.00	827.52	29,021.52	29,021.52	
Other Purch Prof. and Tech. Services	8,400.00	(8,400.00)			
Other Purchased Services (400-500 series)	35,731.00	(13,083.00)	22,648.00	19,348.23	3,299.77
Supplies and Materials	15,811.00	(4,300.00)	11,511.00	11,505.11	5.89
Other Objects	7,620.00	(2,191.00)	5,429.00	5,429.00	
<b>Total Undistributed Expenditures - Improvement of Instr. Serv.</b>	<b>443,883.45</b>	<b>(36,493.96)</b>	<b>407,389.49</b>	<b>404,082.78</b>	<b>3,306.71</b>
Undistributed Expend. - Educational Media Serv./School Library:					
Salaries	510,774.52	8,740.34	519,514.86	510,573.95	8,940.91
Purchased Professional and Technical Services	14,124.00	(6,872.24)	7,251.76	6,430.68	821.08
Other Purchased Services (400-500 series)	12,632.00	15,717.29	28,349.29	27,802.19	547.10
Supplies and Materials	75,582.17	(6,964.05)	68,618.12	65,405.08	3,213.04
Other Objects	2,730.00	(1,923.00)	807.00	807.00	0.00
<b>Total Undistributed Expend. - Educational Media Serv./School Library</b>	<b>615,842.69</b>	<b>8,698.34</b>	<b>624,541.03</b>	<b>610,211.90</b>	<b>14,329.13</b>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.- Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	\$ 69,843.00	\$ (16,589.20)	\$ 53,253.80	\$ 50,703.81	\$ 2,549.99
Salaries of Other Professional Staff	84,582.00	2,482.08	87,064.08	87,064.08	
Salaries of Secretarial and Clerical Assistants	15,800.00	(6,180.79)	9,619.21	9,619.21	
Other Salaries	61,850.00	3,100.00	64,950.00	57,601.21	7,348.79
Other Purchased Professional and Technical Services	32,842.79	1,299.92	34,142.71	25,770.98	8,371.73
Other Purchased Services (400-500 series)	15,850.00	(600.00)	15,230.00	11,300.97	3,929.03
Supplies and Materials					
<b>Total Undistributed Expend.- Instructional Staff Training Services</b>	<b>649,706.47</b>	<b>15,637.28</b>	<b>665,343.75</b>	<b>643,143.22</b>	<b>22,200.53</b>
Undistributed Expend.-Support Services-General Administration:					
Salaries	371,847.00	30,000.00	401,847.00	371,053.66	793.34
Legal Services	218,977.59	(21,000.00)	197,977.59	230,192.43	18,785.16
Other Purchased Professional Services	60,562.00	(2,482.08)	58,079.92	26,368.00	13,194.00
Purchased Technical Services	52,818.68	(35,543.02)	17,275.66	50,920.53	1,898.15
Communications/Telephone	221,836.00	2,741.00	224,577.00	141,852.89	44,440.09
Misc. Purchased Services (400-500 series, O/T 530 & 585)	15,650.00	58.00	15,708.00	15,405.80	2,985.20
General Supplies	16,750.00	(350.00)	16,400.00	15,878.60	929.40
BOE In-house Training/Meeting Supplies	900.00	(2,350.00)	(1,450.00)	239.00	311.00
Miscellaneous Expenditures	14,650.00	(99.00)	14,551.00	7,699.00	4,601.00
BOE Membership Dues and Fees	25,000.00	(26,543.02)	(1,543.02)	23,673.05	1,227.95
<b>Total Undistributed Expend.-Support Services-General Administration</b>	<b>998,991.27</b>	<b>(26,543.02)</b>	<b>972,448.25</b>	<b>883,282.96</b>	<b>89,165.29</b>
Undistributed Expend.-Support Services- School Administration:					
Salaries of Principals/Assistant Principals	1,660,810.23	47,889.03	1,708,699.26	1,708,604.39	94.87
Salaries of Other Professional Staff	178,329.77	(25,401.82)	152,927.95	144,270.12	8,657.83
Salaries of Secretarial and Clerical Assistants	829,652.00	7,186.70	836,838.70	827,804.38	9,034.32
Purchased Professional and Technical Services	31,863.00	52,000.00	83,863.00	80,377.83	3,485.17
Other Purchased Services (400-500 series)	156,008.24	2,546.79	158,555.03	147,936.11	10,618.92
Supplies and Materials	82,986.76	1,050.00	84,036.76	72,521.68	11,515.08
Other Objects	16,454.00	(1,630.00)	14,824.00	14,364.00	460.00
<b>Total Undistributed Expend.-Support Services- School Administration</b>	<b>2,956,104.00</b>	<b>83,640.70</b>	<b>3,039,744.70</b>	<b>2,995,878.51</b>	<b>43,866.19</b>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>BUDGET</u> <u>TRANSFERS/</u> <u>AMENDMENTS</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FINAL TO</u> <u>ACTUAL</u>
Undistributed Expend. - Central Services	\$	17,725.04	\$ 486,142.04	\$ 486,142.04	
Salaries	468,417.00		11,000.00	10,800.00	200.00
Purchased Professional Services	11,000.00		35,900.50	35,900.15	0.35
Purchased Technical Services	33,500.00	2,400.50	3,000.00	1,423.86	1,576.14
Miscellaneous Purchased Services (400-500 series, O/T 594)	3,000.00		13,000.00	8,404.03	4,595.97
Supplies and Materials	13,000.00		3,478.50	1,185.00	2,293.50
Other Objects	5,879.00	(2,400.50)			
Total Undistributed Expend. - Central Services	534,796.00	17,725.04	552,521.04	543,855.08	8,665.96
Undistributed Expend. - Admin. Info. Technology:					
Salaries	368,606.00	1,884.35	370,490.35	370,490.35	
Other Purchased Services (400-500 series)	68,981.76	(23,985.00)	44,996.76	44,995.88	0.88
Supplies and Materials	84,000.00	(52,000.00)	32,000.00	19,968.50	12,031.50
Total Undistributed Expend. - Admin. Info. Technology	521,587.76	(74,100.65)	447,487.11	435,454.73	12,032.38
Undistributed Expend.-Required Maintenance for School Facilities:					
Salaries	500,823.00	6,543.64	507,366.64	507,366.64	
Cleaning, Repair and Maintenance Services	348,526.50	112,000.00	460,526.50	414,085.33	46,441.17
General Supplies	180,467.29	(64,316.65)	116,150.64	97,644.10	18,506.54
Total Undistributed Expend.-Required Maintenance for School Facilities	1,029,816.79	54,226.99	1,084,043.78	1,019,096.07	64,947.71
Undistributed Expend.-Custodial Services:					
Salaries	379,891.00	(3,759.39)	376,131.61	376,131.61	
Purchased Professional and Technical Services	14,302.00	11,000.00	25,302.00	20,484.77	4,817.23
Cleaning, Repair and Maintenance Services	1,760,782.00	(9,000.00)	1,751,782.00	1,731,579.42	20,202.58
Other Purchased Property Services	150,000.00	13,000.00	163,000.00	158,226.69	4,773.31
Insurance	206,475.00		206,475.00	202,104.00	4,371.00
Miscellaneous Purchased Services	43,300.00	(14,800.00)	28,500.00	21,656.61	6,843.39
General Supplies	148,018.96	(4,500.00)	143,518.96	130,355.84	13,163.12
Energy ( Electricity)	1,001,877.90	108,665.17	1,110,543.07	1,078,364.20	32,178.87
Other Objects	9,696.00		9,696.00	9,543.00	153.00
Total Undistributed Expend.-Custodial Services:	3,714,342.86	100,605.78	3,814,948.64	3,728,446.14	86,502.50
Total Undistributed Expend.- Oper. and Maintenance of Plant Serv.	4,744,159.65	154,832.77	4,898,992.42	4,747,542.21	151,450.21

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Student Transportation Services:					
Salaries for Pupil Transportation (other than bet. home & school)	\$ 37,484.00		\$ 37,484.00	\$ 35,486.88	\$ 1,997.12
Other Purchased Professional and Technical Services	4,414,870.00		4,414,870.00	4,414,870.00	
Contracted Services - Aid in Lieu of Payments- Non-Public Schools		19,200.00	19,200.00	19,200.00	
Total Undistributed Expend.-Student Transportation Services	<u>4,452,354.00</u>	<u>19,200.00</u>	<u>4,471,554.00</u>	<u>4,469,556.88</u>	<u>1,997.12</u>
Unallocated Benefits:					
Group Insurance	18,700.00		18,700.00	16,148.67	2,551.33
Social Security Contributions - Other	420,000.00	24,500.00	444,500.00	436,968.46	7,531.54
Other Retirement Contributions - Regular	380,000.00		380,000.00	368,066.82	11,933.18
Workmen's Compensation	209,278.00		209,278.00	208,972.00	306.00
Health Benefits	8,302,030.00	(601,311.86)	7,700,718.14	7,059,313.72	641,404.42
Tuition Reimbursement	206,216.08	(29,803.00)	176,413.08	122,412.69	54,000.39
Other Employee Benefits	42,943.00	40,000.00	82,943.00	82,166.29	776.71
Total Unallocated Benefits	<u>9,579,167.08</u>	<u>(566,614.86)</u>	<u>9,012,552.22</u>	<u>8,294,048.65</u>	<u>718,503.57</u>
Total Personal Services - Employee	<u>9,579,167.08</u>	<u>(566,614.86)</u>	<u>9,012,552.22</u>	<u>8,294,048.65</u>	<u>718,503.57</u>
Reimbursed TPAF social security contributions (non-budgeted)				1,864,019.08	(1,864,019.08)
On-behalf TPAF post retirement medical (non-budgeted)				2,333,068.00	(2,333,068.00)
On-Behalf TPAF - Non-contributory Insurance (non-budgeted)				92,972.00	(92,972.00)
On-behalf TPAF pension contributions (non-budgeted)				1,866,397.00	(1,866,397.00)
TOTAL UNDISTRIBUTED EXPENDITURES	<u>29,300,977.23</u>	<u>(508,617.39)</u>	<u>28,792,359.84</u>	<u>33,695,974.36</u>	<u>(4,903,614.52)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>55,553,077.82</u>	<u>(27,942.00)</u>	<u>55,525,135.82</u>	<u>60,050,421.42</u>	<u>(4,525,285.60)</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
CAPITAL OUTLAY:					
EQUIPMENT:					
Grades 6-8	5,800.00		5,800.00		5,800.00
Undistributed:					
Undistributed Expenditures - Gen. Admin.	2,175.00		2,175.00		2,175.00
Undistributed Expenditures - Central Services	2,000.00		2,000.00		2,000.00
Undist. Expend. - Required Maintenance for School Facilities		47,142.00	47,142.00	47,141.95	0.05
TOTAL EQUIPMENT	9,975.00	47,142.00	57,117.00	47,141.95	9,975.05
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	162,486.54		162,486.54	73,445.78	89,040.76
Construction Services	809,023.00		809,023.00	113,450.00	695,573.00
Assessment for debt Service on SDA funding	50,735.00		50,735.00	50,735.00	
	1,022,244.54		1,022,244.54	237,630.78	784,613.76
Assets acquired under capital leases (non-budgeted)				561,558.74	(561,558.74)
TOTAL CAPITAL OUTLAY	1,032,219.54	47,142.00	1,079,361.54	846,331.47	233,030.07
Transfer of Funds to Charter Schools	37,675.00	(19,200.00)	18,475.00		18,475.00
TOTAL EXPENDITURES	56,622,972.36		56,622,972.36	60,896,752.89	(4,273,780.53)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,059,533.36)		(2,059,533.36)	1,106,563.05	3,166,096.41
Other financing sources (use)					
Assets acquired under capital leases (non-budgeted)				561,558.74	(561,558.74)
Total other financing sources				561,558.74	(561,558.74)
Excess/Deficit of Revenues and Other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(2,059,533.36)		(2,059,533.36)	1,668,121.79	3,727,655.15
Fund Balances, July 1,	5,076,791.36		5,076,791.36	5,076,791.36	
Fund Balances, June 30,	3,017,258.00	\$	3,017,258.00	\$ 6,744,913.15	\$ 3,727,655.15



