

**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, 2020**

**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

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Superintendent

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December 16, 2020

Honorable President Bart  
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, 2020 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Flemington-Raritan Regional Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The 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 PK through 8. The Flemington-Raritan School District has six schools that serve grades pre-kindergarten through eighth grade. Children attend one of four elementary schools for grades PK-4: Barley Sheaf Elementary School, Copper Hill Elementary School, Francis A. Desmares Elementary School, or Robert Hunter Elementary School. Reading-Fleming Intermediate School educates children in grades 5-6 while J.P. Case Middle School educates children in grades 7-8. These include regular as well as special education for handicapped children.<sup>1</sup> The community served by the district is ethnically, culturally, and linguistically diverse.

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

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

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



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

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

The following table presents the actual historical pupil enrollment, as of October 15, for the school years 2010-2011 through 2019-2020.

Fiscal Year	<u>School Year Enrollment a/o October 15</u>	
	Student Enrollment	Percent Change
2010-11	3,616	n/a
2011-12	3,541	-2.1%
2012-13	3,505	-1.0%
2013-14	3,387	-3.4%
2014-15	3,344	-1.3%
2015-16	3,150	-5.8%
2016-17	3,077	-2.3%
2017-18	3,055	-0.7%
2018-19	3,087	+1.0%
2019-20	3,074	-0.4%

The District’s historical enrollment from 2010-2011 through 2019-20, a ten-year period, represents a steady decline. In 2019-2020, enrollment is 3,074, which is a loss of 542 students (-15%) from the 2010-11 enrollment of 3,616.

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

Flemington-Raritan Regional Schools has 20% free/reduced lunch 15.48% total special education and 15.22% Special Education without ESL students and 17.57% English Language Learners. Flemington-Raritan Regional School District has 370.3 staff members and operates on a \$64.4 million dollar budget.

2) ECONOMIC CONDITION AND OUTLOOK:

The Flemington Borough section of the Flemington-Raritan Regional School District continues to see housing development in the community. Because of limited open space, the Borough is not expected to grow significantly and the tax base is expected to remain relatively level. In Flemington, there is the potential for 381 multi-family units in three separate developments, all of which would be in the Desmares attendance area. Of the proposed new housing, the largest development, Courthouse Square, would involve the redevelopment of an area bordered by Main Street, Spring Street, Bloomfield Avenue, and Chorister Place, and is situated within the Union Hotel Redevelopment Area. The project would consist of a hotel, a mix of commercial and retail space, and 222 apartment units, of which 14 units will be set aside to meet affordable housing requirements. In Raritan, there is the potential for 640 new housing units, the majority of which are multi-family units. Four developments would be in the Desmares attendance area while two developments would be in the Barley Sheaf attendance area. The largest proposed development, The Enclave, will consist of 200 apartment units with primarily one- and two-bedrooms. Other proposed developments include Raritan Town Square, which will consist of 140 apartment units, and The Pavilion at Raritan, consisting of 139 apartment units. Willows South will consist of 100 affordable rental apartment units while Hunterdon Creekside will consist of 50 affordable apartments for purchase. The smallest development, which is located at 307 Old York Road, will consist of 11 detached single-family homes. An estimate was made of the number of public school children that could potentially come from the proposed housing developments in Flemington and Raritan. In total, 325 public school children in grades K-8 are projected.

Although the Flemington-Raritan Regional School District is expecting little development in the foreseeable future, the District is monitoring the development of low-income housing. The District secured the services of a demographer who used the cohort-survival ration method, approved by the New Jersey Department of Education, to obtain statistical forecasting of enrollment, housing developments, and projections by elementary school, detailed housing analysis, race & poverty analysis, and housing turnover analysis. The analysis is assisting the Superintendent’s Equity Ad Hoc Committee with data analysis for future redistricting possibilities.

The Flemington-Raritan Regional School District serves Flemington Borough and Raritan Township children providing a full range of educational services appropriate to grades PK through 8. Located in Hunterdon County, Flemington Borough contains a land area of 1.08 square miles. In the 2010 Census, Flemington had 4,581 residents, which is 4,241.7 persons per square mile. Historical and projected populations for Flemington from 1940-2040 are shown in Table 1 and Figure 1. <sup>2</sup>

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

<b>Year</b>	<b>Population</b>	<b>Percent Change</b>
<b>Historical<sup>1</sup></b>		
<b>1940</b>	2,617	N/A
<b>1950</b>	3,058	+16.9%
<b>1960</b>	3,232	+5.7%
<b>1970</b>	3,917	+21.2%
<b>1980</b>	4,132	+5.5%
<b>1990</b>	4,047	-2.1%
<b>2000</b>	4,200	+3.8%
<b>2010</b>	4,581	+9.1%
<b>2018 (est.)</b>	4,589	+0.2%
<b>Projected<sup>2</sup></b>		
<b>2020</b>	4,655	+1.4%
<b>2030</b>	4,726	+1.5%
<b>2040</b>	4,803	+1.6%

Sources: <sup>1</sup>United States Census Bureau  
<sup>2</sup>North Jersey Transportation Planning Authority, Inc. (2013)

Raritan Township, which is also located in Hunterdon County, contains a land area of 37.53 square miles, with an additional 0.16 square miles of water area. Historical and projected populations for Raritan from 1940-2040 are shown in Table 2 and Figure 1. In 2010, Raritan had 22,185 residents, which is 591.1 persons per square mile. Unlike Flemington, the population in Raritan has significantly increased from 1940-2010, growing more than tenfold. Raritan experienced its greatest gain in the 1980s (+88.3%) when the population nearly doubled in size. The estimated population in 2018 is 22,219 persons, which is a gain of 34 persons from 2010. Neither Flemington nor Raritan have experienced a significant change in population from 2010-2018. Forecasts prepared by the NJTPA project Raritan’s population to increase to 24,078 in 2040, which would be an 8.4% increase and a gain of 1,859 persons from the 2018 population estimate. <sup>3</sup>

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

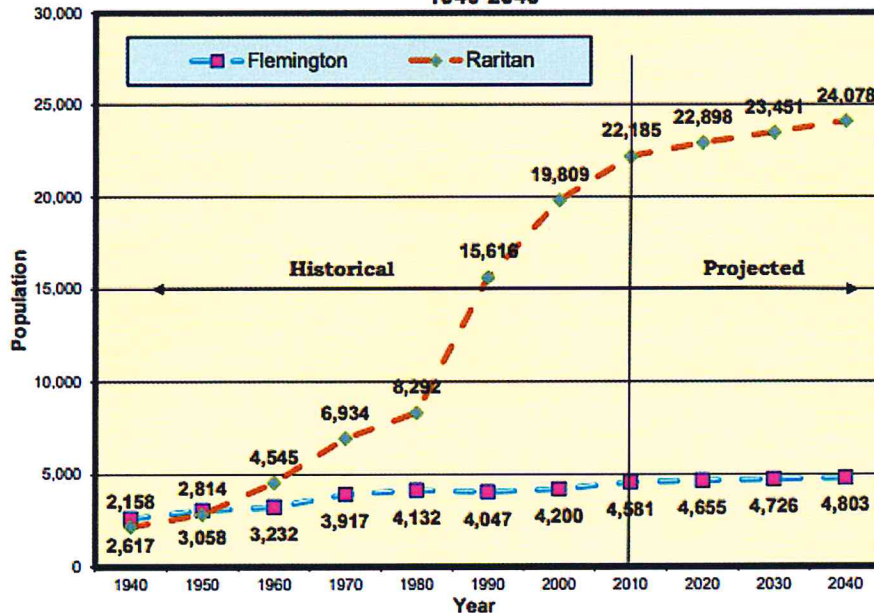
<sup>3</sup> Demographic Study for the Flemington-Raritan Regional School District, February, 2020. Prepared by Richard S. Grip.

**Table 2**  
**Historical and Projected Populations for Raritan**  
**1940-2040**

Year	Population	Percent Change
<b>Historical<sup>1</sup></b>		
1940	2,158	N/A
1950	2,814	+30.4%
1960	4,545	+61.5%
1970	6,934	+52.6%
1980	8,292	+19.6%
1990	15,616	+88.3%
2000	19,809	+26.9%
2010	22,185	+12.0%
2018 (est.)	22,219	+0.2%
<b>Projected<sup>2</sup></b>		
2020	22,898	+3.1%
2030	23,451	+2.4%
2040	24,078	+2.7%

Sources: <sup>1</sup>United States Census Bureau  
<sup>2</sup>North Jersey Transportation Planning Authority, Inc. (2013)

**Figure 1**  
**Historical and Projected Populations**  
**1940-2040**



3) MAJOR INITIATIVES:

Financial Planning:

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

### Facility Planning:

Flemington-Raritan Regional School District has planned for work on all six district buildings as a result of the passing of the 2019 November Referendum. With the imposition by the State of New Jersey of its so-called “2% general fund tax levy cap,” the district avoids large swings in programs. Capital projects on long life cycles, such as facility roofs, must be planned for long-term. The district successfully passed the November 2019 referendum to support HVAC, Security and Safety upgrades for district-wide improvements for all six buildings in Flemington-Raritan Regional School District. The maintenance improvements were no longer possible within the annual school budget. Projects are focused on safety and security initiated in the spring of 2020. Projects are expected to continue and be completed in the 2020-2021 school year.

### Educational Program:

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

Students in the Flemington-Raritan Regional School District have extraordinary opportunities to develop knowledge and skills in world languages, science, language arts, history, and mathematics. The district’s vocal and instrumental music, fine arts, and theatre programs publicly demonstrate exceptional results. The Flemington-Raritan Regional School District provides a broad array of co-curricular and athletic programs.

The core academic program, aligned with the New Jersey Student Learning Standards, consists of language arts, mathematics, science, social studies, and world language. The language arts program is integrated in its approach to literature and writing. Educators promote literacy and effective writing skills.

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

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

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

### Professional Development

Major professional learning offerings during the 2019-2020 school year included support for the following:

- Balanced Literacy (3-8)
- Benchmark Assessment – Freckle and Mindplay (2-5, 6-8)
- Financial Literacy (8)
- Foundations Coaching (K-2)
- Math ESL (K-8)
- Math Problem Based Inquiry (1-2)
- Science Curriculum (4-5, 5-8)
- Standards Based Report Cards (K-5)
- Social Emotional Learning (K-8)
- Novice Teachers through implementation of the Mentoring Program, New Teacher Summer Institute, and New Teacher Orientation.
- Teachers' pursuit of graduate credits and degrees.
- Tier I Literacy Coaching at Robert Hunter (Title I funded)

### Curriculum Development

Curriculum development projects during the 2019-2020 school year included the following:

- Bilingual/ESL Newcomer Curriculum
- Integration of Math Exemplars and Mystery Science
- School Counseling Curriculum
- Visual Arts and Fabrication Curriculum

- Health and Physical Education – QSAC Compliance
- World Language – QSAC Compliance
- Music Curriculum – QSAC Compliance
- Computers/Technology Curriculum
- Media Center/Library Curriculum
- Tools of the Mind Preschool Curriculum

### Instructional Programs/Technology

Title I federal funds were used to support the hiring of a Bilingual Counselor shared between Robert Hunter and Francis A. Desmares schools. The District also significantly expanded the number and frequency of after school programs for struggling students and English language learners. Finally, the District hired a consultant to work with our Robert Hunter teachers to support their implementation of our Balanced Literacy curriculum.

Other on-going district programs were maintained and/or expanded during the 2019-2020 school year. These programs include the following:

- The District maintains its commitment to maintaining reasonable class sizes at all grade levels.
- Intervention programs, such as Reading Recovery, Math Support, Reading Support, Special Education, ESL, Speech, OT/PT, etc., continued and were expanded as necessary to meet increasing demands.
- Gifted programs, including grades 3-8 Stretch, 3-6 Gifted Math, 7-8 Leveled Math, and 7-8 Passages program were continued. For the second year, the district provided a high school level Geometry class for our most capable math students in grade 8.
- Chromebook 1:1 Program in grades 3-8 (to be expanded K-8 during the 2020-2021 SY)
- The District continued its support of high speed, broadband internet access and on-going maintenance of wireless access points.
- 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 implemented Freckle, an adaptive math instruction program, and Mindplay, a universal reading assessment and progress monitoring program in grades 2-4.

#### 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, 2020.

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 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,



Dr. Kari McGann  
Superintendent



Stephanie Voorhees  
Business Administrator/Board Secretary

km/sv:lab

# FRSD MISSION STATEMENT

The Flemington-Raritan Regional School District values children.

Together, **WE:**

Foster social, emotional, and academic growth in a safe and nurturing environment.

Respect values and traditions within our families and schools.

Strive to respond to the needs of our diverse and changing community.

Develop the curiosity and creativity of critical thinkers to become collaborative problem solvers who meet the challenges of a globally competitive society.



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**Every Student - Every Day - Every Opportunity**

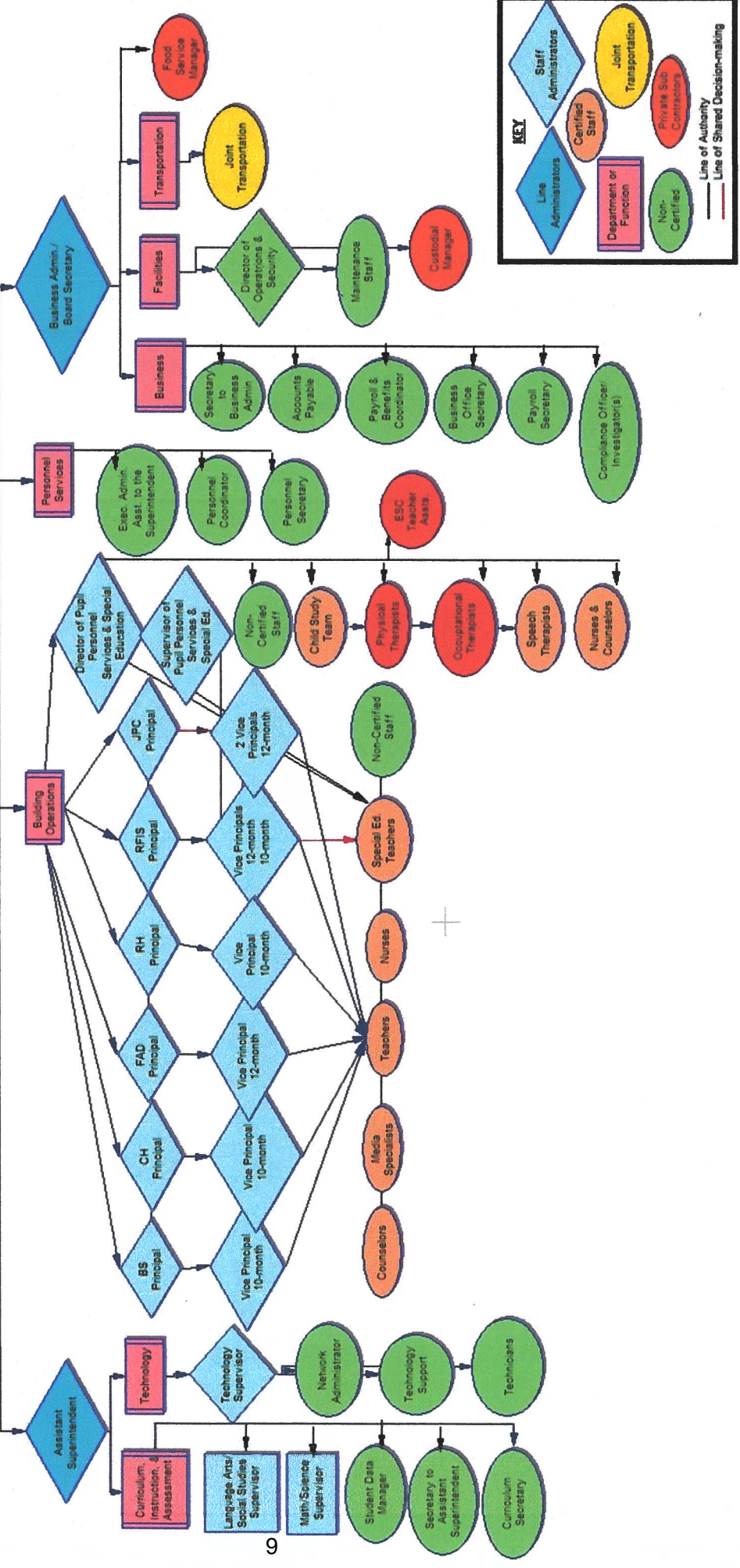
*Adopted by the FRSD Board of Education on May 29, 2018 as part of the 2018-2023 Strategic Plan.*

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2019-2020

FRSD Board of Education

Superintendent of Schools





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

**ROSTER OF OFFICIALS**  
**AS OF JUNE 30, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Tim Bart, President	2021
Jessica Abbott, Vice President	2021
Valerie Bart	2020
Jeffrey Cain	2020
Marianne Kenny	2022
Laurie Markowski	2021
Susan Mitcheltree	2020
Edward Morgan	2020
Christopher Walker	2022

Other Officials:

Kari McGann, Superintendent

Stephanie Voorhees, Board Secretary/Business Administrator

Daniel Bland, Assistant Superintendent for Curriculum & Instruction

Danielle Hamblin, Director of Pupil Personnel Services

Ray Krov, Treasurer of School Monies

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

**CONSULTANTS AND ADVISORS  
JUNE 30, 2020**

**Architect**

DI Group Architecture  
2009 U.S. Route 130 Suite B  
North Brunswick, NJ 08902

**Audit Firm**

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

**Attorneys**

Comegno Law Group, PC  
(Attorney of Record)  
521 Pleasant Valley Avenue  
Moorestown, New Jersey 08057

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

**Bond Counsel**

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

**Official Depository**

Investors Bank  
698 Broad Street  
Three Bridges, NJ 08887

**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@senco.com](mailto:info@senco.com)

## **INDEPENDENT AUDITOR 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, in the County of Hunterdon, State of New Jersey (the "District") as of and for the year ended June 30, 2020, 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 Responsibility***

Our responsibility is to express an opinion 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 District as of June 30, 2020, 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, budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibit M-1 and M-2 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 District's basic financial statements. The accompanying supplementary information, data and 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, data and 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 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 combining and individual fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2020 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. 948

December 16, 2020

**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, 2020  
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, 2020. 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 (2019-2020) and the prior fiscal year (2018-2019) is required to be presented in the MD&A.

**Financial Highlights**

In the District-wide Financial Statements:

- Net position of Governmental Activities increased \$2,061,766.53.
- Net position of the Business-type Activities decreased by \$148,291.59.

In the Major Fund Financial Statements:

- Governmental fund revenues exceed expenditures by \$39,871,844.13.
- Among governmental funds, the General Fund's fund balance increased \$1,538,775.31.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020  
UNAUDITED**

**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  
FOR THE YEAR ENDED JUNE 30, 2020  
UNAUDITED**

**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, 2020  
UNAUDITED**

**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, 2020  
UNAUDITED**

**Financial Analysis of the District as a Whole**

Table 1 below reflects the District's net position as a whole for the Fiscal years 2020 and 2019.

TABLE 1  
NET POSITION

	<u>FY2020</u>	<u>FY2019</u>
<b>ASSETS</b>		
Current & Other Assets	\$44,712,207.51	\$3,382,584.53
Capital Assets	53,342,119.24	50,956,044.59
<b>TOTAL ASSETS</b>	<u>98,054,326.75</u>	<u>54,338,629.12</u>
<b>DEFERRED OUTFLOWS</b>		
Loss on Refunding of Long-Term Debt	106,668.00	120,001.00
Related to pensions	1,754,720.00	2,474,078.00
<b>TOTAL DEFERRED OUTFLOWS</b>	<u>1,861,388.00</u>	<u>2,594,079.00</u>
<b>LIABILITIES</b>		
Other Liabilities	2,783,027.84	615,075.84
Long-Term Liabilities	76,547,758.85	37,615,185.75
<b>TOTAL LIABILITIES</b>	<u>79,330,786.69</u>	<u>38,230,261.59</u>
<b>DEFERRED INFLOWS</b>		
Gain on Refunding of Long-Term Debt	574,705.04	647,683.45
Related to pensions	2,849,022.00	2,807,037.00
<b>TOTAL DEFERRED INFLOWS</b>	<u>3,423,727.04</u>	<u>3,454,720.45</u>
<b>NET POSITION</b>		
Net investment in capital assets	10,932,015.09	22,349,635.48
Resticted	14,916,175.54	1,951,548.12
Unrestricted ( Deficit)	(8,686,989.61)	(9,053,457.52)
<b>TOTAL NET POSITION</b>	<u><u>\$17,161,201.02</u></u>	<u><u>\$15,247,726.08</u></u>

The District's combined net position was \$17,161,201.02 on June 30, 2020. 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, 2020  
UNAUDITED**

Table 2 shows changes in net position for Fiscal Years 2020 and 2019.

