

**FLEMINGTON-RARITAN REGIONAL
SCHOOL DISTRICT**

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive
Financial Report**

of the

**Flemington-Raritan Regional
School District**

Flemington, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

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

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INTRODUCTORY SECTION
(UNAUDITED)

Flemington-Raritan Regional School District

Dr. Kari McGann

Superintendent

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November 13, 2023

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

Dear President and Members:

The Annual Comprehensive Financial Report of the Flemington-Raritan Regional School District for the fiscal year ending June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Flemington-Raritan Regional Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control system and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Flemington-Raritan Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). The Flemington-Raritan Regional Board of Education and all its schools constitute the District's reporting entity.

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

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

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

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

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

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

The following table presents the actual historical pupil enrollment, as of October 15, for the school years 2012-2013 through 2023-2024.

Fiscal Year	<u>School Year Enrollment a/o October 15</u> Student Enrollment	Percent Change
2012-13	3,505	-1.0%
2013-14	3,387	-3.4%
2014-15	3,344	-1.3%
2015-16	3,150	-5.8%
2016-17	3,077	-2.3%
2017-18	3,055	-0.7%
2018-19	3,087	+1.0%
2019-20	3,074	-0.4%
2020-21	2,969	-3.5%
2021-22	3,016.5	+1.6%
2022-23	3,137	+4.0%
2023-24	3,160	+0.73%

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 2023-24. 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 21.7% free/reduced lunch 20.8% total special education and 19.1% Special Education without ESL students and 15.9% special education students excluding speech students, and 8.7% English Language Learners. Flemington-Raritan Regional School District has 391 FTE positions with a total of 609 employees and operates on a \$75 million dollar budget.

2) ECONOMIC CONDITION AND OUTLOOK:

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

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

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

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

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

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

Raritan Township, which is also located in Hunterdon County, contains a land area of 37.53 square miles, with an additional 0.16 square miles of water area. Historical and projected populations for Raritan from 1940-2040 are shown in Table 2 and Figure 1. In 2020, Raritan had 23,447 residents, which is 624.8 persons per square mile. Unlike Flemington, the population in Raritan has significantly increased from 1940-2020, growing more than tenfold. Raritan experienced its greatest gain in the 1980s (+88.3%) when the population nearly doubled in size. The population in 2020 is 23,447 persons, which is a gain of 1,262 persons from 2010. Neither Flemington nor Raritan have experienced a significant change in population from 2010-2020. Forecasts prepared by the NJTPA project Raritan's population to increase to 24,078 in 2040, which would be a 2.6% increase and a gain of 631 persons from the 2020 population.³

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

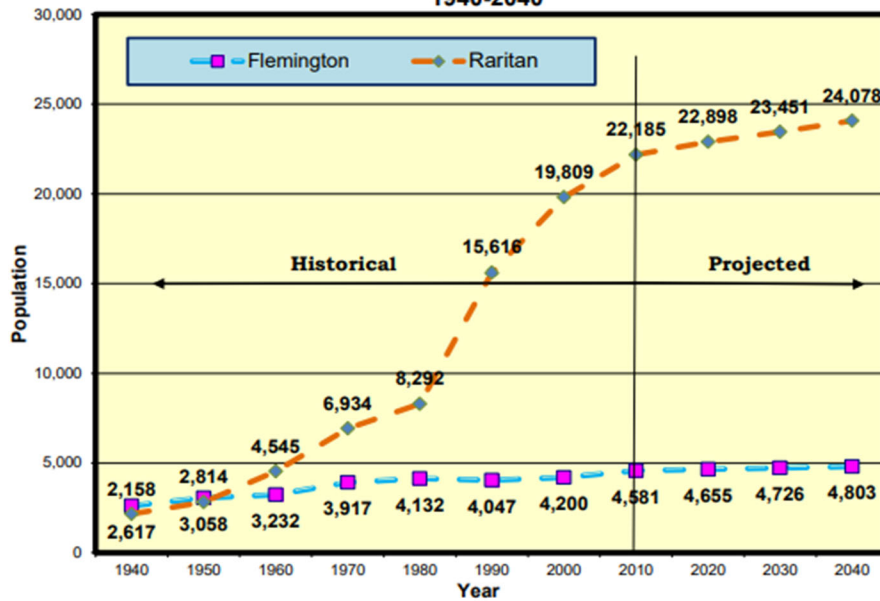
³ Demographic Study for the Flemington-Raritan Regional School District, February, 2020. Prepared by Richard S. Grip

Table 2
Historical and Projected Populations for Raritan
1940-2040

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

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

Figure 1
Historical and Projected Populations
1940-2040



3) MAJOR INITIATIVES:

Financial Planning:

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

Facility Planning:

Flemington-Raritan Regional School District has completed referendum projects on all six district buildings as a result of the passing of the 2019 November Referendum. With the imposition by the State of New Jersey of its so-called "2% general fund tax levy cap," the district avoids large swings in programs. Capital projects on long life cycles, such as facility roofs, must be planned for the long-term. The district successfully passed the November 2019 referendum to support HVAC, Security and Safety upgrades for district-wide improvements for all six buildings in Flemington-Raritan Regional School District. Projects are focused on safety and security initiated in the spring of 2020. The majority of all projects are completed with small punch list items being completed in the 2022-2023 school year.

Educational Program:

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

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

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

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

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

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

Professional Development

The District’s Professional Development Plan included the following goals, which were aligned to the District’s Strategic Plan. The primary focus for the District was improving student academics and mental wellness following the disruption cause by the pandemic, as well as supporting teachers in their efforts to implement lessons consistent with revised curriculum standards.

Topic	2022-2023 Goals
K-8 Climate Change	Provide professional learning necessary to ensure a successful implementation of revised curriculum and prepare teachers for ELA and Social Studies curriculum refinements
5-8 Community Based Instruction	Year 2 of partnership with Rutgers/ Boggs Center, the District's special class programs (LLD-S/ Autism) continue expansion of community-based instruction experiences
2-7 CogAT-8	Provide the necessary professional learning to ensure a smooth implementation of a new aptitude assessment
PK-8 Social Emotional Learning	Provide <i>Responsive Classroom</i> and <i>Cooperative Learning</i> training; fund building-based initiatives focused on wellness
PK-8 Gmail Transition	Provide professional learning to ease the transition from Outlook to Gmail and the Google Suite
PK-8 Universal Design for Learning	Provide continued professional learning opportunities to support cohort I's UDL implementation
K-8 Data Warehousing	Explore data warehousing platforms and provide recommendation; plan for professional learning necessary for implementation
Early Literacy	Structured Literacy (Special Services Initiative): Wilson Instruction
K-2 Comprehensive Literacy	Provide classroom-embedded professional learning (GG)
K-2 ELA Curriculum	Provide on-going professional learning to support consistency in curriculum implementation and curriculum refinements
ESL Literacy Lessons	Provide ESL teachers the opportunity to participate in <i>Reading Recovery's Literacy Lessons</i> initial training
K-2 Response to Intervention	Provide professional learning necessary for a successful pilot of <i>NWEA's MAP Fluency Probe</i>

K-5 Math Curriculum Revision & Materials	Provide professional learning necessary for a successful pilot of two math programs (<i>Bridges and Ready</i>) and prepare teachers for curriculum writing
Mental Health and MTSS	As of Spring 2022/Summer 2022, the NJDOE has released four documents, inclusive of a multitude of resources to help guide the year's areas of focus including: establishing a Multi-Tiered System of Support, screening tools for early identification of social, emotional and behavioral challenges and professional development recommendations
Preschool Inclusion	Year 3 of Grant Partnership with Montclair University to expand general education and inclusion programming for 3–4 year olds
Preschool Expansion	Provide professional learning necessary to explore and apply for preschool expansion funding
Science Professional Development	Provide classroom-embedded professional learning (SV & WV) to support teachers in engaging students in science practices and constructing explanations for natural phenomena
K-5 Social Studies	Provide professional learning necessary to successfully implement new <i>Inquiry Journeys</i> social studies materials and prepare teachers for curriculum refinements
8 Civics	Provide professional learning and support necessary to successfully implement new civics curriculum
Robotics/Coding	Provide professional learning and resources necessary to successfully implement a new course for kindergarten students
STEM	Provide professional learning and resources necessary to successfully implement in grades 1-4

A variety of professional learning opportunities aligned with these goals were offered during the 2022-2023 school year. The District offered an extensive Summer Professional Learning Program, 5 full day professional learning days, 2 half day professional learning days, 2 ninety minute meetings, and 20 sixty minutes meetings throughout the school year. In addition, new teachers were offered 6 sixty minute meetings focused on supporting their unique needs.

Curriculum Development

Curriculum development projects during the 2022-2023 school year included the following:

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

Instructional Programs/Technology

Title I federal funds were used to support the continued employment of two Bilingual Counselors (Robert Hunter and Francis A. Desmares Schools) during the 2022-2023 SY, and the District provided classroom-embedded professional learning focused on literacy instruction. Title I after school Literacy Lab, Title I Summer Literacy Program, and several parent nights were also funded using Title I funding.

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

American Rescue Plan funds were used to address student mental health as well as learning loss. The District funded the NWEA MAP Growth assessment to monitor student performance and growth, and the data was used to identify and provide intervention services. This included a variety of extended day and extended year programs.

Other on-going District programs were maintained and/or expanded during the 2022-2023 school year. These programs included the following:

- The District remains committed to maintaining reasonable class sizes at all grade levels.
- Intervention programs, such as Reading Recovery, math support, reading support, special education, ESL, speech, OT/PT, etc., continued and were expanded as necessary to meet increasing demands.
- Gifted programs, including grades 3-8 Stretch, 3-6 Gifted Math, 7-8 leveled math, and 7-8 school-wide G&T Passages programs were continued. The District also provided a high school level geometry class for our most capable math students in grade 8.
- Our grades K-1 iPad 1:1 initiative and grades 2-8 1:1 Chromebook initiative were continued and several technology infrastructure projects were implemented to ensure dependable access to the internet.
- We also expanded our broadband connection and added redundancy features that helped to support online and virtual learning necessitated by the pandemic.
- The District improved its security and safety procedures with the installation of the LENS system, the expansion of our virtual server environment, stronger password and authentication protocols, and cybersecurity training for our Technology Department.
- The District also provided counseling services to assist students in growing socially and emotionally into productive learning community members. Small and large group counseling was provided on a variety of age-appropriate topics. In addition, counselors worked to assist students through transitions between grades, particularly as students prepared to enter high school.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse; and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally-accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system 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 system, 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, 2023.

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. In addition, the financial reports are reviewed on a regular monthly basis with the finance committee prior to the Board Meetings.

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.

8) RISK MANAGEMENT:

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

9) OTHER INFORMATION:

Independent Audit


State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board's Finance Committee selected the accounting firm of Nisivoccia 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 OMB Circular 15-08. The auditor's report on the basic financial statements, combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS:

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

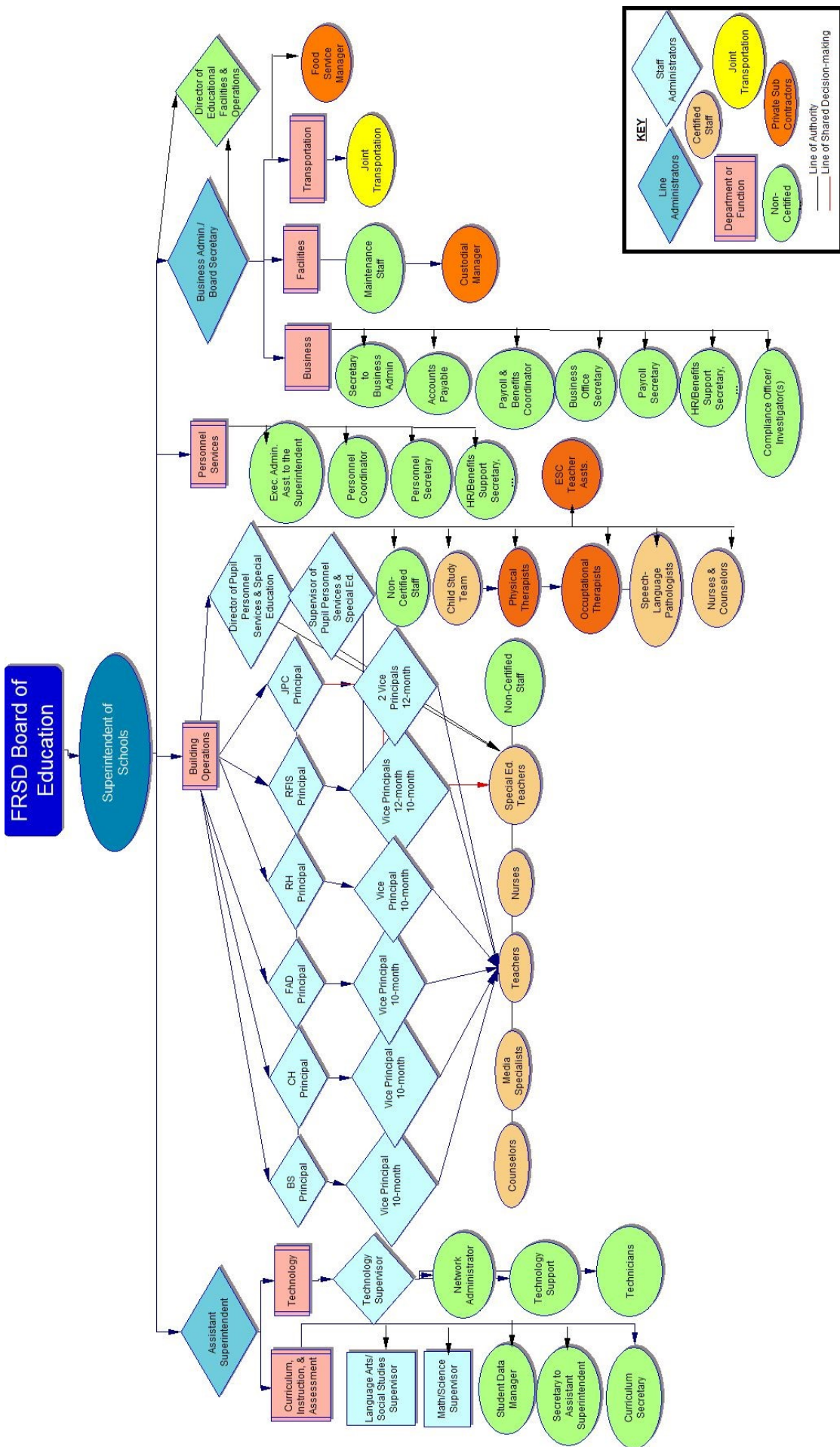
Respectfully Submitted,



Dr. Kari McGann
Superintendent



Ms. Tanya Dawson
Business Administrator



**FLEMINGTON-RARITAN REGIONAL BOARD OF EDUCATION
 ROSTER OF OFFICIALS
 JUNE 30, 2023**

<u>Board of Education Members</u>	<u>Term Expires</u>
Michelle Hurley, President	2024
Jaclyn Arce, Vice President	2025
Valerie Bart	2023
Loretta Borowsky	2024
Laurie Markowski	2024
Susan Mitcheltree	2023
Tiffany Jarrett	2025
Lilian Colpas	2025
Gina Criscitiello	2025

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

FLEMINGTON-RARITAN REGIONAL BOARD OF EDUCATION

Consultants and Advisors

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(Special Conflicts Counsel)
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Bond Counsel

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095

Official Depository

Investors Bank
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Three Bridges, NJ 08887

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Flemington-Raritan Regional School District (the “District”), in the County of Hunterdon, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

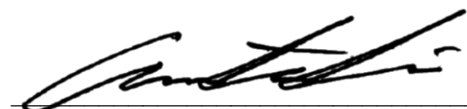
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District’s internal control over financial reporting and compliance.

Mount Arlington, New Jersey
November 13, 2023

NISIVOCCIA, LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

This section of Flemington-Raritan Regional School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.