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				649,334.84	
Excess Surplus - Designated for Subsequent Year's Expenditures			1,104,106.00	1,104,106.00	
Excess Surplus - Current Year			2,377,745.33	2,377,745.33	
Assigned Fund Balance:					
Year-end Encumbrances			1,072,855.22	1,072,855.22	
Unassigned Fund Balance			1,540,871.76	1,540,871.76	
			<u>6,744,913.15</u>	<u>6,744,913.15</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis			(606,525.00)	(606,525.00)	
Fund Balance per Governmental Funds (GAAP)			<u>6,138,388.15</u>	<u>6,138,388.15</u>	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
State Aid	\$	7,215.44	\$ 7,215.44	\$ 2,823.03	(4,392.41)
Federal Aid	783,175.00	292,348.95	1,075,523.95	951,364.58	(124,159.37)
Local Sources		19,323.86	19,323.86	10,538.04	(8,785.82)
Total Revenues	783,175.00	318,888.25	1,102,063.25	964,725.65	(137,337.60)
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	35,275.00	101,728.37	137,003.37	125,364.48	11,638.89
Purchased Professional and Technical Services	15,400.00	78,882.84	94,282.84	70,082.96	24,199.88
Purchased Professional - Educational Services		1,259.82	1,259.82	1,184.82	75.00
Other Purchased Services (400-500 Series)	475,000.00	26,756.84	501,756.84	475,327.35	26,429.49
General Supplies	22,325.30	12,101.97	34,427.27	20,645.95	13,781.32
Textbooks		171.00	171.00		171.00
Other Objects		70.00	70.00	70.00	
Total Instruction	548,000.30	220,970.84	768,971.14	692,675.56	76,295.58
Support Services:					
Salaries	120,857.25	47,812.73	168,669.98	136,669.57	32,000.41
Personal Services - Employee Benefits	27,637.00	26,992.81	54,629.81	48,394.61	6,235.20
Purchased Professional and Technical Services	19,340.00	39,144.27	58,484.27	46,409.27	12,075.00
Purchased Professional - Educational Services		5,411.00	5,411.00	1,286.79	4,124.21
Other Purchased Services (400-500 Series)	28,053.00	(21,964.34)	6,088.66	2,982.21	3,106.45
Supplies and Materials	39,287.45	25.94	39,313.39	36,307.64	3,005.75
Total Support Services	235,174.70	97,422.41	332,597.11	272,050.09	60,547.02
Facilities Acquisition and Construction Services:					
Noninstructional Equipment		495.00	495.00		495.00
Total Facilities Acquisition and Construction Services		495.00	495.00		495.00
Total Expenditures	783,175.00	318,888.25	1,102,063.25	964,725.65	137,337.60
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$62,003,315.94	\$964,725.65
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	(2,893.65)
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)	(606,525.00)	
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.)	600,132.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$61,996,922.94	\$961,832.00
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$60,896,752.89	\$964,725.65
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	(2,893.65)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$60,896,752.89	\$961,832.00

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

<u>Measurement Date Ending June 30.</u>	<u>District's Proportion of the Net Pension Liability (Asset)</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>District's Covered-Employee Payroll</u>	<u>District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2013	0.0365652911% \$	6,988,354 \$	2,593,270.00	269.48%	48.72%
2014	0.0383669983%	7,183,351	2,720,358.00	264.06%	52.08%
2015	0.0400174797%	8,983,122	2,770,153.00	324.28%	47.92%

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

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

Fiscal Year Ending <u>June 30.</u>	Contractually Required <u>Contribution</u>	Contributions in Relation to the Contractually Required <u>Contributions</u>	Contribution Deficiency ( <u>Excess</u> )	District's Covered- Employee <u>Payroll</u>	Contributions as a Percentage of Covered- Employee <u>Payroll</u>
2014	\$ 316,292	\$ 316,292	\$ -0-	\$ 2,720,358.00	\$ 11.63%
2015	516,756	516,756	-0-	2,770,153.00	18.65%
2016	344,043	344,043	-0-	2,862,992.00	12.02%

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

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

<u>Measurement Date Ending June 30,</u>	<u>District's Proportion of the Net Pension Liability (Asset)</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>District's Covered-Employee Payroll</u>	<u>District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2013	0.2372735933%	\$ -0-	\$ 24,041,088.00	-0-	33.76%
2014	0.2354205977%	-0-	24,492,760.00	-0-	33.64%
2015	0.0241692663%	-0-	25,136,772.00	-0-	28.71%

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



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
NOYTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE, 2016

**Public Employees Retirement System**

Change in benefit terms: None

Change in assumptions: The discount rate changed from 5.39% to 4.90% as of June 30, 2015.

**Teacher Pension and Annuity Fund**

Change in benefit terms: None

Change in assumptions: The discount rate changed from 4.68% to 4.13% as of June 30, 2015.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND DETAIL STATEMENTS**

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	I.D.E.A. PRESCHOOL	I.D.E.A. BASIC	TITLE I PART A	TITLE II PART A	TITLE III	CHARACTER EDUCATION
Revenues:						
State Aid	\$32,399.43	\$692,469.65	\$100,842.31	\$88,336.76	\$37,316.43	\$295.44
Federal Aid						
Local Sources						
<b>Total Revenues</b>	<b>32,399.43</b>	<b>692,469.65</b>	<b>100,842.31</b>	<b>88,336.76</b>	<b>37,316.43</b>	<b>295.44</b>
Expenditures:						
Instruction:						
Salaries	25,932.00		76,048.80		23,383.68	
Purchased Professional and Technical Services		70,082.96				
Purchased Professional - Educational Services		473,562.51	3,362.45		8,284.86	295.44
Other purchased services						
General Supplies						
Other Objects						
<b>Total Instruction</b>	<b>25,932.00</b>	<b>543,645.47</b>	<b>79,411.25</b>		<b>31,668.54</b>	<b>295.44</b>
Support Services:						
Salaries		72,800.00	2,474.42	57,949.59	3,445.56	
Personal Services - Employee Benefits	6,467.43	18,156.32	17,284.53	4,433.00	2,053.33	
Purchased Professional and Technical Services		28,305.00		18,104.27		
Purchased Professional - Educational Services						
Other Purchased Services (400-500 Series)		1,730.55	1,672.11	1,251.66	149.00	
Supplies and Materials		27,832.31	21,431.06	6,598.24		
<b>Total Support Services</b>	<b>6,467.43</b>	<b>148,824.18</b>	<b>21,431.06</b>	<b>88,336.76</b>	<b>5,647.89</b>	
<b>Total Expenditures</b>	<b>\$32,399.43</b>	<b>\$692,469.65</b>	<b>\$100,842.31</b>	<b>\$88,336.76</b>	<b>\$37,316.43</b>	<b>\$295.44</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	NONPUBLIC NURSING	NONPUBLIC TECHNOLOGY	EXAMINATION & CLASSIFICATION	COMPENSATORY EDUCATION	LOCAL PROJECTS	TOTAL
Revenues:						
State Aid	\$94.56	\$55.98	\$1,192.23	\$1,184.82		\$2,823.03
Federal Aid					\$10,538.04	951,364.58
Local Sources						10,538.04
<b>Total Revenues</b>	<b>94.56</b>	<b>55.98</b>	<b>1,192.23</b>	<b>1,184.82</b>	<b>10,538.04</b>	<b>964,725.65</b>
Expenditures:						
Instruction:						
Salaries						125,364.48
Purchased Professional and Technical Services						70,082.96
Purchased Professional - Educational Services				1,184.82		1,184.82
Other purchased services				1,764.84		475,327.35
General Supplies				8,703.20		20,645.95
Other Objects				70.00		70.00
<b>Total Instruction</b>				<b>1,184.82</b>	<b>10,538.04</b>	<b>692,675.56</b>
Support Services:						
Salaries						136,669.57
Personal Services - Employee Benefits						48,394.61
Purchased Professional and Technical Services						46,409.27
Purchased Professional - Educational Services	94.56		1,192.23			1,286.79
Other Purchased Services (400-500 Series)						2,982.21
Supplies and Materials		55.98				36,307.64
<b>Total Support Services</b>	<b>94.56</b>	<b>55.98</b>	<b>1,192.23</b>			<b>272,050.09</b>
<b>Total Expenditures</b>	<b>\$94.56</b>	<b>\$55.98</b>	<b>\$1,192.23</b>	<b>\$1,184.82</b>	<b>\$10,538.04</b>	<b>\$964,725.65</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