TABLE 2  
CHANGES IN NET POSITION

	<u>FY2020</u>	<u>FY2019</u>
<b>REVENUES</b>		
Program Revenues:		
Charges for Services	\$394,863.04	\$594,967.37
Operating Grants & Contributions	18,339,590.76	19,876,854.58
General Revenues:		
Property Taxes	55,702,808.00	54,659,144.00
Grants & Entitlements	3,588,815.90	3,672,157.50
Other	1,191,376.20	775,394.34
Total Revenue	<u>79,217,453.90</u>	<u>79,578,517.79</u>
<b>EXPENSES</b>		
Instruction	47,005,314.85	49,015,774.82
Pupils and Instructional Staff	9,283,824.17	10,264,655.23
General & School Administration, Central Services & Technology	7,617,538.46	8,034,344.18
Maintenance	5,795,964.90	6,366,718.64
Transportation	5,236,955.07	4,970,242.97
Interest on Long-Term Debt	1,461,583.67	1,022,562.64
Business Type	902,797.83	1,053,052.10
Total Expense	<u>77,303,978.96</u>	<u>80,727,350.58</u>
Disposal of Capital Assets (Net)	-	(5,100.00)
Change in Net Position	1,913,474.94	(1,153,932.79)
Net Position - July 1,	<u>\$15,247,726.08</u>	<u>16,401,658.87</u>
Net Position - June 30,	<u><u>\$17,161,201.02</u></u>	<u><u>15,247,726.08</u></u>

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020  
UNAUDITED**

**Sources of Revenue for Fiscal Year 2020**

In the District-wide Financial Statements, the District's total revenue for the 2019-2020 school year was \$79,217,453.90 as reflected in Table 3 below. Property taxes accounted for 70.32 percent of the total revenue with the other 29.68 percent consisting of federal & state aid, charges for service, operating grants & contributions, and miscellaneous sources. Table 3 below summarizes these revenues for Fiscal Years 2020 and 2019.

TABLE 3  
DISTRICT-WIDE REVENUES

	<u>FY2020</u>		<u>FY2019</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$55,702,808.00	70.32%	\$54,659,144.00	68.69%
Federal & State Grants not Restricted	3,588,815.90	4.53%	3,672,157.50	4.61%
Miscellaneous Income	1,191,376.20	1.50%	775,394.34	0.97%
Charges for Services	394,863.04	0.50%	594,967.37	0.75%
Operating Grants & Contributions	<u>18,339,590.76</u>	<u>23.15%</u>	<u>19,876,854.58</u>	<u>24.98%</u>
	<u>\$79,217,453.90</u>	<u>100.00%</u>	<u>\$79,578,517.79</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, 2020  
UNAUDITED**

**Expenses for the Fiscal Year 2020**

The total expenditures for the 2019-2020 fiscal year for all programs and services were \$77,303,978.96. Table 4 below summarizes these program costs.

TABLE 4  
DISTRICT-WIDE EXPENSES

	<u>FY2020</u>		<u>FY2019</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$47,005,314.85	60.81%	\$49,015,774.82	60.72%
Pupils and Instructional Staff	9,283,824.17	12.01%	10,264,655.23	12.72%
General & School Administration, Central Services & Technology	7,617,538.46	9.85%	8,034,344.18	9.95%
Maintenance	5,795,964.90	7.50%	6,366,718.64	7.89%
Transportation	5,236,955.07	6.77%	4,970,242.97	6.16%
Interest on Long-Term Debt	1,461,583.67	1.89%	1,022,562.64	1.27%
Business Type	902,797.83	1.17%	1,053,052.10	1.30%
	<u>\$77,303,978.96</u>	<u>100.00%</u>	<u>\$80,727,350.58</u>	<u>100.00%</u>

The District's expenses are predominantly related to instructing, providing services and transporting students, grades pre-kindergarten through eight, which accounts for approximately 80 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 \$2,109,061.33 for depreciation.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020  
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>FY2020</u>	Total Cost of Services <u>FY2019</u>	Net Cost of Services <u>FY2020</u>	Net Cost of Services <u>FY2019</u>
Instruction	\$47,005,314.85	\$49,015,774.82	\$32,831,210.61	\$33,845,346.86
Pupils and Instructional Staff	9,283,824.17	10,264,655.23	7,141,685.19	7,782,968.66
General & School Administration, Central Services & Technology	7,617,538.46	8,034,344.18	6,372,700.08	6,626,017.02
Maintenance	5,795,964.90	6,366,718.64	5,795,964.90	6,366,718.64
Transportation	5,236,955.07	4,970,242.97	4,939,319.39	4,656,030.49
Interest on Long-Term Debt	1,461,583.67	1,022,562.64	1,339,979.67	901,670.64
Business Type	902,797.83	1,053,052.10	148,665.30	76,776.32
	<u>\$77,303,978.96</u>	<u>\$80,727,350.58</u>	<u>\$58,569,525.14</u>	<u>\$60,255,528.63</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 prevent over expenditures in specific line item accounts.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020  
UNAUDITED**

**Capital Assets**

During the fiscal year 2019-2020 the District's capital acquisitions exceeded depreciation expense, therefore capital assets net of depreciation increased by \$2,386,074.65. 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>FY2020</u>	<u>FY2019</u>
Land	\$2,399,641.19	\$2,399,641.19
Site Improvements	357,803.89	433,455.90
Building Improvements	48,923,109.80	46,052,684.42
Machinery Equipment	1,661,564.36	2,070,263.08
	<u>\$53,342,119.24</u>	<u>\$50,956,044.59</u>

**Debt Administration**

At June 30, 2020, the District had \$76,547,758.85 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>FY2020</u>	<u>FY2019</u>
Bonds Payable	\$64,528,000.00	\$24,715,000.00
Capital Leases Payable	3,057,687.66	3,363,726.66
Compensated Absences	1,205,405.19	1,139,276.09
Net Pension Liability	7,756,666.00	8,397,183.00
	<u>\$76,547,758.85</u>	<u>\$37,615,185.75</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020  
UNAUDITED**

**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, 2020.

## **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, 2020

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$42,728,586.15	\$57,721.94	\$42,786,308.09
Cash on hand with fiscal agent	215,595.00		215,595.00
Receivables, net	1,254,099.44	24,485.44	1,278,584.88
Inventory		31,115.34	31,115.34
Interfund receivable	16,080.01		16,080.01
Restricted assets:			
Restricted cash and cash equivalents	384,524.19		384,524.19
Capital assets:			
Land/construction in progress	2,399,641.19		2,399,641.19
Other capital assets, net of depreciation	50,824,875.82	117,602.23	50,942,478.05
Total Assets	<u>97,823,401.80</u>	<u>230,924.95</u>	<u>98,054,326.75</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Loss on Refunding of Long-Term Debt	106,668.00		106,668.00
Pension related	1,754,720.00		1,754,720.00
Total deferred outflow of resources	<u>1,861,388.00</u>		<u>1,861,388.00</u>
<b>LIABILITIES:</b>			
Accounts payable	893,438.05		893,438.05
Payable to state government	1,682.56		1,682.56
Unearned revenue	3,360.28	55,806.15	59,166.43
Accrued liability for insurance claims	1,228,321.00		1,228,321.00
Accrued interest on bonds	600,419.80		600,419.80
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	4,019,537.46		4,019,537.46
Due beyond one year:			
Compensated absences payable	1,205,405.19		1,205,405.19
Net pension liability	7,756,666.00		7,756,666.00
Bonds and capital leases payable	63,566,150.20		63,566,150.20
Total liabilities	<u>79,274,980.54</u>	<u>55,806.15</u>	<u>79,330,786.69</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>			
Pension related	2,849,022.00		2,849,022.00
Gain on Refunding of Long-Term Debt	574,705.04		574,705.04
Total deferred inflow of resources	<u>3,423,727.04</u>		<u>3,423,727.04</u>
<b>NET POSITION:</b>			
Net investment in capital assets	10,814,412.86	117,602.23	10,932,015.09
Restricted for:			
Capital projects	12,745,172.43		12,745,172.43
Debt service (deficit)	(247,819.19)		(247,819.19)
Other purposes	2,418,822.30		2,418,822.30
Unrestricted (deficit)	<u>(8,744,506.18)</u>	<u>57,516.57</u>	<u>(8,686,989.61)</u>
Total net position	<u>\$16,986,082.22</u>	<u>\$175,118.80</u>	<u>\$17,161,201.02</u>

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

FLEMINGTON-RARTAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Indirect Expense Allocation	Charges for Services	Programs Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position			
					Governmental Activities	Business-type Activities	Total	
<b>Governmental Activities:</b>								
Instruction:								
Regular	\$ 18,312,627.56	\$ 12,179,205.59	\$	\$ 7,346,854.15	\$ (23,144,978.99)	\$	\$ (23,144,978.99)	
Special	9,060,660.85	3,817,909.88		5,936,722.31	(6,941,848.42)		(6,941,848.42)	
Other Instruction	2,162,302.93	1,472,608.05		890,527.78	(2,744,383.20)		(2,744,383.20)	
Support services:								
Tuition	869,390.06				(869,390.06)		(869,390.06)	
Student and instruction related services	5,286,943.66	3,127,490.45		2,142,138.98	(6,272,295.13)		(6,272,295.13)	
General administrative services	852,136.71	314,336.36			(1,166,473.07)		(1,166,473.07)	
School administrative services	3,190,177.37	2,092,845.12		1,244,838.37	(4,038,184.12)		(4,038,184.12)	
Central services	609,412.23	362,377.91			(971,790.14)		(971,790.14)	
Administration information technology	138,443.10	57,809.65			(196,252.75)		(196,252.75)	
Plant operations and maintenance	5,014,364.93	781,599.97			(5,795,964.90)		(5,795,964.90)	
Pupil transportation	5,016,591.58	220,363.49		297,635.68	(4,939,319.39)		(4,939,319.39)	
Unallocated benefits	22,346,260.41	(22,346,260.41)						
Charter Schools								
Interest on Long-Term Debt	1,461,583.67			121,604.00	(1,339,979.67)		(1,339,979.67)	
Unallocated depreciation	2,080,286.07	(2,080,286.07)						
Total governmental activities	<u>76,401,181.13</u>	<u>0.00</u>		<u>17,980,321.27</u>	<u>(58,420,859.84)</u>		<u>(58,420,859.84)</u>	
<b>Business-type activities</b>								
Food Service	902,797.83		394,863.04	359,269.49		(148,665.30)	(148,665.30)	
Total business-type activities	<u>902,797.83</u>		<u>394,863.04</u>	<u>359,269.49</u>		<u>(148,665.30)</u>	<u>(148,665.30)</u>	
Total primary government	\$ <u>77,303,978.96</u>	\$ <u>0.00</u>	\$ <u>394,863.04</u>	\$ <u>18,339,590.76</u>	\$ <u>(58,420,859.84)</u>	\$ <u>(148,665.30)</u>	\$ <u>(58,569,525.14)</u>	
<b>General Revenues:</b>								
<b>Taxes:</b>								
Property taxes, levied for general purposes, net					\$ 52,612,649.00	\$	\$ 52,612,649.00	
Taxes levied for debt service					3,090,159.00		3,090,159.00	
Federal and state aid not restricted					3,588,815.90		3,588,815.90	
Miscellaneous income					1,191,002.47	373.71	1,191,376.18	
Total general revenues and special items					<u>60,482,626.37</u>	<u>373.71</u>	<u>60,483,000.08</u>	
Change in net position					2,061,766.53	(148,291.59)	1,913,474.94	
Net Position - beginning					14,924,315.69	323,410.39	15,247,726.08	
Net Position ending					<u>16,986,082.22</u>	<u>175,118.80</u>	<u>17,161,201.02</u>	

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, 2020

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 4,371,716.75		\$ 38,331,187.02	\$ 25,682.38	\$ 42,728,586.15
Cash, Capital Reserve	384,524.19				384,524.19
Cash on hand with Fiscal Agents	215,595.00				215,595.00
Other receivables	23,620.78				23,620.78
Due from other funds	171,102.19			326,918.23	498,020.42
Receivables from other governments	1,054,835.52	175,643.14			1,230,478.66
	<u>6,221,394.43</u>	<u>175,643.14</u>	<u>38,331,187.02</u>	<u>352,600.61</u>	<u>45,080,825.20</u>
Total assets	\$ <u>6,221,394.43</u>	\$ <u>175,643.14</u>	\$ <u>38,331,187.02</u>	\$ <u>352,600.61</u>	\$ <u>45,080,825.20</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 408,629.33	\$ 17,752.72			\$ 426,382.05
Interfund payables		155,022.18	326,918.23		481,940.41
Payable to state government		1,682.56			1,682.56
Unearned revenue	2,174.60	1,185.68			3,360.28
Accrued liability for insurance claims	1,228,321.00				1,228,321.00
	<u>1,639,124.93</u>	<u>175,643.14</u>	<u>326,918.23</u>		<u>2,141,686.30</u>
Total liabilities	1,639,124.93	175,643.14	326,918.23		2,141,686.30
Fund balances:					
Restricted for:					
Excess surplus	1,855,523.30				1,855,523.30
Excess surplus - designated for subsequent years expenditures	563,299.00				563,299.00
Capital reserve account	384,524.19				384,524.19
Capital projects			25,643,620.55		25,643,620.55
Debt service				337,514.61	337,514.61
Committed to:					
Designated for subsequent years expenditures				15,086.00	15,086.00
Year-end encumbrances			12,360,648.24		12,360,648.24
Assigned to:					
Year-end encumbrances	490,755.01				490,755.01
Unassigned:					
General fund	1,288,168.00				1,288,168.00
	<u>4,582,269.50</u>		<u>38,004,268.79</u>	<u>352,600.61</u>	<u>42,939,138.90</u>
Total fund balances	4,582,269.50		38,004,268.79	352,600.61	42,939,138.90
Total liabilities and fund balances	\$ <u>6,221,394.43</u>	\$ <u>175,643.14</u>	\$ <u>38,331,187.02</u>	\$ <u>352,600.61</u>	\$ <u>45,080,825.20</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

Total Fund Balances (Brought Forward)		\$42,939,138.90
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	\$93,621,604.38	
Accumulated Depreciation	<u>(40,397,087.37)</u>	
		53,224,517.01
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated Absences	(1,205,405.19)	
Bonds Payable	(64,528,000.00)	
Net Pension Liability	(7,756,666.00)	
Capital Leases (Net of Unexpended Proceeds)	<u>(3,057,687.66)</u>	
		(76,547,758.85)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows:		
Pension related		1,754,720.00
Deferred Inflows:		
Pension related		(2,849,022.00)
Refunding Bonds:		
Deferred Outflows:		
Gain on Refunding Bonds		(574,705.04)
Deferred Inflows:		
Loss on Refunding Bonds		106,668.00
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts Payable - Pension Related	(467,056.00)	
Accrued Interest Payable	<u>(600,419.80)</u>	
		<u>(1,067,475.80)</u>
Net Position of Governmental Activities		<u><u>\$16,986,082.22</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, 2020

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$52,612,649.00			\$3,090,159.00	\$55,702,808.00
Tuition	78,951.65				78,951.65
Miscellaneous	774,642.65		\$326,918.23	10,489.96	1,112,050.84
Total revenues - local sources	53,466,243.30		326,918.23	3,100,648.96	56,893,810.49
State sources	16,467,570.54	\$123.44	124,436.34	121,604.00	16,713,734.32
Federal sources	71,308.57	871,709.28			943,017.85
Total revenues	70,005,122.41	871,832.72	451,354.57	3,222,252.96	74,550,562.66
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	18,312,627.56				18,312,627.56
Special instruction	8,469,818.36	590,842.49			9,060,660.85
Other Instruction	2,162,302.93				2,162,302.93
Support services:					
Tuition	869,390.06				869,390.06
Student and instruction related services	5,005,953.43	280,990.23			5,286,943.66
General administrative services	852,136.71				852,136.71
School administrative services	3,190,177.37				3,190,177.37
Central services	609,412.23				609,412.23
Administration information technology	138,443.10				138,443.10
Plant operations and maintenance	5,320,403.93				5,320,403.93
Pupil transportation	5,016,591.58				5,016,591.58
Unallocated benefits	18,198,600.31				18,198,600.31
Debt Service:					
Principal				2,250,000.00	2,250,000.00
Interest				970,371.16	970,371.16
Capital outlay	444,925.87		4,058,731.21		4,503,657.08
Total expenditures	68,590,783.44	871,832.72	4,058,731.21	3,220,371.16	76,741,718.53
Excess (deficiency) of revenues over (under) expenditures	1,414,338.97		(3,607,376.64)	1,881.80	(2,191,155.87)
Other financing sources (uses):					
Transfers in/(out)	124,436.34		(451,354.57)	326,918.23	
Bond Proceeds			42,063,000.00		42,063,000.00
Total other financing sources (uses)	124,436.34		41,611,645.43	326,918.23	42,063,000.00
Net change in fund balances	1,538,775.31		38,004,268.79	328,800.03	39,871,844.13
Fund balances, July 1, 2019	3,043,494.19	-0-		23,800.58	3,067,294.77
Fund balances, June 30, 2020	\$4,582,269.50	\$-0-	\$38,004,268.79	\$352,600.61	\$42,939,138.90

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, 2020

Total net change in fund balances - governmental funds (from B-2)		\$39,871,844.13
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period		
Depreciation expense		(2,080,286.07)
Capital outlays	4,503,657.08	
Capital outlays not capitalized	<u>(18,935.00)</u>	
		4,484,722.08
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net positions and is not reported in the statement of activities.		
Payment of bonds payable		2,250,000.00
Payment of capital lease payable		306,039.00
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.		
Bond proceeds		(42,063,000.00)
Deferred amortization on issuance of refunding bonds		59,645.41
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.		
		(531,922.92)
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
District pension contributions	418,736.00	
Less: Pension expense	<u>(587,882.00)</u>	
		(169,146.00)
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).		
Decrease in Compensated Absences		<u>(66,129.10)</u>
Change in net positions of governmental activities		<u>\$2,061,766.53</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, 2020

	<u>BUSINESS-TYPE ACTIVITIES</u> <u>ENTERPRISE FUND</u> <u>FOOD SERVICE</u> <u>FUND</u>
<b>ASSETS:</b>	
Current assets:	
Cash and cash equivalents	\$57,721.94
Intergovernmental Receivables:	
State	2,806.44
Federal	21,679.00
Inventories	31,115.34
	113,322.72
Total current assets	113,322.72
Noncurrent assets:	
Furniture, machinery and equipment	860,234.44
Less accumulated depreciation	(742,632.21)
	117,602.23
Total noncurrent assets	117,602.23
Total assets	230,924.95
<b>LIABILITIES:</b>	
Current liabilities:	
Unearned revenue	55,806.15
	55,806.15
Total current liabilities	55,806.15
Total liabilities	55,806.15
<b>NET POSITION:</b>	
Net investment in capital assets	117,602.23
Unrestricted	57,516.57
	175,118.80
Total net position	\$175,118.80