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

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

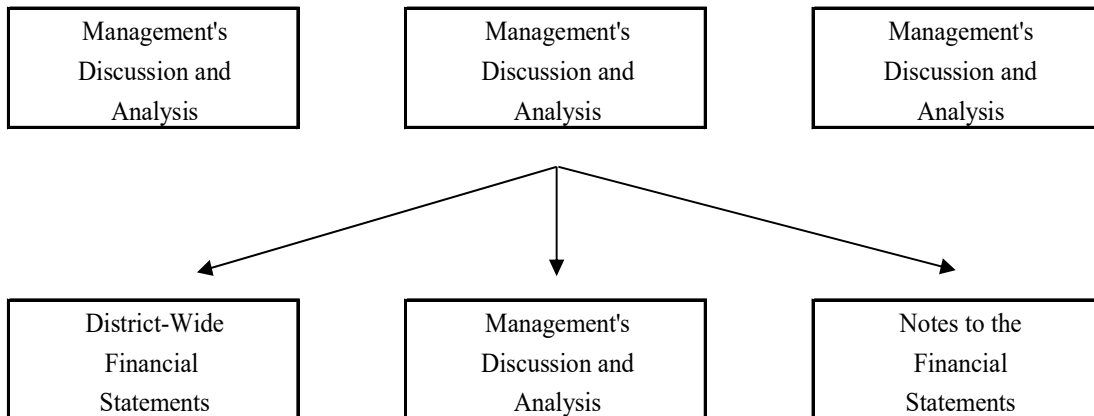


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEAR ENDED JUNE 30, 2023

District-Wide Statements

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

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred outflows and inflows and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

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

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term liabilities) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Notes to the Basic Financial Statements

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

Financial Analysis of the District as a Whole

Net Position. The District's combined net position was \$42,678,941 on June 30, 2023, \$402,643 or 0.93% less than the year before (See Figure A-3). Net position from governmental activities decreased by \$767,815 and net position from business-type activities increased by \$365,172 (See Figure A-4). Net investment in capital assets increased by \$1,929,765, restricted net position increased by \$279,725, and unrestricted net position decreased by \$2,612,133.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2023	2022	2023	2022	2023	2022	
Current and							
Other Assets	\$16,652,905	\$21,142,596	\$ 992,817	\$771,749	\$17,645,722	\$21,914,345	
Capital Assets, Net	90,900,317	93,587,563	272,066	224,361	91,172,383	93,811,924	
Lease Assets, Net	436,555	552,969			436,555	552,969	
Total Assets	107,989,777	115,283,128	1,264,883	996,110	109,254,660	116,279,238	-6.04%
Deferred Outflows of Resources	1,237,423	819,515			1,237,423	819,515	50.99%
Other Liabilities	3,407,758	4,358,106	23,720	120,119	3,431,478	4,478,225	
Long-Term Liabilities	63,273,584	66,287,488			63,273,584	66,287,488	
Total Liabilities	66,681,342	70,645,594	23,720	120,119	66,705,062	70,765,713	-5.74%
Deferred Inflows of Resources	1,108,080	3,251,456			1,108,080	3,251,456	-65.92%
Net Position:							
Net Investment in							
Capital Assets	36,388,866	34,506,806	272,066	224,361	36,660,932	34,731,167	
Restricted	11,796,906	11,517,181			11,796,906	11,517,181	
Unrestricted/(Deficit)	(6,747,994)	(3,818,394)	969,097	651,630	(5,778,897)	(3,166,764)	
Total Net Position	\$41,437,778	\$42,205,593	\$ 1,241,163	\$875,991	\$42,678,941	\$43,081,584	-0.93%

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Changes in Net Position

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

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

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2023	2022	2023	2022	2023	2022	
Revenue:							
Program Revenue:							
Charges for Services	\$ 581,416	\$ 343,799	\$ 832,686	\$ 73,545	\$ 1,414,102	\$ 417,344	
Operating Grants & Contributions	16,059,523	20,379,922	754,560	1,542,637	16,814,083	21,922,559	
General Revenue:							
Property Taxes	60,627,077	59,382,615			60,627,077	59,382,615	
Unrestricted Federal & State Aid	4,048,144	3,923,349			4,048,144	3,923,349	
Other	1,500,887	1,247,622	5,884	27	1,506,771	1,247,649	
Total Revenue	82,845,752	85,277,307	1,593,130	1,616,209	84,438,882	86,893,516	-2.82%
Expenses:							
Instruction	50,661,187	49,976,343			50,661,187	49,976,343	
Pupil & Instruction Services	10,195,024	9,080,643			10,195,024	9,080,643	
Administration and Business	8,196,153	8,017,774			8,196,153	8,017,774	
Maintenance & Operations	7,088,192	5,979,735			7,088,192	5,979,735	
Transportation	5,879,623	5,423,888			5,879,623	5,423,888	
Other	1,593,388	1,728,670	1,227,958	1,093,223	2,821,346	2,821,893	
Total Expenses	83,613,567	80,207,053	1,227,958	1,093,223	84,841,525	81,300,276	4.36%
Change in Net Position	\$ (767,815)	\$ 5,070,254	\$ 365,172	\$ 522,986	\$ (402,643)	\$ 5,593,240	-107.20%

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Governmental Activities

The governmental activities financial position of the District decreased by 1.82%. Maintaining existing programs with expected increased regular pupil enrollment and the provision of a multitude of special programs and services for disabled pupils place great demands on the District’s resources. During the past several years, numerous veteran teachers have retired and have been replaced by teachers of less experience. Such changes have generated significant salary savings, but these have not been sufficient enough to provide for increased special education programs and increased health benefit costs. As a result, the District was subject to a tax increase in fiscal year 2023.

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

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

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

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Instruction	\$ 50,661,187	\$ 49,976,343	\$ 36,045,446	\$ 32,201,942
Pupil & Instruction Services	10,195,024	9,080,643	9,306,379	7,758,582
Administration and Business	8,196,153	8,017,774	7,422,316	6,842,405
Maintenance & Operations	7,088,192	5,979,735	7,014,718	5,841,143
Transportation	5,879,623	5,423,888	5,561,676	5,110,590
Other	1,593,388	1,728,670	1,593,388	1,728,670
Total	<u>\$ 83,613,567</u>	<u>\$ 80,207,053</u>	<u>\$ 66,943,923</u>	<u>\$ 59,483,332</u>

Business-Type Activities

Net position in the District’s business-type activities increased by \$365,172. (Refer to Figure A-4). This was primarily a result of a significant increase in daily sales, offset by an increase in operating expenses.

Financial Analysis of the District’s Funds

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

General Fund Budgetary Highlights

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

Capital Assets and Long-Term Liabilities Administration

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

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2023	2022	2023	2022	2023	2022	
Land	\$ 2,399,641	\$ 2,399,641			\$ 2,399,641	\$ 2,399,641	
Construction in Progress	17,226,078	16,714,438			17,226,078	16,714,438	
Site Improvements	2,405,274	2,590,065			2,405,274	2,590,065	
Buildings & Bldg. Imps.	68,647,700	71,568,548			68,647,700	71,568,548	
Machinery, Furniture and Equipment	221,624	314,871	\$ 272,066	\$ 224,361	493,690	539,232	
Total	\$ 90,900,317	\$ 93,587,563	\$ 272,066	\$ 224,361	\$ 91,172,383	\$ 93,811,924	-2.81%

The District’s Capital Assets decreased \$2,639,541 or 2.81%, on a district-wide basis. (More detailed information about the District’s Capital Assets is presented on Note 7 to the basic financial statements.)

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Long-Term Liabilities

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

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

	Governmental Activities		Percent Change
	2023	2022	
Compensated Absences Payable	\$ 1,306,935	\$ 1,130,909	
Net Pension Liability	6,603,046	5,018,664	
Serial Bonds Payable	52,525,000	56,760,000	
Unamortized			
Bond Premium	348,928	424,187	
Financed Purchases Payable	2,044,389	2,398,571	
Leases Payable	445,286	555,157	
Total	<u>\$ 63,273,584</u>	<u>\$ 66,287,488</u>	-4.55%

The District’s Long-Term Liabilities decreased \$3,013,904, or 4.55%, due primarily to the change in the net pension liability, offset by the pay down of serial bonds, financed purchases payable and leases.

Factors Bearing on the District’s Future

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

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

Contacting the District’s Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 13,768,130	\$ 927,655	\$ 14,695,785
Cash with Fiscal Agents	245,463		245,463
Receivables from Federal Government	236,174	40,876	277,050
Receivables from State Government	996,679	1,706	998,385
Inventory		22,580	22,580
Restricted Cash and Cash Equivalents	1,406,459		1,406,459
Capital Assets, Net:			
Sites (Land)	2,399,641		2,399,641
Construction in Progress	17,226,078		17,226,078
Depreciable Site Improvements, Buildings and Building Improvements, Furniture, Machinery and Equipment	71,274,598	272,066	71,546,664
Lease Assets, Net	436,555		436,555
Total Assets	<u>107,989,777</u>	<u>1,264,883</u>	<u>109,254,660</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	1,170,754		1,170,754
Deferred Amount on Refunding	66,669		66,669
Total Deferred Outflows of Resources	<u>1,237,423</u>		<u>1,237,423</u>
LIABILITIES			
Current Liabilities:			
Accrued Interest Payable	356,998		356,998
Accounts Payable	785,701		785,701
Accrued Liability for Insurance Claims	2,136,866		2,136,866
Unearned Revenue	128,193	23,720	151,913
Noncurrent Liabilities:			
Due Within One Year	4,957,142		4,957,142
Due Beyond One Year	58,316,442		58,316,442
Total Liabilities	<u>66,681,342</u>	<u>23,720</u>	<u>66,705,062</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,108,080		1,108,080
Total Deferred Inflows of Resources	<u>1,108,080</u>		<u>1,108,080</u>
NET POSITION			
Net Investment in Capital Assets	36,388,866	272,066	36,660,932
Restricted for:			
Capital Projects	6,864,368		6,864,368
Debt Service	345,339		345,339
Maintenance	156,231		156,231
Unemployment Compensation	523,770		523,770
Student Activities	140,508		140,508
Excess Surplus	3,766,690		3,766,690
Unrestricted/(Deficit)	<u>(6,747,994)</u>	<u>969,097</u>	<u>(5,778,897)</u>
Total Net Position	<u>\$ 41,437,778</u>	<u>\$ 1,241,163</u>	<u>\$ 42,678,941</u>

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues				Net (Expenses)/Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 32,169,489	\$ 333,040	\$ 7,141,301		\$ (24,695,148)		\$ (24,695,148)
Special Education	14,195,595		6,274,024		(7,921,571)		(7,921,571)
Other Special Instruction	3,940,666		808,350		(3,132,316)		(3,132,316)
School Sponsored Instruction	355,437		59,026		(296,411)		(296,411)
Support Services:							
Tuition	1,038,401				(1,038,401)		(1,038,401)
Student & Instruction Related Services	9,156,623	248,376	640,269		(8,267,978)		(8,267,978)
General Administrative Services	1,241,134		26,807		(1,214,327)		(1,214,327)
School Administrative Services	5,178,772		691,788		(4,486,984)		(4,486,984)
Central Services	826,912		26,470		(800,442)		(800,442)
Administration Information Technology	949,335		28,772		(920,563)		(920,563)
Plant Operations and Maintenance	7,088,192		44,769	\$ 28,705	(7,014,718)		(7,014,718)
Pupil Transportation	5,879,623		317,947		(5,561,676)		(5,561,676)
Interest on Long-Term Liabilities	1,593,388				(1,593,388)		(1,593,388)
Total Governmental Activities	83,613,567	581,416	16,059,523	28,705	(66,943,923)	\$ -0-	(66,943,923)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues				Net (Expenses)/Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 1,227,958	\$ 832,686	\$ 754,560			\$ 359,288	\$ 359,288
Total Business-Type Activities	<u>1,227,958</u>	<u>832,686</u>	<u>754,560</u>			<u>359,288</u>	<u>359,288</u>
Total Primary Government	<u>\$ 84,841,525</u>	<u>\$ 1,414,102</u>	<u>\$ 16,814,083</u>	<u>\$ 28,705</u>	<u>\$ (66,943,923)</u>	<u>359,288</u>	<u>(66,584,635)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					56,018,698		56,018,698
Taxes Levied for Debt Service					4,608,379		4,608,379
Federal and State Aid Not Restricted					4,048,144		4,048,144
Miscellaneous Income					1,500,887	5,884	1,506,771
Total General Revenues					<u>66,176,108</u>	<u>5,884</u>	<u>66,181,992</u>
Change in Net Position					(767,815)	365,172	(402,643)
Net Position - Beginning					<u>42,205,593</u>	<u>875,991</u>	<u>43,081,584</u>
Net Position - Ending					<u>\$ 41,437,778</u>	<u>\$ 1,241,163</u>	<u>\$ 42,678,941</u>

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

FUND FINANCIAL STATEMENTS

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 7,144,373		\$ 6,278,418	\$ 345,339	\$ 13,768,130
Cash with Fiscal Agents	245,463				245,463
Interfund Receivable	96,497				96,497
Receivables from Federal Government		\$ 236,174			236,174
Receivables from State Government	996,679				996,679
Restricted Cash and Cash Equivalents	1,265,951	140,508			1,406,459
TOTAL ASSETS	<u>\$ 9,748,963</u>	<u>\$ 376,682</u>	<u>\$ 6,278,418</u>	<u>\$ 345,339</u>	<u>\$ 16,749,402</u>

LIABILITIES AND FUND BALANCES:

Liabilities:					
Interfund Payable		\$ 96,497			\$ 96,497
Accounts Payable	\$ 128,081	65,014			193,095
Accrued Liability for Insurance Claims	2,136,866				2,136,866
Unearned Revenue	53,530	74,663			128,193
Total Liabilities	<u>2,318,477</u>	<u>236,174</u>			<u>2,554,651</u>

Fund Balances:

Restricted for:					
Excess Surplus - 2024-2025	2,267,884				2,267,884
Excess Surplus - For Subsequent Year's Expenditures	1,498,806				1,498,806
Capital Reserve Account	585,950				585,950
Maintenance Reserve Account	156,231				156,231
Unemployment Compensation	523,770				523,770
Student Activities		140,508			140,508
Capital Projects			\$ 6,278,418		6,278,418
Debt Service			\$ 345,339		345,339

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances: (Cont'd)					
Assigned:					
Year-End Encumbrances	\$ 87,223				\$ 87,223
For Subsequent Year's Expenditures	1,047,846				1,047,846
Unassigned	1,262,776				1,262,776
Total Fund Balances	<u>7,430,486</u>	<u>\$ 140,508</u>	<u>\$ 6,278,418</u>	<u>\$ 345,339</u>	<u>\$ 14,194,751</u>
TOTAL LIABILITIES & FUND BALANCES	<u><u>\$ 9,748,963</u></u>	<u><u>\$ 376,682</u></u>	<u><u>\$ 6,278,418</u></u>	<u><u>\$ 345,339</u></u>	<u><u>\$ 16,749,402</u></u>

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

Total Fund Balances - Governmental Funds (*Above*)

\$ 14,194,751

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

90,900,317

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

436,555

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

(63,273,584)

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

 Deferred Outflows

578,148

 Deferred Inflows

(1,108,080)

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

66,669

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

(356,998)

Net Position of Governmental Activities

\$ 41,437,778

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 56,018,698			\$ 4,608,379	\$ 60,627,077
Tuition From Individuals	333,040				333,040
Interest Earned on Maintenance Reserve	222				222
Interest Earned on Capital Reserve Funds	549				549
Restricted Miscellaneous	5,389	\$ 248,376			253,765
Unrestricted Miscellaneous	1,415,918	27,840	\$ 78,809		1,522,567
Total - Local Sources	57,773,816	276,216	78,809	4,608,379	62,737,220
State Sources	21,783,087	61,652	28,705	886,568	22,760,012
Federal Sources	288,891	1,685,694			1,974,585
Total Revenues	79,845,794	2,023,562	107,514	5,494,947	87,471,817
EXPENDITURES					
Current:					
Instruction:					
Regular Instruction	19,096,617	998,057			20,094,674
Special Education Instruction	9,248,342	777,129			10,025,471
Other Special Instruction	2,356,651				2,356,651
School Sponsored Instruction	236,690				236,690
Support Services and Undistributed Costs:					
Tuition	1,038,401				1,038,401
Student & Instruction Related Services	6,086,214	297,115			6,383,329
General Administration Services	941,539				941,539
School Administration Services	3,367,846				3,367,846
Central Services	603,229				603,229

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES					
Current:					
Support Services and Undistributed Costs:					
Administrative Information Technology	\$ 678,528				\$ 678,528
Plant Operations and Maintenance	6,741,060				6,741,060
Pupil Transportation	5,548,596				5,548,596
Unallocated Benefits	26,514,665				26,514,665
Capital Outlay	59,707		\$ 540,345		600,052
Debt Service:					
Principal				\$ 4,235,000	4,235,000
Interest and Other Charges				1,623,421	1,623,421
Total Expenditures	82,518,085	\$ 2,072,301	540,345	5,858,421	90,989,152
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(2,672,291)	(48,739)	(432,831)	(363,474)	(3,517,335)
OTHER FINANCING SOURCES/(USES):					
Transfers In/(Out)			(78,809)	78,809	
Total Other Financing Sources/(Uses)			(78,809)	78,809	
Net Change in Fund Balances	(2,672,291)	(48,739)	(511,640)	(284,665)	(3,517,335)
Fund Balance - July 1	10,102,777	189,247	6,790,058	630,004	17,712,086
Fund Balance - June 30	<u>\$ 7,430,486</u>	<u>\$ 140,508</u>	<u>\$ 6,278,418</u>	<u>\$ 345,339</u>	<u>\$ 14,194,751</u>

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (3,517,335)

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

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

Depreciation Expense	\$ (3,215,660)
Capital Asset Additions	<u>528,414</u>
	(2,687,246)

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

Amortization Expense (116,414)

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

4,699,053

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

Change in Net Pension Liability	(1,584,382)
Change in Deferred Outflows	390,391
Change in Deferred Inflows	2,143,376
	(176,026)

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

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

18,842

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

75,259

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

(13,333)

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

\$ (767,815)

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023

	Business-Type Activities:
	<u>Enterprise Funds</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 927,655
Receivable from State Government	1,706
Receivable from Federal Government	40,876
Inventory	22,580
	<hr/>
Total Current Assets	992,817
	<hr/>
Non-Current Assets:	
Capital Assets	1,159,119
Less: Accumulated Depreciation	(887,053)
	<hr/>
Total Non-Current Assets	272,066
	<hr/>
Total Assets	1,264,883
	<hr/>
LIABILITIES:	
Current Liabilities:	
Unearned Revenue - Prepaid Sales	18,007
Unearned Revenue - Donated Commodities	5,713
	<hr/>
Total Liabilities	23,720
	<hr/>
NET POSITION:	
Investment in Capital Assets	272,066
Unrestricted	969,097
	<hr/>
Total Net Position	\$ 1,241,163
	<hr/> <hr/>

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities: <u>Enterprise Funds</u> <u>Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 569,878
Daily Sales - Non-Reimbursable Programs	262,808
	832,686
Total Operating Revenue	832,686
Operating Expenses:	
Cost of Sales - Reimbursable Programs	552,695
Cost of Sales - Nonreimbursable Programs	48,054
Salaries	367,950
Payroll Taxes	51,394
Employee Benefits	64,752
Management Fee	41,990
Supplies and Materials	67,524
Depreciation Expense	32,087
Miscellaneous Expenses	1,512
	1,227,958
Total Operating Expenses	1,227,958
Operating Loss	(395,272)
Non-Operating Revenue:	
Federal Sources:	
National School Lunch Program	470,846
School Breakfast Program	29,714
Food Distribution Program	86,296
Supply Chain Assistance	149,957
State Sources:	
State Lunch Program	17,541
State Breakfast Program	206
Local Sources:	
Interest Revenue	5,884
	760,444
Total Non-Operating Revenue	760,444
Change in Net Position	365,172
Net Position - Beginning of Year	875,991
Net Position - End of Year	\$ 1,241,163

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities: <u>Enterprise Funds</u> <u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 820,155
Payments to Food Service Vendor	(1,140,044)
Payments to Suppliers	<u>(58,824)</u>
Net Cash Used for Operating Activities	<u>(378,713)</u>
Cash Flows from Investing Activities:	
Interest Revenue	<u>5,884</u>
Net Cash Provided by Investing Activities	<u>5,884</u>
Cash Flows from Noncapital Financing Activities:	
Federal Reimbursements in Food Service Fund	743,158
State Reimbursements in Food Service Fund	<u>18,921</u>
Net Cash Provided by Noncapital Financing Activities	<u>762,079</u>
Cash Flows from Capital Financing Activities:	
Acquisition of Capital Assets	<u>(79,792)</u>
Net Cash Used for Capital Financing Activities	<u>(79,792)</u>
Net Increase in Cash and Cash Equivalents	309,458
Cash and Cash Equivalents, July 1	<u>618,197</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 927,655</u></u>
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (395,272)
Adjustment to Reconcile Operating Loss to Cash Used for Operating Activities:	
Depreciation	32,087
Federal Food Distribution Program	86,296
Changes in Assets and Liabilities:	
Increase in Unearned Revenue - Donated Commodities	3,492
(Decrease) in Unearned Revenue - Prepaid Sales	(16,023)
(Increase) in Inventory	(5,425)
(Decrease) in Accounts Payable	<u>(83,868)</u>
Net Cash Used for Operating Activities	<u><u>\$ (378,713)</u></u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$89,788 and \$86,296, respectively, for the fiscal year ended June 30, 2023.