**CAPITAL PROJECTS FUND DETAIL STATEMENTS**

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2016

Expenditures and Other Financing Uses:	
Construction services	<u>\$551,441.65</u>
Total expenditures	<u>551,441.65</u>
Net change in fund balances	(551,441.65)
Fund balance - beginning	<u>578,456.00</u>
Fund balance - ending	<u><u>\$27,014.35</u></u>
Fund Balance- budgetary basis	\$27,014.35
SDA Grant not recognized	<u>(208,510.89)</u>
Fund Balance - GAAP basis (B-1)	<u><u>(181,496.54)</u></u>
Expenditures -budgetary basis	551,441.65
Add: prior year encumbrances	<u>69,768.66</u>
	621,210.31
Less: current year encumbrances	<u>493,106.00</u>
Expenditures - GAAP basis (B-2)	<u><u>\$128,104.31</u></u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
BARLEY SHEAF FIRE ALARM SYSTEM AND SECURITY UPGRADE  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 85,832.00	\$	\$ 85,832.00	\$ 85,832.00
Capital Reserve	128,748.00	80,420.00	209,168.00	209,168.00
Total revenues	<u>214,580.00</u>	<u>80,420.00</u>	<u>295,000.00</u>	<u>295,000.00</u>
Expenditures and Other Financing Uses:				
Construction services	140,000.00	143,750.00	283,750.00	295,000.00
Total expenditures	<u>140,000.00</u>	<u>143,750.00</u>	<u>283,750.00</u>	<u>295,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>74,580.00</u>	\$ <u>(63,330.00)</u>	\$ <u>11,250.00</u>	<u></u>
Additional project information:				
Project Number	1510-030-14-G1RO			
Grant Date	6/13/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
SCC Amount	85,832.00			
Original Authorized Cost	214,580.00			
Additional Authorized Cost	80,420.00			
Revised Authorized Cost	295,000.00			
Percentage Increase over Original Authorized Cost	27.26%			
Percentage completion	75%			
Original target completion date	N/A			
Revised target completion date	N/A			



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
COPPER HILL SECURITY UPGRADE, GYM HVAC REPLACEMENT AND SITE DRAINAGE IMPROVEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 264,213.00	\$	\$ 264,213.00	\$ 264,213.00
Capital Reserve	<u>396,320.00</u>	<u>(252,242.00)</u>	<u>144,078.00</u>	<u>144,078.00</u>
Total revenues	<u>660,533.00</u>	<u>(252,242.00)</u>	<u>408,291.00</u>	<u>408,291.00</u>
Expenditures and Other Financing Uses:				
Construction services	<u>288,291.00</u>	<u>106,445.31</u>	<u>394,736.31</u>	<u>408,291.00</u>
Total expenditures	<u>288,291.00</u>	<u>106,445.31</u>	<u>394,736.31</u>	<u>408,291.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 372,242.00</u>	<u>\$ (358,687.31)</u>	<u>\$ 13,554.69</u>	<u>\$</u>
Additional project information:				
Project Number	1510-035-14-G1RQ			
Grant Date	6/13/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
SCC Amount	264,213.00			
Original Authorized Cost	660,533.00			
Additional Authorized Cost	(252,242.00)			
Revised Authorized Cost	408,291.00			
Percentage Increase over Original Authorized Cost	-38.19%			
Percentage completion	75%			
Original target completion date	N/A			
Revised target completion date	N/A			

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
DESMARES SECURITY UPGRADES  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 13,492.00	\$	\$ 13,492.00	\$ 13,492.00
Capital Reserve	20,238.00	123,204.00	143,442.00	143,442.00
Total revenues	<u>33,730.00</u>	<u>123,204.00</u>	<u>156,934.00</u>	<u>156,934.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	6,930.00		6,930.00	6,930.00
Construction services		150,004.00	150,004.00	150,004.00
Total expenditures	<u>6,930.00</u>	<u>150,004.00</u>	<u>156,934.00</u>	<u>156,934.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 26,800.00</u>	<u>\$ (26,800.00)</u>	<u>\$</u>	<u>\$</u>
Additional project information:				
Project Number	1510-033-14-G1RP			
Grant Date	6/13/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
SCC Amount	13,492.00			
Original Authorized Cost	33,730.00			
Additional Authorized Cost	123,204.00			
Revised Authorized Cost	156,934.00			
Percentage Increase over Original Authorized Cost	365.27%			
Percentage completion	75%			
Original target completion date	N/A			
Revised target completion date	N/A			

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND

SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
READING-FLEMING SCHOOL PARTIAL ROOF REPLACEMENT HEATING UNIT GYM REPLACEMENT, SECURITY UPGRADES & REPLACE BOARD OFFICE HVAC  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 280,810.00	\$	\$ 280,810.00	\$ 280,810.00
Capital Reserve	381,215.00		381,215.00	381,215.00
Total revenues	<u>662,025.00</u>		<u>662,025.00</u>	<u>662,025.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	23,275.00		23,275.00	23,275.00
Construction services	610,996.00	25,544.34	636,540.34	638,750.00
Total expenditures	<u>634,271.00</u>	<u>25,544.34</u>	<u>659,815.34</u>	<u>662,025.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 27,754.00</u>	<u>\$ (25,544.34)</u>	<u>\$ 2,209.66</u>	<u>\$</u>
Additional project information:				
Project Number	1510-040-14-G1RR			
Grant Date	6/13/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
SCC Amount	280,810.00			
Original Authorized Cost	662,025.00			
Additional Authorized Cost				
Revised Authorized Cost	662,025.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	75%			
Original target completion date	N/A			
Revised target completion date	N/A			

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
JP CASE SECURITY UPGRADES AND SITE DRAINAGE IMPROVEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 31,800.00	\$	\$ 31,800.00	\$ 31,800.00
Capital Reserve	87,700.00		87,700.00	87,700.00
Total revenues	<u>119,500.00</u>		<u>119,500.00</u>	<u>119,500.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	17,000.00		17,000.00	17,000.00
Construction services	98,600.00	3,900.00	102,500.00	102,500.00
Total expenditures	<u>115,600.00</u>	<u>3,900.00</u>	<u>119,500.00</u>	<u>119,500.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,900.00</u>	<u>\$ (3,900.00)</u>	<u>\$</u>	<u>\$</u>
Additional project information:				
Project Number	1510-045-14-G2VQ			
Grant Date	6/13/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
SCC Amount	31,800.00			
Original Authorized Cost	119,500.00			
Additional Authorized Cost				
Revised Authorized Cost	119,500.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	75%			
Original target completion date	N/A			
Revised target completion date	N/A			

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
ROBERT HUNTER SECURITY UPGRADES  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 36,599.00	\$	\$ 36,599.00	\$ 36,599.00
Capital Reserve	54,899.00	48,618.00	103,517.00	103,517.00
Total revenues	<u>91,498.00</u>	<u>48,618.00</u>	<u>140,116.00</u>	<u>140,116.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	18,318.00		18,318.00	18,318.00
Construction services		121,798.00	121,798.00	121,798.00
Total expenditures	<u>18,318.00</u>	<u>121,798.00</u>	<u>140,116.00</u>	<u>140,116.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 73,180.00</u>	<u>\$ (73,180.00)</u>	<u>\$</u>	<u>\$</u>
Additional project information:				
Project Number	1510-050-14-G3HI			
Grant Date	6/13/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bond Issued	N/A			
SCC Amount	36,599.00			
Original Authorized Cost	91,498.00			
Additional Authorized Cost	48,618.00			
Revised Authorized Cost	140,116.00			
Percentage Increase over Original Authorized Cost	53.14%			
Percentage completion	75%			
Original target completion date	N/A			
Revised target completion date	N/A			

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES  
AS OF JUNE 30, 2016

ISSUE/PROJECT TITLE	ORIGINAL DATE	REVISED BUDGETARY APPROPRIATIONS	EXPENDITURES TO DATE		(MEMO ONLY) UNEXPENDED PROJECT BALANCE
			PRIOR YEAR	CURRENT YEAR	
Barley Sheaf Fire Alarm system replacement and security upgrades	FY2015	\$295,000.00	\$140,000.00	\$143,750.00	\$11,250.00
Copper Hill Security Upgrades gym HVAC replacement & site drainage improvements	FY2015	408,291.00	288,291.00	106,445.31	13,554.69
Desmares Security Upgrades	FY2015	156,934.00	6,930.00	150,004.00	
Reading Fleming Partial Roof Replacement Heating Unit replacement at gym security upgrades and replace board Office HVAC	FY2015	662,025.00	634,271.00	25,544.34	2,209.66
JP Case Security Upgrades and Site drainage improvements	FY2015	119,500.00	115,600.00	3,900.00	
Robert Hunter Security Upgrades	FY2015	140,116.00	18,318.00	121,798.00	
Totals		<u>\$1,781,866.00</u>	<u>\$1,203,410.00</u>	<u>\$551,441.65</u>	<u>\$27,014.35</u>

## PROPRIETARY FUND DETAIL STATEMENTS

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

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

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS**

**B-4, B-5 AND B-6**

## FIDUCIARY FUND DETAIL STATEMENTS

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

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

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

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

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



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
TRUST AND AGENCY FUNDS  
JUNE 30, 2016

	<u>TRUST FUNDS</u>	<u>AGENCY FUNDS</u>		<u>TOTAL</u> <u>AGENCY FUNDS</u>
	<u>UNEMPLOYMENT</u> <u>COMPENSATION</u>	<u>STUDENT</u> <u>ACTIVITY</u>	<u>PAYROLL</u> <u>AGENCY</u>	
<b>ASSETS:</b>				
Cash and cash equivalents	\$293,050.09	\$118,109.46	\$70,140.79	\$188,250.25
Intrafunds receivable	27,071.26			
Total assets	<u>\$320,121.35</u>	<u>\$118,109.46</u>	<u>\$70,140.79</u>	<u>\$188,250.25</u>
<b>LIABILITIES:</b>				
Interfunds Payable			\$15,209.49	\$15,209.49
Intrafunds Payable			27,071.26	27,071.26
Payroll deductions and withholdings			27,860.04	27,860.04
Payable to student groups		\$118,109.46		118,109.46
Total liabilities		<u>118,109.46</u>	<u>70,140.79</u>	<u>188,250.25</u>
<b>NET POSITION:</b>				
Held in trust for unemployment claims	\$320,121.35			
Total net position	<u>\$320,121.35</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>