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, 2020

	BUSINESS-TYPE ACTIVITIES <u>ENTERPRISE FUND</u> FOOD SERVICE <u>FUND</u>
OPERATING REVENUES:	
Charges for services:	
Daily sales - reimbursable programs	\$264,733.04
Daily sales - non-reimbursable programs	130,130.00
	394,863.04
Total operating revenues	394,863.04
OPERATING EXPENSES:	
Salaries	227,245.32
Employee Benefits	65,071.05
Other Purchase Service (Administrative Expenses)	38,000.00
General Supplies	14,267.33
Miscellaneous Expenditures	140,375.45
Depreciation	28,775.26
Cost of sales - reimbursable programs	284,016.30
Cost of sales - non-reimbursable programs	105,047.12
	902,797.83
Total operating expenses	902,797.83
Operating income (loss)	(507,934.79)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	10,308.44
Federal Sources:	
National School Lunch Program	248,496.65
National School Breakfast Program	37,542.03
National food distribution commodities	62,922.37
Interest on Investments	373.71
	359,643.20
Total nonoperating revenues	359,643.20
Income/(loss) before contributions and transfers	(148,291.59)
Total net position - beginning of the year	323,410.39
Total net position - end of the year	\$175,118.80

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, 2020

	<u>BUSINESS-TYPE ACTIVITIES</u> <u>ENTERPRISE FUND</u> <u>FOOD SERVICE</u> <u>FUND</u>
Cash flows from operating activities:	
Receipts from customers	\$415,653.50
Payments to employees	(227,245.32)
Payments to employee benefits	(65,071.05)
Payments to suppliers	(534,203.86)
	(410,866.73)
Net cash provided by (used for) operating activities	(410,866.73)
Cash flows from noncapital financing activities:	
State Sources	8,356.25
Federal Sources	289,387.68
	297,743.93
Net cash provided by noncapital financing activities:	297,743.93
Cash flows from capital and related financing activities:	
Purchases of capital assets	(10,413.90)
	(10,413.90)
Net cash provided by (used for) capital and related financing activities	(10,413.90)
Cash flows from investing activities:	
Interest	373.71
	373.71
Net cash provided by (used for) investing activities	373.71
Net increase (decrease) in cash and cash equivalents	(123,162.99)
Cash and cash equivalents, July 1, 2019	180,884.93
Cash and cash equivalents, June 30, 2020	\$57,721.94
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(\$507,934.79)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	28,775.26
Federal commodities	62,922.37
Change in assets and liabilities:	
(Increase) Decrease in inventories	(13,419.53)
Increase (Decrease) in unearned revenue	18,789.96
	97,068.06
Net cash provided by (used for) operating activities	(\$410,866.73)

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, 2020

	<u>UNEMPLOYMENT COMPENSATION FUND</u>	<u>AGENCY FUNDS</u>
<b>ASSETS:</b>		
Cash and cash equivalents	\$423,327.46	\$212,379.39
Intrafunds receivable	53,744.18	
	<hr/>	<hr/>
Total assets	<u>477,071.64</u>	<u>212,379.39</u>
<b>LIABILITIES:</b>		
Interfunds Payable		16,080.01
Intrafunds Payable		53,744.18
Payroll deductions and withholdings		15,148.06
Payable to student groups		127,407.14
	<hr/>	<hr/>
Total liabilities		<u>212,379.39</u>
<b>NET POSITION:</b>		
Held in trust for unemployment claims	477,071.64	
	<hr/>	<hr/>
Total net position	<u>\$477,071.64</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, 2020

	<u>UNEMPLOYMENT COMPENSATION FUND</u>
ADDITIONS:	
Contributions:	
Plan Members	\$107,707.94
Total contributions	107,707.94
Investment earnings:	
Interest	3,642.41
Net investment earnings	3,642.41
Total additions	111,350.35
DEDUCTIONS:	
Unemployment claims	50,859.84
Total deductions	50,859.84
Change in net position	60,490.51
Net position - beginning of the year	416,581.13
Net position - end of the year	\$477,071.64

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, 2020**

**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, 2020**

**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 non-exchange 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, 2020**

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

**Basis of Presentation (Continued)**

*Fund Financial Statements:* 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, 2020**

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

**Governmental Fund Types (Continued)**

**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, 2020**

**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, 2020**

**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.

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, 2020**

**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 (N.J.S.A. 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, 2020**

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

**Encumbrance Accounting (Continued)**

Open encumbrances in the special revenue 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, 2020**

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

**Capital Assets**

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

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

<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, 2020**

**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, 2020**

**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, 2020**

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

**Fund Balance Restrictions**

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

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

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

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve 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 Capital Projects Fund encumbrance balances 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, 2020**

**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, 2020**

**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, 2020**

**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 reflect 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 two items that qualify for reporting in this category, deferred amounts from a loss on refunding debt and deferred amounts related to pensions.

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**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, 2020, 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 Reductions</u></b>	<b><u>Reconciled Balance</u></b>
Governmental	\$44,226,054.95	\$696,164.05	\$1,809,108.66	\$43,113,110.34
Proprietary	57,721.94			57,721.94
Fiduciary	647,222.47		11,515.62	635,706.85
	<u>\$44,930,999.36</u>	<u>\$696,164.05</u>	<u>\$1,820,624.28</u>	<u>\$43,806,539.13</u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**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, 2020, 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 \$44,680,999.36 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.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

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

**Investments (Continued)**

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.
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, 2020, the District has \$696,164.05 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, 2020**

**NOTE 3: CHANGE IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 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
Total Capital assets not being depreciated	<u>2,399,641.19</u>	<u>_____</u>	<u>_____</u>	<u>2,399,641.19</u>
Land Improvements	3,472,818.82			3,472,818.82
Building and Building Improvements	74,697,235.65	4,467,568.81		79,164,804.46
Furniture and Equipment	<u>9,231,610.64</u>	<u>17,153.27</u>	<u>664,424.00</u>	<u>8,584,339.91</u>
Totals as historical cost	<u>87,401,665.11</u>	<u>4,484,722.08</u>	<u>664,424.00</u>	<u>91,221,963.19</u>
Total Gross assets (Memo only)	<u>\$ 89,801,306.30</u>	<u>\$ 4,484,722.08</u>	<u>\$ 664,424.00</u>	<u>\$ 93,621,604.38</u>
Less: Accumulated Depreciation for:				
Land Improvements	\$ (3,039,362.92)	\$ (75,652.01)	\$ _____	\$ (3,115,014.93)
Building and Building Improvements	(28,643,995.81)	(1,597,698.85)		(30,241,694.66)
Furniture and Equipment	<u>(7,297,866.57)</u>	<u>(406,935.21)</u>	<u>(664,424.00)</u>	<u>(7,040,377.78)</u>
Total depreciation	<u>(38,981,225.30)</u>	<u>(2,080,286.07)</u>	<u>(664,424.00)</u>	<u>(40,397,087.37)</u>
Total Capital assets being depreciated net of accumulated depreciation	<u>48,420,439.81</u>	<u>2,404,436.01</u>	<u>_____</u>	<u>50,824,875.82</u>
Governmental activities capital assets, net	<u>\$ 50,820,081.00</u>	<u>\$ 2,404,436.01</u>	<u>\$ _____</u>	<u>\$ 53,224,517.01</u>
Business-type activities:				
Equipment	\$ 849,820.54	\$ 10,413.90	\$ _____	\$ 860,234.44
Less: Accumulated Depreciation	<u>(713,856.95)</u>	<u>(28,775.26)</u>	<u>_____</u>	<u>(742,632.21)</u>
Proprietary fund capital assets, net	<u>\$ 135,963.59</u>	<u>\$ (18,361.36)</u>	<u>\$ _____</u>	<u>\$ 117,602.23</u>
Total Capital Assets - All Funds, net	<u>\$ 50,956,044.59</u>	<u>\$ 2,386,074.65</u>	<u>\$ _____</u>	<u>\$ 53,342,119.24</u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

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

Depreciation Expense was charged to governmental expenses as follows:

Instruction:	
Regular	\$ 776,225.74
Specials	359,014.08
Other	91,654.53
Support Services:	
Student and Instruction Related Services	212,189.64
General Administrative Services	36,119.91
School Administrative Services	135,223.51
Central Service	25,831.44
Information and Technology	5,868.25
Plant Operations and Maintenance	225,518.40
Pupil Transportation	<u>212,640.57</u>
	<u>\$ 2,080,286.07</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, 2020**

**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, 2020, the District borrowing capacity under N.J.S. 18A:24-19 is as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2019	\$4,716,219,337.00
2018	4,651,030,245.00
2017	4,564,335,103.00
	<u>13,931,584,685.00</u>
Average equalized valuation of property	4,643,861,561.67
School borrowing margin (2.5% of average equalized valuation of property)	116,096,539.04
Net bonded school debt as of June 30, 2020	<u>64,528,000.00</u>
School borrowing power available	<u>\$51,568,539.04</u>

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2020:

	<u>Bonds Payable</u>	<u>Net Pension Liability</u>	<u>Leases Payable</u>	<u>Compensated Absences Payable</u>	<u>Total</u>
Balance June 30, 2019	\$ 24,715,000.00	\$ 8,397,183.00	\$ 3,363,726.66	\$ 1,139,276.09	\$ 37,615,185.75
Additions	<u>42,063,000.00</u>			<u>80,354.43</u>	<u>42,143,354.43</u>
	66,778,000.00	8,397,183.00	3,363,726.66	1,219,630.52	79,758,540.18
Deletions	<u>2,250,000.00</u>	<u>640,517.00</u>	<u>306,039.00</u>	<u>14,225.33</u>	<u>3,210,781.33</u>
Balance June 30, 2020	<u>\$ 64,528,000.00</u>	<u>\$ 7,756,666.00</u>	<u>\$ 3,057,687.66</u>	<u>\$ 1,205,405.19</u>	<u>\$ 76,547,758.85</u>
Amounts due within one year	<u>\$ 3,698,000.00</u>		<u>\$ 321,537.46</u>		<u>\$ 4,019,537.46</u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

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

**Bonds Payable**

The annual requirements to amortize all debt outstanding as of June 30, 2020, 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>				
2021	\$	3,698,000.00	\$ 2,084,489.76	\$ 5,782,489.76
2022		4,070,000.00	1,758,050.01	5,828,050.01
2023		4,235,000.00	1,623,420.01	5,858,420.01
2024		4,395,000.00	1,483,065.01	5,878,065.01
2025		4,575,000.00	1,337,011.26	5,912,011.26
2026		4,785,000.00	1,156,820.01	5,941,820.01
2027		5,010,000.00	967,585.01	5,977,585.01
2028		5,460,000.00	768,862.51	6,228,862.51
2029		1,995,000.00	666,487.51	2,661,487.51
2030		2,055,000.00	620,925.01	2,675,925.01
2031		2,120,000.00	573,956.26	2,693,956.26
2032		2,180,000.00	525,581.26	2,705,581.26
2033		2,245,000.00	475,800.01	2,720,800.01
2034		2,315,000.00	423,053.13	2,738,053.13
2035		2,385,000.00	367,240.63	2,752,240.63
2036		2,460,000.00	309,706.26	2,769,706.26
2037		2,535,000.00	248,806.26	2,783,806.26
2038		2,615,000.00	184,431.26	2,799,431.26
2039		2,695,000.00	116,371.88	2,811,371.88
2040		2,700,000.00	40,500.00	2,740,500.00
		<u>\$ 64,528,000.00</u>	<u>\$ 15,732,163.05</u>	<u>\$ 80,260,163.05</u>



**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

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

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

<u>Issue</u>	<u>Amount Outstanding June 30, 2020</u>	<u>Bonds Authorized But Not Issued</u>
\$24,175,000.00 in Refunding School Bonds dated October 1, 2014, due in remaining annual installments of \$2,325,000 to \$3,110,000.00 due on June 15, 2021 to 2027 with interest rates ranging from 4% to 5.00%	\$ 18,820,000	\$ -0-
\$6,355,000.00 in Refunding School Bonds dated November 2, 2016, due in remaining annual installments of \$20,000 to \$3,525,000.00 due on February 1, 2021 to 2028 with an interest rate of 1.650%	3,645,000	-0-
\$42,063,000.00 in School Bonds dated December 10, 2019, due in remaining annual installments of \$1,353,000 to \$7,700,000.00 due on September 1, 2020 to 2039 with an interest rates ranging from 2.250% to 3.000%	<u>42,063,000</u>	<u>636.00</u>
	<u>\$ 64,528,000</u>	<u>\$ 636.00</u>

**Bonds Authorized But Not Issued**

As of June 30, 2020, the District had \$636.00 of bonds authorized but not issued.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

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

**Refunding School Bonds**

The District's outstanding Bonds Payable include Refunding Bonds. As a result of these refundings, the Statement of Net Assets reflect Deferred Outflows for losses on Refunding Bonds and Deferred Inflows for Gains on Refunding Bonds. Under the escrow agreements, the escrows are irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the refunded obligations are considered to be defeased and the liability for those bonds have been removed from the financial statements.

The balance of the Deferred Outflows and Inflows resulting from the Bond Refunding as well as the FY2020 activity is reflected below.

**Deferred Outflow - Loss on Refunding of Long Term Debt**

	Balance June 30, <u>2019</u>	<u>Reductions</u>	Balance June 30, <u>2020</u>
2016 Refunding	<u>\$120,001.00</u>	<u>\$13,333.00</u>	<u>\$106,668.00</u>

**Deferred Inflow - Gain on Refunding of Long Term Debt**

	Balance June 30, <u>2019</u>	<u>Reductions</u>	Balance June 30, <u>2020</u>
2014 Refunding	<u>\$647,683.45</u>	<u>\$72,978.41</u>	<u>\$574,705.04</u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**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, 2020:

<u>Year</u>	<u>Amount</u>
2021	\$ 385,942.57
2022	394,657.34
2023	403,570.81
2024	414,689.00
2025	424,055.76
2026-2028	<u>1,323,121.85</u>
Total minimum lease payments	3,346,037.33
Less: Amounts representing interest	<u>288,349.67</u>
Present value of net minimum lease payment	<u><u>\$ 3,057,687.66</u></u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**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 online 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, 2020**

**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, 2020**

**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>
2020	\$420,071.00	100.00%	\$420,071.00
2019	\$425,857.00	100.00%	\$425,857.00
2018	\$398,171.00	100.00%	\$398,171.00

<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>
2020	\$5,444,054.00	100.00%	\$5,444,054.00
2019	\$4,894,240.00	100.00%	\$4,894,240.00
2018	\$3,663,356.00	100.00%	\$3,663,356.00

Also, in accordance with N.J.S.A. 18A:66-66 during the years ended June 30, 2020, 2019 and 2018, the State of New Jersey reimbursed the District \$2,061,017.54, \$2,020,902.78 and \$1,921,375.07 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, 2020**

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

**Public Employees Retirement System (PERS)**

At June 30, 2020, the District reported a liability of \$7,756,666.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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, 2019, the District's proportion was 0.0430483870 percent, which was a decrease of 0.0004003670 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$589,367.00 in the district-wide financial statements. This pension expense was based on the pension plans June 30, 2019 measurement date.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$139,222	\$34,266
Changes of assumptions	774,532	2,692,314
Net difference between projected and actual earnings on pension plan investments		122,442
Changes in proportion and differences between District contributions and proportionate share of contributions	373,910	
District contributions subsequent to the measurement date	<u>467,056</u>	
	<u>\$1,754,720</u>	<u>\$2,849,022</u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

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

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

The \$467,056.00 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, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
2020	(\$149,195)
2021	(651,796)
2022	(574,010)
2023	(229,859)
2024	<u>43,502</u>
	<u><u>(\$1,561,358)</u></u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. These actuarial valuations used the following assumptions:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Inflation	2.75%	2.25%
Salary Increases		
Through 2026	2.00-6.00%	1.65-4.15%
Thereafter	3.00-7.00%	2.65-5.15%
	Based on	Based on
	Years of Service	Age
Investment Rate of Return	7.00%	7.00%



**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

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

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

**Actuarial Assumptions (Continued)**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2019 and June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

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

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

**Actuarial Assumptions (Continued)**

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

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Market Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

**Discount Rate**

The discount rate used to measure the total pension liability was 6.28% and 5.66% as of June 30, 2019 and June 30, 2018, respectively. These single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2019 and June 30, 2018 and a municipal bond rate of 3.50% and 3.87% for June 30, 2019 and June 30, 2018 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 based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

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

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

**Actuarial Assumptions (Continued)**

**Discount Rate (Continued)**

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2019, 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:

	1% Decrease <u>5.28%</u>	At Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
District's proportionate share of the net pension liability	\$10,657,610	\$7,756,666	\$6,645,793

**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 by visiting <http://www.state.nj.us/treasury/pensions>.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
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**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**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, 2020 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$152,720,409</u>
	<u><u>\$152,720,409</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 which was rolled forward to June 30, 2019. 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, 2019, the proportion of the TPAF net pension liability associated with the District was .2488480688% which was an increase of .0000881201 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue of \$9,007,858.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2019 measurement date.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

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

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Inflation rate:		2.25%
Price	2.75%	
Wage	3.25%	
Salary Increases:		
Through 2026	1.55%-4.45%	1.55%-4.55%
	Based on Years of Service	Based on Years of Service
Thereafter	2.75%-5.65%	2.00%-5.45%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%

**Mortality Rate**

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

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

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

**Actuarial Assumptions (Continued)**

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% and 7.00% at June 30, 2019 and June 30, 2018 respectively) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Market Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**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 5.60% and 4.86% as of June 30, 2019 and 2018, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.00, and a municipal bond rate of 3.50% and 3.87% as of June 30, 2019 and 2018, 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 contribution rate in the most recent fiscal year. The State contributed 50% of the 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, 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 by visiting <http://www.state.nj.us/treasury/pensions>.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75**

**Plan Description and Benefits Provided**

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, which is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Employees Covered by Benefit Terms**

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>364,943</u>



**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Total Non-Employer OPEB Liability**

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2020 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	89,949,691
	<u>89,949,691</u>
	<u>\$89,949,691</u>

The total Non-Employer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The total Non-Employer OPEB liability was determined separately based on actual data of the District.

For the year ended June 30, 2020, the District recognized on-behalf post-employment expense and revenue of \$2,506,243 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2019 measurement date.

At June 30, 2019, the District's proportion was 0.2155563668 percent, which was an increase of .0059396070 from its proportion measured as of June 30, 2018.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Actuarial Assumptions and Other Inputs**

The total Non-Employer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF/ABP</u>	<u>June 30, 2019</u> <u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases			
Through 2026	1.55-3.05%*	2.00-6.00%*	3.25-15.25%*
Thereafter	1.55-3.05%*	3.00-7.00%*	Applied to All Future Years

\*Based on Years of Service

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Actuarial Assumptions and Other Inputs (Continued)**

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectively.

**Health Care Trend Assumptions**

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

**Discount Rate**

The discount rate for June 30, 2020 and June 30, 2019 was 3.50% and 3.87% respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Changes in the Total Non-Employer OPEB Liability**

Shown below are details regarding The Total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2018 to June 30, 2019.

Balance at 6/30/18		\$96,656,034
Changes for the year:		
Service cost	\$3,700,184	
Interest	3,832,433	
Differences between expected and actual experience	(12,900,779)	
Changes in assumptions or other inputs	1,341,157	
Membership Contributions	81,849	
Benefit payments - Net	<u>(2,761,187)</u>	
Net changes		<u>(6,706,343)</u>
Balance at 6/30/19		<u>\$89,949,691</u>

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate**

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1-percentage point higher than the current rate:

	<u>1.00%</u>	<u>June 30, 2019</u>	<u>1.00%</u>
	<u>Decrease (2.50%)</u>	<u>At Discount Rate (3.50)</u>	<u>Increase (4.50%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$106,266,131	\$89,949,691	\$76,988,806

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends**

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$74,114,536	\$89,949,691	\$110,912,185

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability**

At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$	\$ 22,601,010.00
Changes of assumptions		18,282,477.00
Changes in proportion	<u>3,229,067.00</u>	<u>240,748.00</u>
	<u>\$ 3,229,067.00</u>	<u>\$ 41,124,235.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability associated with the District will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	(\$4,891,537)
2021	(4,891,537)
2022	(4,891,537)
2023	(4,891,537)
2024	(4,891,537)
Total Thereafter	<u>(13,437,482)</u>
	<u>(\$37,895,168)</u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability (Continued)**

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

**State Health Benefit Local Education Retired Employee Plan Information**

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**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 2019-2020 fiscal year were subject to the 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, 2020**

**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</u> <u>Year</u>	<u>Interest</u> <u>Earnings</u>	<u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2019-20	\$ 3,642.41	\$ 107,707.94	\$ 50,859.84	\$ 477,071.64
2018-19	3,941.89	89,077.75	64,488.81	416,581.13
2017-18	2,788.32	85,854.47	68,977.86	388,050.30



**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**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 District's 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, 2020, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$1,205,405.19.