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by board resolution.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

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

Enterprise Funds: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's Food Service Fund operations. The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the recipients on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset, lease asset or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 79,900,246	\$ 1,954,632
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP Basis does not.		
Current Year Encumbrances		(73,628)
Prior Year Encumbrances		142,558
Prior Year State Aid Payments Recognized for GAAP Statements, not recognized for Budgetary Basis	504,077	
Current Year State Aid Payments recognized for Budgetary purposes, not recognized for GAAP Statements	(558,529)	
Total Revenues as reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds	\$ 79,845,794	\$ 2,023,562
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 82,518,085	\$ 2,003,371
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(73,628)
Prior Year Encumbrances		142,558
Total Expenditures as Reported on the Statement of Revenue, Expenditures, & Changes in Fund Balances - Governmental Funds	\$ 82,518,085	\$ 2,072,301

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

E. Cash and Cash Equivalents and Investments:

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

K. Capital Assets:

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

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

K. Capital Assets: (Cont'd)

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

L. Lease Assets

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

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

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

O. Accrued Salaries and Wages:

The District does not allow employees who provide services to the District over a ten-month academic year the option to have their salaries evenly disbursed over the entire twelve-month year; therefore, there are no accrued salaries and wages as of June 30, 2023 for this purpose.

P. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Q. Lease Payable

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

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: Of the \$7,430,486 General Fund balance at June 30, 2023, \$87,223 is assigned for encumbrances; \$585,950 is restricted in the capital reserve account; \$156,231 is restricted in the maintenance reserve account; \$523,770 is restricted for unemployment compensation; \$1,498,806 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2024, \$2,267,884 is current year excess surplus and will be anticipated and included as anticipated revenue for the fiscal year ending June 30, 2025; \$1,047,846 is assigned for subsequent year's expenditures; and \$1,262,776 is unassigned which is \$558,529 less than the calculated budgetary unassigned fund balance due to the last two state aid payments, which are not recognized on the GAAP basis until the fiscal year ended June 30, 2024.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2023 is \$140,508 and is restricted for student activities.

Capital Projects Fund: The \$6,278,418 of Capital Projects Fund fund balance at June 30, 2023 is restricted.

Debt Service Fund: The \$345,339 of Debt Service Fund fund balance at June 30, 2023 is restricted and \$201,630 has been appropriated and included as revenue for the fiscal year ending June 30, 2024.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2023 as detailed above.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$558,529 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last two state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

U. Deficit Net Position:

The District had a deficit in unrestricted net position of \$6,747,994 in governmental activities. The deficit in unrestricted governmental activities net position is primarily due to the net pension liability and related deferred inflows and outflows, unexpended bond proceeds and compensated absences payable offset by the assigned and unassigned governmental fund balances at June 30, 2023. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2023 for the deferred amount on refunding and related to pensions.

The District had deferred inflows of resources at June 30, 2023 related to pensions.

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

V. Net Position: (Cont'd)

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

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

W. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources on a GAAP basis at June 30, 2023.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and amounts designated for subsequent year's expenditures in the General Fund at June 30, 2023.

X. Operating Revenue and Expenses:

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Y. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end. Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Z. Management Estimates:

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

AA. Pensions

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

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

Deposits:

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

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

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

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

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Investments (Cont'd)

- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Investments (Cont'd)

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

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Cash With Fiscal Agents	Restricted Cash and Cash Equivalents	Total
Checking Accounts	\$ 14,695,785	\$ 245,463	\$ 1,406,459	\$ 16,347,707
	\$ 14,695,785	\$ 245,463	\$ 1,406,459	\$ 16,347,707

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$16,347,707 and the bank balance was \$16,539,471.

NOTE 4. CAPITAL RESERVE ACCOUNT

A Capital Reserve Account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a District can increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the Capital Reserve Account for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance at July 1, 2022	\$	385,401
Interest Earnings		549
Deposit by Board Resolution		200,000
Ending Balance at June 30, 2023	\$	585,950

The balance in the Capital Reserve Account at June 30, 2023 does not exceed the local support costs of uncompleted capital projects in the District’s approved Long Range Facilities Plan (“LRFP”).

NOTE 5. MAINTENANCE RESERVE ACCOUNT

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

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

The activity of the Maintenance Reserve Account for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance at July 1, 2022	\$	251,140
Interest Earnings		222
Withdrawal by Board Resolution		(95,131)
Ending Balance at June 30, 2023	\$	156,231

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 6. TRANSFERS TO CAPITAL OUTLAY

There were no transfers to capital outlay accounts during the year ended June 30, 2023.

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 2,399,641			\$ 2,399,641
Construction in Progress	16,714,438	\$ 511,640		17,226,078
Total Capital Assets not being Depreciated	<u>19,114,079</u>	<u>511,640</u>		<u>19,625,719</u>
Capital Assets being Depreciated:				
Site Improvements	5,919,415	13,517		5,932,932
Buildings and Building Improvements	106,627,264			106,627,264
Machinery and Equipment	4,228,879	3,257		4,232,136
Total Capital Assets being Depreciated	<u>116,775,558</u>	<u>16,774</u>		<u>116,792,332</u>
Governmental Activities Capital Assets	<u>135,889,637</u>	<u>528,414</u>		<u>136,418,051</u>
Less Accumulated Depreciation for:				
Site Improvements	(3,329,350)	(198,308)		(3,527,658)
Buildings and Building Improvements	(35,058,716)	(2,920,848)		(37,979,564)
Machinery and Equipment	(3,914,008)	(96,504)		(4,010,512)
Total Accumulated Depreciation	<u>(42,302,074)</u>	<u>(3,215,660)</u>		<u>(45,517,734)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 93,587,563</u>	<u>\$ (2,687,246)</u>	<u>\$ - 0 -</u>	<u>\$ 90,900,317</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 1,079,327	\$ 79,792		\$ 1,159,119
Less Accumulated Depreciation	(854,966)	(32,087)		(887,053)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 224,361</u>	<u>\$ 47,705</u>	<u>\$ - 0 -</u>	<u>\$ 272,066</u>
Total Governmental and Business-Type Activities	<u>\$ 93,811,924</u>	<u>\$ (2,639,541)</u>	<u>\$ - 0 -</u>	<u>\$ 91,172,383</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,118,438
Special Education Instruction	541,651
Other Special Instruction	138,023
School Sponsored Instruction	13,862
Student and Instruction Related Services	356,454
General Administrative Services	55,143
School Administrative Services	197,246
Central Services	35,330
Administrative Information Technology	39,740
Plant Operations and Maintenance	394,806
Pupil Transportation	<u>324,967</u>
Total Depreciation	<u>\$ 3,215,660</u>

The District expended \$511,640 towards construction projects in progress during the fiscal year. The District has \$6,278,418 in various capital projects of which \$1,008,857 is encumbered at June 30, 2023.

NOTE 8. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment	\$ 582,072			\$ 582,072
Total Lease Assets Being Amortized	<u>582,072</u>			<u>582,072</u>
Governmental Activities Lease Assets	<u>582,072</u>			<u>582,072</u>
Less Accumulated Amortization for:				
Machinery and Equipment	(29,103)	\$ (116,414)		(145,517)
	<u>(29,103)</u>	<u>(116,414)</u>		<u>(145,517)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 552,969</u>	<u>\$ (116,414)</u>	<u>\$ -0-</u>	<u>\$ 436,555</u>

Amortization expense was charged to governmental functions as follows:

General Administrative Services	\$ 38,805
School Administrative Services	38,805
Central Services	<u>38,804</u>
Total Amortization	<u>\$ 116,414</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	Balance 6/30/2022	Issued/ Accrued	Matured/ Retired	Balance 6/30/2023
Financed Purchases Payable	\$ 2,398,571		\$ 354,182	\$ 2,044,389
Serial Bonds Payable	56,760,000		4,235,000	52,525,000
Unamortized Bond Issuance Premium	424,187		75,259	348,928
Net Pension Liability	5,018,664	\$ 1,584,382		6,603,046
Compensated Absences Payable	1,130,909	176,026		1,306,935
Leases Payable	555,157		109,871	445,286
	<u>\$ 66,287,488</u>	<u>\$ 1,760,408</u>	<u>\$ 4,774,312</u>	<u>\$ 63,273,584</u>

A. Bonds Payable:

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

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

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

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

The District had bonds outstanding as of June 30, 2023 as follows:

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Refunding School Bonds	6/15/2027	4.00% - 5.00%	\$ 11,510,000
Refunding School Bonds 2016	2/1/2028	1.65%	3,585,000
School Bonds	9/1/2039	2.25% - 3.00%	<u>37,430,000</u>
	Total Outstanding Bonds		<u>\$ 52,525,000</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

A. Bonds Payable: (Cont'd)

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 4,395,000	\$ 1,483,065	\$ 5,878,065
2025	4,575,000	1,337,011	5,912,011
2026	4,785,000	1,156,820	5,941,820
2027	5,010,000	967,585	5,977,585
2028	5,460,000	768,863	6,228,863
2029-2033	10,595,000	2,862,750	13,457,750
2034-2038	12,310,000	1,533,238	13,843,238
2039-2040	5,395,000	156,871	5,551,871
	<u>\$ 52,525,000</u>	<u>\$ 10,266,203</u>	<u>\$ 62,791,203</u>

B. Bonds Authorized But Not Issued:

The District had \$636 of bonds authorized but not issued as of June 30, 2023.

C. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. No portion of the compensated absences balance of the governmental funds at June 30, 2023 is currently payable; therefore, the long-term portion of compensated absences is \$1,306,935.

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, 2023, no liability existed for compensated absences in the Enterprise Funds.

D. Financed Purchases Payable:

On October 31, 2012, the District entered into a financed purchase agreement of \$4,955,000, with a fifteen year term, to fund the implementation of the District's Energy Savings Improvement Program (ESIP), entailing various permitted energy conservation measures under the ESIP Law, throughout the District. As of June 30, 2023, \$2,910,611 has matured and been repaid.

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

D. Financed Purchases Payable: (Cont'd)

The following is a schedule of the future minimum financed purchase payments, and the present value of the net minimum financed purchase payments at June 30, 2023.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Governmental</u> <u>Activities</u>
2024	\$ 418,840
2025	428,405
2026	438,189
2027	448,196
2028	<u>450,963</u>
Total Minimum Financed Purchases Payments	2,184,593
Less: Amount representing interest	<u>(140,204)</u>
Present Value of Net Minimum Financed Purchases Payments	<u>\$ 2,044,389</u>

The current portion of financed purchases payable is \$373,388 and the long-term portion is \$1,671,001. The financed purchases will be liquidated by the General Fund.

E. Leases Payable

The District had leases outstanding as of June 30, 2023 as follows:

<u>Leases Payable</u>				
<u>Purpose</u>	<u>Frequency</u> <u>of Payment</u>	<u>Final Maturity</u> <u>Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Savin Copiers	Monthly	3/28/2027	3.350%	\$ 231,633
Savin Copiers	Monthly	3/28/2027	3.350%	<u>213,653</u>
				<u>\$ 445,286</u>

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 113,495	\$ 12,791
2025	117,239	9,047
2026	121,107	5,179
2027	<u>93,445</u>	<u>1,270</u>
	<u>\$ 445,286</u>	<u>\$ 28,287</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

F. Unamortized Bond Issuance Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$75,259 and is separated from the long-term portion of \$273,669.

G. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental activities is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2023 is \$-0- and the long-term portion is \$6,603,046. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$551,756 for 2023. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$13,893 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District reported a liability of \$6,603,046 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.0438%, which was an increase of 0.001% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit in the amount of \$397,629 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$13,893 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2018	5.63		\$ 158,724
	2019	5.21		198,352
	2020	5.16		583,262
	2021	5.13		48,399
	2022	5.04	\$ 20,458	
			<u>20,458</u>	<u>988,737</u>
Changes in Proportion	2018	5.63	3,803	
	2019	5.21	21,060	
	2020	5.16		33,355
	2021	5.13		43,961
	2022	5.04	211,875	
			<u>236,738</u>	<u>77,316</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	6,532	
	2020	5.00	196,288	
	2021	5.00	(1,224,317)	
	2022	5.00	1,294,791	
			<u>273,294</u>	
Difference Between Expected and Actual Experience	2018	5.63		6,044
	2019	5.21	15,162	
	2020	5.16	32,496	
	2021	5.13		16,270
	2022	5.04		19,713
			<u>47,658</u>	<u>42,027</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	592,606	
			<u>\$ 1,170,754</u>	<u>\$ 1,108,080</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (566,402)
2024	(288,563)
2025	(140,727)
2026	307,012
2027	(674)
	\$ (689,354)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 8,482,979	\$ 6,603,046	\$ 5,003,146

Pension plan Fiduciary Net Position

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

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

Contributions

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$10,063,610 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$3,549,037.

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

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$131,871,749. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.256%, which was a decrease of 0.002% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>131,871,749</u>
Total	<u>\$ 131,871,749</u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$3,549,037 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			3,013,097,864	19,441,140,477
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			699,820,974	122,664,916
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			1,172,371,073	
			\$ 4,885,289,911	\$ 19,563,805,393

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	<u>(1,687,721,983)</u>
	<u>\$ (14,678,515,482)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The table on the following page presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2022 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 154,622,428	\$ 131,871,749	\$ 112,707,160

Pension Plan Fiduciary Net Position - TPAF

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$20,941 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$28,439 for the fiscal year ended June 30, 2023.

NOTE 11. RISK MANAGEMENT

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

Property and Liability Insurance

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

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

The June 30, 2023 audit report for the SAIF is not available as of the date of this report. Selected, summarized financial information for the SAIF as of June 30, 2022 is as follows:

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

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

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

Health Benefits

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

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

The District has recorded an accrued liability for insurance claims of \$2,136,866 which includes an estimate for incurred but not reported claims for medical, prescription and dental claims as well as a risk corridor reserve which it believes is sufficient to meet these liabilities.

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

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

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 102,133	\$ 5,389	\$ 88,252	\$ 523,770
2022	134,253	769	108,379	504,500
2021	87,349		86,564	477,857

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

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

NOTE 14. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grant Programs

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 14. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2023, there were encumbrances as detailed below in the governmental funds:

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 87,223	\$ 73,628	\$ 1,008,857	\$ 1,169,708

On the District's Governmental Funds Balance Sheet as of June 30, 2023, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund. On the GAAP basis, actual encumbrances of \$73,628 are not recognized until paid and are reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund. The Capital Projects fund had encumbrances of \$1,008,857 which are included in the restricted fund balance on the Governmental Funds Balance Sheet.

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed as of June 30, 2023:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 96,497	
Special Revenue Fund		\$ 96,497
	\$ 96,497	\$ 96,497

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

NOTE 16. TAX CALENDAR

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 16. TAX CALENDAR (Cont'd)

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

NOTE 17. ACCOUNTS PAYABLE

Accounts payable recorded as of June 30, 2023 consisted of the following:

	<u>Governmental Funds</u>		District	Total
	General Fund	Special Revenue Fund	Contribution Subsequent to the Measurement Date	
Vendors	\$ 71,194	\$ 65,014		\$ 136,208
Payroll Deductions and Withholdings	56,887			56,887
State of New Jersey			\$ 592,606	592,606
	<u>\$ 128,081</u>	<u>\$ 65,014</u>	<u>\$ 592,606</u>	<u>\$ 785,701</u>

NOTE 18. TAX ABATEMENTS

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

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

The Township of Raritan recognized revenue in the amount of \$53,464 from one payment in lieu of taxes agreement. The taxes which would have been paid on the property related to the payment in lieu of taxes agreement for 2022 without the abatement would have been \$171,221 of which \$83,321 would have been for the local school tax.