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

	UNEMPLOYMENT COMPENSATION <u>TRUST FUND</u>	<u>TOTAL</u>
ADDITIONS:		
Contributions:		
Plan Members	\$80,173.62	\$80,173.62
Total contributions	<u>80,173.62</u>	<u>80,173.62</u>
Investment earnings:		
Interest	1,050.54	1,050.54
Net investment earnings	<u>1,050.54</u>	<u>1,050.54</u>
Total additions	<u>81,224.16</u>	<u>81,224.16</u>
DEDUCTIONS:		
Unemployment claims	76,545.33	76,545.33
Total deductions	<u>76,545.33</u>	<u>76,545.33</u>
Change in net position	4,678.83	4,678.83
Net position - beginning of the year	<u>315,442.52</u>	<u>315,442.52</u>
Net position - end of the year	<u><u>\$320,121.35</u></u>	<u><u>\$320,121.35</u></u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>BALANCE</u> <u>JUNE 30, 2015</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2016</u>
PROGRAMS:				
J.P. Case Student Fund	\$94,510.87	\$193,916.97	\$190,311.53	\$98,116.31
Athletic Fund	10.53	16,763.46	16,768.17	5.82
Flem/Raritan Student Fund	11,387.53	52,016.85	44,539.17	18,865.21
Desmares Student Fund	<u>1,697.63</u>	<u>905.76</u>	<u>1,481.27</u>	<u>1,122.12</u>
Total all schools	<u><u>\$107,606.56</u></u>	<u><u>\$263,603.04</u></u>	<u><u>\$253,100.14</u></u>	<u><u>\$118,109.46</u></u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>BALANCE</u> <u>JULY 1, 2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2016</u>
<b>ASSETS:</b>				
Cash and cash equivalents	<u>\$309,157.84</u>	<u>\$34,647,366.78</u>	<u>\$34,886,383.83</u>	<u>\$70,140.79</u>
Total assets	<u><u>\$309,157.84</u></u>	<u><u>\$34,647,366.78</u></u>	<u><u>\$34,886,383.83</u></u>	<u><u>\$70,140.79</u></u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$281,006.06	\$16,094,364.13	\$16,347,510.15	\$27,860.04
Net payroll		18,472,118.54	18,472,118.54	
Interfunds payable	12,328.81	4,160.04	1,279.36	15,209.49
Intrafund payable	<u>15,822.97</u>	<u>76,724.07</u>	<u>65,475.78</u>	<u>27,071.26</u>
Total liabilities	<u><u>\$309,157.84</u></u>	<u><u>\$34,647,366.78</u></u>	<u><u>\$34,886,383.83</u></u>	<u><u>\$70,140.79</u></u>

## **LONG-TERM DEBT SCHEDULES**

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
YEAR ENDED JUNE 30, 2016

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>MATURITIES</u>		<u>RATE OF INTEREST</u>	<u>BALANCE JULY 1, 2015</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2016</u>
			<u>DATE</u>	<u>AMOUNT</u>				
School Bonds	6/15/2003	\$33,248,000.00				\$1,265,000.00	\$1,265,000.00	
Refunding School Bonds	12/13/2006	8,115,000.00	2/01/2017	\$775,000.00	5.000%			
			2/01/2018	810,000.00	4.000%			
			2/01/2019	840,000.00	4.000%			
			2/01/2020	875,000.00	4.000%			
			2/01/2021-27	20,000.00	4.000%			
			2/01/2028	3,530,000.00	4.000%	7,710,000.00	740,000.00	\$6,970,000.00
Refunding School Bonds	10/1/2014	24,175,000.00	6/15/2017	1,180,000.00	4.000%			
			6/15/2018	1,240,000.00	4.000%			
			6/15/2019	1,300,000.00	4.000%			
			6/15/2020	1,360,000.00	4.000%			
			6/15/2021	2,325,000.00	4.000%			
			6/15/2022	2,435,000.00	4.000%			
			6/15/2023	2,550,000.00	4.000%			
			6/15/2024	2,665,000.00	4.000%			
			6/15/2025	2,790,000.00	5.000%			
			6/15/2026	2,945,000.00	5.000%			
			6/15/2027	3,110,000.00	5.000%	23,900,000.00		23,900,000.00
						<u>\$32,875,000.00</u>	<u>\$2,005,000.00</u>	<u>\$30,870,000.00</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
YEAR ENDED JUNE 30, 2016

SERIES	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE PRINCIPAL	INTEREST	INTEREST RATE PAYABLE	BALANCE JUNE 30, 2015	DECREASE	BALANCE JUNE 30, 2016
Energy Savings Improvement Plan	10/31/2012	15	\$ 4,955,000.00	\$ 970,960.75	2.213%	4,538,538.51	351,008.31	4,187,530.20
				\$		4,538,538.51	351,008.31	4,187,530.20

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFER</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$3,289,554.00		\$3,289,554.00	\$3,289,554.00	
Interest				1,599.65	\$1,599.65
State sources:					
Debt service aid type II	134,046.00		134,046.00	134,046.00	
Total revenues	<u>3,423,600.00</u>		<u>3,423,600.00</u>	<u>3,425,199.65</u>	<u>1,599.65</u>
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	1,418,600.00		1,418,600.00	1,418,600.00	
Redemption of principal	2,005,000.00		2,005,000.00	2,005,000.00	
Total regular debt service-expenditures	<u>3,423,600.00</u>		<u>3,423,600.00</u>	<u>3,423,600.00</u>	
Excess (deficiency) of revenues over (under) expenditures				1,599.65	1,599.65
Fund balance, July 1	138,453.99		138,453.99	138,453.99	
Fund balance, June 30	<u>\$138,453.99</u>		<u>\$138,453.99</u>	<u>\$140,053.64</u>	<u>\$1,599.65</u>



**STATISTICAL SECTION (UNAUDITED)**



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATISTICAL SECTION

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

Sources

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
UNAUDITED

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental activities</b>										
Net investment in capital assets	\$16,663,677.34	\$15,316,441.33	\$12,260,134.41	\$11,555,838.61	\$10,708,863.59	\$9,865,912.95	\$9,073,401.55	\$8,392,463.05	\$7,261,201.28	\$6,525,697.70
Restricted	4,421,901.36	3,851,540.74	4,991,208.36	4,172,343.11	3,658,975.67	2,488,726.97	2,327,129.08	2,656,036.66	2,710,231.24	2,810,757.56
Unrestricted	(6,591,562.15)	(7,175,310.05)	701,281.90	842,569.82	1,520,914.86	1,063,722.72	553,742.67	(150,242.86)	334,634.03	485,218.68
Total governmental activities net position	\$14,494,016.55	\$11,992,672.02	\$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
<b>Business-type activities</b>										
Net investment in capital assets	\$207,819.58	\$238,497.88	\$261,414.69	\$267,529.54	\$290,334.56	\$317,291.16	\$351,583.34	\$354,072.16	\$332,768.76	\$352,608.89
Unrestricted	236,297.72	191,843.58	167,688.53	191,313.11	277,605.92	254,634.50	171,123.29	129,660.15	146,403.62	157,030.78
Total business-type activities net position	\$446,117.30	\$430,341.46	\$429,083.22	\$458,842.65	\$567,940.48	\$571,925.66	\$522,706.63	\$483,732.31	\$479,172.38	\$509,639.67
<b>District-wide</b>										
Net investment in capital assets	\$16,871,496.92	\$15,554,939.21	\$12,521,549.10	\$11,823,368.15	\$10,999,198.15	\$10,183,204.11	\$9,424,984.89	\$8,746,535.21	\$7,593,970.04	\$6,878,306.59
Restricted	4,421,901.36	3,851,540.74	4,991,208.36	4,172,343.11	3,658,975.67	2,488,726.97	2,327,129.08	2,656,036.66	2,710,231.24	2,810,757.56
Unrestricted	(6,353,264.43)	(6,983,466.47)	868,950.43	1,033,882.93	1,798,520.78	1,318,357.22	724,865.96	(20,582.71)	481,037.65	642,249.46
Total district net position	\$14,940,133.85	\$12,423,013.48	\$18,381,707.89	\$17,029,594.19	\$16,456,694.60	\$13,990,286.30	\$12,476,979.93	\$11,381,989.16	\$10,785,238.93	\$10,331,313.61