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, 2020, 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, 2020**

**NOTE 12: FUND BALANCE APPROPRIATED**

**General Fund** – The table below reflects the District's Fund Balance at June 30, 2020 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	\$ 563,299.00	\$	\$ 563,299.00
Current year excess	1,855,523.30		1,855,523.30
Capital reserve	384,524.19		384,524.19
Assigned to:			
Encumbrances	490,755.01		490,755.01
Unassigned	<u>1,855,801.00</u>	<u>(567,633.00)</u>	<u>1,288,168.00</u>
	<u>\$ 5,149,902.50</u>	<u>\$ (567,633.00)</u>	<u>\$ 4,582,269.50</u>

**Debt Service Fund** – Of the \$352,600.61 in Debt Service Fund fund balance at June 30, 2020, \$15,086.00 has been appropriated and included as anticipated revenue in the 2020-2021 Budget and \$337,514.61 is committed to debt service.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**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, 2020	\$68,590,783.44
Less:	
On-behalf TPAF Pension and Social Security Reimbursement	9,662,733.54
Adjusted General Fund Expenditures	\$58,928,049.90
Excess Surplus Percentage	2.00%
2% of Adjusted 2019-20 General Fund Expenditures	1,178,561.00
Add: Allowable Adjustments	677,240.00
Maximum Unassigned Fund Balance	1,855,801.00
Actual Unassigned Fund Balance	3,711,324.30
Excess Surplus - current year	\$1,855,523.30
Recapitulation of Excess Surplus, June 30, 2020:	
Current Year	\$1,854,887.30
Prior Year - Designated for Subsequent Year's Expenditures	563,299.00
	\$2,418,186.30

Based on the above calculation, as of June 30, 2020, \$563,299.00 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 2020-21 budget. \$1,855,523.30 is reported as Restricted Fund Balance - Excess Surplus and is required to be appropriated for property tax relief in the 2021-22 budget.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2020**

**NOTE 14: INTERFUND RECEIVABLES AND PAYABLES**

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$ 171,102.19	
Special Revenue Fund		155,022.18
Capital Projects Fund		326,918.23
Debt Service Fund	326,918.23	
Payroll Agency Fund		16,080.01
	\$ 498,020.42	\$ 498,020.42
	\$ 498,020.42	\$ 498,020.42

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

**NOTE 15: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the District 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, 2020**

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

**Capital Reserve Account**

Beginning balance, July 1, 2019	\$260,087.85
Increased by:	
Transferred from Capital Projects Fund	124,436.34
Ending balance, June 30, 2020	\$384,524.19

**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, 2020.

**NOTE 17: INVENTORY**

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

Food and Supplies	\$31,115.34
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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 December 16, 2020 which is the date the financial statements were available to be issued. The impact of the COVID-19 Corona Virus on the District's operations in the 2020-21 school year cannot reasonably be estimated at this time but may negatively affect revenues.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 52,612,649.00	\$	\$ 52,612,649.00	\$ 52,612,649.00	\$ (31,048.35)
Tuition from Individuals	110,000.00		110,000.00	78,951.65	(77,000.00)
Tuition from LEA's within the State	77,000.00		77,000.00		529,642.65
Unrestricted miscellaneous revenues	245,000.00		245,000.00	774,642.65	
Subtotal - Revenues from Local Sources	53,044,649.00		53,044,649.00	53,466,243.30	421,594.30
State sources:					
Categorical Transportation Aid	297,208.00		297,208.00	297,208.00	
Extraordinary Aid	275,214.00		275,214.00	952,454.00	677,240.00
Categorical Special Education Aid	2,087,364.00		2,087,364.00	2,087,364.00	
Equalization Aid	3,297,080.00		3,297,080.00	3,297,080.00	
Categorical Security Aid	140,035.00		140,035.00	140,035.00	
Reimbursed TPAF social security contributions (non-budgeted)				2,061,017.54	2,061,017.54
On-Behalf TPAF - Long Term Disability Insurance (non-budgeted)				4,239.00	4,239.00
On-Behalf TPAF - Non-contributory Insurance (non-budgeted)				97,579.00	97,579.00
On-behalf TPAF post retirement medical (non-budgeted)				2,055,844.00	2,055,844.00
On-behalf TPAF pension contributions (non-budgeted)				5,444,054.00	5,444,054.00
Total - state sources	6,096,901.00		6,096,901.00	16,436,874.54	10,339,973.54
Federal sources:					
Medicaid Reimbursement	91,695.00		91,695.00	71,308.57	(20,386.43)
Subtotal - Revenues from Federal Sources	91,695.00		91,695.00	71,308.57	(20,386.43)
Total Operating Budget	59,233,245.00		59,233,245.00	69,974,426.41	10,741,181.41
<b>EXPENDITURES:</b>					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	1,290,915.00	17,025.08	1,307,940.08	1,307,927.34	12.74
Grades 1-5	10,017,267.00	38,979.21	10,056,246.21	10,054,705.55	1,540.66
Grades 6-8	6,010,852.00	(65,759.90)	5,945,092.10	5,940,953.37	4,138.73
Regular programs - home instruction:					
Salaries of teachers	7,500.00	(5,500.00)	2,000.00	1,860.17	139.83
Purchased Prof. Ed Services	20,000.00	(7,567.75)	12,432.25	4,027.16	8,405.09



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Regular programs - Undistributed Instruction:					
Purchased Professional Educational Services	\$ 52,546.00	\$ (30,651.30)	\$ 21,894.70	\$ 17,737.05	\$ 4,157.65
Other Purchased Services (400-500 series)	152,435.00	27,152.89	179,587.89	165,649.59	13,938.30
General Supplies	883,986.14	84,640.72	968,626.86	819,078.33	149,548.53
Other Objects	876.00	(12.00)	864.00	689.00	175.00
Total Regular Programs - Instruction	18,436,377.14	58,306.95	18,494,684.09	18,312,627.56	182,056.53
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	576,800.00	65,782.46	642,582.46	642,582.46	
Purchased Professional Educational Services	500,450.00	7,628.66	508,078.66	508,078.66	
Other Purchased Services (400-500 series)	4,308.00	(1,650.00)	2,658.00	1,135.83	1,522.17
General Supplies	12,364.00	(816.00)	11,548.00	11,414.05	133.95
Total Learning and/or Language Disabilities	1,093,922.00	70,945.12	1,164,867.12	1,163,211.00	1,656.12
Behavioral Disabilities:					
Salaries of Teachers	266,226.00	11,769.13	277,995.13	277,995.13	
Purchased Professional- Educational Services	500,450.00	106,649.62	607,099.62	606,787.66	311.96
Other Purchased Services (400-500 series)	3,089.00	(2,583.23)	505.77	53.03	452.74
General Supplies	1,580.00	1,983.37	3,563.37	3,504.81	58.56
Textbooks	276.00	(276.00)			
Total Behavioral Disabilities	771,621.00	117,542.89	889,163.89	888,340.63	823.26
Multiple Disabilities:					
Salaries of Teachers	170,131.00	71,651.18	241,782.18	241,782.18	
Purchased Professional- Educational Services	502,251.00	5,953.00	508,204.00	508,078.66	125.34
Other Purchased Services (400-500 series)	2,840.00	(2,728.00)	112.00	112.00	
General Supplies	3,689.00	(0.81)	3,688.19	3,363.37	324.82
Total Multiple Disabilities	678,911.00	74,875.37	753,786.37	753,336.21	450.16
Resource Room/ Resource Center:					
Salaries of Teachers	2,717,939.00	152,344.39	2,870,283.39	2,869,926.94	356.45
Purchased Professional- Educational Services	500,451.00	7,693.30	508,144.30	508,078.66	65.64
Other Purchased Services (400-500 series)	37,470.00	(22,280.44)	15,189.56	12,069.51	3,120.05
General Supplies	34,373.00	(8,181.10)	26,191.90	21,602.52	4,589.38
Total Resource Room/ Resource Center	3,290,233.00	129,576.15	3,419,809.15	3,411,677.63	8,131.52

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Autism:					
Salaries of Teachers	\$ 634,758.00	\$ 41,278.45	\$ 676,036.45	\$ 676,036.45	\$ 5.45
Other Salaries for Instruction		82.00	82.00	76.55	125.00
Purchased Professional- Educational Services	502,251.00	5,952.65	508,203.65	508,078.65	440.25
Other Purchased Services (400-500 series)	3,380.00	(2,048.00)	1,332.00	891.75	13.54
General Supplies	8,576.00	42.28	8,618.28	8,604.74	
Total Autism	1,148,965.00	45,307.38	1,194,272.38	1,193,688.14	584.24
Preschool Disabilities - Part Time:					
Salaries of Teachers	59,469.00	(55,349.70)	4,119.30	4,119.30	12.66
Purchased Professional Educational Services	500,450.00	7,641.23	508,091.23	508,078.57	350.00
Other Purchased Services (400-500 series)	350.00		350.00		175.46
General Supplies	680.00	(42.28)	637.72	462.26	
Total Preschool Disabilities - Part Time	560,949.00	(47,750.75)	513,198.25	512,660.13	538.12
Preschool Disabilities - Full Time:					
Salaries of Teachers	432,798.00	109,100.00	541,898.00	541,858.91	39.09
Other Purchased Services (400-500 series)	550.00		550.00		550.00
General Supplies	2,797.00		2,797.00	2,665.00	132.00
Total Preschool Disabilities - Full Time	436,145.00	109,100.00	545,245.00	544,523.91	721.09
Home Instruction:					
Salaries of Teachers	7,500.00	(5,119.29)	2,380.71	2,380.71	
Total Home Instruction	7,500.00	(5,119.29)	2,380.71	2,380.71	
Total Special Education - Instruction	7,988,246.00	494,476.87	8,482,722.87	8,469,818.36	12,904.51
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,446,135.00	6,429.95	1,452,564.95	1,452,564.95	
Other Purchased Services (400-500 series)	7,060.00	55.00	55.00	55.00	
General Supplies		(2,777.99)	4,282.01	4,282.01	
Total Basic Skills/Remedial - Instruction	1,453,195.00	3,706.96	1,456,901.96	1,456,901.96	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Bilingual education - Instruction:					
Salaries of Teachers	\$ 513,397.00	\$ (8,080.95)	\$ 505,316.05	\$ 505,316.05	\$
Other Purchased Services (400-500 series)	5,193.00	(4,749.64)	443.36	443.36	
General Supplies	7,370.00	(1,977.29)	5,392.71	5,392.71	
Other Objects	280.00		280.00		280.00
Total Bilingual Education - Instruction	526,240.00	(14,807.88)	511,432.12	511,152.12	280.00
School Sponsored Co/Extra Curricular Activities - Instruction:					
Salaries	63,703.00		63,703.00	39,774.96	23,928.04
Total School Sponsored Co/Extra Curricular Activities - Instruction	63,703.00		63,703.00	39,774.96	23,928.04
School Sponsored Athletics - Instruction:					
Salaries	93,974.00	5,479.76	99,453.76	99,453.76	
Purchased Services (300-500 series)	40,969.00	(2,479.76)	38,489.24	35,774.50	2,714.74
Supplies and Materials	21,788.00	(1,500.00)	20,288.00	19,245.63	1,042.37
Total School Sponsored Athletics - Instruction	156,731.00	1,500.00	158,231.00	154,473.89	3,757.11
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the State - Special		700.00	700.00	700.00	
Tuition to CSSD & Regular Day Schools		503.00	503.00	503.00	
Tuition to Private Schools for the Disabled W/I State	900,000.00	(17,042.94)	882,957.06	868,187.06	14,770.00
Total Undistributed Expenditures - Instruction	900,000.00	(15,839.94)	884,160.06	869,390.06	14,770.00
Undistributed Expenditures - Health Services:					
Salaries	590,639.00	(7,831.08)	582,807.92	582,746.74	61.18
Purchased Professional and Technical Services	55,000.00	(30,966.50)	24,033.50	24,033.50	
Other Purchased Services (400-500 series)	7,180.00	(5,513.85)	1,666.15	1,666.15	
Supplies and Materials	48,425.00	(8,116.19)	40,308.81	38,880.55	1,428.26
Other Objects	200.00		200.00	150.00	50.00
Total Undistributed Expenditures - Health Services	701,444.00	(52,427.62)	649,016.38	647,476.94	1,539.44
Undistributed Expend. - Speech, OT, PT and Related Services:					
Salaries	647,980.00	(57,370.63)	590,609.37	590,609.37	
Purchased professional - Educational Services	247,200.00	(2,392.75)	244,807.25	238,615.25	6,192.00
Travel	8,650.00	(5,579.03)	3,070.97	2,995.50	75.47
Supplies and materials	9,440.00	825.07	10,265.07	8,879.16	1,385.91
Other Objects		1,157.00	1,157.00	1,157.00	
Total Undistributed Expend. - Speech, OT, PT and Related Services	913,270.00	(63,360.34)	849,909.66	842,256.28	7,653.38

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	\$ 528,585.00	\$ (9,700.00)	\$ 518,885.00	\$ 518,819.17	\$ 65.83
Salaries of Secretarial and Clerical Assistants	138,110.00	(1,357.00)	136,753.00	136,751.43	1.57
Purchased Professional - Educational Services	7,250.00	2,320.00	2,320.00	2,319.48	0.52
Other Purchased Services (400-500 series)	8,872.00	(5,846.71)	1,403.29	1,394.27	9.02
Supplies and Materials		(824.71)	8,047.29	7,968.92	78.37
Total Undistributed Expenditures - Guidance	682,817.00	(15,408.42)	667,408.58	667,253.27	155.31
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	1,039,479.00	(33,996.63)	1,005,482.37	1,005,482.37	
Salaries of Secretarial and Clerical Assistants	115,754.00	896.53	116,650.53	116,650.53	
Other Purchased Professional and Technical Services	119,198.00	(71,548.25)	47,649.75	47,649.75	
Other Purchased Services (400-500 series)	38,909.87	(11,559.89)	27,349.98	25,772.49	1,577.49
Supplies and Materials	8,028.00	3,914.49	11,942.49	11,341.53	600.96
Total Undistributed Expenditures - Child Study Teams	1,321,368.87	(112,293.75)	1,209,075.12	1,206,896.67	2,178.45
Undistributed Expenditures - Improvement of Instr. Serv.					
Salaries of Supervisors of Instruction	255,777.00	1,641.38	257,418.38	257,417.88	0.50
Salaries of Other Professional Staff	44,504.00	(4,658.86)	39,845.14	39,845.14	
Salaries of Secretarial and Clerical Assistants	34,153.00	(924.10)	33,228.90	33,228.90	
Other Purchased Services (400-500 series)	25,363.00	(17,548.86)	7,814.14	1,994.61	5,819.53
Supplies and Materials	10,145.30	1,157.30	11,302.60	11,062.23	240.37
Other Objects	9,419.00	(769.00)	8,650.00	8,650.00	
Total Undistributed Expenditures - Improvement of Instr. Serv.	379,361.30	(21,102.14)	358,259.16	352,198.76	6,060.40
Undistributed Expend. - Educational Media Serv./School Library:					
Salaries	568,753.00	(13,617.83)	555,135.17	554,916.82	218.35
Purchased Professional and Technical Services	4,283.00	(2,315.45)	1,967.55	1,761.95	205.60
Other Purchased Services (400-500 series)	42,337.08	(1,954.70)	40,382.38	40,351.62	30.76
Supplies and Materials	78,780.00	1,596.63	80,376.63	77,214.12	3,162.51
Total Undistributed Expend. - Educational Media Serv./School Library	694,153.08	(16,291.35)	677,861.73	674,244.51	3,617.22