The Borough of Flemington recognized revenue in the amount of \$21,000 from one payment in lieu of taxes agreement. The taxes which would have been paid on the property related to the payment in lieu of taxes agreement for 2022 without the abatement would have been \$31,444 of which \$12,273 would have been for the local school tax.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	151,669
Active Plan Members	213,148
Total	364,817

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

Actuarial Assumptions and Other Inputs

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

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	Total OPEB Liability
Balance at June 30, 2021	\$ 133,307,515
Changes for Year:	
Service Cost	6,334,079
Interest on the Total OPEB Liability	2,992,640
Changes of Assumptions	(30,293,169)
Differences between Expected and Actual Experience	3,453,230
Gross Benefit Payments by the State	(2,964,298)
Contributions from Members	95,096
Net Changes	(20,382,422)
Balance at June 30, 2022	\$ 112,925,093

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 132,731,568	\$ 112,925,093	\$ 97,051,193

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 93,339,492	\$ 112,925,093	\$ 138,651,970

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

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$4,568,872 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

At June 30, 2022 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	<u>Deferral Year</u>	<u>Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2017	9.54		\$ 5,863,192
	2018	9.51		5,595,153
	2019	9.29	\$ 789,951	
	2020	9.24	18,651,094	
	2021	9.24	103,430	
	2022	9.13		26,975,188
			<u>19,544,475</u>	<u>38,433,533</u>
Differences between Expected and Actual Experience	2018	9.51		5,289,161
	2019	9.29		9,297,767
	2020	9.24	17,383,552	
	2021	9.24		19,890,408
	2022	9.13	2,778,056	
				<u>20,161,608</u>
Changes in Proportion	N/A	N/A	<u>5,546,284</u>	<u>138,253</u>
			<u>\$ 45,252,367</u>	<u>\$ 73,049,122</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2023	\$ (5,612,427)
2024	(5,612,427)
2025	(5,612,427)
2026	(4,850,543)
2027	(2,773,605)
Thereafter	<u>(8,743,357)</u>
	<u>\$ (33,204,786)</u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.038366983%	0.0400174797%	0.0407079936%	0.0424976138%	0.0426480189%	0.0430483870%	0.0426944729%	0.0423641129%	0.0437537659%
District's proportionate share of the net pension liability	\$ 7,183,351	\$ 8,983,122	\$ 12,056,540	\$ 9,892,765	\$ 8,397,182	\$ 7,756,666	\$ 6,962,352	\$ 5,018,664	\$ 6,603,046
District's covered employee payroll	\$ 2,720,358	\$ 2,770,153	\$ 2,862,992	\$ 2,962,596	\$ 3,030,675	\$ 3,053,206	\$ 3,111,657	\$ 3,205,007	\$ 3,354,039
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	264.06%	324.28%	421.12%	333.92%	277.07%	254.05%	223.75%	156.59%	196.87%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 516,756	\$ 344,043	\$ 361,644	\$ 404,921	\$ 418,736	\$ 467,056	\$ 481,801	\$ 496,133	\$ 551,756
Contributions in relation to the contractually required contribution	(516,756)	(344,043)	(361,644)	(404,921)	(418,736)	(467,056)	(481,801)	(496,133)	(551,756)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 2,770,153	\$ 2,862,992	\$ 2,962,596	\$ 3,030,675	\$ 3,053,206	\$ 3,111,657	\$ 3,205,007	\$ 3,354,039	\$ 5,762,534
Contributions as a percentage of covered employee payroll	18.65%	12.02%	12.21%	13.36%	13.71%	15.01%	15.03%	14.79%	9.57%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net pension liability attributable to the District	0.2354205977%	0.2416926633%	0.2447256460%	0.2519903657%	0.2487599487%	0.2488480688%	0.2482035567%	0.2573744291%	0.2555930652%
State's proportionate share of the net pension liability attributable to the District	\$ 125,824,647	\$ 152,760,084	\$ 192,516,775	\$ 169,900,991	\$ 158,255,736	\$ 152,720,409	\$ 163,439,056	\$ 123,733,242	\$ 131,871,749
District's covered employee payroll	\$ 24,492,760	\$ 25,136,772	\$ 25,645,735	\$ 26,101,680	\$ 26,551,849	\$ 27,812,384	\$ 28,317,505	\$ 28,883,855	\$ 29,363,841
State proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	513.72%	607.72%	750.68%	650.92%	596.03%	549.11%	577.17%	428.38%	449.10%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	
Contractually required contribution	\$ 6,770,547	\$ 9,327,379	\$ 14,464,957	\$ 11,769,880	\$ 9,225,756	\$ 9,007,858	\$ 10,163,336	\$ 2,911,497	\$ 3,549,037
Contributions in relation to the contractually required contribution	(1,306,679)	(1,866,397)	(2,735,290)	(3,663,356)	(4,894,240)	(5,444,054)	(7,481,563)	(10,521,888)	(10,063,610)
Contribution deficiency/(excess)	\$ 5,463,868	\$ 7,460,982	\$ 11,729,667	\$ 8,106,524	\$ 4,331,516	\$ 3,563,804	\$ 2,681,773	\$ (7,610,391)	\$ (6,514,573)
District's covered employee payroll	\$ 25,136,772	\$ 25,645,735	\$ 26,101,680	\$ 26,551,849	\$ 27,812,384	\$ 28,317,505	\$ 28,883,855	\$ 29,363,841	\$ 30,517,563
Contributions as a percentage of covered employee payroll	5.20%	7.28%	10.48%	13.80%	17.60%	19.23%	25.90%	35.83%	32.98%

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

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

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Service Cost	\$ 5,147,934	\$ 4,254,265	\$ 3,700,184	\$ 3,980,302	\$ 7,380,334	\$ 6,334,079
Interest Cost	3,575,780	4,138,748	3,832,433	3,244,161	3,458,137	2,992,640
Changes of Benefit Terms					(141,890)	
Differences Between Expected and Actual Experience		(10,739,848)	(12,900,779)	26,408,072	(23,026,731)	3,453,230
Changes in Assumptions	(15,187,176)	(11,091,764)	1,341,157	27,060,413	131,518	(30,293,169)
Member Contributions	96,026	89,326	81,849	78,170	88,408	95,096
Gross Benefit Payments	(2,607,820)	(2,584,548)	(2,761,187)	(2,579,026)	(2,724,044)	(2,964,298)
Net Change in Total OPEB Liability	(8,975,256)	(15,933,821)	(6,706,343)	58,192,092	(14,834,268)	(20,382,422)
Total OPEB Liability - Beginning	121,565,111	112,589,855	96,656,034	89,949,691	148,141,783	133,307,515
Total OPEB Liability - Ending	\$ 112,589,855	\$ 96,656,034	\$ 89,949,691	\$ 148,141,783	\$ 133,307,515	\$ 112,925,093
District's Covered Employee Payroll *	\$ 28,508,727	\$ 29,064,276	\$ 29,582,524	\$ 30,865,590	\$ 31,429,162	\$ 32,088,862
Total OPEB Liability as a Percentage of Covered Employee Payroll	394.93%	332.56%	304.06%	479.96%	424.15%	351.91%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2022 are based on the payroll on the June 30, 2016 - 2021 census data.

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 56,018,698		\$ 56,018,698	\$ 56,018,698	
Tuition From Individuals	280,000		280,000	333,040	\$ 53,040
Unrestricted Miscellaneous Revenues	1,046,732		1,046,732	1,415,918	369,186
Interest Earned on Maintenance Reserve				222	222
Interest Earned on Capital Reserve Funds				549	549
Other Restricted Miscellaneous Revenues				5,389	5,389
Total Revenues from Local Sources	<u>57,345,430</u>		<u>57,345,430</u>	<u>57,773,816</u>	<u>428,386</u>
Revenues from State Sources:					
Categorical Transportation Aid	297,208		297,208	297,208	
Extraordinary Aid	500,000		500,000	846,631	346,631
Categorical Special Education Aid	2,682,732		2,682,732	2,682,732	
Equalization Aid	2,588,893		2,588,893	2,588,893	
Categorical Security Aid	140,035		140,035	140,035	
Other State Aids				19,656	19,656
Supplemental Stabilization Aid				107,069	107,069
Homeless Tuition Reimbursement				20,058	20,058
State Reimbursement for Lead Testing of Drinking Water				14,604	14,604
TPAF Post Retirement Contributions (Non-Budgeted)				2,680,364	2,680,364
TPAF Pension Contributions (Non-Budgeted)				10,063,610	10,063,610
TPAF Non-Contributory Insurance (Non-Budgeted)				139,621	139,621
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,897	3,897
Reimbursed TPAF Social Security Contributions				2,233,161	2,233,161
Total Revenues from State Sources	<u>6,208,868</u>		<u>6,208,868</u>	<u>21,837,539</u>	<u>15,628,671</u>
Revenues from Federal Sources:					
Medicaid Reimbursement	97,766		97,766	146,869	49,103
FFCRA CARES SEMI				12,866	12,866
FEMA Reimbursements				129,156	129,156
Total Revenues from Federal Sources	<u>97,766</u>		<u>97,766</u>	<u>288,891</u>	<u>191,125</u>
TOTAL REVENUE	<u>63,652,064</u>		<u>63,652,064</u>	<u>79,900,246</u>	<u>16,248,182</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 1,561,807	\$ (57,725)	\$ 1,504,082	\$ 1,504,082	
Grades 1-5 - Salaries of Teachers	10,730,998	29,860	10,760,858	10,760,858	
Grades 6-8 - Salaries of Teachers	5,753,310	(198,408)	5,554,902	5,554,902	
Regular Programs - Home Instruction:					
Salaries of Teachers	7,500	(7,500)			
Purchased Professional-Educational Services	18,400	(889)	17,511	17,511	
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	29,282	3,603	32,885	32,885	
Other Purchased Services (400-500 series)	259,188	42,086	301,274	301,274	
General Supplies	917,252	7,724	924,976	924,976	
Other Objects	5,985	(5,856)	129	129	
Total Regular Programs - Instruction	<u>19,283,722</u>	<u>(187,105)</u>	<u>19,096,617</u>	<u>19,096,617</u>	
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	958,446	(68,188)	890,258	890,258	
Other Salaries for Instruction		473,502	473,502	473,502	
Purchased Professional-Educational Services	564,762	(564,567)	195	195	
Other Purchased Services (400-500 series)	20,850	(13,818)	7,032	7,032	
General Supplies	8,100	4,534	12,634	12,634	
Total Learning and/or Language Disabilities	<u>1,552,158</u>	<u>(168,537)</u>	<u>1,383,621</u>	<u>1,383,621</u>	
Behavioral Disabilities:					
Salaries of Teachers	288,039	(6,101)	281,938	281,938	
Other Salaries for Instruction		260,336	260,336	260,336	
Purchased Professional-Educational Services	905,462	(559,775)	345,687	345,687	
Other Purchased Services (400-500 series)	3,600	(3,238)	362	362	
General Supplies	5,000	(885)	4,115	4,115	
Total Behavioral Disabilities	<u>1,202,101</u>	<u>(309,663)</u>	<u>892,438</u>	<u>892,438</u>	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of Teachers	\$ 79,027	\$ (98)	\$ 78,929	\$ 78,929	
Other Salaries for Instruction		170,468	170,468	170,468	
Purchased Professional-Educational Services	559,762	(559,762)			
Other Purchased Services (400-500 series)	2,300	(1,298)	1,002	1,002	
General Supplies	1,000	1,262	2,262	2,262	
Total Multiple Disabilities	642,089	(389,428)	252,661	252,661	
Resource Room/Resource Center:					
Salaries of Teachers	3,209,841	158,879	3,368,720	3,368,720	
Other Salaries for Instruction		854,797	854,797	854,797	
Purchased Professional-Educational Services	559,760	(559,760)			
Other Purchased Services (400-500 series)	49,309	(5,253)	44,056	44,056	
General Supplies	14,266	506	14,772	14,772	
Total Resource Room/Resource Center	3,833,176	449,169	4,282,345	4,282,345	
Autism:					
Salaries of Teachers	825,980	(88,298)	737,682	737,682	
Other Salaries for Instruction		567,172	567,172	567,172	
Purchased Professional-Educational Services	564,760	(561,528)	3,232	3,232	
Other Purchased Services (400-500 series)	11,500	(5,019)	6,481	6,481	
General Supplies	6,000	3,839	9,839	9,839	
Total Autism	1,408,240	(83,834)	1,324,406	1,324,406	
Preschool Disabilities - Part-Time:					
Other Salaries for Instruction		596,166	596,166	596,166	
Purchased Professional-Educational Services	559,760	(559,760)			
Total Preschool Disabilities - Part-Time	559,760	36,406	596,166	596,166	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 374,862	\$ 125,162	\$ 500,024	\$ 500,024	
General Supplies	2,500		2,500	2,500	
Total Preschool Disabilities - Full-Time	<u>377,362</u>	<u>125,162</u>	<u>502,524</u>	<u>502,524</u>	
Home Instruction:					
Salaries of Teachers	7,500	6,681	14,181	14,181	
Total Home Instruction	<u>7,500</u>	<u>6,681</u>	<u>14,181</u>	<u>14,181</u>	
TOTAL SPECIAL EDUCATION - INSTRUCTION	9,582,386	(334,044)	9,248,342	9,248,342	
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,595,401	21,792	1,617,193	1,617,193	
Other Purchased Services (400-500 series)	750	(664)	86	86	
General Supplies	5,601	(877)	4,724	4,723	\$ 1
Total Basic Skills/Remedial - Instruction	<u>1,601,752</u>	<u>20,251</u>	<u>1,622,003</u>	<u>1,622,002</u>	<u>1</u>
Bilingual Education - Instruction:					
Salaries of Teachers	789,323	(61,720)	727,603	727,603	
Other Purchased Services (400-500 series)	5,872	(5,207)	665	665	
General Supplies	11,950	(5,568)	6,382	6,381	1
Total Bilingual Education - Instruction	<u>807,145</u>	<u>(72,495)</u>	<u>734,650</u>	<u>734,649</u>	<u>1</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	\$ 68,281	\$ 5,364	\$ 73,645	\$ 73,645	
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	68,281	5,364	73,645	73,645	
School-Sponsored Athletics - Instruction:					
Salaries	93,974	3,600	97,574	97,574	
Purchased Services (300-500 series)	49,814	(7,616)	42,198	42,198	
Supplies and Materials	24,013	(740)	23,273	23,273	
Total School-Sponsored Athletics - Instruction	167,801	(4,756)	163,045	163,045	
TOTAL INSTRUCTION	31,511,087	(572,785)	30,938,302	30,938,300	\$ 2
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special		56,000	56,000	36,944	19,056
Tuition to CSSD & Reg. Day Schools		32,775	32,775	32,775	
Tuition to Priv. Sch. for the Handicap. W/1 State	557,606	411,076	968,682	968,682	
Total Undistributed Expenditures - Instruction	557,606	499,851	1,057,457	1,038,401	19,056
Undistributed Expenditures - Health Services:					
Salaries	609,786	62,194	671,980	671,980	
Purchased Professional and Technical Services	221,190	(50,715)	170,475	170,475	
Other Purchased Services (400-500 series)	4,880	(3,057)	1,823	1,823	
Supplies and Materials	21,162	(996)	20,166	20,166	
Other Objects	3,900	(1,135)	2,765	2,765	
Total Undist. Expenditures - Health Services	860,918	6,291	867,209	867,209	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	\$ 721,268	\$ (56,372)	\$ 664,896	\$ 664,896	
Purchased Professional - Educational Services	365,372	(945)	364,427	364,427	
Supplies and Materials	14,050	171	14,221	14,221	
Other Objects	20,000	(9,362)	10,638	10,638	
Total Undist. Expend. - Speech, OT, PT, Related Svcs	<u>1,120,690</u>	<u>(66,508)</u>	<u>1,054,182</u>	<u>1,054,182</u>	
Undist. Expend.-Guidance:					
Salaries of Other Professional Staff	587,876	84,097	671,973	671,973	
Salaries of Secretarial and Clerical Assistants	157,256	(25,582)	131,674	131,674	
Purchased Professional - Educational Services	2,000	(524)	1,476	1,476	
Other Purchased Services (400-500 series)	800		800	800	
Supplies and Materials	19,042	(13,251)	5,791	5,791	
Total Undist. Expend. - Guidance	<u>766,974</u>	<u>44,740</u>	<u>811,714</u>	<u>811,714</u>	
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	1,216,066	(7,275)	1,208,791	1,208,791	
Salaries of Secretarial and Clerical Assistants	129,157	67,507	196,664	196,664	
Other Purchased Prof. and Tech. Services	206,000	20,010	226,010	226,010	
Other Purchased Services (400-500 series)	56,045	(6,128)	49,917	49,917	
Supplies and Materials	12,242	2,653	14,895	14,895	
Total Undist. Expend. - Child Study Team	<u>1,619,510</u>	<u>76,767</u>	<u>1,696,277</u>	<u>1,696,277</u>	
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	281,886	(200)	281,686	281,686	
Salaries of Other Professional Staff	55,715	(7,127)	48,588	48,588	
Salaries of Secretarial and Clerical Assistants	36,200	(3,771)	32,429	32,429	
Other Purchased Prof. and Tech. Services	1,500	(1,500)			
Other Purchased Services (400-500 series)	37,220	(10,389)	26,831	26,831	
Supplies and Materials	11,161	4,281	15,442	15,442	
Other Objects	7,316	(74)	7,242	7,242	
Total Undist. Expend.-Improv. of Inst. Serv.	<u>430,998</u>	<u>(18,780)</u>	<u>412,218</u>	<u>412,218</u>	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	\$ 490,611	\$ (11,220)	\$ 479,391	\$ 479,391	
Purchased Professional and Technical Services	13,038	(11,078)	1,960	1,960	
Other Purchased Services (400-500 series)	49,929	5,904	55,833	55,833	
Supplies and Materials	62,299	(1,622)	60,677	60,677	
Total Undist Expend.-Edu. Media Serv./Sch. Library	<u>615,877</u>	<u>(18,016)</u>	<u>597,861</u>	<u>597,861</u>	
Undist.Expend.-Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	416,379	6,150	422,529	422,529	
Salaries of Other Professional Staff	72,451	(33,307)	39,144	39,144	
Salaries of Secretarial and Clerical Assistants	108,600	(11,312)	97,288	97,288	
Other Salaries	17,650	(2,623)	15,027	15,027	
Other Purchased Prof. And Tech. Services	27,400	(20,002)	7,398	7,398	
Other Purchased Services (400-500 series)	58,958	(25,374)	33,584	33,584	
Supplies and Materials	19,803	11,980	31,783	31,783	
Total Undist.Expend.- Instructional Staff Training Services	<u>721,241</u>	<u>(74,488)</u>	<u>646,753</u>	<u>646,753</u>	
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	518,700	19,749	538,449	538,449	
Legal Services	177,777	(74,082)	103,695	86,956	\$ 16,739
Audit Fees	23,855	11,145	35,000	35,000	
Other Purchased Professional Services	16,000	(5,461)	10,539	10,539	
Purchased Technical Services	81,700	(8,300)	73,400	73,400	
Communications / Telephone	178,383	(59,856)	118,527	114,907	3,620
BOE Other Purchased Services	2,500	197	2,697	2,697	
Other Purch. Serv. (400-500 series other than 530 & 585)	24,671	3,364	28,035	28,035	
General Supplies	16,131	337	16,468	16,457	11
BOE In-house training/ Meeting Supplies	250	(250)			
Miscellaneous Expenditures	11,690	(1,064)	10,626	10,626	
BOE Membership Dues and Fees	25,000	(527)	24,473	24,473	
Total Undist. Expend.-Support Serv.-Gen. Admin.	<u>1,076,657</u>	<u>(114,748)</u>	<u>961,909</u>	<u>941,539</u>	<u>20,370</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 1,840,350	\$ (21,748)	\$ 1,818,602	\$ 1,818,602	
Salaries of Other Professional Staff	295,752	5,185	300,937	300,937	
Salaries of Secretarial and Clerical Assistants	1,007,716	(6,284)	1,001,432	1,001,432	
Purchased Professional and Technical Services	76,134	(12,728)	63,406	63,406	
Other Purchased Services (400-500 series)	150,829	(18,318)	132,511	132,511	
Supplies and Materials	50,170	(15,612)	34,558	34,558	
Other Objects	16,561	(161)	16,400	16,400	
Total Undist. Expend.-Support Serv.-School Adm.	3,437,512	(69,666)	3,367,846	3,367,846	
Undist. Expend. - Central Services:					
Salaries	559,514	(27,842)	531,672	531,672	
Purchased Professional Services		22,651	22,651	22,651	
Purchased Technical Services	44,000		44,000	44,000	
Miscellaneous Purchased Services (400-500 series other than 594)	2,000	(204)	1,796	1,796	
Supplies and Materials	10,000	(6,890)	3,110	3,110	
Other Objects	2,000	(2,000)			
Total Undist. Expend. - Central Services	617,514	(14,285)	603,229	603,229	
Undist. Expend. - Admin. Info. Technology:					
Salaries	567,265	10,643	577,908	577,908	
Other Purchased Services (400-500 series)	77,449	(2,899)	74,550	74,550	
Supplies and Materials	15,621	10,449	26,070	26,070	
Total Undist. Expend. - Admin. Info. Technology	660,335	18,193	678,528	678,528	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	\$ 706,243	\$ (209,335)	\$ 496,908	\$ 496,908	
Cleaning, Repair, and Maintenance Services	307,385	190,108	497,493	479,418	\$ 18,075
General Supplies	208,988	(43,080)	165,908	165,908	
Total Undist. Expend.- Required Maint. for School Facilities	<u>1,222,616</u>	<u>(62,307)</u>	<u>1,160,309</u>	<u>1,142,234</u>	<u>18,075</u>
Undist. Expend.-Custodial Services:					
Salaries	446,462	(44,150)	402,312	402,312	
Purchased Professional and Technical Services	22,500	(4,782)	17,718	17,718	
Cleaning, Repair, and Maintenance Services	1,961,020	456,639	2,417,659	2,412,449	5,210
Other Purchased Property Services	150,000	(58,681)	91,319	89,632	1,687
Insurance	315,006	139,302	454,308	454,308	
Miscellaneous Purchased Services	57,323	(7,025)	50,298	50,298	
General Supplies	141,024	(61,609)	79,415	50,127	29,288
Energy (Natural Gas)	562,500	(208,429)	354,071	354,071	
Energy (Electricity)	1,522,500	(113,260)	1,409,240	1,409,240	
Energy (Gasoline)	28,000	(5,770)	22,230	22,230	
Other Objects	18,768	(6,199)	12,569	12,569	
Total Undist. Expend.-Custodial Services	<u>5,225,103</u>	<u>86,036</u>	<u>5,311,139</u>	<u>5,274,954</u>	<u>36,185</u>
Security:					
Salaries	5,000	(5,000)			
Purchased Professional and Technical Services	275,000	(20,254)	254,746	254,746	
Cleaning, Repair, and Maintenance Services	60,000	(13,948)	46,052	46,052	
General Supplies	6,000	6,632	12,632	12,632	
Other Objects	13,002	(2,560)	10,442	10,442	
Total Security	<u>359,002</u>	<u>(35,130)</u>	<u>323,872</u>	<u>323,872</u>	
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	<u>6,806,721</u>	<u>(11,401)</u>	<u>6,795,320</u>	<u>6,741,060</u>	<u>54,260</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	\$ 12,672	\$ 4,635	\$ 17,307	\$ 17,307	
Management Fee - ESC&CTSA Transportation Program		79,775	79,775	79,775	
Other Purchased Professional and Technical Services	5,186,377	(5,186,377)			
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts		50,000	50,000	50,000	
Contr Serv.-Aid in Lieu of Payments-Choice Stud.		5,000	5,000	5,000	
Contract. Serv.(Bet. Home & Sch.)-Joint Agrmnts.		3,836,077	3,836,077	3,836,077	
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts		1,545,525	1,545,525	1,545,525	
Other Objects		17,793	17,793	14,912	2,881
Total Undist. Expend.-Student Trans. Serv.	5,199,049	352,428	5,551,477	5,548,596	2,881
UNALLOCATED BENEFITS					
Group Insurance	16,500	668	17,168	17,168	
Social Security Contributions	460,000	251,001	711,001	711,001	
Other Retirement Contributions - PERS	530,000	21,756	551,756	551,756	
Other Retirement Contributions - Regular		20,941	20,941	20,941	
Workers Compensation	265,223	(83,764)	181,459	181,459	
Health Benefits	8,414,018	1,094,978	9,508,996	9,683,488	(174,492)
Tuition Reimbursement	200,000	(41,693)	158,307	158,307	
Other Employee Benefits	140,500	(56,727)	83,773	69,892	13,881
TOTAL UNALLOCATED BENEFITS	10,026,241	1,207,160	11,233,401	11,394,012	(160,611)
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				2,680,364	(2,680,364)
TPAF Pension Contributions (Non-Budgeted)				10,063,610	(10,063,610)
TPAF Non-Contributory Insurance (Non-Budgeted)				139,621	(139,621)
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,897	(3,897)
Reimbursed TPAF Social Security Contributions				2,233,161	(2,233,161)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				15,120,653	(15,120,653)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	10,026,241	1,207,160	11,233,401	26,514,665	(15,281,264)
TOTAL UNDISTRIBUTED EXPENDITURES	34,517,843	1,817,538	36,335,381	51,520,078	(15,184,697)
TOTAL GENERAL CURRENT EXPENSE	66,028,930	1,244,753	67,273,683	82,458,378	(15,184,695)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Grades 1-5	\$ 2,900		\$ 2,900		\$ 2,900
Special Education - Instruction:					
Multiple Disabilities	5,715		5,715	5,715	
Undistributed:					
Undist. Expend. - Supp Serv. - Related & Extraord.	9,980	\$ (4,801)	5,179		5,179
Undistributed Expenditures - General Admin.	2,000	(2,000)			
Undistributed Expenditures - School Admin.		3,257	3,257	3,257	
Undistributed Expenditures - Central Services	2,000	(1,257)	743		743
Undist. Expend. - Required Maint for School Fac.	13,950		13,950		13,950
Undist. Expend.-Student Trans.- Non-Inst. Equip.	20,000	(20,000)			
School Buses - Regular	170,000	(170,000)			
School Buses - Special	140,000	(140,000)			
Total Equipment	<u>366,545</u>	<u>(334,801)</u>	<u>31,744</u>	<u>8,972</u>	<u>22,772</u>
Facilities Acquisition and Construction Serv.:					
Assessment for Debt Service on SDA Funding	50,735		50,735	50,735	
Total Facilities Acquisition and Const. Serv.	<u>50,735</u>		<u>50,735</u>	<u>50,735</u>	
TOTAL CAPITAL OUTLAY	<u>417,280</u>	<u>(334,801)</u>	<u>82,479</u>	<u>59,707</u>	<u>22,772</u>
TOTAL EXPENDITURES	<u>66,446,210</u>	<u>909,952</u>	<u>67,356,162</u>	<u>82,518,085</u>	<u>(15,161,923)</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ (2,794,146)	\$ (909,952)	\$ (3,704,098)	\$ (2,617,839)	\$ 1,086,259
Fund Balance, July 1	10,606,854		10,606,854	10,606,854	
Fund Balance, June 30	\$ 7,812,708	\$ (909,952)	\$ 6,902,756	\$ 7,989,015	\$ 1,086,259
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2024-2025				\$ 2,267,884	
Excess Surplus - Restricted For 2023-2024				1,498,806	
Capital Reserve				585,950	
Maintenance Reserve				156,231	
Unemployment Compensation				523,770	
Assigned Fund Balance:					
Year End Encumbrances				87,223	
Designated for Subsequent Year's Expenditures				1,047,846	
Unassigned Fund Balance				1,821,305	
				7,989,015	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(558,529)	
Fund Balance per Governmental Funds (GAAP)				\$ 7,430,486	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 276,216	\$ 276,216	\$ 276,216	
State Sources		76,486	76,486	76,486	
Federal Sources	\$ 872,645	729,285	1,601,930	1,601,930	
Total Revenues	<u>872,645</u>	<u>1,081,987</u>	<u>1,954,632</u>	<u>1,954,632</u>	
EXPENDITURES:					
Instruction:					
Salaries	131,000	24,034	155,034	155,034	
Purchased Professional - Educational Services	6,713	73,448	80,161	80,161	
Other Purchased Services	611,244	131,490	742,734	742,734	
General Supplies	22,487	62,542	85,029	85,029	
Total Instruction	<u>771,444</u>	<u>291,514</u>	<u>1,062,958</u>	<u>1,062,958</u>	
Support Services:					
Salaries	51,735	94,610	146,345	146,345	
Personal Services - Employee Benefits	37,969	38,614	76,583	76,583	
Purchased Professional and Technical Services	7,085	370,638	377,723	377,723	
Other Purchased Services	75	25,212	25,287	25,287	
Supplies and Materials	4,337	12,184	16,521	16,521	
Other Objects		839	839	839	
Student Activities		297,115	297,115	297,115	
Total Support Services	<u>101,201</u>	<u>839,212</u>	<u>940,413</u>	<u>940,413</u>	
Total Expenditures	<u>872,645</u>	<u>1,130,726</u>	<u>2,003,371</u>	<u>2,003,371</u>	
Deficit of Revenues Under Expenditures	\$ -0-	\$ (48,739)	\$ (48,739)	\$ (48,739)	\$ -0-