Source: CAFR Schedule A-1

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>EXPENSES</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$30,138,760.59	\$25,391,653.69	\$24,395,242.29	\$25,138,255.80	\$23,474,124.58	\$22,529,358.67	\$23,004,696.55	\$23,484,841.13	\$22,733,788.93	\$21,670,703.01
Special education	10,852,597.23	9,434,616.38	8,484,271.90	8,409,117.85	7,695,284.60	8,061,100.15	8,247,335.20	7,718,335.27	7,385,022.09	6,910,137.70
Other instruction	3,554,851.05	2,483,745.69	2,552,216.30	2,575,969.96	2,293,198.90	2,260,323.07	2,424,289.28	1,668,701.43	1,970,546.09	1,874,916.11
Support Services:										
Tuition	405,223.82	364,956.71	651,000.44	477,192.92	258,421.86	139,445.03	203,956.80	399,700.06	696,507.93	547,910.56
Student and instruction related services	8,164,375.83	6,795,527.23	6,557,586.67	6,732,856.91	6,274,158.88	6,140,697.82	6,759,251.63	6,396,940.66	6,422,342.75	6,089,380.26
General administrative services	1,155,947.15	1,005,533.73	1,040,044.96	1,040,654.74	1,154,257.88	893,495.83	950,753.97	1,479,395.00	1,407,843.95	1,462,105.01
School administrative services	4,994,821.53	4,085,488.94	4,095,541.55	3,939,030.97	3,544,758.03	3,451,054.83	3,539,474.59	3,241,245.92	3,130,852.48	3,118,461.20
Central services/Admin. Info. Technology	1,519,767.82	1,272,135.48	1,529,725.75	1,128,076.37	1,065,831.03	950,318.12	1,001,101.23	810,981.33	790,066.42	821,151.28
Plant operations and maintenance	5,045,276.55	5,285,132.91	5,390,775.53	6,075,392.90	5,402,890.46	5,200,980.13	5,169,258.05	5,279,337.48	6,049,336.00	5,692,142.10
Student transportation services	4,518,683.55	3,853,922.13	4,013,538.80	3,569,328.04	4,242,357.53	4,691,569.46	4,632,460.23	4,092,227.83	3,926,666.12	3,742,232.00
Charter School		22,159.00	21,707.00							
Interest on long-term debt	931,401.43	1,154,121.58	1,651,235.08	1,734,687.22	1,839,696.90	1,932,076.93	2,017,964.23	2,044,955.02	2,337,510.94	2,222,843.11
Total governmental activities expenses	\$71,281,706.54	61,158,993.47	60,382,886.27	60,820,563.68	57,244,980.63	56,249,520.05	57,950,541.77	56,616,661.13	56,850,483.70	54,151,982.34
<b>Business-type activities:</b>										
Food Service	985,840.57	1,031,601.35	1,124,912.17	1,184,118.60	1,092,731.99	1,020,243.58	1,024,645.31	1,113,466.73	1,045,511.63	956,874.66
School Store										
Total business-type activities expense	\$985,840.57	\$1,031,601.35	\$1,124,912.17	\$1,184,118.60	\$1,092,731.99	\$1,020,243.58	\$1,024,645.31	\$1,113,466.73	\$1,045,511.63	\$956,874.66
Total district expenses	\$72,267,547.11	\$62,190,594.82	\$61,507,798.44	\$62,004,682.28	\$58,337,712.62	\$57,269,763.63	\$58,975,187.08	\$57,730,127.86	\$57,895,995.33	\$55,108,857.00
<b>PROGRAM REVENUES</b>										
<b>Governmental activities:</b>										
Operating grants and contributions	\$17,492,524.86	\$5,244,195.77	\$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
Total governmental activities program revenues	17,492,524.86	5,244,195.77	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
<b>Business-type activities:</b>										
Charges for services										
Food Service	642,080.98	653,154.22	722,769.79	743,732.76	777,241.31	809,571.33	814,338.57	864,168.80	807,193.22	810,538.56
School Store										
Operating grants and contributions	356,198.51	377,293.96	369,441.34	330,412.17	311,499.96	272,339.57	248,879.82	213,301.26	204,655.36	172,800.78
Total business type activities program revenues	998,279.49	1,030,448.18	1,092,211.13	1,074,144.93	1,088,741.27	1,081,910.90	1,063,218.39	1,077,470.06	1,011,848.58	983,339.34
Total district program revenues	\$18,490,804.35	\$6,274,643.95	\$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
<b>NET (EXPENSE)/REVENUE</b>										
Governmental activities	(\$53,789,181.68)	(\$55,914,797.70)	(\$54,643,488.52)	(\$54,478,638.08)	(\$51,818,496.70)	(\$51,571,637.23)	(\$53,142,122.47)	(\$52,230,286.73)	(\$50,979,308.05)	(\$48,716,271.08)
Business-type activities	12,438.92	(32,701.04)	(32,701.04)	(109,973.67)	(3,990.72)	61,667.32	38,573.08	(35,996.67)	(33,663.05)	26,464.68
Total district-wide net expense	(\$53,776,742.76)	(\$55,915,950.87)	(\$54,676,189.56)	(\$54,588,611.75)	(\$51,822,487.42)	(\$51,509,969.91)	(\$53,103,549.39)	(\$52,266,283.40)	(\$51,012,971.10)	(\$48,689,806.40)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b><u>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</u></b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$48,158,053.00	\$46,307,968.00	\$45,747,866.00	\$44,332,300.00	\$43,463,039.00	\$42,610,823.00	\$42,610,823.00	\$40,978,349.00	\$39,510,870.00	\$37,820,501.00
Taxes levied for debt service	3,289,554.00	3,127,206.00	3,253,827.00	3,494,779.00	3,753,984.00	3,995,475.00	4,188,069.00	4,246,932.00	4,296,398.00	4,286,238.00
Unrestricted grants and contributions	3,828,932.72	6,722,569.03	6,443,957.00	6,402,104.51	6,045,397.28	5,159,490.37	6,380,582.00	7,148,271.00	6,831,875.61	6,728,703.89
Disposal of capital assets	(20,042.60)		(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	1,034,029.09	785,456.02	581,174.89	945,846.49	1,058,467.92	1,287,231.53	1,033,460.92	536,575.91	879,450.00	1,189,914.93
Total governmental activities	56,290,526.21	56,943,199.05	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
Business-type activities:										
Miscellaneous income	3,336.92	2,411.41	2,941.61	875.84	1,845.54	1,018.40	2,001.24	2,547.16	6,183.43	24,132.54
Disposal of capital assets					(1,840.00)	(13,466.69)	(1,600.00)	(1,307.99)	(2,987.67)	
Total business-type activities	3,336.92	2,411.41	2,941.61	875.84	5.54	(12,448.29)	401.24	1,307.17	3,195.76	24,132.54
Total district-wide	\$56,293,863.13	\$56,945,610.46	\$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
<b><u>CHANGE IN NET POSITION</u></b>										
Governmental activities	\$2,501,344.53	\$1,028,401.35	\$1,381,873.13	\$681,997.42	\$2,470,391.48	\$1,464,089.33	\$1,056,016.45	\$616,871.57	\$484,392.61	\$344,483.57
Business-type activities	15,775.84	1,258.24	(29,759.43)	(109,097.83)	(3,985.18)	49,219.03	38,974.32	(34,689.50)	(30,467.29)	50,597.22
Total district	\$2,517,120.37	\$1,029,659.59	\$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

Source: CAFR Schedule A-2

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2005
General Fund											
Restricted	\$4,131,186.17	\$3,462,956.05	\$4,948,686.94	\$4,171,518.04	\$3,387,886.47	\$2,218,001.93	\$2,852,965.24	\$2,886,541.09	\$2,780,169.45	\$3,063,040.60	\$2,675,522.62
Committed					513,252.02	476,104.77					
Assigned	1,072,855.22	346,787.36	1,148,266.22	1,286,071.43	1,482,357.72	941,443.60					
Unassigned	934,346.76	666,915.95	836,787.39	819,234.85	721,962.64	849,433.25	1,037,136.15	658,125.98	1,115,464.61	1,185,159.59	1,218,596.70
Total general fund	\$6,138,388.15	\$4,476,659.36	\$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	\$3,894,119.32
All Other Governmental Funds											
Reserved							\$3,500.00		\$6,099.50	\$411,623.34	\$2,034,067.40
Restricted	(\$179,896.90)	\$457,270.02	\$372.42	\$42,149.43	\$42,335.35	\$43,748.19	41,876.62	\$233,769.94	368,202.79	455,891.43	6,755,226.10
Committed	138,454.00		42,149.00	364.00	1,777.00	4,965.00	15,470.98	54,716.77	140,982.71	137,687.60	819,527.40
Assigned	493,106.00	69,768.66									
Total all other governmental funds	\$451,663.10	\$527,038.68	\$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	\$9,608,820.90

Source: CAFR Schedule B-1

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

	2015	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Tax,levy	\$51,447,607.00	\$49,435,174.00	\$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
Miscellaneous	1,039,857.47	812,681.97	606,619.74	946,298.80	1,081,920.72	1,345,480.19	1,041,253.75	528,239.04	844,115.46	1,148,841.00
Slate sources	12,921,652.21	12,200,318.92	11,048,058.66	11,702,443.62	10,065,305.48	8,771,389.00	9,402,309.28	10,701,738.22	11,734,668.16	11,234,287.34
Federal sources	1,025,966.99	1,045,898.93	1,109,851.24	1,041,134.18	1,383,122.93	1,007,725.54	1,778,899.19	830,738.73	959,507.53	916,310.53
Total revenue	66,435,083.67	63,494,073.82	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
<b>Expenditures</b>										
Instruction										
Regular instruction	17,118,970.08	17,361,875.21	16,358,179.91	16,186,536.62	15,671,564.42	15,352,121.79	15,926,517.76	16,314,063.05	15,390,991.09	14,537,053.28
Special education instruction	7,823,641.48	7,704,180.93	6,853,830.45	6,454,380.80	6,129,082.39	5,929,429.62	6,204,727.29	5,378,391.96	4,969,101.16	4,634,849.29
Other instruction	2,088,955.60	1,773,222.66	1,810,815.64	1,749,491.01	1,608,369.32	1,627,826.62	1,796,788.56	1,668,701.43	1,970,546.09	1,874,916.11
Support Services:										
Tuition	405,223.82	525,579.18	651,000.44	477,192.92	258,421.86	139,445.03	203,956.80	399,700.06	690,830.26	547,910.56
Student and instruction related services	5,049,387.34	4,881,135.56	4,802,291.20	4,769,841.64	4,552,426.74	4,542,845.76	5,139,050.23	5,291,224.24	5,291,067.08	5,029,286.30
General administrative services	883,282.96	928,056.80	841,277.53	845,525.22	949,572.98	737,399.15	842,497.63	818,219.02	787,679.67	795,743.11
School Administrative services	2,995,878.51	2,903,680.50	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
Central services/										
Administration Information Technology	979,309.81	950,404.50	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
Plant operations and maintenance	4,747,542.21	5,165,912.68	4,917,307.11	5,284,600.03	4,921,888.71	4,757,548.94	4,750,174.11	4,390,883.17	5,145,295.36	4,794,345.54
Student transportation services	4,469,556.88	4,205,339.04	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
Unallocated employee benefits	14,450,504.73	13,838,836.43	12,582,329.19	14,654,372.67	12,453,538.41	12,118,092.19	11,467,230.33	10,742,669.16	11,231,164.92	10,536,382.98
Capital outlay	974,435.78	1,929,619.17	2,852,406.08	1,793,543.39	454,533.44	414,679.18	497,477.49	720,894.64	844,665.99	1,188,262.86
Charter School		22,159.00	21,707.00							
Debt service:										
Principal	2,005,000.00	2,180,000.00	1,830,000.00	2,045,000.00	2,202,000.00	2,359,000.00	2,518,000.00	2,390,000.00	2,330,000.00	2,410,000.00
Interest and other charges	1,418,600.00	1,103,461.09	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
Total expenditures	65,410,289.20	65,473,462.75	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
over (under) expenditures	1,024,794.47	(1,979,388.93)	(1,432,077.47)	(886,192.34)	1,615,874.46	582,747.75	117,795.21	(588,270.60)	(886,693.61)	(399,986.64)
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)										
Bond proceeds	561,568.74	6,825.00		1,065,958.89			6,495,000.00		8,115,000.00	
Premium on sale of bonds							349,361.15		146,424.00	
Cost of issuance							(95,849.71)		(126,024.63)	
Payment to refunded bonds escrow agent							(6,748,511.44)		(8,135,399.77)	
Grants canceled									(8,550.75)	
Interest earned/bond sale	561,568.74	6,825.00					10,505.32	44,210.11	54,921.21	40,914.51
Total other financing sources (uses)							10,505.32	44,210.11	46,370.06	40,914.51
Net change in fund balances	\$1,586,353.21	(\$1,972,563.93)	(\$1,432,077.47)	(\$896,192.34)	\$1,615,874.46	\$582,747.75	\$128,300.53	(\$544,060.49)	(\$840,323.55)	(\$359,072.13)



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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest On</u> <u>Investments</u>	<u>Rental</u> <u>Income</u>	<u>Transportation</u> <u>Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2016	\$ 146,443.53	\$ 28,401.62	\$ 167,964.57	\$ 656,012.82	\$ 30,376.38	\$ 1,029,198.92
2015	132,222.46	24,409.47	179,861.37	435,772.50	7,454.28	779,720.08
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