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.- Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	\$ 382,399.00	\$ 2,208.18	\$ 384,607.18	\$ 384,607.18	\$
Salaries of Other Professional Staff	77,748.00	(23,030.22)	54,717.78	54,717.78	
Salaries of Secretarial and Clerical Assistants	99,458.00	228.70	99,686.70	99,686.70	
Other Salaries	20,100.00	(9,895.01)	10,204.99	10,204.99	
Other Purchased Professional and Technical Services	30,500.00	(10,987.48)	19,512.52	19,512.52	
Other Purchased Services (400-500 series)	48,501.00	(12,851.21)	35,649.79	34,222.94	1,426.85
Supplies and Materials	15,960.00	(3,222.29)	12,737.71	12,674.89	62.82
<b>Total Undistributed Expend.- Instructional Staff Training Services</b>	<b>674,666.00</b>	<b>(57,549.33)</b>	<b>617,116.67</b>	<b>615,627.00</b>	<b>1,489.67</b>
Undistributed Expend.-Support Services-General Administration:					
Salaries	413,956.00	3,859.79	417,815.79	417,815.79	
Legal Services	190,000.00	(63,034.81)	126,965.19	95,900.35	31,064.84
Audit Fees	23,855.00	(2,205.00)	21,650.00	21,650.00	
Other Purchased Professional Services	16,000.00	21,000.00	37,000.00	30,095.66	6,904.34
Purchased Technical Services	56,755.42	56,755.42	113,510.84	50,934.28	5,821.14
Communications/Telephone	155,087.22	(1,199.72)	153,887.50	143,720.53	10,166.97
BOE Other Purch Serv	5,500.00	737.90	6,237.90	4,866.26	1,371.64
Misc. Purchased Services (400-500 series, O/T 530 & 585)	31,300.00	1,529.81	32,829.81	27,273.05	5,556.76
General Supplies	17,050.00	10,000.00	27,050.00	25,722.74	1,327.26
BOE In-house Training/Meeting Supplies	250.00		250.00	240.00	10.00
Miscellaneous Expenditures	10,685.00	3,000.00	13,685.00	10,245.00	3,440.00
BOE Membership Dues and Fees	25,000.00	(1,267.71)	23,732.29	23,673.05	59.24
<b>Total Undistributed Expend.-Support Services-General Administration</b>	<b>945,438.64</b>	<b>(27,579.74)</b>	<b>917,858.90</b>	<b>852,136.71</b>	<b>65,722.19</b>
Undistributed Expend.-Support Services- School Administration:					
Salaries of Principals/Assistant Principals	1,733,439.00	35,175.02	1,768,614.02	1,768,146.41	467.61
Salaries of Other Professional Staff	259,951.00	(6,000.00)	253,951.00	253,875.00	76.00
Salaries of Secretarial and Clerical Assistants	911,425.00		911,425.00	910,660.02	764.98
Purchased Professional and Technical Services	72,552.00	(1,509.31)	71,042.69	58,062.23	12,980.46
Other Purchased Services (400-500 series)	149,767.55	1,624.50	151,392.05	135,997.92	15,394.13
Supplies and Materials	55,629.45	1,631.77	57,261.22	47,297.79	9,963.43
Other Objects	15,481.00	970.00	16,451.00	16,138.00	313.00
<b>Total Undistributed Expend.-Support Services- School Administration</b>	<b>3,198,245.00</b>	<b>31,891.98</b>	<b>3,230,136.98</b>	<b>3,190,177.37</b>	<b>39,959.61</b>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend. - Central Services					
Salaries	\$ 541,954.00	\$ (971.23)	\$ 540,982.77	\$ 540,982.77	\$
Purchased Professional Services	11,700.00		11,700.00	11,700.00	
Purchased Technical Services	35,572.00	10,029.00	45,601.00	45,599.98	1.02
Miscellaneous Purchased Services (400-500 series, O/T 594)	2,000.00	(1,328.77)	671.23	519.32	151.91
Supplies and Materials	10,000.00	(181.48)	9,818.52	9,425.16	393.36
Miscellaneous Expenditures	2,000.00	(815.00)	1,185.00	1,185.00	
<b>Total Undistributed Expend. - Central Services</b>	<b>603,226.00</b>	<b>6,732.52</b>	<b>609,958.52</b>	<b>609,412.23</b>	<b>546.29</b>
Undistributed Expend. - Admin. Info. Technology:					
Salaries	83,506.00	0.80	83,506.80	83,506.80	
Other Purchased Services (400-500 series)	50,316.00	2,905.36	53,221.36	51,244.09	1,977.27
Supplies and Materials	4,050.00	(357.79)	3,692.21	3,692.21	
<b>Total Undistributed Expend. - Admin. Info. Technology</b>	<b>137,872.00</b>	<b>2,548.37</b>	<b>140,420.37</b>	<b>138,443.10</b>	<b>1,977.27</b>
Undistributed Expend.-Required Maintenance for School Facilities:					
Salaries	506,134.00	(15,498.53)	490,635.47	490,635.47	
Cleaning, Repair and Maintenance Services	518,967.00	100,053.95	619,020.95	495,817.94	123,203.01
General Supplies	197,504.70	(77,206.12)	120,298.58	106,657.37	13,641.21
<b>Total Undistributed Expend.-Required Maintenance for School Facilities</b>	<b>1,222,605.70</b>	<b>7,349.30</b>	<b>1,229,955.00</b>	<b>1,093,110.78</b>	<b>136,844.22</b>
Undistributed Expend.-Custodial Services:					
Salaries	423,082.00	(11,066.45)	412,015.55	412,015.55	
Purchased Professional and Technical Services	18,582.00	(5,500.00)	13,082.00	13,081.16	0.84
Cleaning, Repair and Maintenance Services	1,896,000.00	21,500.00	1,917,500.00	1,883,431.96	34,068.04
Other Purchased Property Services	150,000.00	(67,502.51)	82,497.49	73,371.74	9,125.75
Insurance	245,000.00	(4,000.00)	241,000.00	240,967.00	33.00
Miscellaneous Purchased Services	78,426.00	31,587.12	110,013.12	105,932.21	4,080.91
General Supplies	133,599.60	18,280.00	151,879.60	104,675.56	47,204.04
Energy (Natural Gas)	239,600.00	(14,265.54)	225,334.46	204,603.26	20,731.20
Energy (Electricity)	1,013,600.00	26,400.00	1,040,000.00	1,032,130.66	7,869.34
Energy (Gasoline)	26,400.00	(26,400.00)			
Other Objects	12,834.00	(6,485.00)	6,349.00	6,251.00	98.00
<b>Total Undistributed Expend.-Custodial Services:</b>	<b>4,237,123.60</b>	<b>(37,452.38)</b>	<b>4,199,671.22</b>	<b>4,076,460.10</b>	<b>123,211.12</b>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Security:					
Salaries	\$ 175,126.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 50,621.15
Purchased Professional and Technical Services	62,382.00	(18,023.00)	157,103.00	106,481.85	1,895.33
Cleaning, Repair and Maintenance Services	6,000.00	(44,013.50)	18,368.50	16,473.17	0.05
General Supplies	13,002.00	143.50	6,143.50	6,143.45	1,267.42
Other Objects			13,002.00	11,734.58	
Total Security:	256,510.00	(51,893.00)	204,617.00	150,833.05	53,783.95
Total Undistributed Expend. - Oper. and Maintenance of Plant Serv.	5,716,239.30	(81,996.08)	5,634,243.22	5,320,403.93	313,839.29
Undistributed Expend. -Student Transportation Services:					
Salaries for Pupil Transportation (other than bet. home & school)	67,500.00	(55,082.42)	12,417.58	12,417.58	
Other Purchased Professional and Technical Services	5,004,674.00	(500.00)	5,004,174.00	5,004,174.00	
Total Undistributed Expend. -Student Transportation Services	5,072,174.00	(55,582.42)	5,016,591.58	5,016,591.58	
Unallocated Benefits:					
Group Insurance	15,000.00	(918.10)	14,081.90	13,729.25	352.65
Social Security Contributions - Other	460,000.00		460,000.00	431,151.60	28,848.40
Other Retirement Contributions - PERS	440,000.00	918.10	440,918.10	440,918.03	0.07
Workmen's Compensation	246,221.00	(17,583.00)	228,638.00	228,638.00	
Health Benefits	8,105,065.00	(73,249.88)	8,031,815.12	7,143,050.85	888,764.27
Tuition Reimbursement	240,242.00	(48,892.27)	191,349.73	163,618.66	27,731.07
Other Employee Benefits	41,000.00	73,760.38	114,760.38	114,760.38	
Total Unallocated Benefits	9,547,528.00	(65,964.77)	9,481,563.23	8,535,866.77	945,696.46
Total Personal Services - Employee	9,547,528.00	(65,964.77)	9,481,563.23	8,535,866.77	945,696.46
Reimbursed TPAF social security contributions (non-budgeted)				2,061,017.54	(2,061,017.54)
On-Behalf TPAF - Long Term Disability Insurance (non-budgeted)				4,239.00	(4,239.00)
On-Behalf TPAF - Non-contributory Insurance (non-budgeted)				97,579.00	(97,579.00)
On-behalf TPAF post retirement medical (non-budgeted)				2,055,844.00	(2,055,844.00)
On-behalf TPAF pension contributions (non-budgeted)				5,444,054.00	(5,444,054.00)
TOTAL UNDISTRIBUTED EXPENDITURES	31,487,803.19	(544,223.03)	30,943,580.16	39,201,108.72	(8,257,528.56)
TOTAL GENERAL CURRENT EXPENSE	60,112,295.33	(1,040.13)	60,111,255.20	68,145,857.57	(8,034,602.37)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
CAPITAL OUTLAY:					
EQUIPMENT:					
Grades 6-8					
Special Education - Instruction					
Undistributed:					
Undist. Expend. - Support Serv. - Related & Extra	2,500.00		2,500.00		2,500.00
Undist. Expend. - Support Serv. - Inst. Staff		2,553.60	2,553.60		
Undistributed Expenditures - Gen. Admin.	2,000.00	(1,000.00)	1,000.00		1,000.00
Undistributed Expenditures - Central Services	2,000.00	22.48	2,022.48		
Undist. Expend. - Required Maintenance for School Facilities		6,985.00	6,985.00		
Undist. Expend. - Student Trans. - Non-Inst. Equip.	8,500.00		8,500.00		
School Buses - Regular	176,000.00		176,000.00		
School Buses - Special	125,000.00		125,000.00		
TOTAL EQUIPMENT	316,000.00	14,154.08	330,154.08	326,653.27	3,500.81
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	10,458.67	(6,985.00)	3,473.67		3,473.67
Construction Services	91,452.55	(6,128.95)	85,323.60	67,537.60	17,786.00
Assessment for debt Service on SDA funding	50,735.00		50,735.00	50,735.00	
Total Facilities Acquisition & Construction Services	152,646.22	(13,113.95)	139,532.27	118,272.60	21,259.67
TOTAL CAPITAL OUTLAY	468,646.22	1,040.13	469,686.35	444,925.87	24,760.48
TOTAL EXPENDITURES	60,580,941.55		60,580,941.55	68,590,783.44	(8,009,841.89)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,347,696.55)		(1,347,696.55)	1,383,642.97	2,731,339.52
Other financing sources (use)					
Capital Reserve - transfer from capital projects fund				124,436.34	124,436.34
Total other financing sources				124,436.34	124,436.34
Excess/Deficit of Revenues and Other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(1,347,696.55)		(1,347,696.55)	1,508,079.31	2,855,775.86
Fund Balances, July 1, 2019	3,641,823.19		3,641,823.19	3,641,823.19	
Fund Balances, June 30, 2020	2,294,126.64		2,294,126.64	5,149,902.50	2,855,775.86



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 384,524.19	
Excess Surplus - Designated for Subsequent Year's Expenditures				563,299.00	
Excess Surplus - Current Year				1,855,523.30	
Assigned Fund Balance:					
Year-end Encumbrances			490,755.01	1,855,801.00	
Unassigned Fund Balance				5,149,902.50	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(567,633.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 4,582,269.50	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
State Aid	\$ 928,061.00	\$ 1,645.00	\$ 1,645.00	\$ 123.44	(1,521.56)
Federal Aid		248,559.20	1,176,620.20	871,948.80	(304,671.40)
Local Sources		1,185.68	1,185.68		(1,185.68)
<b>Total Revenues</b>	<b>928,061.00</b>	<b>251,389.88</b>	<b>1,179,450.88</b>	<b>872,072.24</b>	<b>(307,378.64)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	16,450.00	104,655.57	121,105.57	95,020.02	26,085.55
Purchased Professional and Technical Services	7,639.00	45,981.00	53,620.00	21,950.00	31,670.00
Other Purchased Services (400-500 Series)	436,200.00	34,738.00	470,938.00	453,716.29	17,221.71
General Supplies	137,416.00	7,507.48	144,923.48	20,144.09	124,779.39
Textbooks		53.00	53.00	28.56	24.44
<b>Total Instruction</b>	<b>597,705.00</b>	<b>192,935.05</b>	<b>790,640.05</b>	<b>590,858.96</b>	<b>199,781.09</b>
Support Services:					
Salaries	191,815.00	(100,133.00)	91,682.00	80,558.16	11,123.84
Personal Services - Employee Benefits	15,931.90	18,403.10	34,335.00	26,118.88	8,216.12
Purchased Professional and Technical Services	92,899.00	135,024.46	227,923.46	168,007.48	59,915.98
Purchased Professional - Educational Services		1,556.00	1,556.00	94.88	1,461.12
Other Purchased Services (400-500 Series)		4,865.00	4,865.00	4,615.00	250.00
Supplies and Materials	29,710.10	(1,260.73)	28,449.37	1,818.88	26,630.49
<b>Total Support Services</b>	<b>330,356.00</b>	<b>58,454.83</b>	<b>388,810.83</b>	<b>281,213.28</b>	<b>107,597.55</b>
<b>Total Expenditures</b>	<b>928,061.00</b>	<b>251,389.88</b>	<b>1,179,450.88</b>	<b>872,072.24</b>	<b>307,378.64</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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	\$69,974,426.41	\$872,072.24
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	(239.52)
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)	(567,633.00)	
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.)	598,329.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$70,005,122.41	\$871,832.72
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$68,590,783.44	\$872,072.24
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	(239.52)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$68,590,783.44	\$871,832.72

**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 SEVEN YEARS

	Measurement Date Ending June 30, <u>2019</u>	Measurement Date Ending June 30, <u>2018</u>	Measurement Date Ending June 30, <u>2017</u>	Measurement Date Ending June 30, <u>2016</u>	Measurement Date Ending June 30, <u>2015</u>	Measurement Date Ending June 30, <u>2014</u>	Measurement Date Ending June 30, <u>2013</u>
District's proportion of the net pension liability (asset)	0.0430483870%	0.0426480200%	0.0424976133%	0.0407079935%	0.0400174797%	0.03836669983%	0.0365652911%
District's proportionate share of the net pension liability (asset)	\$7,756,666	\$8,397,183	\$9,892,765	\$12,056,540	\$8,983,122	\$7,183,351	\$6,988,354
District's covered-employee payroll	3,053,206	3,030,675	2,962,596	2,862,992	2,770,153	2,720,358	2,593,270
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	254.05%	277.07%	333.92%	421.12%	324.28%	264.06%	269.48%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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

	Fiscal Year Ending June 30, 2020	Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2018	Fiscal Year Ending June 30, 2017	Fiscal Year Ending June 30, 2016	Fiscal Year Ending June 30, 2015	Fiscal Year Ending June 30, 2014
Contractually required contribution	\$ 467,056 \$	418,736 \$	404,921 \$	361,644 \$	344,043	516,756 \$	316,292
Contributions in relation to the contractually required contribution	467,056	418,736	404,921	361,644	344,043	516,756	316,292
Contribution deficiency (excess)	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$
District's covered-employee payroll	3,111,657	3,053,206	3,030,675	2,962,596	2,862,992	2,770,153	2,720,358
Contributions as a percentage of covered-employee payroll	15.01%	13.71%	13.36%	12.21%	12.02%	18.65%	11.63%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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

	Measurement Date Ending June 30, 2019	Measurement Date Ending June 30, 2018	Measurement Date Ending June 30, 2017	Measurement Date Ending June 30, 2016	Measurement Date Ending June 30, 2015	Measurement Date Ending June 30, 2014	Measurement Date Ending June 30, 2013
District's proportion of the net pension liability (asset)	0.2488480688%	0.2487599487%	0.2519903657%	0.2447256460%	0.2416926633%	0.2354205977%	0.2372735933%
State's proportionate share of the net pension liability (asset) associated with the District	\$152,720,409	\$158,255,736	\$169,900,991	\$192,516,775	\$152,760,084	\$125,824,647	\$119,916,208
District's covered-employee payroll	27,812,384	26,551,849	26,101,680	25,645,735	25,136,772	24,492,760	24,041,088
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%	0%	0%
State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	549.11%	596.03%	650.92%	750.68%	607.72%	513.72%	498.80%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30.</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
2014	5.39%	7.90%	07/01/08-06/30/11
2013	5.55%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30.</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12
2013	4.95%	7.90%	07/01/09-06/30/12

**REQUIRED SUPPLEMENTARY INFORMATION – PART IV**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OPEB (GASB 75)**

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF CHANGES IN THE DISTRICT'S  
 TOTAL OPEB LIABILITY AND RELATED RATIOS  
 LAST TEN YEARS

	Measurement Date Ended June 30,	
	2019	2018
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District		
Balance at 6/30	\$96,656,034	\$112,589,855
Changes for the year:		
Service cost	3,700,184	4,254,265
Interest	3,832,433	4,138,748
Changes of benefit terms		
Differences between expected and actual experience	(12,900,779)	(10,739,848)
Changes in assumptions or other inputs	1,341,157	(11,091,764)
Membership Contributions	81,849	89,326
Benefit payments - Net	(2,761,187)	(2,584,548)
Net changes	<u>(6,706,343)</u>	<u>(15,933,821)</u>
Balance at 6/30	<u>\$89,949,691</u>	<u>\$96,656,034</u>
Covered Employee Payroll	30,865,590	29,582,524
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll	291.42%	326.73%
		387.38%

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Change in benefit terms:      None

Change in assumptions:      The discount rate changed from 3.87% to 3.50% as of  
June 30, 2019.

**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, 2020

	I.D.E.A. PRESCHOOL	I.D.E.A. BASIC	TITLE I PART A	TITLE II PART A	TITLE III	TITLE III IMMIGRANT
Revenues:						
State Aid	\$31,222.61	\$637,505.98	\$121,817.85	\$50,099.00	\$21,490.00	\$4,627.41
Federal Aid						
Total Revenues	31,222.61	637,505.98	121,817.85	50,099.00	21,490.00	4,627.41
Expenditures:						
Instruction:						
Salaries			71,070.02		19,870.00	4,080.00
Purchased Professional and Technical Services		21,950.00				
Other purchased services		452,778.79	937.50			
General Supplies		8,424.00	6,299.68			235.41
Textbooks						
Total Instruction		483,152.79	78,307.20		19,870.00	4,315.41
Support Services:						
Salaries		32,990.08	1,216.08			
Personal Services - Employee Benefits		1,378.24	19,362.64		1,520.00	312.00
Purchased Professional and Technical Services		119,984.87	16,800.00			
Purchased Professional - Educational Services						
Other Purchased Services (400-500 Series)						
Supplies and Materials			4,615.00		100.00	
Total Support Services	31,222.61	154,353.19	43,510.65	201.00	1,620.00	312.00
Total Expenditures	\$31,222.61	\$637,505.98	\$121,817.85	\$50,099.00	\$21,490.00	\$4,627.41
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, 2020

	TITLE IV	NONPUBLIC NURSING	NONPUBLIC TEXTBOOKS	TOTAL
Revenues:				
State Aid	\$5,185.95	\$94.88	\$28.56	\$123.44
Federal Aid				871,948.80
Total Revenues	5,185.95	94.88	28.56	872,072.24
Expenditures:				
Instruction:				
Salaries				95,020.02
Purchased Professional and Technical Services				21,950.00
Other purchased services				453,716.29
General Supplies	5,185.00			20,144.09
Textbooks			28.56	28.56
Total Instruction	5,185.00		28.56	590,858.96
Support Services:				
Salaries				80,558.16
Personal Services - Employee Benefits				26,118.88
Purchased Professional and Technical Services				168,007.48
Purchased Professional - Educational Services		94.88		94.88
Other Purchased Services (400-500 Series)				4,615.00
Supplies and Materials	0.95			1,818.88
Total Support Services	0.95	94.88		281,213.28
Total Expenditures	5,185.95	94.88	28.56	\$872,072.24
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 STATEMENT OF PROJECT EXPENDITURES  
 AS OF JUNE 30, 2020

ISSUE/PROJECT TITLE	ORIGINAL DATE	REVISED BUDGETARY APPROPRIATIONS	EXPENDITURES TO DATE PRIOR YEAR	CURRENT YEAR	CANCELLED	(MEMO ONLY) UNEXPENDED PROJECT BALANCE
Security upgrades and improvements, site improvements, roof replacement, window replacement and exterior building repairs as outlined in Proposal # 1	12/10/2019	\$21,755,617.00		\$3,123,243.12		\$18,632,373.88
Air quality upgrades including air-conditioning and humidity control measures as outlined in Proposal # 2	12/10/2019	20,308,019.00		935,488.09		19,372,530.91
Copper Hill security upgrades gym HVAC replacement & site drainage improvements	FY2015	499,203.79	\$391,651.31		\$107,552.48	
Reading Fleming partial roof replacement heating unit replacement at gym security upgrades and replace board office HVAC	FY2015	676,699.20	659,815.34		16,883.86	
Totals		\$43,239,538.99	\$1,051,466.65	\$4,058,731.21	\$124,436.34	\$38,004,904.79
						\$38,004,904.79
						(636.00)
						\$38,004,268.79

Fund Balance - "F-1"  
 Authorized but not issued

Fund Balance - "F-2"

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2020

Revenues and Other Financing Sources:	
State Sources - SCC Grant	\$93,307.99
Interest earned	326,918.23
Bond proceeds and transfers	42,063,000.00
	<hr/>
Total revenues	42,483,226.22
	<hr/>
Expenditures and Other Financing Uses:	
Legal Services	\$79,381.80
Purchased professional and technical services	1,226,827.98
Construction services	2,752,521.43
	<hr/>
Total expenditures	4,058,731.21
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	38,424,495.01
Other financing sources (uses):	
Transfers in/(out)	(451,354.57)
	<hr/>
Net change in fund balances	37,973,140.44
Fund balance - beginning	31,128.35
	<hr/>
Fund balance - ending	\$38,004,268.79
	<hr/> <hr/>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
SECURITY UPGRADES AND IMPROVEMENTS, SITE IMPROVEMENTS, ROOF REPLACEMENT, WINDOW REPLACEMENT AND EXTERIOR  
BUILDING REPAIRS AS OUTLINED IN PROPOSAL # 1  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
Bond proceeds and transfers	\$ _____	\$ 21,755,000.00	\$ 21,755,000.00	\$ 21,755,617.00
Total revenues	<u>_____</u>	<u>21,755,000.00</u>	<u>21,755,000.00</u>	<u>21,755,617.00</u>
<b>Expenditures and Other Financing Uses:</b>				
Legal Services		40,005.90	40,005.90	40,628.90
Purchased professional and technical services		673,211.62	673,211.62	3,747,214.60
Construction services		2,410,025.60	2,410,025.60	17,187,732.00
Supplies				780,041.50
Total expenditures	<u>_____</u>	<u>3,123,243.12</u>	<u>3,123,243.12</u>	<u>21,755,617.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ 18,631,756.88	\$ 18,631,756.88	<u>_____</u>
<b>Additional project information:</b>				
Bond Authorization Date		12/10/2019		
Bonds Authorized	\$	21,755,617.00		
Bonds Issued	\$	21,755,600.00		
Original Authorized Cost	\$	21,755,617.00		
Additional Authorized Cost				
Revised Authorized Cost	\$	21,755,617.00		
Percentage Increase over Original Authorized Cost		N/A		
Percentage completion		17%		
Original target completion date		11/1/2021		
Revised target completion date		11/1/2021		