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures	General	Special
Sources/Inflows of Resources:	Fund	Revenue
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	<u>\$ 79,900,246</u>	<u>\$ 1,954,632</u>
Difference - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP basis does not.		
Current Year Encumbrances		(73,628)
Prior Year Encumbrances		142,558
Prior Year State aid payments recognized for GAAP statements, not recognized for budgetary purposes.	504,077	
Current Year State aid payments recognized for budgetary purposes, not recognized for GAAP statements.	<u>(558,529)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u><u>\$ 79,845,794</u></u>	<u><u>\$ 2,023,562</u></u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 82,518,085	\$ 2,003,371
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(73,628)
Prior Year Encumbrances		<u>142,558</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 82,518,085</u></u>	<u><u>\$ 2,072,301</u></u>

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County Office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)l. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Climate Awareness Education Grant	SDA Emergent and Capital Maintenance Needs	Elementary and Secondary Education Act						
			Title I	Title II Part A	Title III	Title III Immigrant	Title IV		
REVENUE:									
Local Sources									
State Sources	\$ 6,660	\$ 69,826	\$ 100,247	\$ 48,080	\$ 35,973	\$ 10,323	\$ 10,323	\$ 10,043	
Federal Sources									
Total Revenue	6,660	69,826	100,247	48,080	35,973	10,323	10,323	10,043	
EXPENDITURES:									
Instruction:									
Salaries			59,430		30,293		6,472	3,916	
Purchased Professional - Educational Services									
Other Purchased Services	2,960		303				2,911	6,127	
General Supplies			5,527						
Total Instruction	2,960		65,260		30,293		9,383	10,043	
Support Services:									
Salaries			9,466	44,663	720		270		
Personal Services - Employee Benefits			22,024	3,417	2,049		516		
Purchased Professional and Technical Services		69,826							
Other Purchased Services	3,700		3,497		2,275		154		
Supplies and Materials					636				
Other Objects									
Student Activities									
Total Support Services	3,700	69,826	34,987	48,080	5,680		940		
Total Expenditures	\$ 6,660	\$ 69,826	\$ 100,247	\$ 48,080	\$ 35,973	\$ 10,323	\$ 10,323	\$ 10,043	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	American Rescue Plan					
	ESSER III	Accelerated Learning Coach	Summer Based Learning	Beyond the School Day	NJTSS Mental Health	Homeless Children Youth II
REVENUE:						
Local Sources						
State Sources						
Federal Sources	\$ 528,665	\$ 33,667	\$ 7,052	\$ 517	\$ 45,000	\$ 5,234
Total Revenue	<u>528,665</u>	<u>33,667</u>	<u>7,052</u>	<u>517</u>	<u>45,000</u>	<u>5,234</u>
EXPENDITURES:						
Instruction:						
Salaries	29,771		6,551	517		
Purchased Professional - Educational Services	76,245					
Other Purchased Services	9,750					
General Supplies	38,319	4,689				
Total Instruction	<u>144,335</u>	<u>14,439</u>	<u>6,551</u>	<u>517</u>		
Support Services:						
Salaries	90,641					
Personal Services - Employee Benefits	48,076		501		45,000	
Purchased Professional and Technical Services	221,690	16000				
Other Purchased Services	19,312					
Supplies and Materials	4,611	3228				4,395
Other Objects						839
Student Activities						
Total Support Services	<u>384,330</u>	<u>19,228</u>	<u>501</u>		<u>45,000</u>	<u>5,234</u>
Total Expenditures	<u>\$ 528,665</u>	<u>\$ 33,667</u>	<u>\$ 7,052</u>	<u>\$ 517</u>	<u>\$ 45,000</u>	<u>\$ 5,234</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Student Activities	Local Grants	IDEA Part B, Basic Regular	IDEA Part B, Preschool	American Rescue Plan		Total Expenditures
					IDEA Preschool	IDEA	
REVENUE:							
Local Sources	\$ 248,376	\$ 27,840					\$ 276,216
State Sources							76,486
Federal Sources			\$ 732,681	\$ 39,805	\$ 4,643		1,601,930
Total Revenue	248,376	27,840	732,681	39,805	4,643		1,954,632
EXPENDITURES:							
Instruction:							
Salaries		22,000					155,034
Purchased Professional - Educational Services							80,161
Other Purchased Services			732,681	19,241			742,734
General Supplies		5,255					85,029
Total Instruction		27,255	732,681	19,241			1,062,958
Support Services:							
Salaries		585					146,345
Personal Services - Employee Benefits							76,583
Purchased Professional and Technical Services				20,564	4,643		377,723
Other Purchased Services							25,287
Supplies and Materials							16,521
Other Objects							839
Student Activities	297,115						297,115
Total Support Services	297,115	585		20,564	4,643		940,413
Total Expenditures	\$ 297,115	\$ 27,840	\$ 732,681	\$ 39,805	\$ 4,643	\$	\$ 2,003,371

CAPITAL PROJECTS FUND

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Revenue and Other Financing Sources:	
Cancellation of SDA Grant Receivable	\$ (134,844)
Investment Income	78,809
	<hr/>
Total Revenue and Other Financing Sources	(56,035)
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	127,567
Construction Services	356,056
Supplies	56,722
Transfers Out:	
Transfer to Debt Service Fund - Interest Earnings	78,809
	<hr/>
Total Expenditures and Other Financing Uses	619,154
	<hr/>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(675,189)
	<hr/>
Fund Balance - Beginning	6,953,607
	<hr/>
Fund Balance - Ending	\$ 6,278,418
	<hr/> <hr/>
Recapitulation:	
Restricted - Other Purposes	\$ 5,269,561
Restricted - Year-End Encumbrances	1,008,857
	<hr/>
Fund Balance per Governmental Funds - GAAP	\$ 6,278,418
	<hr/> <hr/>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
SECURITY UPGRADES AND IMPROVEMENTS, SITE IMPROVEMENTS, ROOF REPLACEMENT,
WINDOW REPLACEMENT AND EXTERIOR BUILDING REPAIRS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 21,755,000		\$ 21,755,000	\$ 21,755,617
Total Revenue and Other Financing Sources	21,755,000		21,755,000	21,755,617
Expenditures:				
Legal Services	48,715		48,715	49,444
Purchased Professional & Technical Services	2,978,765	\$ 8,820	2,987,585	3,578,778
Construction Services	13,986,720	187,930	14,174,650	17,138,100
Supplies	817,253	56,722	873,975	989,295
Total Expenditures	17,831,453	253,472	18,084,925	21,755,617
Excess/(Deficiency) of Revenue and Other Financing Sources Over Expenditures	\$ 3,923,547	\$ (253,472)	\$ 3,670,075	\$ -0-

Additional Project Information:

Bonds Authorization Date	12/10/2019
Bonds Authorized	\$ 21,755,617
Bonds Issued	\$ 21,755,000
Original Authorized Cost	\$ 21,755,617
Revised Authorized Cost	\$ 21,755,617
Percentage Completion	83.13%
Original Target Completion Date	6/30/2022
Revised Target Completion Date	6/30/2024

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
AIR QUALITY UPGRADES INCLUDING AIR-CONDITIONING AND HUMIDITY CONTROL MEASURES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 20,308,000		\$ 20,308,000	\$ 20,308,019
Total Revenue and Other Financing Sources	20,308,000		20,308,000	20,308,019
Expenditures:				
Legal Services	40,391		40,391	40,629
Purchased Professional & Technical Services	1,701,995	\$ 90,042	1,792,037	2,154,779
Construction Services	15,699,103	168,126	15,867,229	18,112,611
Total Expenditures	17,441,489	258,168	17,699,657	20,308,019
Excess/(Deficiency) of Revenue and Other Financing Sources Over Expenditures	\$ 2,866,511	\$ (258,168)	\$ 2,608,343	\$ -0-

Additional Project Information:	
Bonds Authorization Date	12/10/2019
Bonds Authorized	\$ 20,308,019
Bonds Issued	\$ 20,308,000
Original Authorized Cost	\$ 20,308,019
Revised Authorized Cost	\$ 20,308,019
Percentage Completion	87.16%
Original Target Completion Date	6/30/2022
Revised Target Completion Date	6/30/2024

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
SECURITY PROJECTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
State Sources - Securing Our Children's Future Bond Act	\$ 163,549	\$ (134,844)	\$ 28,705	\$ 28,705
Total Revenue and Other Financing Sources	163,549	(134,844)	28,705	28,705
Expenditures:				
Purchased Professional & Technical Services		28,705	28,705	28,705
Total Expenditures		28,705	28,705	28,705
Excess/(Deficiency) of Revenue and Other Financing Sources Over Expenditures	\$ 163,549	\$ (163,549)	\$ -0-	\$ -0-

Additional Project Information:

Project Number(s)	20EO119
Grant Date	FY2020
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 163,549
Change Orders	\$ (134,844)
Revised Authorized Cost	\$ 28,705
Percentage Completion	100.00%
Original Target Completion Date	6/30/2022
Revised Target Completion Date	6/30/2023

PROPRIETARY FUNDS

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 927,655
Receivable from State Government	1,706
Receivable from Federal Government	40,876
Inventory	22,580
Total Current Assets	992,817
Non-Current Assets:	
Capital Assets	1,159,119
Less: Accumulated Depreciation	(887,053)
Total Non-Current Assets	272,066
Total Assets	1,264,883
LIABILITIES:	
Current Liabilities:	
Unearned Revenue - Prepaid Sales	18,007
Unearned Revenue - Donated Commodities	5,713
Total Liabilities	23,720
NET POSITION:	
Investment in Capital Assets	272,066
Unrestricted	969,097
Total Net Position	\$ 1,241,163