Source: District Records

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 Res.	Q-Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2016	\$63,634,700	\$3,148,815,000	\$63,259,700	\$2,887,700	\$610,793,500	\$99,941,196	\$12,713,200	\$4,002,044,996		\$4,002,044,996	\$4,053,342,161	\$1,141
2015	68,935,700	3,124,946,400	65,361,100	2,921,200	612,089,040	100,503,896	12,713,200	3,987,470,536		3,987,470,536	3,929,879,980	1,117
2014	66,809,275	3,106,721,300	67,392,100	2,905,100	609,384,640	106,157,496	12,713,200	3,972,083,111		3,972,083,111	3,857,601,219	1,096
2013	54,240,100	3,109,189,600	69,609,900	3,034,600	611,756,940	109,899,696	12,713,200	3,970,444,036	\$8,154,192	3,978,598,228	4,017,974,377	1,078
2012	64,626,500	3,097,354,300	70,919,000	3,033,200	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	72,385,500	3,054,000	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	71,113,900	3,059,900	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	69,474,000	3,245,300	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	74,711,900	3,076,100	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	74,428,500	3,911,700	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

Source: District records Tax list summary and Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

(a): Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(b): Tax rates are per \$100

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Req.	Q-Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2016	\$2,743,600	\$217,771,700			\$181,895,900	\$1,871,200	\$42,615,900	\$446,898,300		\$446,898,300	\$473,859,761	\$1.382
2015	2,670,400	213,974,000			186,465,500	1,871,200	40,131,100	445,112,200		445,112,200	473,746,762	1.329
2014	2,725,700	209,921,500			188,275,300	2,687,700	36,721,200	440,331,400		440,331,400	454,362,765	1.300
2013	2,725,700	205,135,900			180,830,700	2,557,700	35,969,100	427,219,100		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	\$2,094,055	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

Source: District records Tax list summary and Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

(a): Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(b): Tax rates are per \$100

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

Fiscal Year Ended June 30,	Township of Raritan			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Township of Raritan	Hunterdon Central High School	Hunterdon County	
2016	\$1.068	\$0.073	\$1.141	\$0.316	\$0.574	\$0.375	\$2.406
2015	1.046	0.071	1.117	0.310	0.553	0.365	2.345
2014	1.023	0.073	1.096	0.307	0.552	0.359	2.314
2013	0.999	0.079	1.078	0.308	0.557	0.368	2.311
2012	0.979	0.085	1.064	0.299	0.554	0.370	2.287
2011	0.957	0.090	1.047	0.296	0.553	0.370	2.266
2010	0.958	0.094	1.052	0.294	0.541	0.377	2.264
2009	0.927	0.096	1.023	0.265	0.511	0.369	2.168
2008	0.832	0.090	0.922	0.243	0.474	0.348	1.987
2007	0.797	0.090	0.887	0.248	0.465	0.360	1.960

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

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

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

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

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

Fiscal Year Ended June 30,	Borough of Flemington			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Borough of Flemington	Hunterdon Central High School	Hunterdon County	
2016	\$1.294	\$0.088	\$1.382	\$0.942	\$0.456	\$0.360	\$3.140
2015	1.245	0.084	1.329	0.908	0.457	0.360	3.054
2014	1.214	0.086	1.300	0.891	0.427	0.351	2.969
2013	1.198	0.094	1.292	0.784	0.447	0.360	2.883
2012	1.105	0.095	1.200	0.685	0.492	0.343	2.720
2011	1.092	0.102	1.194	0.543	0.632	0.364	2.733
2010	1.008	0.099	1.107	0.581	0.524	0.370	2.582
2009	0.927	0.096	1.023	0.508	0.480	0.316	2.327
2008	0.803	0.084	0.887	0.488	0.494	0.323	2.192
2007	0.837	0.095	0.932	0.478	0.540	0.330	2.280

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

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

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

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

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

	2016			2007		
	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	\$49,242,600.00	1	1.23%			
Bedford Falls Land Co.	35,525,500.00	2	0.89%	\$10,444,400.00	9	0.24%
Hunterdon Medical Center	31,953,700.00	3	0.80%	11,865,400.00	7	0.28%
Flemington Mall. LTD.	26,000,000.00	4	0.65%	34,100,600.00	1	0.79%
Johanna Foods Inc.	19,891,600.00	5	0.50%	12,104,200.00	6	0.28%
Clojo Circle, LLC.	19,486,900.00	6	0.49%	22,808,600.00	3	0.53%
Raritan Village Shopping Ctr. LLC	16,799,200.00	7	0.42%	11,120,600.00	8	0.26%
Toll NJ LP	15,870,900.00	8	0.40%			
M R Development Corp.	15,615,000.00	9	0.39%			
Foremost Realty LP	15,181,000.00	10	0.38%			
Linque Flemington LLC.				26,543,200.00	2	0.62%
Hunterdon Convalescent Center Inc.				15,181,100.00	4	0.35%
FBS Partners III, LP				15,174,700.00	5	0.35%
Flemington Investors LP				10,310,500.00	10	0.24%
<b>Total</b>	<b>\$245,566,400.00</b>		<b>6.14%</b>	<b>\$169,653,300.00</b>		<b>3.95%</b>

Source: Municipal Tax Assessor

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

<u>Taxpayer</u>	2016			2007		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
Flemington South	\$21,206,000.00	1	4.82%	\$7,510,800.00	5	1.43%
Liberty Village	15,559,000.00	2	3.53%	32,818,800.00	1	6.27%
Flemington Apts. LLC	13,957,000.00	3	3.17%	14,717,000.00	2	2.81%
Bitmore Realty Co.	10,800,000.00	4	2.45%	11,160,000.00	3	2.13%
Hunterdon Shopping Center	7,625,000.00	5	1.73%	8,850,000.00	4	1.69%
Roho LLC	7,110,000.00	6	1.61%	6,000,000.00	7	1.15%
Flemington Fidelco	6,720,000.00	7	1.53%	6,832,000.00	6	1.30%
70 Church Spice	4,306,000.00	8	0.98%			
Taxpayer # 8				5,095,000.00	8	0.97%
Taxpayer # 9	4,123,800.00	9	0.94%			
Flemington Glass Enterprises				4,440,000.00	9	0.85%
Flemington Circle Park Assoc.				4,279,000.00	10	0.82%
BRR Associates	3,700,000.00	10	0.84%			0.00%
<b>Total</b>	<b>\$95,106,800.00</b>		<b>21.60%</b>	<b>\$101,702,600.00</b>		<b>19.42%</b>

Source: Municipal Tax Assessor

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

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2016	\$45,304,515.00	\$45,304,515.00	100.00%	-
2015	43,735,990.00	43,735,990.00	100.00%	-
2014	43,235,657.00	43,235,657.00	100.00%	-
2013	42,504,107.04	42,504,107.04	100.00%	-
2012	41,733,971.18	41,733,971.18	100.00%	-
2011	41,075,313.53	41,075,313.53	100.00%	-
2010	41,729,291.63	41,729,291.63	100.00%	-
2009	40,364,516.65	40,364,516.65	100.00%	-
2008	39,102,565.20	39,102,565.20	100.00%	-
2007	37,065,195.30	37,065,195.30	100.00%	-

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

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



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

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2016	\$6,143,092.00	\$6,143,092.00	100.00%	-
2015	5,681,184.00	5,681,184.00	100.00%	-
2014	5,766,036.00	5,766,036.00	100.00%	-
2013	5,322,971.96	5,322,971.96	100.00%	-
2012	5,483,051.82	5,483,051.82	100.00%	-
2011	5,530,984.47	5,530,984.47	100.00%	-
2010	5,069,600.37	5,069,600.37	100.00%	-
2009	4,860,764.35	4,860,764.35	100.00%	-
2008	4,884,702.80	4,884,702.80	100.00%	-
2007	5,041,543.70	5,041,543.70	100.00%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases			
2016	\$30,870,000.00		\$4,187,530.20			\$35,057,530.20	*	\$1,313.90
2015	32,875,000.00		4,538,538.51			37,413,538.51	*	1,402.25
2014	36,640,000.00		4,935,359.09			41,575,359.09	0.19%	1,556.84
2013	38,470,000.00		4,955,000.00			43,425,000.00	0.17%	1,622.88
2012	40,515,000.00					40,515,000.00	0.18%	1,508.71
2011	42,717,000.00					42,717,000.00	0.16%	1,595.88
2010	45,076,000.00					45,076,000.00	0.15%	1,674.50
2009	47,594,000.00					47,594,000.00	0.14%	1,777.16
2008	50,149,000.00					50,149,000.00	0.14%	1,874.31
2007	52,479,000.00					52,479,000.00	0.13%	1,967.79

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

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

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

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

\* - Data Not Available

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

Fiscal Year Ended <u>June 30,</u>	General Bonded Debt Outstanding		Net General Bonded Debt <u>Outstanding</u>	Percentage of Actual Taxable Value (a) of <u>Property</u>	<u>Per Capita (b)</u>
	General Obligation <u>Bonds</u>	<u>Deductions</u>			
2016	\$30,870,000.00		\$30,870,000.00	0.69%	\$1,156.96
2015	32,875,000.00		32,875,000.00	0.74%	1,232.15
2014	36,640,000.00		36,640,000.00	0.83%	1,372.03
2013	38,470,000.00		38,470,000.00	0.87%	1,437.70
2012	40,515,000.00		40,515,000.00	0.92%	1,508.71
2011	42,717,000.00		42,717,000.00	0.97%	1,595.88
2010	45,076,000.00		45,076,000.00	1.02%	1,674.50
2009	47,594,000.00		47,594,000.00	1.05%	1,777.16
2008	50,149,000.00		50,149,000.00	1.03%	1,874.31
2007	52,479,000.00		52,479,000.00	1.09%	1,967.79

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

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

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

\* - Data Not Available

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2015  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Flemington Borough	\$6,425,124.58	100.00%	\$6,425,124.58
Raritan Township	17,783,325.11	100.00%	17,783,325.11
Other debt			
Hunterdon County	<u>62,494,491.60</u>	<u>21.08%</u>	<u>13,171,034.81</u>
Subtotal, overlapping debt			\$37,379,484.50
Flemington-Raritan Regional School District Direct Debt			<u>37,413,538.51</u>
Total direct and overlapping debt			<u><u>\$74,793,023.01</u></u>