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
AIR QUALITY UPGRADES INCLUDING AIR-CONDITIONING AND HUMIDITY CONTROL MEASURES  
AS OUTLINED IN PROPOSAL # 2  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
Bond proceeds and transfers	\$ _____	\$ 20,308,000.00	\$ 20,308,000.00	\$ 20,308,019.00
Total revenues	_____	20,308,000.00	20,308,000.00	20,308,019.00
<b>Expenditures and Other Financing Uses:</b>				
Legal Services		39,375.90	39,375.90	40,628.90
Purchased professional and technical services		553,616.36	553,616.36	2,154,779.10
Construction services		342,495.83	342,495.83	18,112,611.00
Total expenditures	_____	935,488.09	935,488.09	20,308,019.00
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ 19,372,511.91	\$ 19,372,511.91	\$ _____
<b>Additional project information:</b>				
Bond Authorization Date		12/10/2019		
Bonds Authorized	\$	20,308,019.00		
Bonds Issued	\$	20,308,000.00		
Original Authorized Cost	\$	20,308,019.00		
Additional Authorized Cost				
Revised Authorized Cost	\$	20,308,019.00		
Percentage Increase over Original Authorized Cost		N/A		
Percentage completion		6%		
Original target completion date		8/1/2022		
Revised target completion date		8/1/2022		

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, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
State Sources - SCC Grant	\$ 173,300.21	\$ 90,912.79	\$ 264,213.00	\$ 264,213.00
Capital Reserve	234,990.79	_____	234,990.79	127,438.31
Total revenues	<u>408,291.00</u>	<u>90,912.79</u>	<u>499,203.79</u>	<u>391,651.31</u>
<b>Expenditures and Other Financing Uses:</b>				
Construction services	391,651.31	_____	391,651.31	391,651.31
Transfer to Capital Reserve	_____	107,552.48	107,552.48	_____
Total expenditures	<u>391,651.31</u>	<u>107,552.48</u>	<u>499,203.79</u>	<u>391,651.31</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 16,639.69</u>	<u>\$ (16,639.69)</u>	<u>\$ _____</u>	<u>\$ _____</u>
<b>Additional project information:</b>				
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	684,701.44			
Additional Authorized Cost	(293,050.13)			
Revised Authorized Cost	391,651.31			
Percentage Increase over Original Authorized Cost	-42.80%			
Percentage completion	100%			
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  
EADING-FLEMING SCHOOL PARTIAL ROOF REPLACEMENT HEATING UNIT GYM REPLACEMENT, SECURITY UPGRADES & REPLACE BOARD OFFICE HVA  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
State Sources - SCC Grant	\$ 278,414.80	\$ 2,395.20	\$ 280,810.00	\$ 280,810.00
Capital Reserve	395,889.20		395,889.20	379,005.34
Total revenues	<u>674,304.00</u>	<u>2,395.20</u>	<u>676,699.20</u>	<u>659,815.34</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional and technical services	23,275.00		23,275.00	23,275.00
Construction services	636,540.34		636,540.34	636,540.34
Transfer to Capital Reserve		16,883.86	16,883.86	
Total expenditures	<u>659,815.34</u>	<u>16,883.86</u>	<u>676,699.20</u>	<u>659,815.34</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 14,488.66</u>	<u>\$ (14,488.66)</u>	<u>\$</u>	<u>\$</u>
<b>Additional project information:</b>				
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	702,025.00			
Additional Authorized Cost	(42,209.66)			
Revised Authorized Cost	659,815.34			
Percentage Increase over Original Authorized Cost	-6.01%			
Percentage completion	100%			
Original target completion date	N/A			
Revised target completion date	N/A			



## 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, 2020

	<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	\$423,327.46	\$127,407.14	\$84,972.25	\$212,379.39
Intrafunds receivable	53,744.18			
<b>Total assets</b>	<u>477,071.64</u>	<u>127,407.14</u>	<u>84,972.25</u>	<u>212,379.39</u>
<b>LIABILITIES:</b>				
Interfunds Payable			16,080.01	16,080.01
Intrafunds Payable			53,744.18	53,744.18
Payroll deductions and withholdings			15,148.06	15,148.06
Payable to student groups		127,407.14		127,407.14
<b>Total liabilities</b>		<u>127,407.14</u>	<u>84,972.25</u>	<u>212,379.39</u>
<b>NET POSITION:</b>				
Held in trust for unemployment claims	477,071.64			
<b>Total net position</b>	<u>\$477,071.64</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, 2020

	<u>UNEMPLOYMENT COMPENSATION TRUST FUND</u>	<u>TOTAL</u>
ADDITIONS:		
Contributions:		
Plan Members	\$107,707.94	\$107,707.94
Total contributions	<u>107,707.94</u>	<u>107,707.94</u>
Investment earnings:		
Interest	3,642.41	3,642.41
Net investment earnings	<u>3,642.41</u>	<u>3,642.41</u>
Total additions	<u>111,350.35</u>	<u>111,350.35</u>
DEDUCTIONS:		
Unemployment claims	50,859.84	50,859.84
Total deductions	<u>50,859.84</u>	<u>50,859.84</u>
Change in net position	60,490.51	60,490.51
Net position - beginning of the year	<u>416,581.13</u>	<u>416,581.13</u>
Net position - end of the year	<u>\$477,071.64</u>	<u>\$477,071.64</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>BALANCE</u> <u>JUNE 30, 2019</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
PROGRAMS:				
J.P. Case Student Fund	\$110,734.77	\$115,944.74	\$125,915.36	\$100,764.15
Athletic Fund	1,128.38	17,986.01	17,773.00	1,341.39
Flem/Raritan Student Fund	25,510.73	33,268.22	33,477.35	25,301.60
	<hr/>	<hr/>	<hr/>	<hr/>
Total all schools	<u>\$137,373.88</u>	<u>\$167,198.97</u>	<u>\$177,165.71</u>	<u>\$127,407.14</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>BALANCE</u> <u>JUNE 30, 2019</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
<b>ASSETS:</b>				
Cash and cash equivalents	<u>\$121,437.02</u>	<u>\$37,727,331.58</u>	<u>\$37,763,796.35</u>	<u>\$84,972.25</u>
Total assets	<u>121,437.02</u>	<u>37,727,331.58</u>	<u>37,763,796.35</u>	<u>84,972.25</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	17,708.72	17,004,956.62	17,007,517.28	15,148.06
Net payroll		20,614,667.02	20,614,667.02	
Interfunds payable	16,080.01			16,080.01
Intrafund payable	<u>87,648.29</u>	<u>107,707.94</u>	<u>141,612.05</u>	<u>53,744.18</u>
Total liabilities	<u>\$121,437.02</u>	<u>\$37,727,331.58</u>	<u>\$37,763,796.35</u>	<u>\$84,972.25</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, 2020

<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, 2019</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2020</u>
			<u>DATE</u>	<u>AMOUNT</u>					
Refunding School Bonds	10/1/2014	\$24,175,000.00	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%	\$20,180,000.00	\$1,360,000.00		\$18,820,000.00
Refunding School Bonds 2014	11/2/2016	6,355,000.00	2/1/2021	20,000.00	1.650%				
			2/1/2022	20,000.00	1.650%				
			2/1/2023	20,000.00	1.650%				
			2/1/2024	15,000.00	1.650%				
			2/1/2025	15,000.00	1.650%				
			2/1/2026	15,000.00	1.650%				
			2/1/2027	15,000.00	1.650%				
			2/1/2028	3,525,000.00	1.650%	4,535,000.00	890,000.00		3,645,000.00
School Bonds	12/10/2019	42,063,000.00	9/1/2020	1,353,000.00	2.250%				
			9/1/2021	1,615,000.00	2.250%				
			9/1/2022	1,665,000.00	2.250%				
			9/1/2023	1,715,000.00	2.250%				
			9/1/2024	1,770,000.00	2.250%				
			9/1/2025	1,825,000.00	2.250%				
			9/1/2026	1,885,000.00	2.250%				
			9/1/2027	1,935,000.00	2.250%				
			9/1/2028	1,995,000.00	2.250%				
			9/1/2029	2,055,000.00	2.250%				
			9/1/2030	2,120,000.00	2.250%				
			9/1/2031	2,180,000.00	2.250%				
			9/1/2032	2,245,000.00	2.250%				
			9/1/2033	2,315,000.00	2.375%				
			9/1/2034	2,385,000.00	2.375%				
		9/1/2035	2,460,000.00	2.375%					
		9/1/2036	2,535,000.00	2.500%					
		9/1/2037	2,615,000.00	2.500%					
		9/1/2038	2,695,000.00	2.625%					
		9/1/2039	2,700,000.00	3.000%					
						\$24,715,000.00	\$42,063,000.00	\$2,250,000.00	42,063,000.00
							\$42,063,000.00		\$64,528,000.00



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
 LONG-TERM DEBT  
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
 YEAR ENDED JUNE 30, 2020

SERIES	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE		INTEREST RATE PAYABLE	BALANCE JUNE 30, 2019	DECREASE	BALANCE JUNE 30, 2020
			PRINCIPAL	INTEREST				
Energy Savings Improvement Plan	10/31/2012	15	\$4,955,000.00	\$970,960.75	2.213%	\$3,363,726.66	\$306,039.00	\$3,057,687.66
						\$3,363,726.66	\$306,039.00	\$3,057,687.66

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFER</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Local sources:					
Local tax levy	\$3,090,159.00		\$3,090,159.00	\$3,090,159.00	
Interest				10,489.96	\$10,489.96
State sources:					
Debt service aid type II	121,604.00		121,604.00	121,604.00	
Total revenues	<u>3,211,763.00</u>		<u>3,211,763.00</u>	<u>3,222,252.96</u>	<u>10,489.96</u>
EXPENDITURES:					
Regular debt service:					
Interest	970,478.00		970,478.00	970,371.16	106.84
Redemption of principal	2,250,000.00		2,250,000.00	2,250,000.00	
Total regular debt service-expenditures	<u>3,220,478.00</u>		<u>3,220,478.00</u>	<u>3,220,371.16</u>	<u>106.84</u>
Excess (deficiency) of revenues over (under) expenditures	(8,715.00)		(8,715.00)	1,881.80	10,596.80
Other financing sources:					
Transfers in/(out)	(8,715.00)		(8,715.00)	326,918.23	326,918.23
Fund balance, July 1	<u>23,800.58</u>		<u>23,800.58</u>	<u>23,800.58</u>	
Fund balance, June 30	<u>\$15,085.58</u>		<u>\$15,085.58</u>	<u>\$352,600.61</u>	<u>\$337,515.03</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.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
UNAUDITED

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Governmental activities</b>										
Net investment in capital assets	\$10,814,412.86	\$22,213,671.89	\$20,479,690.35	\$18,974,259.18	\$16,663,677.34	\$15,316,441.33	\$12,260,134.41	\$11,555,838.61	\$10,708,863.59	\$9,865,912.95
Restricted	14,916,175.54	1,951,548.12	3,220,780.59	4,407,580.44	4,421,901.36	3,851,540.74	4,991,208.36	4,172,343.11	3,658,975.67	2,488,726.97
Unrestricted (deficit)	(8,744,506.18)	(9,240,904.32)	(7,698,430.86)	(7,790,467.24)	(6,591,562.15)	(7,175,310.05)	701,281.90	842,569.82	1,520,914.86	1,063,722.72
Total governmental activities net position	\$16,986,082.22	\$14,924,315.69	\$16,002,040.08	\$15,591,372.38	\$14,494,016.55	\$11,992,672.02	\$17,952,624.67	\$16,570,751.54	\$15,888,754.12	\$13,418,362.64
<b>Business-type activities</b>										
Net investment in capital assets	\$117,602.23	\$135,963.59	\$168,524.19	\$181,084.86	\$207,819.58	\$238,497.88	\$261,414.69	\$267,529.54	\$290,334.56	\$317,291.16
Unrestricted	57,516.57	187,446.80	231,094.60	252,093.00	238,297.72	191,843.58	167,668.53	191,313.11	277,605.92	254,634.50
Total business-type activities net position	\$175,118.80	\$323,410.39	\$399,618.79	\$433,177.86	\$446,117.30	\$430,341.46	\$429,083.22	\$458,842.65	\$567,940.48	\$571,925.66
<b>District-wide</b>										
Net investment in capital assets	\$10,932,015.09	\$22,349,635.48	\$20,648,214.54	\$19,155,344.04	\$16,871,496.92	\$15,554,939.21	\$12,521,549.10	\$11,823,368.15	\$10,999,198.15	\$10,183,204.11
Restricted	14,916,175.54	1,951,548.12	3,220,780.59	4,407,580.44	4,421,901.36	3,851,540.74	4,991,208.36	4,172,343.11	3,658,975.67	2,488,726.97
Unrestricted (deficit)	(8,686,989.61)	(9,053,457.52)	(7,467,336.26)	(7,538,374.24)	(6,353,264.43)	(6,983,466.47)	868,950.43	1,033,882.93	1,798,520.78	1,318,357.22
Total district net position	\$17,161,201.02	\$15,247,726.08	\$16,401,658.87	\$16,024,550.24	\$14,940,133.85	\$12,423,013.48	\$18,381,707.89	\$17,029,594.19	\$16,456,694.60	\$13,990,288.30

Source: CAFR Schedule A-1

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>EXPENSES</b>										
Governmental activities										
Instruction										
Regular	\$30,491,833.15	\$32,578,767.80	\$35,277,253.50	\$33,532,377.90	\$30,138,760.59	\$25,391,653.69	\$24,395,242.29	\$25,138,255.80	\$23,474,124.58	\$22,529,358.67
Special education	12,878,570.73	12,716,534.65	13,526,585.50	12,535,442.39	10,852,597.23	9,434,616.38	8,484,271.90	8,409,117.85	7,695,284.60	8,061,100.15
Other instruction	3,634,910.98	3,720,472.37	3,786,816.33	3,717,752.54	3,554,851.05	2,483,745.69	2,552,216.30	2,575,969.96	2,293,198.90	2,260,323.07
Support Services:										
Tuition	869,390.06	1,289,330.70	704,545.04	530,753.19	405,223.81	364,956.71	651,000.44	477,192.92	258,421.86	139,445.03
Student and instruction related services	8,414,434.11	8,975,324.53	9,607,431.70	9,094,380.42	8,164,375.83	6,795,527.23	6,557,566.67	6,732,856.91	6,274,158.86	6,140,697.82
General administrative services	1,166,473.07	1,128,480.51	1,254,932.24	1,239,654.19	1,155,947.15	1,005,533.73	1,040,044.96	1,040,654.74	1,154,257.88	893,495.83
School administrative services	5,283,022.49	5,391,816.84	5,850,875.73	5,570,573.79	4,994,821.53	4,095,488.94	4,095,541.55	3,939,030.97	3,544,758.03	3,451,054.83
Central services/Admin. Info. Technology	1,168,042.89	1,514,048.84	1,290,381.65	1,404,157.78	1,519,767.82	1,272,135.48	1,529,725.75	1,128,076.37	1,065,831.03	950,318.12
Plant operations and maintenance	5,795,964.90	6,366,718.64	5,698,753.45	5,679,997.48	5,045,276.55	5,285,132.91	5,390,775.53	6,075,392.90	5,402,890.46	5,200,080.13
Student transportation services	5,236,955.07	4,970,242.97	4,527,616.87	4,154,474.04	4,518,663.55	3,853,922.13	4,013,538.80	3,569,328.04	4,242,357.53	4,691,569.46
Charter School						22,169.00	21,707.00			
Interest on long-term debt	1,461,583.67	1,022,562.64	1,090,526.48	1,155,672.31	931,401.43	1,154,121.58	1,651,235.08	1,734,687.22	1,839,696.90	1,932,076.93
Total governmental activities expenses	\$76,401,181.13	\$79,674,298.49	\$82,615,718.50	\$78,615,236.04	\$71,281,706.54	\$61,158,993.47	\$60,382,886.27	\$60,820,563.68	\$57,244,980.63	\$56,249,520.05
Business-type activities:										
Food Service	902,797.83	1,053,052.10	1,010,002.30	1,003,445.53	985,840.57	1,031,601.35	1,124,912.17	1,184,118.60	1,092,731.99	1,020,243.58
Total business-type activities expense	\$902,797.83	\$1,053,052.10	\$1,010,002.30	\$1,003,445.53	\$985,840.57	\$1,031,601.35	\$1,124,912.17	\$1,184,118.60	\$1,092,731.99	\$1,020,243.58
Total district expenses	\$77,303,978.96	\$80,727,350.59	\$83,625,720.80	\$79,618,681.57	\$72,267,547.11	\$62,190,594.82	\$61,507,798.44	\$62,004,682.28	\$58,337,712.62	\$57,269,763.63
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Operating grants and contributions	\$17,980,321.27	\$19,495,546.17	\$25,225,190.33	\$22,706,422.33	\$17,492,524.86	\$5,244,195.77	\$5,739,397.75	\$6,341,925.60	\$5,426,483.93	\$4,677,882.82
Total governmental activities program revenues	17,980,321.27	19,495,546.17	25,225,190.33	22,706,422.33	17,492,524.86	5,244,195.77	5,739,397.75	6,341,925.60	5,426,483.93	4,677,882.82
Business-type activities:										
Charges for services:										
Food Service	394,863.04	594,967.37	590,798.25	622,185.74	642,080.98	653,154.22	722,769.79	743,732.76	777,241.31	809,571.33
Operating grants and contributions	359,269.49	381,308.41	385,290.78	362,016.10	356,198.51	377,293.96	369,441.34	330,412.17	311,499.96	272,339.57
Total business type activities program revenues	754,132.53	976,275.78	976,089.03	984,201.84	998,279.49	1,030,448.18	1,092,211.13	1,074,144.93	1,088,741.27	1,081,910.90
Total district program revenues	\$18,734,453.80	\$20,471,821.95	\$26,201,279.36	\$23,690,624.17	\$18,490,804.35	\$6,274,643.95	\$6,831,608.88	\$7,416,070.53	\$6,515,225.20	\$5,759,793.72
<b>NET(EXPENSE)/REVENUE</b>										
Governmental activities	(\$8,420,859.85)	(60,178,752.31)	(\$57,390,528.17)	(\$55,908,813.71)	(\$53,789,181.68)	(\$55,914,797.70)	(\$54,643,488.52)	(\$54,478,638.08)	(\$51,818,496.70)	(\$51,571,637.23)
Business-type activities	(148,665.30)	(76,776.32)	(33,913.27)	(19,243.69)	12,438.92	(1,153.17)	(32,701.04)	(109,973.67)	(3,990.72)	61,667.32
Total district-wide net expense	(\$8,569,525.15)	(\$60,255,528.63)	(\$57,424,441.44)	(\$55,928,057.40)	(\$53,776,742.76)	(\$55,915,950.87)	(\$54,676,189.56)	(\$54,588,611.75)	(\$51,822,487.42)	(\$51,509,969.91)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$52,612,649.00	\$51,581,028.00	\$50,162,125.00	\$49,178,554.00	\$48,158,053.00	\$46,307,968.00	\$45,747,866.00	\$44,332,300.00	\$43,463,039.00	\$42,610,823.00
Taxes levied for debt service	3,090,159.00	3,078,116.00	3,073,535.00	3,013,753.00	3,289,584.00	3,127,206.00	3,253,827.00	3,494,779.00	3,753,984.00	3,995,475.00
Unrestricted grants and contributions	3,588,815.90	3,672,157.50	3,764,426.35	3,839,252.83	3,828,932.72	6,722,969.03	6,443,957.00	6,402,104.51	6,045,397.28	5,159,490.37
Disposal of capital assets	-	(5,100.00)	-	(920.88)	(20,042.60)	-	(1,463.24)	(14,394.50)	(32,000.02)	(17,293.34)
Miscellaneous income	1,191,002.47	774,826.42	801,109.51	975,530.38	1,034,029.09	785,456.02	581,174.89	945,846.49	1,058,467.92	1,287,231.53
Total governmental activities	60,482,626.37	59,101,027.92	57,801,195.86	57,006,169.53	56,290,526.21	56,943,199.05	56,025,361.65	55,160,635.50	54,288,888.18	53,035,726.56
Business-type activities:										
Miscellaneous income	373.71	567.92	354.20	6,304.25	3,336.92	2,411.41	2,941.61	875.84	1,845.54	1,018.40
Disposal of capital assets	373.71	567.92	354.20	6,304.25	3,336.92	2,411.41	2,941.61	875.84	(1,840.00)	(13,466.69)
Total business-type activities	\$60,483,000.08	\$59,101,595.84	\$57,801,550.06	\$57,012,473.78	\$56,293,863.13	\$56,945,610.46	\$56,028,303.26	\$55,161,511.34	\$54,288,893.72	\$53,023,278.27
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$2,061,766.52	(\$1,077,724.39)	\$410,667.69	\$1,097,355.82	\$2,501,344.53	\$1,028,401.35	\$1,381,873.13	\$681,987.42	\$2,470,391.48	\$1,464,089.33
Business-type activities	(148,291.59)	(76,208.40)	(33,559.07)	(12,939.44)	15,775.84	1,258.24	(29,759.43)	(109,097.83)	(3,985.18)	49,219.03
Total district	\$1,913,474.93	(\$1,153,932.79)	\$377,108.62	\$1,084,416.38	\$2,517,120.37	\$1,029,659.59	\$1,352,113.70	\$572,889.59	\$2,466,406.30	\$1,513,308.36