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Operating Revenue:	<u>Food Service</u>
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 569,878
Daily Sales - Non-Reimbursable Programs	<u>262,808</u>
Total Operating Revenue	<u>832,686</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	552,695
Cost of Sales - Nonreimbursable Programs	48,054
Salaries	367,950
Payroll Taxes	51,394
Employee Benefits	64,752
Management Fee	41,990
Supplies and Materials	67,524
Depreciation Expense	32,087
Miscellaneous Expenses	<u>1,512</u>
Total Operating Expenses	<u>1,227,958</u>
Operating Loss	<u>(395,272)</u>
Non-Operating Revenue:	
Federal Sources:	
National School Lunch Program	470,846
School Breakfast Program	29,714
Food Distribution Program	86,296
Supply Chain Assistance	149,957
State Sources:	
State Lunch Program	17,541
State Breakfast Program	206
Local Sources:	
Interest Revenue	<u>5,884</u>
Total Non-Operating Revenue	<u>760,444</u>
Change in Net Position	365,172
Net Position - Beginning of Year	<u>875,991</u>
Net Position - End of Year	<u>\$ 1,241,163</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 820,155
Payments to Food Service Vendor	(1,140,044)
Payments to Suppliers	(58,824)
Net Cash Used for Operating Activities	(378,713)
Cash Flows from Investing Activities:	
Interest Revenue	5,884
Net Cash Provided by Investing Activities	5,884
Cash Flows from Noncapital Financing Activities:	
Federal Reimbursements in Food Service Fund	743,158
State Reimbursements in Food Service Fund	18,921
Net Cash Provided by Noncapital Financing Activities	762,079
Cash Flows from Capital Financing Activities:	
Acquisition of Capital Assets	(79,792)
Net Cash Used for Capital Financing Activities	(79,792)
Net Increase in Cash and Cash Equivalents	309,458
Cash and Cash Equivalents, July 1	618,197
Cash and Cash Equivalents, June 30	\$ 927,655
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (395,272)
Adjustment to Reconcile Operating Loss to Cash	
Used for Operating Activities:	
Depreciation	32,087
Federal Food Distribution Program	86,296
Changes in Assets and Liabilities:	
Increase in Unearned Revenue - Donated Commodities	3,492
(Decrease) in Unearned Revenue - Prepaid Sales	(16,023)
(Increase) in Inventory	(5,425)
(Decrease) in Accounts Payable	(83,868)
Net Cash Used for Operating Activities	\$ (378,713)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$89,788 and \$86,296, respectively, for the fiscal year ended June 30, 2023.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITY

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Interest Rate	Balance July 1, 2022	Matured	Balance June 30, 2023
			Date	Amount	Outstanding June 30, 2023	Balance				
Refunding School Bonds	10/1/2014	\$ 24,175,000	6/15/2024	\$ 2,665,000		4.000%				
			6/15/2025	2,790,000		5.000%				
			6/15/2026	2,945,000		5.000%				
			6/15/2027	3,110,000		5.000%	\$ 14,060,000	\$ 2,550,000	\$ 11,510,000	
Refunding School Bonds 2016	11/2/2016	6,355,000	2/1/2024	15,000		1.650%				
			2/1/2025	15,000		1.650%				
			2/1/2026	15,000		1.650%				
			2/1/2027	15,000		1.650%				
			2/1/2028	3,525,000		1.650%	3,605,000	20,000	3,585,000	
School Bonds	12/10/2019	42,063,000	9/1/2023	1,715,000		2.250%				
			9/1/2024	1,770,000		2.250%				
			9/1/2025	1,825,000		2.250%				
			9/1/2026	1,885,000		2.250%				
			9/1/2027	1,935,000		2.250%				
			9/1/2028	1,995,000		2.250%				
			9/1/2029	2,055,000		2.250%				
			9/1/2030	2,120,000		2.250%				
			9/1/2031	2,180,000		2.250%				
			9/1/2032	2,245,000		2.250%				
			9/1/2033	2,315,000		2.375%				
			9/1/2034	2,385,000		2.375%				
			9/1/2035	2,460,000		2.375%				
		9/1/2036	2,535,000		2.500%					
		9/1/2037	2,615,000		2.500%					
		9/1/2038	2,695,000		2.625%					
		9/1/2039	2,700,000		3.000%	39,095,000	1,665,000	37,430,000		
						<u>\$ 56,760,000</u>	<u>\$ 4,235,000</u>	<u>\$ 52,525,000</u>		

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Purpose	Original Issue	Interest Rate	Balance July 1, 2022	Matured	Balance June 30, 2023
Energy Savings Improvement Plan	\$ 4,955,000	2.213%	\$ 2,398,571	\$ 354,182	\$ 2,044,389
			<u>\$ 2,398,571</u>	<u>\$ 354,182</u>	<u>\$ 2,044,389</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Matured</u>	<u>Balance June 30, 2023</u>
Savin Copiers	\$ 302,787	3.350%	\$ 288,786	\$ 57,153	\$ 231,633
Savin Copiers	279,285	3.350%	266,371	52,718	213,653
			<u>\$ 555,157</u>	<u>\$ 109,871</u>	<u>\$ 445,286</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

NOT APPLICABLE

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 4,608,379		\$ 4,608,379	\$ 4,608,379	
State Sources:					
Debt Service Aid Type II	886,568		886,568	886,568	
Total Revenues	5,494,947		5,494,947	5,494,947	
EXPENDITURES:					
Regular Debt Service:					
Interest and Other Charges	1,753,321		1,753,321	1,623,421	\$ 129,900
Redemption of Principal	4,235,000		4,235,000	4,235,000	
Total Regular Debt Service	5,988,321		5,988,321	5,858,421	129,900
Total Expenditures	5,988,321		5,988,321	5,858,421	129,900
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(493,374)		(493,374)	(363,474)	129,900
Other Financing Sources:					
Transfer from Capital Projects Fund:					
Investment Income				78,809	78,809
Total Other Financing Sources				78,809	78,809
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(493,374)		(493,374)	(284,665)	208,709
Fund Balance, July 1	630,004		630,004	630,004	
Fund Balance, June 30	\$ 136,630	\$ -0-	\$ 136,630	\$ 345,339	\$ 208,709
<u>Recapitulation of Fund Balance at June 30, 2023:</u>					
Restricted for Subsequent Year's Budget				\$ 201,630	
Restricted				143,709	
				<u>\$ 345,339</u>	

STATISTICAL SECTION
UNAUDITED

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

Contents

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	June 30,				
	2014	2015	2016	2017	2018
Governmental Activities:					
Net Investment in Capital Assets	\$ 12,260,134	\$ 15,316,441	\$ 16,663,677	\$ 18,974,259	\$ 20,479,690
Restricted	4,991,208	3,851,541	4,421,901	4,407,580	3,220,781
Unrestricted/(Deficit)	701,282	(7,175,310)	(6,591,562)	(7,790,467)	(7,698,431)
Total Governmental Activities Net Position	<u>\$ 17,952,625</u>	<u>\$ 11,992,672</u>	<u>\$ 14,494,017</u>	<u>\$ 15,591,372</u>	<u>\$ 16,002,040</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 261,415	\$ 238,498	\$ 207,820	\$ 181,085	\$ 168,524
Unrestricted	167,669	191,844	238,298	252,093	231,095
Total Business-Type Activities Net Position	<u>\$ 429,083</u>	<u>\$ 430,341</u>	<u>\$ 446,117</u>	<u>\$ 433,178</u>	<u>\$ 399,619</u>
District-Wide:					
Net Investment in Capital Assets	\$ 12,521,549	\$ 15,554,939	\$ 16,871,497	\$ 19,155,344	\$ 20,648,215
Restricted	4,991,208	3,851,541	4,421,901	4,407,580	3,220,781
Unrestricted/(Deficit)	868,950	(6,983,466)	(6,353,264)	(7,538,374)	(7,467,336)
Total District Net Position	<u>\$ 18,381,708</u>	<u>\$ 12,423,013</u>	<u>\$ 14,940,134</u>	<u>\$ 16,024,550</u>	<u>\$ 16,401,659</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	June 30,				
	2019	2020	2021	2022	2023
Governmental Activities:					
Net Investment in Capital Assets	\$ 22,213,672	\$ 10,814,413	\$ 25,808,840	\$ 34,506,806	\$ 36,388,866
Restricted	1,951,548	14,916,176	18,146,091	11,517,181	11,796,906
Unrestricted/(Deficit)	(9,240,904)	(8,744,506)	(6,819,592)	(3,818,394)	(6,747,994)
Total Governmental Activities Net Position	<u>\$ 14,924,316</u>	<u>\$ 16,986,082</u>	<u>\$ 37,135,339</u>	<u>\$ 42,205,593</u>	<u>\$ 41,437,778</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 135,964	\$ 117,602	\$ 137,157	\$ 224,361	\$ 272,066
Unrestricted	187,447	57,517	215,848	651,630	969,097
Total Business-Type Activities Net Position	<u>\$ 323,410</u>	<u>\$ 175,119</u>	<u>\$ 353,005</u>	<u>\$ 875,991</u>	<u>\$ 1,241,163</u>
District-Wide:					
Net Investment in Capital Assets	\$ 22,349,635	\$ 10,932,015	\$ 25,945,997	\$ 34,731,167	\$ 36,660,932
Restricted	1,951,548	14,916,176	18,146,091	11,517,181	11,796,906
Unrestricted/(Deficit)	(9,053,458)	(8,686,990)	(6,603,744)	(3,166,764)	(5,778,897)
Total District Net Position	<u>\$ 15,247,726</u>	<u>\$ 17,161,201</u>	<u>\$ 37,488,344</u>	<u>\$ 43,081,584</u>	<u>\$ 42,678,941</u>

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 24,395,242	\$ 25,391,654	\$ 30,138,761	\$ 33,532,378	\$ 35,277,254
Special Education	8,484,272	9,434,616	10,852,597	12,535,442	13,526,586
Other Special Education	2,552,216	2,483,746	3,554,851	3,717,753	3,786,816
School Sponsored Instruction					
Support Services:					
Tuition	651,000	364,957	405,224	530,753	704,545
Student & Instruction Related Services	6,557,587	6,795,527	8,164,376	9,094,380	9,607,432
General Administrative Services	1,040,045	1,005,534	1,155,947	1,239,654	1,254,932
School Administrative Services	4,095,542	4,095,489	4,994,822	5,570,574	5,850,876
Central Services	1,529,726	1,272,135	1,519,768	1,404,158	1,290,382
Administrative Information Technology					
Plant Operations and Maintenance	5,390,776	5,285,133	5,045,277	5,679,997	5,698,753
Pupil Transportation	4,013,539	3,853,922	4,518,684	4,154,474	4,527,617
Interest on Long-term Liabilities	1,651,235	1,154,122	931,401	1,155,672	1,090,626
Charter Schools	21,707	22,159			
Total Governmental Activities Expenses	<u>60,382,886</u>	<u>61,158,993</u>	<u>71,281,707</u>	<u>78,615,236</u>	<u>82,615,818</u>
Business-Type Activities:					
Food Service	1,124,912	1,031,601	985,841	1,003,446	1,010,002
Total Business-type Activities Expense	<u>1,124,912</u>	<u>1,031,601</u>	<u>985,841</u>	<u>1,003,446</u>	<u>1,010,002</u>
Total District Expenses	<u>\$ 61,507,798</u>	<u>\$ 62,190,595</u>	<u>\$ 72,267,547</u>	<u>\$ 79,618,682</u>	<u>\$ 83,625,821</u>
Program Revenues					
Charges for Services:					
Regular Instruction					
Student & Instructional Related Services					
Operating Grants and Contributions and Charges for Services	\$ 5,739,398	\$ 5,244,196	\$ 17,492,525	\$ 22,706,422	\$ 25,225,190
Capital Grants and Contributions					
Total Governmental Activities Program Revenues	<u>5,739,398</u>	<u>5,244,196</u>	<u>17,492,525</u>	<u>22,706,422</u>	<u>25,225,190</u>
Business-Type Activities:					
Charges for Services:					
Food Service	722,770	653,154	642,081	622,186	590,798
Operating Grants and Contributions	369,441	377,294	356,199	362,016	385,291
Total Business-type Activities Program Revenues	<u>1,092,211</u>	<u>1,030,448</u>	<u>998,279</u>	<u>984,202</u>	<u>976,089</u>

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

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
Total District Program Revenues	<u>\$ 6,831,609</u>	<u>\$ 6,274,644</u>	<u>\$ 18,490,804</u>	<u>\$ 23,690,624</u>	<u>\$ 26,201,279</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (54,643,489)	\$ (55,914,798)	\$ (53,789,182)	\$ (55,908,814)	\$ (57,390,628)
Business-type Activities	<u>(32,701)</u>	<u>(1,153)</u>	<u>12,439</u>	<u>(19,244)</u>	<u>(33,913)</u>
Total District-wide Net Expense	<u>\$ (54,676,190)</u>	<u>\$ (55,915,951)</u>	<u>\$ (53,776,743)</u>	<u>\$ (55,928,057)</u>	<u>\$ (57,424,541)</u>
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 45,747,866	\$ 46,307,968	\$ 48,158,053	\$ 49,178,554	\$ 50,162,125
Property Taxes Levied for Debt Service	3,253,827	3,127,206	3,289,554	3,013,753	3,073,535
Unrestricted Grants and Contributions	6,443,957	6,722,569	3,828,933	3,839,253	3,764,426
Miscellaneous Income	581,175	785,456	1,034,029	975,530	801,110
Other Item - Disposal of Capital Assets	<u>(1,463)</u>		<u>(20,043)</u>	<u>(921)</u>	
Total Governmental Activities	<u>56,025,362</u>	<u>56,943,199</u>	<u>56,290,526</u>	<u>57,006,170</u>	<u>57,801,196</u>
Business-Type Activities:					
Miscellaneous Income	<u>2,942</u>	<u>2,411</u>	<u>3,337</u>	<u>6,304</u>	<u>354</u>
Total Business-Type Activities	<u>2,942</u>	<u>2,411</u>	<u>3,337</u>	<u>6,304</u>	<u>354</u>
Total District-Wide	<u>\$ 56,028,303</u>	<u>\$ 56,945,610</u>	<u>\$ 56,293,863</u>	<u>\$ 57,012,474</u>	<u>\$ 57,801,550</u>
Change in Net Position:					
Governmental Activities	\$ 1,381,873	\$ 1,028,401	\$ 2,501,345	\$ 1,097,356	\$ 410,568
Business-type Activities	<u>(29,759)</u>	<u>1,258</u>	<u>15,776</u>	<u>(12,939)</u>	<u>(33,559)</u>
Total District	<u>\$ 1,352,114</u>	<u>\$ 1,029,660</u>	<u>\$ 2,517,120</u>	<u>\$ 1,084,416</u>	<u>\$ 377,009</u>

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

	Fiscal Year Ending June 30,				
	2019	2020	2021	2022	2023
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 32,578,768	\$ 30,491,833	\$ 34,619,823	\$ 32,058,768	\$ 32,169,489
Special Education	12,716,535	12,878,571	15,284,419	13,783,857	14,195,595
Other Special Education	3,720,472	3,634,911	3,831,260	3,780,756	3,940,666
School Sponsored Instruction				352,962	355,437
Support Services:					
Tuition	1,289,331	869,390	977,600	514,058	1,038,401
Student & Instruction Related Services	8,975,325	8,414,434	9,807,112	8,566,585	9,156,623
General Administrative Services	1,128,481	1,166,473	1,044,332	1,170,469	1,241,134
School Administrative Services	5,391,817	5,283,022	5,802,720	5,175,925	5,178,772
Central Services	1,514,047	1,168,043	1,162,049	846,594	826,912
Administrative Information Technology				824,786	949,335
Plant Operations and Maintenance	6,366,719	5,795,965	5,997,209	5,979,735	7,088,192
Pupil Transportation	4,970,243	5,236,955	5,385,190	5,423,888	5,879,623
Interest on Long-term Liabilities	1,022,563	1,461,584	1,866,837	1,728,670	1,593,388
Charter Schools					
Total Governmental Activities Expenses	<u>79,674,298</u>	<u>76,401,181</u>	<u>85,778,552</u>	<u>80,207,053</u>	<u>83,613,567</u>
Business-Type Activities:					
Food Service	<u>1,053,052</u>	<u>902,798</u>	<u>826,680</u>	<u>1,093,223</u>	<u>1,227,958</u>
Total Business-type Activities Expense	<u>1,053,052</u>	<u>902,798</u>	<u>826,680</u>	<u>1,093,223</u>	<u>1,227,958</u>
Total District Expenses	<u>\$ 80,727,351</u>	<u>\$ 77,303,979</u>	<u>\$ 86,605,232</u>	<u>\$ 81,300,276</u>	<u>\$ 84,841,525</u>
Program Revenues					
Charges for Services:					
Regular Instruction				\$ 140,785	\$ 333,040
Student & Instructional Related Services				203,014	248,376
Operating Grants and Contributions and Charges for Services	\$ 19,495,546	\$ 17,980,321	\$ 27,172,612	20,379,922	16,059,523
Capital Grants and Contributions					28,705
Total Governmental Activities Program Revenues	<u>19,495,546</u>	<u>17,980,321</u>	<u>27,172,612</u>	<u>20,723,721</u>	<u>16,669,644</u>
Business-Type Activities:					
Charges for Services:					
Food Service	594,967	394,863	3,911	73,545	832,686
Operating Grants and Contributions	381,308	359,269	961,081	1,542,637	754,560
Total Business-type Activities Program Revenues	<u>976,276</u>	<u>754,133</u>	<u>964,992</u>	<u>1,616,182</u>	<u>1,587,246</u>