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

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

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



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>	
				<u>Flemington</u>	<u>Raritan</u>
2016	26,682	*	*	*	*
2015	26,681	*	*	4.10%	3.90%
2014	26,705	2,081,494,520	\$77,944	4.70%	4.70%
2013	26,758	1,989,671,364	74,358	7.60%	3.80%
2012	26,854	2,003,899,188	74,622	7.40%	3.70%
2011	26,767	1,881,532,731	70,293	7.50%	3.80%
2010	26,919	1,787,879,223	66,417	7.30%	3.70%
2009	26,781	1,751,209,590	65,390	4.00%	2.00%
2008	26,756	1,847,662,336	69,056	3.10%	1.50%
2007	26,669	1,818,745,793	68,197	3.60%	1.80%

Source:

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

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

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

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

\* - Data Not Available

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

Employer	2016			2007		
	# 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

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

Function/Program	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instruction:										
Regular	279	291	266	263	282	272	278	275	278	274
Special education	60	62	54	51	62	51	51	48	48	48
Other special education										
Vocational										
Other instruction						65	64	64	63	63
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition										
Student and instruction related services	49	44	43	42						
General administrative services	3	3	3	3	3	3	3	3	3	3
School administrative services	19	18	20	18	17	17	17	17	17	17
Plant operations and maintenance	10	10	10	10	10	10	10	10	11	11
Pupil transportation										
Central services	36	36	36	36	32	31	33	33	33	33
Administration information technology	6	5	5	5	5	4	4	5	5	5
Special Schools										
Food Service	23	23	23	23	24	24	25	25	25	25
<b>Total</b>	<b>485</b>	<b>492</b>	<b>460</b>	<b>451</b>	<b>435</b>	<b>477</b>	<b>485</b>	<b>480</b>	<b>483</b>	<b>479</b>

Source: District Personnel Records



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
OPERATING STATISTICS  
UNAUDITED

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>% Change</u>	<u>Teaching Staff (b)</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (c)</u>	<u>Average Daily Attendance (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2016	3,177	\$61,012,253.42	\$19,204.36	6.06%	339	9.4	3,156	3,038	-5.09%	96.29%
2015	3,328	60,260,382.49	18,107.09	7.77%	353	9.4	3,325	3,200	-2.30%	96.23%
2014	3,388	56,923,938.03	16,801.63	3.69%	320	10.6	3,403	3,278	-3.15%	96.33%
2013	3,511	56,892,990.79	16,204.21	6.93%	314	11.2	3,514	3,370	-0.97%	95.90%
2012	3,543	53,692,445.47	15,154.51	4.71%	344	10.3	3,548	3,416	-2.32%	96.26%
2011	3,627	52,493,013.04	14,472.85	-2.82%	325	11.2	3,633	3,491	0.80%	96.10%
2010	3,620	53,909,676.98	14,892.18	1.98%	346	10.5	3,604	3,465	0.82%	96.16%
2009	3,602	52,597,948.69	14,602.83	-1.08%	347	10.4	3,574	3,439	-0.32%	96.21%
2008	3,575	52,765,923.77	14,761.76	6.09%	342	10.5	3,586	3,449	0.61%	96.19%
2007	3,586	49,893,674.89	13,913.85	6.98%	342	10.5	3,564	3,427	-0.39%	96.16%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 UNAUDITED

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>District Buildings</u>										
Elementary School(s):										
Barley Sheaf (1967)	59,105	59,105	59,105	59,105	59,105	59,105	70,869	70,869	70,869	70,869
Square Feet	566	566	566	566	566	566	566	566	566	566
Capacity (students)	333	351	375	391	409	444	455	458	459	478
Enrollment										
Copper Hill (1996)	123,000	123,000	123,000	123,000	123,000	123,000	127,219	127,219	127,219	127,219
Square Feet	619	619	619	619	619	619	619	619	619	619
Capacity (students)	468	508	526	517	570	607	631	548	537	559
Enrollment										
Robert Hunter (1961)	74,464	74,464	74,464	74,464	74,464	74,464	74,464	74,464	74,464	74,464
Square Feet	547	547	547	547	547	547	547	547	547	547
Capacity (students)	356	387	393	446	442	449	442	521	487	483
Enrollment										
Desmares (1991)	85,138	85,138	85,138	85,138	85,138	85,138	84,094	84,094	84,094	84,094
Square Feet	569	569	569	569	569	569	569	569	569	569
Capacity (students)	454	470	455	495	483	492	488	473	463	447
Enrollment										
Middle School(s):										
JP Case (2006)	167,000	167,000	167,000	167,000	167,000	167,000	137,672	137,672	137,672	137,672
Square Feet	912	912	912	912	912	912	912	912	912	912
Capacity (students)	810	838	847	828	808	834	816	791	829	851
Enrollment										
Intermediate School(s)										
Reading-Fleming (1964)	159,120	159,120	159,120	159,120	159,120	159,120	175,318	175,318	175,318	175,318
Square Feet	902	902	902	902	902	902	902	902	902	902
Capacity (students)	756	774	792	834	831	801	788	811	800	768
Enrollment										

Number of Schools at June 30, 2016

- Elementary = 4
- Middle School = 1
- Intermediate = 1

Source: District records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the School Enrollment as of 6/30/16.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE  
 UNAUDITED

School Facilities * Project #(s)	Total	Other	Barley Sheaf	Copper Hill	Frances A. Desmates	Reading- Fleming	JP Case	Robert Hunter
Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX								
2016	\$1,019,096.07	\$510,183.58	\$52,685.31	\$117,739.20	\$105,868.00	\$91,078.57	\$66,024.91	\$75,516.50
2015	1,609,346.46	491,668.57	85,137.16	227,858.11	345,155.06	255,582.47	128,175.08	75,770.01
2014	1,514,304.36	204.04	102,691.43	317,182.88	387,377.73	110,353.71	222,501.51	373,993.06
2013	1,653,345.47		316,610.21	230,500.79	231,209.09	337,944.35	76,176.02	460,905.01
2012	1,498,650.54		164,906.84	310,904.19	628,128.88	189,462.74	113,709.70	91,538.19
2011	1,088,790.78	\$1,232.00	73,757.56	127,881.64	256,161.55	450,993.24	80,721.30	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
<b>Total School Facilities</b>	<b>\$11,014,828.69</b>	<b>\$518,093.61</b>	<b>\$1,654,787.37</b>	<b>\$1,651,561.17</b>	<b>\$2,269,184.47</b>	<b>\$2,468,483.03</b>	<b>\$897,005.15</b>	<b>\$1,555,713.89</b>

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

Source: District records

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
INSURANCE SCHEDULE  
6/30/2016  
UNAUDITED

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

Source: District Records

**SINGLE AUDIT SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2016, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 4, 2016.

***Internal Control Over Financial Reporting***

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

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

## SUPLEE, CLOONEY & COMPANY

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

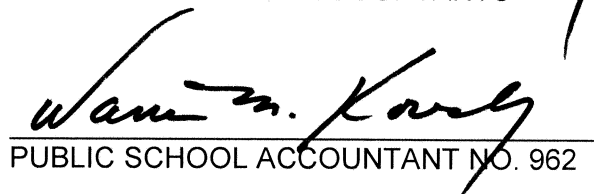
### ***Compliance and Other Matters***

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

### ***Purpose of This Report***

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

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 962

November 4, 2016



# SUPLEE, CLOONEY & COMPANY

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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 REQUIRED BY THE  
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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 *Federal OMB 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, 2016. 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 requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance*) and *New Jersey OMB 15-08*. Those standards, the *Uniform Guidance* and *New Jersey OMB 15-08* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the 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.



# SUPLEE, CLOONEY & COMPANY

## **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, 2016.

## **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 and state program and to test and report on internal control over compliance in accordance with the *Uniform Guidance* and New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 the *Uniform Guidance* and State of New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 962

November 4, 2016

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FEDERAL CFDA NUMBER	FEDERAL FUND NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM	TO	BALANCE JUNE 30, 2015	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2016	
												(ACCOUNTS RECEIVABLE)	DUED TO GRANTOR
93.778	1608NJ5MAP	N/A	\$72,730.42	6/30/15	6/30/16	\$	\$	70,789.66	(72,730.42)	\$	\$	(1,940.76)	\$
General Fund													
U.S. Department of Health and Human Services													
Passed-Through State Department of Education													
Medicaid Assistance Program (SEIM)													
Total U.S. Department of Health and Human Services													
Special Revenue Funds													
U.S. Department of Education													
Passed-Through State Department of Education													
N.C.L.B.:													
84.010A	S010A150030	NCLB-1510-16	\$101,558.00	7/1/15	6/30/16			63,508.00	(100,842.31)			(37,334.31)	
84.010A	S010A150030	NCLB-1510-15	109,081.00	7/1/14	6/30/15	(41,079.67)		41,062.00		17.67			
84.367A	S367A150029	NCLB-1510-16	89,970.00	7/1/15	6/30/16			74,414.00	(88,336.76)	(1.86)		(13,924.62)	
84.367A	S367A150029	NCLB-1510-15	102,452.00	7/1/14	6/30/15	(24,491.94)		23,344.00		1,147.94			
84.365A	S365A150030	NCLB-1510-16	37,350.00	7/1/15	6/30/16			26,307.00	(37,316.43)	0.43		(11,009.00)	
84.365A	S365A150030	NCLB-1510-15	40,366.00	7/1/14	6/30/15	(11,763.57)		11,764.00		(0.43)			
84.365A	S365A150030	NCLB-1510-15	2,306.00	7/1/14	6/30/15	(2,306.10)		2,306.00		0.10			
Total N.C.L.B.													
						(79,641.28)		242,705.00	(226,495.50)	1,163.85		(62,267.93)	
ID.E.A., Part B Special Education Cluster:													
84.027	H027A150100	FT-1510-16	814,505.00	7/1/15	6/30/16			507,031.00	(692,469.65)	(1,571.00)		(187,009.65)	
84.027	H027A150100	FT-1510-15	884,519.00	7/1/14	6/30/15	(252,311.62)		249,305.00		3,006.62			
84.173	H173A150114	PS-1510-16	35,319.00	7/1/15	6/30/16			23,338.00	(32,399.43)	0.38		(9,061.05)	
84.173	H173A150114	PS-1510-15	36,672.00	7/1/14	6/30/15	(11,973.62)		11,974.00		(0.38)			
Total ID.E.A., Part B Special Education Cluster													
						(264,295.24)		791,648.00	(724,869.08)	1,435.62		(196,070.70)	
Total U.S. Department of Education													
						(343,926.52)		1,034,353.00	(951,364.58)	2,599.47		(256,338.63)	
Enterprise Funds													
U.S. Department of Agriculture													
Passed-Through State Department of Education:													
Child Nutrition Cluster:													
10.555	16161NJ304N1099	N/A	56,100.68	7/1/15	6/30/16			56,100.68	(47,873.86)				8,226.82
10.555	16161NJ304N1099	N/A	62,697.95	7/1/14	6/30/15	7,751.68			(7,751.68)				
Non-Cash Assistance (Commodities):													
National School Lunch Program													
National School Lunch Program													
Cash Assistance:													
10.553	16161NJ304N1099	N/A	29,881.60	7/1/15	6/30/16			28,080.64	(29,881.60)			(1,800.96)	
10.553	16161NJ304N1099	N/A	43,417.83	7/1/14	6/30/15	(3,787.78)		3,787.78					
10.555	16161NJ304N1099	N/A	260,756.22	7/1/15	6/30/16			242,667.89	(260,756.22)			(18,088.33)	
10.555	16161NJ304N1099	N/A	262,209.62	7/1/14	6/30/15	(21,720.42)		21,720.42				(19,899.29)	
Total U.S. Department of Agriculture													
						(17,756.52)		352,357.41	(346,263.36)			(6,095.91)	
Total Federal Financial Assistance													
						(361,683.04)		1,457,500.07	(1,370,368.36)	2,599.47		(280,168.68)	
Total Federal Financial Assistance													