Source: CAFR Schedule A-2

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Restricted	\$2,803,346.49	\$1,996,244.42	\$3,280,885.66	\$4,561,778.64	\$4,131,186.17	\$3,462,956.05	\$4,948,686.94	\$4,171,518.04	\$3,387,886.47	\$2,218,001.93
Committed									513,252.02	476,104.77
Assigned	490,755.01	174,838.55	1,029,740.29	870,628.79	1,072,855.22	346,787.36	1,148,266.22	1,286,071.43	1,482,357.72	941,443.60
Unassigned	1,288,168.00	872,411.22	1,319,159.10	820,058.32	934,346.76	666,915.95	836,787.39	819,234.85	721,962.64	849,433.25
Total general fund	\$4,582,269.50	\$3,043,494.19	\$5,629,785.05	\$6,252,465.75	\$6,138,388.15	\$4,476,659.36	\$6,933,740.55	\$6,276,824.32	\$6,105,458.85	\$4,484,983.55
All Other Governmental Funds										
Reserved	\$25,981,135.16	\$15,085.58	\$8,714.72	(\$92,771.47)	(\$179,896.90)	\$457,270.02	\$372.42	\$42,149.43	\$42,335.35	\$43,748.19
Restricted	12,375,734.24	8,715.00	7,825.00	1,600.00	138,454.00		42,149.00	364.00	1,777.00	4,965.00
Committed					493,106.00	69,768.66				
Assigned	-	\$23,800.58	\$16,539.72	21,562.85	\$451,663.10	\$527,038.68	\$42,521.42	\$42,513.43	\$44,112.35	\$48,713.19
Total all other governmental funds	\$38,356,869.40	\$23,800.58	\$16,539.72	(\$69,608.62)	\$451,663.10	\$527,038.68	\$42,521.42	\$42,513.43	\$44,112.35	\$48,713.19



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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues</b>										
Tax levy	\$55,702,808.00	\$54,659,144.00	\$53,235,660.00	\$52,192,307.00	\$51,447,607.00	\$49,435,174.00	\$49,001,693.00	\$47,827,079.00	\$47,217,023.00	\$46,606,298.00
Miscellaneous	1,191,002.49	774,826.42	892,361.69	988,236.89	1,039,857.47	812,681.97	606,619.74	946,298.80	1,081,920.72	1,345,490.19
Slate sources	16,713,734.32	15,715,511.78	15,146,855.37	13,761,772.07	12,921,652.21	12,200,318.92	11,048,058.66	11,702,443.62	10,065,305.48	8,771,389.00
Federal sources	943,017.85	970,446.90	1,113,923.32	1,147,314.58	1,025,966.99	1,045,893.93	1,109,851.24	1,041,134.18	1,383,122.93	1,007,725.54
Total revenue	<u>74,550,562.66</u>	<u>72,119,929.10</u>	<u>70,388,800.38</u>	<u>68,069,630.54</u>	<u>66,435,083.67</u>	<u>63,494,073.82</u>	<u>61,766,222.64</u>	<u>61,516,955.60</u>	<u>59,747,372.13</u>	<u>57,730,902.73</u>
<b>Expenditures</b>										
Instruction										
Regular instruction	18,312,627.56	18,578,270.61	18,311,761.44	17,930,532.80	17,118,970.08	17,361,875.21	16,358,179.91	16,186,536.62	15,671,564.42	15,352,121.79
Special education instruction	9,060,860.85	8,502,858.50	8,785,722.82	8,312,816.21	7,823,641.48	7,704,180.93	6,853,830.45	6,454,380.80	6,129,082.39	5,929,429.62
Other instruction	2,162,302.93	2,099,452.01	1,959,420.31	1,968,837.10	2,088,955.60	1,773,222.66	1,810,815.64	1,749,491.01	1,608,369.32	1,627,826.62
Support Services:										
Tuition	869,390.06	1,289,330.70	704,545.04	530,753.19	405,223.82	525,579.18	651,000.44	477,192.92	258,421.86	139,445.03
Student and instruction related services	5,286,943.86	5,571,005.47	5,284,172.15	5,043,413.56	5,049,387.34	4,881,135.56	4,802,291.20	4,769,841.64	4,552,426.74	4,542,845.76
General administrative services	852,136.71	806,861.21	901,557.42	841,872.29	883,282.96	928,056.80	841,277.53	845,525.22	949,572.98	737,399.15
School Administrative services	3,190,177.37	3,092,604.44	3,084,305.17	3,018,509.12	2,995,878.51	2,903,880.50	2,874,093.37	2,676,611.88	2,548,829.95	2,524,085.23
Central services/										
Administration Information Technology	747,855.33	1,060,369.55	793,142.91	765,045.36	979,309.81	950,404.50	1,197,567.39	777,305.27	767,370.69	691,243.71
Plant operations and maintenance	5,320,403.93	5,777,493.38	5,006,545.61	4,827,661.62	4,747,542.21	5,165,812.68	4,917,307.11	5,284,600.03	4,921,888.71	4,757,548.94
Student transportation services	5,016,591.58	4,731,505.77	4,292,351.76	4,361,860.92	4,469,556.88	4,205,339.04	4,013,538.80	3,017,132.73	3,831,380.00	4,072,975.00
Unallocated employee benefits	18,198,600.31	18,667,470.01	17,401,818.52	16,125,992.87	14,450,504.73	13,838,836.43	12,582,329.19	14,654,372.67	12,453,538.41	12,118,092.19
Capital outlay	4,503,657.08	1,314,965.55	1,113,197.45	2,720,287.23	974,435.78	1,929,619.17	2,852,406.08	1,793,543.39	454,533.44	414,679.18
Charter School						22,159.00	21,707.00			
Debt service:										
Principal	2,250,000.00	2,170,000.00	2,095,000.00	2,050,000.00	2,005,000.00	2,180,000.00	1,830,000.00	2,045,000.00	2,202,000.00	2,359,000.00
Interest and other charges	970,371.16	1,036,831.90	1,100,539.96	1,231,818.75	1,418,600.00	1,103,461.09	1,591,956.00	1,681,613.76	1,782,518.76	1,881,462.76
Total expenditures	<u>76,741,718.53</u>	<u>74,698,959.10</u>	<u>70,834,080.56</u>	<u>69,729,401.02</u>	<u>65,410,289.20</u>	<u>65,473,462.75</u>	<u>63,198,300.11</u>	<u>62,413,147.94</u>	<u>58,131,497.67</u>	<u>57,148,154.98</u>
over (under) expenditures	(2,191,155.87)	(2,579,030.00)	(445,280.18)	(1,639,770.48)	1,024,794.47	(1,979,388.93)	(1,432,077.47)	(896,192.34)	1,615,874.46	582,747.75
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)										
Bond proceeds	42,063,000.00			1,232,576.36	561,558.74	6,825.00		1,065,958.89		
Cost of issuance				(6,318,900.00)						
Payment to refunded bonds escrow agent				(91,252.18)						
Prior years' receivables canceled				(91,252.18)						
Total other financing sources (uses)	<u>42,063,000.00</u>			<u>1,232,576.36</u>	<u>561,558.74</u>	<u>6,825.00</u>				
Net change in fund balances	<u>\$39,871,844.13</u>	<u>(\$2,579,030.00)</u>	<u>(\$536,532.36)</u>	<u>(\$407,194.12)</u>	<u>\$1,586,353.21</u>	<u>(\$1,972,563.93)</u>	<u>(\$1,432,077.47)</u>	<u>(\$896,192.34)</u>	<u>\$1,615,874.46</u>	<u>\$582,747.75</u>

Source: CAFR Schedule B-2

EXHIBIT "J-5"

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest On Investments</u>	<u>Rental Income</u>	<u>Transportation Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2020	\$ 78,951.65	\$ 102,894.23	\$ 95,572.66	\$ 521,262.62	\$ 54,913.14	\$ 853,594.30
2019	177,850.27	118,666.58	144,435.70	312,732.52	6,056.59	759,741.66
2018	60,715.81	98,706.26	152,832.52	561,808.13	9,584.11	883,646.83
2017	53,621.94	38,488.26	149,549.71	720,010.59	10,215.95	971,886.45
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

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 Reg.	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)
2020	\$64,085,700	\$3,280,483,500	\$64,291,900	\$2,755,500	\$611,238,700	\$104,218,000	\$12,713,200	\$4,139,786,500		\$4,139,786,500	\$4,289,934,197	\$1,235
2019	73,780,700	3,231,535,200	64,535,600	2,767,700	614,566,500	104,218,000	12,713,200	4,104,116,900		4,104,116,900	4,262,688,928	1,202
2018	55,928,400	3,189,821,800	64,705,300	2,868,722	615,661,800	101,154,900	12,713,200	4,042,854,122		4,042,854,122	4,138,452,372	1,188
2017	51,373,300	3,171,053,600	65,031,600	2,883,240	620,335,100	99,855,400	12,713,200	4,023,245,440		4,023,245,440	4,155,815,969	1,159
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	3,929,879,960	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

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)
2020	\$2,141,100	\$232,640,700			\$170,495,500	\$1,855,000	\$54,822,500	\$461,954,800		\$461,954,800	\$463,344,835	\$1.305
2019	2,336,600	228,716,600			172,222,500	1,845,000	52,429,800	457,550,500		457,550,500	453,199,782	1.279
2018	3,309,600	226,032,500			173,638,400	1,833,500	49,100,600	453,914,600		453,914,600	447,162,447	1.309
2017	2,839,400	220,991,100			179,626,200	1,871,200	45,443,500	450,771,400		450,771,400	452,218,499	1.351
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	206,135,900			180,830,700	2,557,700	35,969,100	427,219,100	\$2,094.055	429,313,155	461,765,994	1.292
2012	3,138,500	210,453,900			194,354,480	2,777,000	36,932,400	447,656,280	2,709.007	450,365,287	478,096,178	1.200
2011	3,769,700	210,592,400			202,435,700	3,097,000	37,979,000	457,873,800	3,508.064	461,381,864	525,523,353	1.194

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 <u>June 30,</u>	Township of Raritan		Total Direct School Tax Rate	Overlapping Rates			Total Direct and Overlapping Tax Rate
	<u>Basic Rate (a)</u>	<u>Debt Service (b)</u>		Township of <u>Raritan</u>	Hunterdon Central <u>High School</u>	Hunterdon <u>County</u>	
2020	\$1.166	\$0.069	\$1.235	\$0.314	\$0.628	\$0.394	\$2.571
2019	1.134	0.068	1.202	0.313	0.611	0.393	2.519
2018	1.119	0.069	1.188	0.313	0.600	0.387	2.488
2017	1.092	0.067	1.159	0.317	0.591	0.383	2.450
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

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		Total Direct School Tax Rate	Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)		Borough of Flemington	Hunterdon Central High School	Hunterdon County	
2020	\$1.233	\$0.072	\$1.305	\$1.013	\$0.513	\$0.347	\$3.178
2019	1.205	0.074	1.279	0.997	0.489	0.345	3.110
2018	1.233	0.076	1.309	0.961	0.444	0.347	3.061
2017	1.273	0.078	1.351	0.957	0.435	0.343	3.086
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

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 NINE YEARS AGO  
RARITAN TOWNSHIP  
UNAUDITED

Taxpayer	2020			2011		
	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	\$51,010,500.00	1	1.23%			
Hunterdon Medical Center	35,808,400.00	2	0.86%			
Bedford Falls Land Co.	35,459,200.00	3	0.86%			
REEP - RTL Flemington NJ LLC	26,000,000.00	4	0.63%			
Pulte Homes of NJ, LP	24,854,900.00	5	0.60%			
Johanna Foods Inc.	23,654,700.00	6	0.57%			
Clojo Circle, LLC.	19,486,900.00	7	0.47%			
Raritan Village Shopping Ctr. LLC	17,105,500.00	8	0.41%			
1200 Route 523 LLC	16,850,000.00	9	0.41%			
M R Development Corp.	14,883,100.00	10	0.36%			
Flemington Fair Associates				\$58,891,400.00	1	1.49%
Flemington Mall Ltd.				30,675,300.00	2	0.78%
Bedford Falls Land Co.				30,670,200.00	3	0.78%
Clojo Circle, LLC.				19,486,900.00	4	0.49%
Hunterdon Medical Center				17,070,000.00	5	0.43%
FBS Partners III LP				17,040,900.00	6	0.43%
Equity Industrial Flemington				17,000,000.00	7	0.43%
M R Development Corp.				15,579,400.00	8	0.39%
Foremost Realty LP				15,181,000.00	9	0.38%
Raritan Village Shopping Ctr. LLC				14,108,000.00	10	0.36%
Total	\$265,113,200.00		6.40%	\$235,703,100.00		5.96%

Source: Municipal Tax Assessor

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

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Flemington Apts. LLC	\$19,284,800.00	1	4.17%			
Flemington South LLC C/O Levin Mgt.	17,706,000.00	2	3.83%			
Bitmore Realty Co.	14,886,000.00	3	3.22%			
Flemington Fidelco	9,262,400.00	4	2.01%			
Hunterdon Shopping Center	7,955,000.00	5	1.72%			
Roho LLC	7,275,000.00	6	1.57%			
Hunterdon Mews LLC.	4,860,000.00	7	1.05%			
Acramal Enterprises Inc.	4,740,000.00	8	1.03%			
Flemington Center Urban Renewal LLC	4,612,400.00	9	1.00%			
Taxpayer # 10	4,299,000.00	10	0.93%			
Liberty Village				\$24,604,000.00	1	5.33%
Flemington South				22,250,000.00	2	4.82%
Flemington Apts. LLC				13,268,000.00	3	2.88%
Bitmore Realty Co.				10,350,000.00	4	2.24%
Hunterdon Shopping Center				7,884,000.00	5	1.71%
Roho LLC				7,400,000.00	6	1.60%
Flemington Fidelco				6,440,000.00	7	1.40%
Taxpayer #8				4,579,900.00	8	0.99%
Taxpayer #9				4,579,000.00	9	0.99%
Flemington Circle Park Assoc.				4,263,300.00	10	0.92%
<b>Total</b>	<b>\$94,880,600.00</b>		<b>20.54%</b>	<b>\$105,618,200.00</b>		<b>22.89%</b>

Source: Municipal Tax Assessor



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

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2020	\$49,902,757.00	\$49,902,757.00	100.00%	-
2019	48,756,811.00	48,756,811.00	100.00%	-
2018	47,263,285.00	47,263,285.00	100.00%	-
2017	45,988,747.00	45,988,747.00	100.00%	-
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%	-

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (a)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2020	\$5,800,051.00	\$5,800,051.00	100.00%	-
2019	5,972,375.00	5,972,375.00	100.00%	-
2018	5,972,375.00	5,972,375.00	100.00%	-
2017	6,203,560.00	6,203,560.00	100.00%	-
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%	-

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)	Governmental Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases			
2020	\$64,528,000.00		\$3,057,687.66			\$67,585,687.66	0.13%	\$2,506.98
2019	24,715,000.00		3,363,726.66			28,078,726.66	0.32%	1,041.53
2018	26,885,000.00		3,647,876.71			30,532,876.71	0.29%	1,136.78
2017	28,980,000.00		3,924,638.66			32,904,638.66	0.26%	1,234.23
2016	30,870,000.00		4,187,530.20			35,057,530.20	0.24%	1,318.25
2015	32,875,000.00		4,538,538.51			37,413,538.51	0.22%	1,401.89
2014	36,640,000.00		4,935,359.09			41,575,359.09	0.19%	1,557.13
2013	38,470,000.00		4,955,000.00			43,425,000.00	0.17%	1,623.67
2012	40,515,000.00					40,515,000.00	0.19%	1,512.37
2011	42,717,000.00					42,717,000.00	0.17%	1,588.52

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

(e) - data not available, estimated

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 Outstanding	Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions			
2020	\$64,528,000.00		\$64,528,000.00	1.40%	\$2,393.56
2019	24,715,000.00		24,715,000.00	0.54%	\$916.76
2018	26,885,000.00		26,885,000.00	0.60%	1,000.97
2017	28,980,000.00		28,980,000.00	0.65%	1,087.02
2016	30,870,000.00		30,870,000.00	0.69%	1,160.79
2015	32,875,000.00		32,875,000.00	0.74%	1,231.83
2014	36,640,000.00		36,640,000.00	0.83%	1,372.28
2013	38,470,000.00		38,470,000.00	0.87%	1,438.40
2012	40,515,000.00		40,515,000.00	0.92%	1,512.37
2011	42,717,000.00		42,717,000.00	0.97%	1,588.52

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

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2019  
UNAUDITED

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Flemington Borough	\$8,116,212.36	100.00%	\$8,116,212.36
Raritan Township	14,771,581.55	100.00%	14,771,581.55
Other debt			
Hunterdon County	85,870,477.37	21.78%	<u>18,699,236.58</u>
Subtotal, overlapping debt			\$41,587,030.49
Flemington-Raritan Regional School District Direct Debt			<u>67,585,687.66</u>
Total direct and overlapping debt			<u><u>\$109,172,718.15</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  
 LEGAL DEBT MARGIN INFORMATION  
 UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2020:

Equalized Valuation Basis

Calendar Year	Borough of Flemington	Township of Raritan	Total
2019	\$463,248,456.00	\$4,252,970,881.00	\$4,716,219,337.00
2018	451,971,124.00	4,199,059,121.00	4,651,030,245.00
2017	445,955,085.00	4,118,380,018.00	4,564,335,103.00
	\$1,361,174,665.00	\$12,570,410,020.00	\$13,931,584,685.00
	\$453,724,888.33	\$4,190,136,673.33	\$4,643,861,561.67

Average Equalized Valuation of Taxable Property  
 Debt Limit (3% (a) of average equalization value)  
 Total Net Debt Applicable to Limit

Legal Debt Margin

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$139,315,846.85	\$138,017,917.12	\$136,459,444.93	\$134,555,344.42	\$131,589,972.23	\$131,176,897.44	\$133,308,962.55	\$137,464,582.89	\$140,791,776.45	\$143,541,943.69
Total Net Debt Applicable To Limit	64,528,000.00	24,715,000.00	26,885,000.00	28,980,000.00	30,870,000.00	32,875,000.00	36,640,000.00	38,470,000.00	40,515,386.00	42,717,386.00
Legal Debt Margin	\$74,787,846.85	\$113,302,917.12	\$109,574,444.93	\$105,575,344.42	\$100,719,972.23	\$98,301,897.44	\$96,668,962.55	\$98,994,582.89	\$100,276,390.45	\$100,824,557.69
Total Net Debt Applicable to the Limit as a % of Debt Limit	46.32%	17.91%	19.70%	21.54%	23.46%	25.06%	27.49%	27.99%	28.78%	29.76%

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>	
				<u>Flemington</u>	<u>Raritan</u>
2020	26,959 ( e )	2,415,795,990 ( e )	\$89,610 ( e )	2.70% ( e )	2.60%
2019	26,959	2,415,795,990 ( e )	89,610	2.70%	2.60%
2018	26,859	2,406,834,990	89,610	3.50%	3.00%
2017	26,660	2,264,980,280	84,958	3.90%	3.50%
2016	26,594	2,224,455,130	83,645	3.80%	3.60%
2015	26,688	2,163,249,216	81,057	4.10%	3.90%
2014	26,700	2,100,008,400	78,652	4.70%	4.70%
2013	26,745	2,007,666,915	75,067	7.60%	3.80%
2012	26,789	2,015,550,782	75,238	7.40%	3.70%
2011	26,891	1,934,672,995	71,945	7.50%	3.80%

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 2010 Census published by the US Bureau of Economic Analysis.