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

	Fiscal Year Ending June 30,				
	2019	2020	2021	2022	2023
Total District Program Revenues	<u>\$ 20,471,822</u>	<u>\$ 18,734,454</u>	<u>\$ 28,137,604</u>	<u>\$ 22,339,903</u>	<u>\$ 18,256,890</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (60,178,752)	\$ (58,420,860)	\$ (58,605,939)	\$ (59,483,332)	\$ (66,943,923)
Business-type Activities	(76,776)	(148,665)	138,311	522,959	359,288
Total District-wide Net Expense	<u>\$ (60,255,529)</u>	<u>\$ (58,569,525)</u>	<u>\$ (58,467,628)</u>	<u>\$ (58,960,373)</u>	<u>\$ (66,584,635)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 51,581,028	\$ 52,612,649	\$ 53,700,231	\$ 54,774,236	\$ 56,018,698
Property Taxes Levied for Debt Service	3,078,116	3,090,159	4,895,030	4,608,379	4,608,379
Unrestricted Grants and Contributions	3,672,158	3,588,816	3,202,303	3,923,349	4,048,144
Miscellaneous Income	774,826	1,191,002	2,214,051	1,247,622	1,500,887
Other Item - Disposal of Capital Assets	(5,100)				
Total Governmental Activities	<u>59,101,028</u>	<u>60,482,626</u>	<u>64,011,615</u>	<u>64,553,586</u>	<u>66,176,108</u>
Business-Type Activities:					
Miscellaneous Income	568	374	1	27	5,884
Total Business-Type Activities	<u>568</u>	<u>374</u>	<u>1</u>	<u>27</u>	<u>5,884</u>
Total District-Wide	<u>\$ 59,101,596</u>	<u>\$ 60,483,000</u>	<u>\$ 64,011,616</u>	<u>\$ 64,553,613</u>	<u>\$ 66,181,992</u>
Change in Net Position:					
Governmental Activities	\$ (1,077,724)	\$ 2,061,767	\$ 5,405,676	\$ 5,070,254	\$ (767,815)
Business-type Activities	(76,208)	(148,292)	138,312	522,986	365,172
Total District	<u>\$ (1,153,933)</u>	<u>\$ 1,913,475</u>	<u>\$ 5,543,988</u>	<u>\$ 5,593,240</u>	<u>\$ (402,643)</u>

Source: School District Financial Reports

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	June 30,				
	2014	2015	2016	2017	2018
General Fund:					
Restricted	\$ 4,948,687	\$ 3,462,956	\$ 4,131,186	\$ 4,561,779	\$ 3,280,886
Assigned	1,148,266	346,787	1,072,855	870,629	1,029,740
Unassigned	836,787	666,916	934,347	820,058	1,319,159
Total General Fund	<u>\$ 6,933,741</u>	<u>\$ 4,476,659</u>	<u>\$ 6,138,388</u>	<u>\$ 6,252,466</u>	<u>\$ 5,629,785</u>
All Other Governmental Funds:					
Restricted	\$ 372	\$ 457,270	\$ (179,897)	\$ (92,771)	\$ 8,715
Committed	42,149		138,454	1,600	7,825
Assigned		69,769	493,106	21,563	
Total All Other Governmental Funds	<u>\$ 42,521</u>	<u>\$ 527,039</u>	<u>\$ 451,663</u>	<u>\$ (69,609)</u>	<u>\$ 16,540</u>

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

	June 30,				
	2019	2020	2021	2022	2023
General Fund:					
Restricted	\$ 1,996,244	\$ 2,803,346	\$ 4,235,929	\$ 3,907,872	\$ 5,032,641
Assigned	174,839	490,755	297,300	1,526,121	1,135,069
Unassigned	872,411	1,288,168	3,232,460	4,668,784	1,262,776
Total General Fund	<u>\$ 3,043,494</u>	<u>\$ 4,582,270</u>	<u>\$ 7,765,689</u>	<u>\$ 10,102,777</u>	<u>\$ 7,430,486</u>
All Other Governmental Funds:					
Restricted	\$ 15,086	\$ 25,981,135	\$ 6,632,392	\$ 7,609,309	\$ 6,764,265
Committed	8,715	12,375,734	13,676,167		
Assigned					
Total All Other Governmental Funds	<u>\$ 23,801</u>	<u>\$ 38,356,869</u>	<u>\$ 20,308,559</u>	<u>\$ 7,609,309</u>	<u>\$ 6,764,265</u>

Source: School District Financial Reports

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

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
Revenues:					
Tax Levy	\$ 49,001,693	\$ 49,435,174	\$ 51,447,607	\$ 52,192,307	\$ 53,235,660
Tuition from Individuals					
Interest Earned on Maintenance Reserve Funds					
Interest Earned on Capital Reserve Funds					
Restricted Miscellaneous	606,620	812,682	1,039,857	988,237	892,362
Unrestricted Miscellaneous	11,048,059	12,200,319	12,921,652	13,761,772	15,146,855
State Sources	1,109,851	1,045,899	1,025,967	1,147,315	1,113,923
Federal Sources					
Total Revenue	61,766,223	63,494,074	66,435,084	68,089,631	70,388,800
Expenditures:					
Instruction:					
Regular Instruction	16,358,180	17,361,875	17,118,970	17,930,533	18,311,761
Special Education Instruction	6,853,830	7,704,181	7,823,641	8,312,816	8,785,723
Other Special Instruction	1,810,816	1,773,223	2,088,956	1,968,837	1,959,420
School Sponsored Instruction					
Support Services:					
Tuition	651,000	525,579	405,224	530,753	704,545
Student & Instruction Related Services	4,802,291	4,881,136	5,049,387	5,043,414	5,284,172
General Administrative Services	841,278	928,057	883,283	841,872	901,557
School Administrative Services	2,874,093	2,903,681	2,995,879	3,018,509	3,084,305
Central Services	1,197,567	950,405	979,310	765,045	793,143
Administrative Information Technology					
Plant Operations and Maintenance	4,917,307	5,165,913	4,747,542	4,827,662	5,006,546
Student Transportation	4,013,539	4,205,339	4,469,557	4,361,861	4,292,352
Unallocated Benefits	12,582,329	13,838,836	14,450,505	16,125,993	17,401,819

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

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
Expenditures:					
Capital Outlay	\$ 2,852,406	\$ 1,929,619	\$ 974,436	\$ 2,720,287	\$ 1,113,197
Charter Schools	21,707	22,159			
Debt Service:					
Principal	1,830,000	2,180,000	2,005,000	2,050,000	2,095,000
Interest and Other Charges	1,591,956	1,103,461	1,418,600	1,231,819	1,100,540
Total Expenditures	63,198,300	65,473,463	65,410,289	69,729,401	70,834,081
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(1,432,077)	(1,979,389)	1,024,794	(1,639,770)	(445,280)
Other Financing Sources/(Uses):					
Cancellation of Prior Year Receivable				6,355,000	(91,252)
Proceeds from Bonds or Refunding Bond Issues				1,232,576	
Proceeds for Financed Purchases		6,825	561,559	(6,318,900)	
Payment to Refunding Bond Agent				(36,100)	
Cost of Issuance					
Lease Proceeds					
Total Other Financing Sources/(Uses)		6,825	561,559	1,232,576	(91,252)
Net Change in Fund Balances	\$ (1,432,077)	\$ (1,972,564)	\$ 1,586,353	\$ (407,194)	\$ (536,532)
Debt Service as a Percentage of Noncapital Expenditures	5.67%	5.17%	5.31%	4.90%	4.58%

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

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,			
	2019	2020	2021	2022
Revenues:				
Tax Levy	\$ 54,659,144	\$ 55,702,808	\$ 58,595,261	\$ 59,382,615
Tuition from Individuals				140,785
Interest Earned on Maintenance Reserve Funds				1,140
Interest Earned on Capital Reserve Funds				877
Restricted Miscellaneous	774,826	1,191,002	2,246,304	203,783
Unrestricted Miscellaneous				1,244,836
State Sources	15,715,512	16,713,734	20,230,219	24,548,711
Federal Sources	970,447	943,018	2,061,520	1,953,023
Total Revenue	72,119,929	74,550,563	83,133,304	87,475,770
Expenditures:				
Instruction:				
Regular Instruction	18,578,271	18,312,628	18,729,138	19,762,121
Special Education Instruction	8,502,859	9,060,661	10,248,709	9,769,844
Other Special Instruction	2,099,452	2,162,303	2,016,631	2,233,175
School Sponsored Instruction				231,480
Support Services:				
Tuition	1,289,331	869,390	977,600	514,058
Student & Instruction Related Services	5,571,005	5,286,944	5,722,143	5,696,834
General Administrative Services	806,861	852,137	819,996	914,802
School Administrative Services	3,092,604	3,190,177	3,164,038	3,315,883
Central Services	1,060,370	747,855	778,120	595,822
Administrative Information Technology				590,027
Plant Operations and Maintenance	5,777,433	5,320,404	5,536,580	5,605,095
Student Transportation	4,731,506	5,016,592	5,113,718	5,426,859
Unallocated Benefits	18,667,470	18,198,600	20,659,262	24,698,388
				678,528
				6,741,060
				5,548,596
				26,514,665

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

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,			
	2019	2020	2021	2022
Expenditures:				
Capital Outlay	\$ 1,314,966	\$ 4,503,657	\$ 19,052,976	\$ 13,237,570
Charter Schools				\$ 600,052
Debt Service:				
Principal	2,170,000	2,250,000	3,698,000	4,070,000
Interest and Other Charges	1,036,832	970,371	2,084,422	1,758,046
Total Expenditures	74,698,959	76,741,719	98,601,332	98,420,004
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(2,579,030)	(2,191,156)	(15,468,028)	(10,944,234)
Other Financing Sources/(Uses):				
Cancellation of Prior Year Receivable		42,063,000		
Proceeds from Bonds or Refunding Bond Issues				
Proceeds for Financed Purchases				
Payment to Refunding Bond Agent				
Cost of Issuance				
Lease Proceeds				582,072
Total Other Financing Sources/(Uses)		42,063,000		582,072
Net Change in Fund Balances	\$ (2,579,030)	\$ 39,871,844	\$ (15,468,028)	\$ (10,362,162)
Debt Service as a Percentage of Noncapital Expenditures	4.37%	4.46%	7.27%	6.84%
				6.48%

Source: School District Financial Reports

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Other</u> <u>Miscellaneous</u>	<u>Insurance</u> <u>Settlement</u>	<u>Transportation</u> <u>Refunds</u>	<u>Total</u>
2014	\$ 33,025	\$ 103,505	\$ 13,306		\$ 265,110	\$ 414,946
2015	24,409	132,222	7,454		435,773	599,859
2016	28,402	146,444	30,376		656,013	861,234
2017	38,488	53,622	10,216		720,011	822,337
2018	98,706	60,716	9,584		561,808	730,814
2019	118,667	177,850	6,057		312,733	615,306
2020	102,894	78,952	54,913		521,263	758,022
2021	18,569	143,650	49,229	\$ 500,000	960,176	1,671,624
2022	24,402	140,785	39,862		1,046,732	1,251,781
2023	163,770	333,040	204,648		1,053,660	1,755,118

Source: School District Financial Reports

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

LAST TEN FISCAL YEARS
 UNAUDITED

RARITAN TOWNSHIP

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2013	\$ 54,240,100	\$ 3,109,189,600	\$ 69,609,900	\$ 3,034,600	\$ 611,756,940	\$ 109,899,696	\$ 12,713,200	\$ 3,970,444,036	\$ 8,154,192	\$ 3,978,598,228	\$ 1.078	\$ 4,017,974,377
2014	66,809,275	3,106,721,300	67,392,100	2,905,100	609,384,640	106,157,496	12,713,200	3,972,083,111		3,972,083,111	1.096	3,857,601,219
2015	68,935,700	3,124,946,400	65,361,100	2,921,200	612,089,040	100,503,896	12,713,200	3,987,470,536		3,987,470,536	1.117	3,929,879,980
2016	63,634,700	3,148,815,000	63,259,700	2,887,700	610,793,500	99,941,196	12,713,200	4,002,044,996		4,002,044,996	1.141	4,053,342,161
2017	51,373,300	3,171,053,600	65,031,600	2,883,240	620,335,100	99,855,400	12,713,200	4,023,245,440		4,023,245,440	1.159	4,155,815,969
2018	55,928,400	3,189,821,800	64,705,300	2,868,722	615,661,800	101,154,900	12,713,200	4,042,854,122		4,042,854,122	1.188	4,138,452,372
2019	73,780,700	3,231,535,200	64,535,600	2,767,700	614,566,500	104,218,000	12,713,200	4,104,116,900		4,104,116,900	1.202	4,262,688,928
2020	64,085,700	3,280,438,500	64,291,900	2,755,500	611,238,700	104,218,000	12,713,200	4,139,786,500		4,139,786,500	1.235	4,289,934,197
2021	49,627,400	3,316,988,500	65,138,300	2,684,200	616,567,800	105,985,900	27,691,000	4,185,681,100		4,185,681,100	1.280	4,388,886,547
2022	49,103,200	3,354,143,300	66,664,800	2,669,500	647,156,400	107,985,900	32,531,400	4,260,254,500		4,260,254,500	1.292	4,648,463,591

FLEMINGTON BOROUGH

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2013	\$ 2,725,700	\$ 205,135,900			\$ 180,830,700	\$ 2,557,700	\$ 35,969,100	\$ 427,219,100	\$ 2,094,055	\$ 429,313,155	\$ 1.292	\$ 461,765,994
2014	2,725,700	209,921,500			188,275,300	2,687,700	36,721,200	440,331,400		440,331,400	1.300	454,362,765
2015	2,670,400	213,974,000			186,465,500	1,871,200	40,131,100	445,112,200		445,112,200	1.329	473,746,762
2016	2,743,600	217,771,700			181,895,900	1,871,200	42,615,900	446,898,300		446,898,300	1.382	473,859,761
2017	2,839,400	220,991,100			179,626,200	1,871,200	45,443,500	450,771,400		450,771,400	1.351	452,218,499
2018	3,309,600	226,032,500			173,638,400	1,833,500	49,100,600	453,914,600		453,914,600	1.309	447,162,447
2019	2,336,600	228,716,600			172,222,500	1,845,000	52,429,800	457,550,500		457,550,500	1.279	453,199,782
2020	2,141,100	232,640,700			170,495,500	1,855,000	54,822,500	461,954,800		461,954,800	1.305	463,344,835
2021	2,134,800	238,288,700			169,576,000	1,855,000	57,610,900	469,465,400		469,465,400	1.250	437,200,037
2022	2,182,600	252,122,700			179,508,120	1,910,000	61,891,500	497,614,920		497,614,920	1.123	458,567,677

Source: Municipal Tax Assessors and State of New Jersey Website

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation.

- ^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- ^b Tax rates are per \$100 of Net Valuation Taxable

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Borough of Flemington

Year Ended December 31,	Flemington-Raritan Regional School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Direct Rate			Municipality	County	
	Basic Rate ^a	Debt Service ^b	Total Direct			
2013	\$ 1.20	\$ 0.09	\$ 1.29	\$ 0.78	\$ 0.36	\$ 3.88
2014	1.21	0.09	1.30	0.89	0.35	2.97
2015	1.25	0.08	1.33	0.91	0.36	3.05
2016	1.29	0.09	1.38	0.94	0.36	3.14
2017	0.13	0.08	1.35	0.96	0.34	3.09
2018	1.23	0.08	1.31	0.96	0.35	3.06
2019	1.21	0.07	1.28	1.00	0.35	3.11
2020	1.23	0.07	1.31	1.01	0.35	3.18
2021	1.15	0.10	1.25	1.04	0.33	3.15
2022	1.04	0.09	1.12	1.04	0.32	2.48

Township of Raritan

Year Ended December 31,	Flemington-Raritan Regional School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Direct Rate			Municipality	County	
	Basic Rate ^a	Debt Service ^b	Total Direct			
2013	\$ 1.00	\$ 0.08	\$ 1.08	\$ 0.31	\$ 0.37	\$ 2.31
2014	1.02	0.07	1.10	0.31	0.36	2.31
2015	1.05	0.07	1.12	0.31	0.37	2.35
2017	1.07	0.07	1.14	0.32	0.38	2.41
2018	1.09	0.07	1.16	0.32	0.38	2.45
2018	1.12	0.07	1.19	0.31	0.39	2.49
2019	1.34	0.07	1.20	0.31	0.39	2.52
2020	1.17	0.07	1.24	0.31	0.39	2.57
2021	1.18	0.10	1.28	0.32	0.40	2.62
2022	1.19	0.10	1.29	0.32	0.41	2.02

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

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

Source: Municipal Tax Collectors

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

Taxpayer	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Flemington Fair Associates	\$ 61,946,600	1.44%		
Hunterdon Medical Center	35,808,400	0.83%		
Bedford Falls LLC	35,359,200	0.82%		
REEP-RTL Flemington NJ LLC	25,900,000	0.60%		
Johanna Foods, Inc	23,654,700	0.55%		
RVSC II Villages at Healthquest, LLC	19,818,200	0.46%		
Clojo Circle LLC (c/o Flem Retail)	19,486,900	0.45%		
Raritan Junction LLC	19,197,700	0.45%		
Raritan Village Shopping Center	17,105,500	0.40%		
1200 Route 523 LLC	16,850,000	0.39%		
Total	<u>\$ 275,127,200</u>	<u>6.41%</u>		
Total 2023 NVT	<u>\$ 4,289,215,100</u>			

Not Available

Source: Municipal Tax Assessor

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

	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value % of Total District Net Assessed Value
4C Flemington Apts. LLC	\$ 21,816,000	4.11%		
Biltmore Realty Company LLC	16,740,000	3.15%		
Flemington South LLC	16,000,000	3.01%		
Flemington Fidelco LLC	10,528,000	1.98%		
Hunterdon Shopping Center Partners	7,956,000	1.50%		
Roho LLC	7,492,000	1.41%		
Flemington Center Urban Renewal LLC	5,971,920	1.12%		
Hunterdon Mews LLC	5,532,000	1.04%		
Acramal Enterprises Inc.	5,412,000	1.02%		
John M. Saums & Sons Inc.	4,570,000	0.86%		
Total	<u>\$ 102,017,920</u>	<u>19.21%</u>		
Total 2023 NVT	<u>\$ 531,029,400</u>			

Not Available

Source: Municipal Tax Assessor

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

TOWNSHIP OF RARITAN

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 43,235,657	\$ 43,235,657	100.00%	\$ -0-
2015	43,735,990	43,735,990	100.00%	-0-
2016	45,304,515	45,304,515	100.00%	-0-
2017	45,988,747	45,988,747	100.00%	-0-
2018	47,263,285	47,263,285	100.00%	-0-
2019	48,756,811	48,756,811	100.00%	-0-
2020	49,902,757	49,902,757	100.00%	-0-
2021	52,346,186	52,346,186	100.00%	-0-
2022	53,534,774	53,534,774	100.00%	-0-
2023	55,038,384	55,038,384	100.00%	-0-

BOROUGH OF FLEMINGTON

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 5,766,036	\$ 5,766,036	100.00%	\$ -0-
2015	5,681,184	5,681,184	100.00%	-0-
2016	6,143,092	6,143,092	100.00%	-0-
2017	6,203,560	6,203,560	100.00%	-0-
2018	5,972,375	5,972,375	100.00%	-0-
2019	5,972,375	5,972,375	100.00%	-0-
2020	5,800,051	5,800,051	100.00%	-0-
2021	6,249,075	6,249,075	100.00%	-0-
2022	5,847,841	5,847,841	100.00%	-0-
2023	5,588,693	5,588,693	100.00%	-0-