See accompanying notes to schedules of financial assistance.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM TO	BALANCE AT JUNE 30, 2015		CARRYOVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2016		DUE TO GRANTOR	BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
				(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE					(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE			
State Department of Education General Funds:														
State Aid Cluster:														
Special Education Aid	16-495-034-5120-068	2,067,960.00	7/1/15	6/30/16	\$	\$	1,863,226.44	(2,067,960.00)		\$	\$		(204,733.56)	(2,067,960.00)
Special Education Aid	16-495-034-5120-068	131,295.00	7/1/15	6/30/16			131,295.00	(131,295.00)					(131,295.00)	(131,295.00)
Special Education Aid	16-495-034-5120-078	3,563,525.00	7/1/15	6/30/16			3,228,746.46	(3,563,525.00)					(56,778.54)	(3,563,525.00)
PARCC Readiness	16-495-034-5120-068	32,465.00	7/1/15	6/30/16			29,250.88	(32,465.00)					(3,214.12)	(32,465.00)
Per Pupil Growth	16-495-034-5120-067	32,465.00	7/1/15	6/30/16			29,250.88	(32,465.00)					(3,214.12)	(32,465.00)
Total State Aid Cluster							5,270,573.10	(5,849,710.00)					(579,136.90)	(5,849,710.00)
Transportation Aid	16-495-034-5120-014	276,640.00	7/1/15	6/30/16			249,251.90	(276,640.00)					(27,388.10)	(276,640.00)
Nonpublic Transportation Aid	N/A	7,163.00	7/1/15	6/30/16			13,955.00	(7,163.00)						(7,163.00)
Nonpublic Transportation Aid	N/A	13,955.00	7/1/14	6/30/15			136,702.00							
Extraordinary Special Education Costs Aid	15-495-034-5120-044	136,702.00	7/1/14	6/30/15										
Extraordinary Special Education Costs Aid	16-495-034-5120-044	450,134.00	7/1/15	6/30/16			1,866,397.00	(450,134.00)						(450,134.00)
On-Behalf TPAF	16-495-034-5094-002	1,866,397.00	7/1/15	6/30/16			92,972.00	(1,866,397.00)						(1,866,397.00)
On-Behalf TPAF - Non-contributory Insurance	16-495-034-5094-001	92,972.00	7/1/15	6/30/16			2,333,068.00	(92,972.00)						(92,972.00)
On-Behalf TPAF Post-Retirement Medical Benefits	16-495-034-5094-001	2,333,068.00	7/1/15	6/30/16			129,704.98	(2,333,068.00)						(2,333,068.00)
Reimbursed TPAF Social Security Contribution	15-495-034-5094-003	1,843,262.19	7/1/14	6/30/15			1,771,977.10							(1,864,019.08)
Reimbursed TPAF Social Security Contribution	16-495-034-5094-003	1,864,019.08	7/1/15	6/30/16			11,864,601.08	(1,864,019.08)						(1,864,019.08)
Total General Fund							11,864,601.08	(12,740,103.08)					(606,525.00)	(12,740,103.08)
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	15-100-034-5120-066	5,301.00	7/1/14	6/30/15	5,301.00		1,672.00		(5,301.00)			1,672.00		
Corrective Speech	16-100-034-5120-066	1,672.00	7/1/15	6/30/16			2,726.00					1,633.77		(1,192.23)
Examination and Classification	15-100-034-5120-066	2,726.00	7/1/14	6/30/15	4,141.00		743.00		(4,141.00)			743.00		
Examination and Classification	16-100-034-5120-066	743.00	7/1/15	6/30/16			1,185.00					0.18		(1,184.82)
Supplemental Instruction	15-100-034-5120-066	1,185.00	7/1/14	6/30/15	914.00		78.00		(914.00)			22.02		(65.98)
Supplemental Instruction	16-100-034-5120-066	914.00	7/1/15	6/30/16	19.00		171.00					75.00		
Compensatory Education	15-100-034-5120-067	448.00	7/1/14	6/30/15	536.00		270.00		(536.00)			175.44		(64.56)
Compensatory Education	16-100-034-5120-067	78.00	7/1/15	6/30/16	854.00		6,920.00					4,392.41		(2,823.03)
Nonpublic Technology Aid	15-100-034-5120-373	78.00	7/1/14	6/30/15	19.00									
Nonpublic Technology Aid	16-100-034-5120-373	448.00	7/1/15	6/30/16										
Nonpublic Textbook Aid	15-100-034-5120-064	536.00	7/1/14	6/30/15	536.00									
Nonpublic Textbook Aid	16-100-034-5120-064	536.00	7/1/15	6/30/16										
Nonpublic Security Aid	15-100-034-5120-509	75.00	7/1/15	6/30/16	854.00									
Nonpublic Security Aid	16-100-034-5120-070	1,328.00	7/1/14	6/30/15										
Nonpublic Nursing Services	16-100-034-5120-070	270.00	7/1/15	6/30/16										
Nonpublic Nursing Services														
Total Special Revenue Fund							6,920.00	(2,823.03)				4,392.41		(2,823.03)
Capital Projects Fund:														
Educational Facilities Construction and Financing Act	1510-030-14-1001	65,832.00	Continuous											
Educational Facilities Construction and Financing Act	1510-030-14-1003	264,213.00	Continuous											
Educational Facilities Construction and Financing Act	1510-030-14-1006	19,482.00	Continuous											
Educational Facilities Construction and Financing Act	1510-030-14-1007	280,870.00	Continuous											
Educational Facilities Construction and Financing Act	1510-030-14-1009	31,860.00	Continuous											
Educational Facilities Construction and Financing Act	1510-030-14-1010	36,399.00	Continuous											
Total Capital Projects Fund														
Debt Service Fund:														
Debt Service Aid - Type II	16-495-034-5120-075	134,046.00	7/1/15	6/30/16			134,046.00							
Total Debt Service Fund							134,046.00							
National School Lunch Program (State Share)	15-100-010-3350-023	10,158.54	7/1/14	6/30/15			855.76							
National School Lunch Program (State Share)	16-100-010-3350-023	9,935.15	7/1/15	6/30/16			9,261.71							
Total Enterprise Fund							10,117.47							
Total State Financial Assistance							12,015,684.55	(12,938,036.34)				4,392.41	(606,525.00)	(12,938,036.34)
Less: On-Behalf amounts not utilized for determination of Major Programs:														
On-Behalf TPAF	16-495-034-5094-002	1,866,397.00	7/1/15	6/30/16			1,866,397.00							(1,866,397.00)
On-Behalf TPAF - Non-contributory Insurance	16-495-034-5094-004	92,972.00	7/1/15	6/30/16			92,972.00							(92,972.00)
On-Behalf TPAF Post-Retirement Medical Benefits	16-495-034-5094-001	2,333,068.00	7/1/15	6/30/16			2,333,068.00							(2,333,068.00)
Total State Financial Assistance Subject to Single Audit							7,723,247.55	(8,645,599.34)				4,392.41	(606,525.00)	(17,230,473.34)

See accompanying notes to schedules of financial assistance.

**Flemington-Raritan Regional School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2016**

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of 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 District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, 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. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2016**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$6,393.00) for the general fund and (\$2,893.65) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$72,730.42	\$12,733,710.08	\$12,806,440.50
Special Revenue Fund	953,236.57	2,767.05	956,003.62
Capital Projects Fund		51,129.08	51,129.08
Debt Service Fund		134,046.00	134,046.00
Food Service Fund	346,263.36	9,935.15	356,198.51
	<u>346,263.36</u>	<u>9,935.15</u>	<u>356,198.51</u>
Total Awards & Financial Assistance	<u>\$1,372,230.35</u>	<u>\$12,931,587.36</u>	<u>\$14,303,817.71</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: OTHER**

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2016. 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, 2016.

**Flemington-Raritan Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2016**

**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 2 CFR 200.516 of the Circular Uniform Guidance?  | No             |                     |             |        |                |        |  |
| (4)            | Identification of Major Federal Program(s):   |                |                     |             |        |                |        |  |
|                | <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Program</u></th> <th style="text-align: left;"><u>Grant Number</u></th> </tr> </thead> <tbody> <tr> <td>IDEA Part B</td> <td>84.027</td> </tr> <tr> <td>IDEA Preschool</td> <td>84.173</td> </tr> </tbody> </table> | <u>Program</u> | <u>Grant Number</u> | IDEA Part B | 84.027 | IDEA Preschool | 84.173 |  |
| <u>Program</u> | <u>Grant Number</u>   |                |                     |             |        |                |        |  |
| IDEA Part B    | 84.027  |                |                     |             |        |                |        |  |
| IDEA Preschool | 84.173  |                |                     |             |        |                |        |  |
| (5)            | Program Threshold Determination:<br>Type A Federal Program Threshold > \$750,000.00<br>Type B Federal Program Threshold <= \$750,000.00   |                |                     |             |        |                |        |  |
| (6)            | Auditee qualified as a low-risk auditee under OMB Uniform Guidance?   | Yes            |                     |             |        |                |        |  |

**Flemington-Raritan Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2016**

**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 15-08? No
- (4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant Number</u>
Reimbursed TPAF Social Security Cont.	495-034-5094-003

- (5) Program Threshold Determination:
  - Type A State Program Threshold > \$750,000.00
  - Type B State Program Threshold <= \$750,000.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

**Flemington-Raritan Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2016**

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

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

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

Federal Programs – None Reported

State Programs – None Reported



**Flemington-Raritan Regional School District**

**Schedule of Prior Year Audit Findings**

Not Applicable