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

( e ) - data not available, estimated

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

<u>Employer</u>	2020		2011	
	<u># of Employees</u>	<u>Percentage of Total Employment</u>	<u># of Employees</u>	<u>Rank (Optional)</u>
(1)	0	0.00%	0	
				<u>Percentage of Total Employment</u>
				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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Instruction:</b>										
Regular	234	237	242	269	279	291	266	263	282	272
Special education	88	87	85	75	60	62	54	51	62	51
Other instruction										65
<b>Support Services:</b>										
Student and instruction related services	51	55	53	43	49	44	43	42		
General administrative services	3	3	3	3	3	3	3	3	3	3
School administrative services	18	19	19	19	19	18	20	18	17	17
Plant operations and maintenance	9	9	9	10	10	10	10	10	10	10
Central services	34	34	33	33	36	36	36	36	32	31
Administration information technology	6	6	6	6	6	5	5	5	5	4
Food Service	22	24	23	23	23	23	23	23	24	24
<b>Total</b>	<b>465</b>	<b>474</b>	<b>473</b>	<b>481</b>	<b>485</b>	<b>492</b>	<b>460</b>	<b>451</b>	<b>435</b>	<b>477</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>
2020	3,082	\$68,985,890.29	\$22,383.48	-1.70%	322	9.6	3,009	2,913	-2.37%	96.81%
2019	3,082	70,177,161.65	22,770.01	4.53%	324	9.5	3,082	2,945	0.83%	95.55%
2018	3,054	66,525,343.15	21,783.02	6.58%	327	9.3	3,057	2,930	-1.13%	95.85%
2017	3,118	63,727,295.04	20,438.52	6.43%	344	9.1	3,092	2,970	-2.03%	96.08%
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%	323	11.2	3,633	3,491	0.80%	96.10%

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

District Buildings	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Elementary School(s):										
Barley Sheaf (1967)	72,293	72,293	72,293	59,105	59,105	59,105	59,105	59,105	59,105	59,105
Square Feet	487	487	566	566	566	566	566	566	566	566
Capacity (students)	348	348	339	337	333	351	375	391	409	444
Enrollment										
Copper Hill (1996)	113,134	113,134	113,134	123,000	123,000	123,000	123,000	123,000	123,000	123,000
Square Feet	740	740	619	619	619	619	619	619	619	619
Capacity (students)	426	426	412	446	468	508	526	517	570	607
Enrollment										
Robert Hunter (1961)	65,667	65,667	65,667	74,464	74,464	74,464	74,464	74,464	74,464	74,464
Square Feet	508	508	547	547	547	547	547	547	547	547
Capacity (students)	393	393	357	353	356	387	393	446	442	449
Enrollment										
Desmares (1991)	85,220	85,220	85,220	85,138	85,138	85,138	85,138	85,138	85,138	85,138
Square Feet	590	590	569	569	569	569	569	569	569	569
Capacity (students)	452	452	425	434	454	470	455	495	483	492
Enrollment										
Middle School(s):										
JP Case (2006)	177,013	177,013	177,013	167,000	167,000	167,000	167,000	167,000	167,000	167,000
Square Feet	1,259	1,259	912	912	912	912	912	912	912	912
Capacity (students)	781	781	764	785	810	838	847	828	808	834
Enrollment										
Intermediate School(s)										
Reading-Fleming (1864)	174,361	174,361	174,361	159,120	159,120	159,120	159,120	159,120	159,120	159,120
Square Feet	1,132	1,132	902	902	902	902	902	902	902	902
Capacity (students)	682	682	757	763	756	774	792	834	831	801
Enrollment										

Number of Schools at June 30, 2020

- 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 Register Summary (ADE)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE  
 UNAUDITED

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

School Facilities * Project #(s)	Total	Other	Barley Sheaf	Copper Hill	Frances A. Desmares	Reading- Fleming	JP Case	Robert Hunter
2020	\$1,093,110.78	\$491,549.77	\$86,309.08	\$182,313.51	\$86,704.60	\$89,871.80	\$111,789.82	\$64,572.20
2019	942,936.06	501,399.04	59,775.22	160,674.59	63,853.56	80,910.65	63,009.85	13,313.15
2018	1,133,772.62	552,157.48	52,142.01	155,196.64	91,972.67	115,223.91	96,940.55	70,139.36
2017	1,069,390.19	533,533.11	56,343.10	145,288.42	71,090.22	101,384.55	102,818.31	58,952.48
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	1,068,790.78	1,232.00	73,757.56	127,881.64	256,161.55	450,993.24	94,592.90	64,171.89
Total School Facilities	\$12,602,743.33	\$3,081,927.59	\$1,030,357.92	\$1,975,519.97	\$2,267,521.36	\$1,822,805.99	\$1,075,738.65	\$1,348,871.85

\* - 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  
6/30/2020  
UNAUDITED

<u>COMPANY</u>	<u>TYPE OF COVERAGE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
SAIF	Property Blanket Building and Contents- Replacement Cost Values	\$500,000,000	\$2,500
SAIF Crum & Forster	Environmental/Pollution	1,000,000 occurrence 25,000,000 aggregate	10,000
	Fungi and Legionella	100,000	100,000
SAIF	General Liability		
	- Each Occurrence	5,000,000	
	- Rented Premises	2,500,000	
	- Fire Damage	5,000,000	
	- Medical Expense (Excluding Students)	10,000	
	- Employee Benefit Liability		
	- Aggregate	50,000,000	
SAIF	Automobile Coverage		
	- Combined Single Limit	5,000,000	
	- Hired/Non-Owned	5,000,000	
	- 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 Beazley	Cyber Liability		
	- Third Party Pool Limit	25,000,000	10,000
	- Third Party Each Member	2,000,000	10,000
	- First Party	2,000,000	10,000
	Credit Monitoring and Public Relations		
SAIF	Boiler and Machinery Coverage	100,000,000	2,500
SAIF	Umbrella Liability Coverage		
	- Occurrence Limit	10,000,000	
	- Aggregate Limit	10,000,000	
SAIF	Board of Education		
	- Liability Wrongful Acts Coverage Each Loss/Aggregate	5,000,000	15,000
Hanover	Fidelity Bonds		
	- Treasurer of School Monies	350,000	
Hanover	- School Business Administrator/Board Secretary	150,000	
SAIF	Workers Compensation		
	- Each Accident	5,000,000	
	- Each Employee	5,000,000	
	- Aggregate	5,000,000	

Source: District Records

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**SINGLE AUDIT SECTION**



**SUPLEE, CLOONEY & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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

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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, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, in the County of Hunterdon, State of New Jersey (the "District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 16, 2020.

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

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



# 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*

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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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. 948

December 16, 2020



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members  
of the Board of Education  
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, in the County of Hunterdon, State of New Jersey (the "District") 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, 2020. 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 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 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 District's compliance

# SUPLEE, CLOONEY & COMPANY

## ***Opinion on Each Major Federal and State Program***

In our opinion, the 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, 2020.


## ***Report on Internal Control Over Compliance***


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

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

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. 948

December 16, 2020

ELEMINGTON-RANTAN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FEDERAL CDFA NUMBER	FEDERAL FAIN NUMBER	GRANTOR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM TO	BALANCE JUNE 30, 2019	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2020	
											(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE
93.778	2005N05MAP	N/A	\$71,308.57	07/11/19	06/30/20	\$	71,308.57	\$(71,308.57)	\$	\$	\$	\$
General Fund												
U.S. Department of Health and Human Services												
Passed-Through State Department of Education												
Medical Assistance Program (SEM)												
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.:												
84.010	S010A190030	NCLB-1510-20	\$189,806.00	07/11/19	06/30/20		74,469.00	(121,817.85)	0.39		(47,348.46)	
84.010	S010A190030	NCLB-1510-19	180,874.00	07/11/18	06/30/19	(102,960.05)	102,904.00	56.05				
84.367A	S367A190029	NCLB-1510-20	50,099.00	07/11/19	06/30/20		36,185.00	(50,099.00)			(13,914.00)	
84.367A	S367A180029	NCLB-1510-19	48,004.00	07/11/18	06/30/19	(6,478.00)	5,478.00					
84.365	S365A190030	NCLB-1510-20	23,487.00	07/11/19	06/30/20		6,883.00	(21,490.00)			(14,807.00)	
84.365	S365A190030	NCLB-1510-19	23,149.00	07/11/18	06/30/19	(14,225.76)	14,226.00	(0.24)				
84.365	S365A190030	NCLB-1510-20	4,627.00	07/11/19	06/30/20		4,080.00	(4,627.41)			(547.41)	
84.365	S365A190030	NCLB-1510-19	4,365.00	07/11/18	06/30/19	(4,364.72)	4,196.00	168.72				
84.424	S424A190031	NCLB-1510-20	10,570.00	07/11/19	06/30/20		1.00	(5,185.95)			(5,184.95)	
84.424	S424A180031	NCLB-1510-19	10,902.00	07/11/18	06/30/19	(6,855.00)	6,855.00					
Total N.C.L.B.												
						(133,883.53)	255,077.00	(203,220.21)	224.92		(81,801.82)	
I.D.E.A. Part B Special Education Cluster:												
84.027	H027A190100	FT-1510-20	727,368.00	07/11/19	06/30/20		543,346.00	(637,505.98)			(94,159.98)	
84.027	H027A180100	FT-1510-19	647,517.00	07/11/18	06/30/19	(226,082.98)	229,634.00	(3,551.02)				
84.173	H173A190114	PS-1510-20	34,678.00	07/11/19	06/30/20		18,495.00	(31,222.61)			(12,727.61)	
84.173	H173A180114	PS-1510-19	32,783.00	07/11/18	06/30/19	(24,683.28)	31,995.00	(6,911.74)				
Total I.D.E.A. Part B Special Education Cluster												
						(250,766.24)	823,070.00	(686,728.59)	(10,462.76)		(106,867.59)	
Total U.S. Department of Education												
						(384,649.77)	1,078,147.00	(871,948.80)	(10,237.84)		(188,669.41)	
Enterprise Funds												
U.S. Department of Agriculture												
Passed-Through State Department of Education:												
Child Nutrition Cluster:												
Non-Cash Assistance (Commodities):												
10.555	201N0304N1099	N/A	60,921.87	07/11/19	06/30/20		60,921.87	(57,047.83)				3,874.04
10.555	191N0304N1099	N/A	73,526.13	07/11/18	06/30/19	5,874.54		(5,874.54)				
Cash Assistance:												
10.553	201N0304N1099	N/A	12,643.15	07/11/19	06/30/20		12,643.15	(12,643.15)				
10.553	201N0304N1099	N/A	24,898.88	03/13/20	06/30/20		17,400.88	(24,898.88)			(7,498.00)	
10.553	191N0304N1099	N/A	17,094.61	07/11/18	06/30/19	(1,497.70)	1,497.70					
10.555	201N0304N1099	N/A	201,895.97	07/11/19	06/30/20		201,895.97	(201,895.97)				
10.555	201N0304N1099	N/A	46,600.68	03/13/20	06/30/20		32,419.68	(46,600.68)			(14,181.00)	
10.555	191N0304N1099	N/A	277,999.82	07/11/18	06/30/19	(23,530.30)	23,530.30				(21,679.00)	
Total U.S. Department of Agriculture												
						(19,153.46)	350,309.55	(348,961.05)				3,874.04
Total Federal Financial Assistance												
						(403,803.23)	1,499,765.12	(1,292,218.42)	(10,237.84)		(210,368.41)	3,874.04

See accompanying notes to schedules of financial assistance.

ELEMINGTON-MARRITAN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM TO	BALANCE AT JUNE 30, 2019		CARRYOVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2020		MEMO	
				(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE					(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education General Funds:													
State Aid Cluster:													
Special Education Aid	20-495-034-5120-089	\$ 2,087,364.00	6/30/20	\$	\$	\$ 1,883,839.37	\$ (2,087,364.00)	\$	\$	\$ (203,524.63)	\$ (2,087,364.00)		
Security Aid	20-495-034-5120-084	140,035.00	6/30/20			126,381.14	(140,035.00)			(13,653.86)	(140,035.00)		
Equalization Aid	20-495-034-5120-078	3,297,080.00	6/30/20			2,975,604.21	(3,297,080.00)			(321,475.79)	(3,297,080.00)		
Total State Aid Cluster						4,985,824.72	(5,524,479.00)			(538,654.28)	(5,524,479.00)		
Transportation Aid	20-495-034-5120-014	297,208.00	6/30/20			266,229.28	(297,208.00)			(28,978.72)	(297,208.00)		
Nonpublic Transportation Aid	19-495-034-5120-014	15,370.00	6/30/19	(15,370.00)		15,370.00							
Extraordinary Special Education Costs Aid	19-495-034-5120-044	228,928.00	6/30/19	(228,928.00)		228,928.00							
On-Behalf TPAF - Pension Contribution	20-495-034-5094-002	952,454.00	6/30/20			5,444,054.00	(952,454.00)			(952,454.00)	(952,454.00)		
On-Behalf TPAF - Non-contributory Insurance	20-495-034-5094-004	97,579.00	6/30/20			97,579.00	(97,579.00)				(97,579.00)		
On-Behalf TPAF - Post-Retirement Medical Benefits	20-495-034-5094-001	2,055,844.00	6/30/20			2,055,844.00	(2,055,844.00)				(2,055,844.00)		
On-Behalf TPAF - Long Term Disability Insurance	20-495-034-5094-004	4,239.00	6/30/20	(100,138.22)		100,138.22	(4,239.00)			(102,381.52)	(4,239.00)		
Reimbursed Social Security Contribution	19-495-034-5094-003	2,061,017.54	6/30/19			1,956,636.02	(2,061,017.54)			(102,381.52)	(2,061,017.54)		
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	2,061,017.54	6/30/20	(344,436.22)		15,156,842.24	(16,436,874.54)			(1,054,835.52)	(16,436,874.54)		
Total General Fund						15,156,842.24	(16,436,874.54)			(567,633.00)	(16,436,874.54)		
Special Revenue Funds:													
N.J. Non-Public Aid:													
Handicapped Services:													
Supplemental Instruction	20-100-034-5120-066	809.00	6/30/20			729.00		(846.00)		(80.00)			
Supplemental Instruction	19-100-034-5120-066	846.00	6/30/19			846.00							
Auxiliary Services:													
Compensatory Education	20-100-034-5120-067	811.00	6/30/20			730.00		(36.00)		(81.00)			
Nonpublic Technology Aid	19-100-034-5120-373	36.00	6/30/19			36.00							
Nonpublic Technology Aid	20-100-034-5120-373	36.00	6/30/20			36.00	(28.56)			36.00	(28.56)		
Nonpublic textbook Aid	19-100-034-5120-064	53.00	6/30/20			53.00		(53.00)		24.44			
Nonpublic textbook Aid	20-100-034-5120-064	53.00	6/30/19			53.00		(460.00)					
Nonpublic Security Aid	19-100-034-5120-509	450.00	6/30/19			97.00	(94.88)			2.12			
Nonpublic Nursing Services	20-100-034-5120-070	97.00	6/30/20			1,645.00	(123.44)	(1,365.00)		(161.00)			
Total Special Revenue Fund						1,645.00	(123.44)	(1,365.00)		(161.00)			
Capital Projects Fund:													
Educational Facilities Construction and Financing Act	15-100-033-14-1003	264,213.00	Continuous			(156,650.52)		(107,562.48)					
Educational Facilities Construction and Financing Act	15-100-035-14-1009	280,800.00	Continuous			(283,866.14)		(10,863.86)					
Educational Facilities Construction and Financing Act	15-100-045-14-1009	31,800.00	Continuous			(31,800.00)							
Total Capital Projects Fund						(452,386.66)		(124,436.34)					
Debt Service Fund:													
Debt Service Aid - Type II	20-495-034-5120-075	121,604.00	6/30/20			121,604.00	(121,604.00)						
Total Debt Service Fund						121,604.00	(121,604.00)						
Total Debt Service Fund						121,604.00	(121,604.00)						
Enterprise Fund:													
National School Lunch Program (State Share)	19-100-010-3350-023	10,132.69	6/30/19	(854.25)		854.25							
National School Lunch Program (State Share)	20-100-010-3350-023	10,308.44	6/30/20			7,502.00	(10,308.44)			(2,806.44)			
Total Enterprise Fund						(854.25)				(2,806.44)			
Total Enterprise Fund						(797,677.13)		(1,256,821.34)		(1,057,802.96)			
Total State Financial Assistance						15,867,270.49	(16,568,910.42)	(1,701,639.93)		(1,057,802.96)	(16,568,910.42)		
Less: On-Behalf amounts not utilized for determination of Major Programs:													
On-Behalf TPAF Pension Contribution	20-495-034-5094-002	5,444,054.00	6/30/20			5,444,054.00	(5,444,054.00)						
On-Behalf TPAF - Non-contributory Insurance	20-495-034-5094-004	97,579.00	6/30/20			97,579.00	(97,579.00)						
On-Behalf TPAF - Post-Retirement Medical Benefits	20-495-034-5094-001	2,055,844.00	6/30/20			2,055,844.00	(2,055,844.00)						
On-Behalf TPAF - Long Term Disability Insurance	20-495-034-5094-004	4,239.00	6/30/20			4,239.00	(4,239.00)						
Total State Financial Assistance Subject to Single Audit						\$ 10,321,388.49	(11,023,038.42)	(701,649.95)		(1,057,802.96)	(11,023,038.42)		

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, 2020**

**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, 2020**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$30,696.00 for the general fund and (\$239.52) 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	\$71,308.57	\$16,467,570.54	\$16,538,879.11
Special Revenue Fund	871,709.28	123.44	871,832.72
Capital Projects Fund		124,436.34	124,436.34
Debt Service Fund		121,604.00	121,604.00
Food Service Fund	348,961.05	10,308.44	359,269.49
	<u>348,961.05</u>	<u>10,308.44</u>	<u>359,269.49</u>
Total Awards & Financial Assistance	<u>\$1,291,978.90</u>	<u>\$16,724,042.76</u>	<u>\$18,016,021.66</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, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2020. 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, 2020.

**Flemington-Raritan Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2020**

**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, 2020**

**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<br>Social Security Cont. | 495-034-5094-003    |
| Transportation Aid                       | 495-034-5120-014    |
- (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, 2020**

**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