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

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Financed Purchases	Leases			
2014	\$ 36,640,000	\$ 4,935,359		\$ 41,575,359	2.06%	\$ 1,552.83
2015	32,875,000	4,538,539		37,413,539	1.86%	1,398.95
2016	30,870,000	4,187,530		35,057,530	1.66%	1,311.74
2017	28,980,000	3,924,639		32,904,639	1.47%	1,190.64
2018	26,885,000	3,647,877		30,532,877	1.37%	1,143.98
2019	24,715,000	3,363,727		28,078,727	1.23%	1,043.86
2020	64,528,000	3,057,688		67,585,688	2.86%	2,513.60
2021	60,830,000	2,736,150		63,566,150	2.46%	2,341.90
2022	56,760,000	2,398,571	\$ 555,157	59,713,728	2.07%	2,077.29
2023	52,525,000	2,044,389	445,286	55,014,675	1.89%	1,897.52

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

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

Source: School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 36,640,000	\$ -0-	\$ 36,640,000	0.831%	\$ 1,368.49
2015	32,875,000	-0-	32,875,000	0.745%	1,229.25
2016	30,870,000	-0-	30,870,000	0.696%	1,155.06
2017	28,980,000	-0-	28,980,000	0.651%	1,048.63
2018	26,885,000	-0-	26,885,000	0.601%	1,007.31
2019	24,715,000	-0-	24,715,000	0.550%	918.81
2020	64,528,000	-0-	64,528,000	1.415%	2,399.88
2021	60,830,000	-0-	60,830,000	1.322%	2,241.09
2022	56,760,000	-0-	56,760,000	1.219%	1,974.54
2023	52,525,000	-0-	52,525,000	1.104%	1,811.64

Source: School District Financial Reports

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

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
UNAUDITED
AS OF DECEMBER 31, 2022

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable ^a</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt repaid with property taxes			
Flemington Borough	\$ 11,977,914	100.00%	\$ 11,977,914
Raritan Township	20,515,725	100.00%	20,515,725
Other debt			
Hunterdon County	74,164,045	22.10%	<u>16,390,254</u>
Subtotal, overlapping debt			48,883,893
Flemington-Raritan Regional School District Direct Bonded Debt			<u>55,045,000</u>
Total direct and overlapping debt			<u><u>\$ 103,928,893</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2023

Year Ended December 31,	Borough of Flemington	Township of Raritan	Total Equalized Valuation Basis
2020	\$ 436,176,754	\$ 4,340,763,867	\$ 4,776,940,621
2021	451,843,503	4,382,779,591	4,834,623,094
2022	495,928,762	5,153,325,874	5,649,254,636
	<u>\$ 1,383,949,019</u>	<u>\$ 4,625,623,111</u>	<u>\$ 15,260,818,351</u>
Average Equalized Valuation of Taxable Property			<u>\$ 5,086,939,450</u>
Debt Limit (3% of Average Equalization Value) ^a			\$ 152,608,184
Net Bonded School Debt			52,525,000
Legal Debt Margin			<u>\$ 100,083,184</u>

Fiscal Year Ended June 30,

	2014	2015	2016	2017	2018
Debt Limit	\$133,308,963	\$ 131,176,897	\$ 131,589,972	\$ 134,555,344	\$ 136,459,445
Total Net Debt Applicable to Limit	<u>36,640,000</u>	<u>32,875,000</u>	<u>30,870,000</u>	<u>28,982,000</u>	<u>26,885,000</u>
Legal Debt Margin	<u>\$ 96,668,963</u>	<u>\$ 98,301,897</u>	<u>\$ 100,719,972</u>	<u>\$ 105,573,344</u>	<u>\$ 109,574,445</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	27.49%	25.06%	23.46%	21.54%	19.70%

Fiscal Year Ended June 30,

	2019	2020	2021	2022	2023
Debt Limit	\$138,017,917	\$ 139,315,847	\$ 141,441,902	\$ 143,277,831	\$ 152,608,184
Total Net Debt Applicable to Limit	<u>24,715,000</u>	<u>64,528,000</u>	<u>60,830,000</u>	<u>56,760,000</u>	<u>52,525,000</u>
Legal Debt Margin	<u>\$113,302,917</u>	<u>\$ 74,787,847</u>	<u>\$ 80,611,902</u>	<u>\$ 86,517,831</u>	<u>\$ 100,083,184</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	17.91%	46.32%	43.01%	39.62%	34.42%

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

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

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

TOWNSHIP OF RARITAN

Year	Population ^a	Personal Income ^b	Hunterdon County	
			Per Capita Personal Income ^c	Unemployment Rate ^d
2014	22,047	\$ 1,658,265,105	\$ 75,215	4.70%
2015	22,056	1,739,380,272	78,862	4.10%
2016	22,989	1,861,672,209	80,981	3.80%
2017	22,069	1,848,565,647	83,763	3.90%
2018	22,289	1,892,603,568	84,912	3.50%
2019	22,289	1,959,960,926	87,934	2.70%
2020	22,558	2,144,995,104	95,088	6.20%
2021	23,855	2,392,370,240	100,288	4.40%
2022	24,087	2,415,637,056 ***	100,288 *	2.80%
2023	24,087 **	2,415,637,056 ***	100,288 *	N/A

BOROUGH OF FLEMINGTON

Year	Population ^a	Personal Income ^b	Hunterdon County	
			Per Capita Personal Income ^c	Unemployment Rate ^d
2014	4,697	\$ 353,284,855	\$ 75,215	4.70%
2015	4,670	368,285,540	78,862	4.10%
2016	4,647	376,318,707	80,981	3.80%
2017	4,621	387,068,823	83,763	3.90%
2018	4,610	391,444,320	84,912	3.50%
2019	4,599	404,408,466	87,934	2.70%
2020	4,585	435,978,480	95,088	6.20%
2021	4,891	490,508,608	100,288	4.70%
2022	4,906	492,012,928 ***	100,288 *	3.20%
2023	4,906 **	492,012,928 ***	100,288 *	N/A

*- Latest Hunterdon County per capita personal income available (2021) was used for calculation purposes.

** - Latest population data available (2022) was used for calculation purposes

*** - Latest personal income data calculated using latest Hunterdon County per capita personal income data (2021) and latest available population data (2022)

N/A - Information Unavailable

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

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

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

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

UNAUDITED

<u>Function/Program:</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction:										
Regular	266	291	279	269	242	237	234	237	238	259
Special Education	54	62	60	75	85	87	88	90	89	75
Support Services:										
Student & Instruction Related Services	43	44	49	43	53	55	51	52	47	161
General Administrative Services	3	3	3	3	3	3	3	3	3	3
School Administrative Services	20	18	19	19	19	19	18	19	19	19
Plant Operations and Maintenance	10	10	10	10	9	9	9	9	8	9
Central Services	36	36	36	33	33	34	34	34	32	35
Administration Information Technology	5	5	6	6	6	6	6	7	8	7
Food Service	23	23	23	23	23	24	22	22	23	23
Total	437	469	462	458	450	450	443	451	467	591

Source: School District Financial Reports

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	3,388	\$ 56,923,938	\$ 16,802	3.69%	320	10:6	3,403	3,278	-3.15%	96.33%
2015	3,328	60,260,382	18,107	7.77%	353	9:4	3,325	3,200	-2.30%	96.23%
2016	3,177	61,012,253	19,204	6.06%	339	9:4	3,156	3,038	-5.09%	96.29%
2017	3,118	63,727,295	20,439	6.43%	344	9:1	3,092	2,970	-2.03%	96.08%
2018	3,054	66,525,343	21,783	6.58%	327	9:3	3,057	2,930	-1.13%	95.85%
2019	3,082	70,177,162	22,770	4.53%	324	9:5	3,082	2,945	0.83%	95.55%
2020	3,082	66,985,890	21,735	-1.70%	322	9:6	3,009	2,913	-2.37%	96.81%
2021	2,998	73,765,935	24,605	9.93%	327	9:2	2,986	2,896	-0.76%	96.99%
2022	3,030	79,354,388	26,190	6.44%	375	9:7	3,055	2,962	2.29%	96.97%
2023	3,171	84,530,679	26,657	1.79%	388	9:7	3,156	2,980	3.32%	94.42%

Sources: School District Records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d The Cost per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
<u>Barley Sheaf Elementary (1967)</u>										
Square Feet	59,105	59,105	59,105	59,105	72,293	72,293	72,293	72,293	72,293	72,293
Capacity (students)	566	566	566	566	566	487	487	487	487	487
Enrollment	375	351	333	337	339	348	348	352	367	405
<u>Copper Hill Elementary (1996)</u>										
Square Feet	123,000	123,000	123,000	123,000	113,134	113,134	113,134	113,134	113,134	113,134
Capacity (students)	619	619	619	619	619	740	740	740	740	740
Enrollment	526	508	468	446	412	426	426	421	443	544
<u>Robert Hunter Elementary (1961)</u>										
Square Feet	74,464	74,464	74,464	74,464	65,667	65,667	65,667	65,667	65,667	65,667
Capacity (students)	547	547	547	547	547	508	508	508	508	508
Enrollment	393	387	356	353	357	393	393	394	405	413
<u>Frances A. Desmares Elementary (1991)</u>										
Square Feet	85,138	85,138	85,138	85,138	85,220	85,220	85,220	85,220	85,220	85,220
Capacity (students)	569	569	569	569	569	590	590	590	590	590
Enrollment	455	470	454	434	425	452	452	473	484	416
<u>JP Case Middle (2006)</u>										
Square Feet	167,000	167,000	167,000	167,000	177,013	177,013	177,013	177,013	177,013	177,013
Capacity (students)	912	912	912	912	912	1,259	1,259	1,259	1,259	1,259
Enrollment	847	838	810	785	764	781	781	710	681	678
<u>Reading-Flemington Intermediate (1864)</u>										
Square Feet	159,120	159,120	159,120	159,120	174,361	174,361	174,361	174,361	174,361	174,361
Capacity (students)	902	902	902	902	902	1,132	1,132	1,132	1,132	1,132
Enrollment	792	774	756	763	757	682	682	682	650	715

Number of Schools at June 30, 2023

Elementary = 4

Middle School = 1

Intermediate School = 1

Source: School District Records

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT

GENERAL FUND

SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

LAST TEN FISCAL YEARS

UNAUDITED

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

Fiscal Year Ended	Barley Sheaf School	Copper Hill School	Frances A. Desmares School	Robert Hunter School	JP Case Middle School	Reading-Flemington Intermediate School	Other	Total School Facilities*
2014	\$ 102,691	\$ 317,182	\$ 387,378	\$ 373,993	\$ 222,501	\$ 110,353	\$ 204	\$ 1,514,302
2015	85,137	227,858	345,155	75,770	128,175	255,582	491,668	1,609,345
2016	52,685	117,739	105,868	75,516	66,024	91,078	510,183	1,019,093
2017	56,343	145,268	71,090	58,952	102,818	101,384	533,533	1,069,388
2018	52,142	155,196	91,972	70,139	96,940	115,223	552,157	1,133,769
2019	59,775	160,674	63,853	13,313	63,009	80,910	501,399	942,933
2020	66,309	182,314	86,705	64,572	111,790	89,872	491,549	1,093,111
2021	52,053	146,796	88,375	57,566	100,451	120,356	513,417	1,079,013
2022	31,960	65,720	40,868	33,582	94,623	101,864	555,363	923,980
2023	106,414	99,594	91,780	81,671	132,966	132,900	496,909	1,142,234

Source: School District Records

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

COMPANY	TYPE OF COVERAGE	COVERAGE	DEDUCTIBLE
SAIF	Property Blanket Building and Contents- Replacement Cost Values	\$ 500,000,000	\$ 2,500
SAIF	Environmental Impairment Liability	1,000,000 occurrence 25,000,000 aggregate	25,000
NAVIGATORS	Environmental Site Pollution Occurrence Aggregate Supplemental Claim Expense Limit Fungi and Legionella	1,000,000 1,000,000 250,000 100,000	10,000 100,000
SAIF	General Liability - Each Occurrence - Rented Premises - Fire Damage - Medical Expense (Excluding Students) - Employee Benefit Liability - Aggregate	5,000,000 2,500,000 5,000,000 10,000 50,000,000	
SAIF	Automobile Coverage - Combined Single Limit - Hired/Non-Owned - Employee Theft/per Loss - Theft, Disappearance and Destruction - Robbery and Safe Burglary - Property Other Than Money and Securities - Forgery or Alteration	5,000,000 5,000,000 500,000 50,000 50,000 50,000	
Beazley SAIF	Cyber Liability - Third Party Pool Limit - Third Party Each Member - First Party Credit Monitoring and Public Relations	25,000,000 2,000,000 2,000,000	10,000 10,000 10,000
SAIF	Boiler and Machinery Coverage	100,000,000	2,500
SAIF	Umbrella Liability Coverage - Occurrence Limit - Aggregate Limit	10,000,000 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 - School Business Administrator/Board Secretary	350,000 350,000	
SAIF	Workers Compensation - Each Accident - Each Employee -Aggregate	5,000,000 5,000,000 5,000,000	
Source:	District Records		

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Flemington-Raritan Regional School District, in the County of Hunterdon (the "District") as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members
of the Board of Education
Flemington-Raritan Regional School District
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Report on Compliance and Other Matters

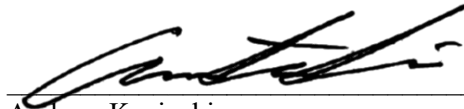
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

Mount Arlington, New Jersey
November 13, 2023

NISIVOCCIA, LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Flemington-Raritan Regional School District's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Honorable President and Members
of the Board of Education
Flemington-Raritan Regional School District
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Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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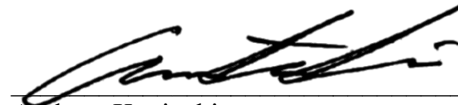
Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

Mount Arlington, New Jersey
November 13, 2023

NISIVOCCIA, LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing #	Grant or State Project Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Cancellation of Prior Year Encumbrances	Balance at June 30, 2023	
								Budgetary (Accounts Receivable)/ Unearned Revenue	Budgetary Unearned Revenue
U.S. Department of Education Passed-through State Department of Education:									
Special Revenue Fund:									
Special Education Cluster (IDEA):									
ID.E.A. Part B, Basic	84.027A	IDEA151022	7/1/21-9/30/22	\$ 693,838	\$ 72,749	\$ (267)	\$ 3,892	\$ (91,702)	
ID.E.A. Part B, Basic	84.027A	IDEA151023	7/1/22-9/30/23	732,414	640,712	(732,414)			
COVID-19 ARP I.D.E.A. Basic	84.027X	IDEA151022	7/1/21-9/30/22	135,711	8,916		2,744		
ID.E.A. Part B, Preschool	84.173A	IDEA151022	7/1/21-9/30/22	33,826	26				
ID.E.A. Part B, Preschool	84.173A	IDEA151023	7/1/22-9/30/23	39,805	39,805	(39,805)			
COVID-19 ARP I.D.E.A. Preschool	84.173X	IDEA151022	7/1/21-9/30/22	11,567	6,338	(4,643)	4,643		
Total Special Education Cluster (IDEA)					768,546	(777,129)	11,279	(91,702)	
Elementary and Secondary Education Act:									
Title I	84.010	ESEA151022	7/1/21-9/30/22	98,164	35,022		488	(39,735)	
Title I	84.010	ESEA151023	7/1/22-9/30/23	113,944	60,512	(100,247)	488	(39,735)	
Total Title I					95,534	(100,247)			
Title II, Part A	84.367	ESEA151022	7/1/21-9/30/22	39,909	2,799				
Title II, Part A	84.367	ESEA151023	7/1/22-9/30/23	48,207	44,663	(48,080)		(3,417)	
Total Title II, Part A					47,462	(48,080)	87	(3,417)	
Title III	84.365	ESEA151022	7/1/21-9/30/22	41,188	7,748				
Title III	84.365	ESEA151023	7/1/22-9/30/23	48,207	26,695	(35,973)		(9,278)	
Total Title III					34,443	(35,973)	87	(9,278)	
Title III - Immigrant	84.365	ESEA151022	7/1/21-9/30/22	8,626	589				
Title III - Immigrant	84.365	ESEA151023	7/1/22-9/30/23	16,866	6,626	(10,323)		(3,697)	
Total Title III - Immigrant					7,215	(10,323)		(3,697)	
Title IV	84.424	ESEA151022	7/1/21-9/30/22	16,881	5,382				
Title IV	84.424	ESEA151023	7/1/22-9/30/23	10,204	4,357	(10,043)		(5,686)	
Total Title IV					9,739	(10,043)	575	(5,686)	
Total Elementary and Secondary Education Act					194,393	(204,666)		(61,813)	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing #	Grant or State Project Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Cancellation of Prior Year Encumbrances	Balance at June 30, 2023	
								Budgetary (Accounts Receivable)	Budgetary Unearned Revenue
U.S. Department of Education Passed-through State Department of Education (Cont'd):									
Education Stabilization Fund:									
COVID 19 - CRRSA:									
ESSER II Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	\$ 571,040	\$ 13,205				
COVID 19 - American Rescue Plan:	84.425D	S425D210027	3/13/20-9/30/23	36,646	2,245				
ESSER III Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	1,283,376	535,541	\$ (528,665)	\$ 16,669	\$ (79,331)	
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	269,881	72,100	(33,667)		(4,689)	
Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	6,551	(7,052)		(501)	
NITSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	40,000	4,376	(517)		(37)	
Homeless Children/Youth II	84.425W	S425W210027	3/13/20-9/30/24	5,234	839	(5,234)		(4,395)	
Total Education Stabilization Fund					679,857	(620,135)	16,669	(88,953)	
Total U.S. Department of Education					1,642,796	(1,601,930)	\$ 28,523	(242,468)	
Total Special Revenue Fund					1,642,796	(1,601,930)	28,523	(242,468)	
U.S. Department of Agriculture Passed-through State Department of Agriculture:									
Child Nutrition Cluster:									
Food Distribution Program	10.555	N/A	7/1/22-6/30/23	89,788	89,788	(84,075)		\$ 5,713	
School Breakfast Program	10.555	N/A	7/1/21-6/30/22	45,733	2,221	(2,221)			
National School Lunch Program	10.555	N/A	7/1/22-6/30/23	29,714	26,696	(29,714)		(3,018)	
COVID 19 - Seamless Summer Option: Breakfast Lunch	10.555	N/A	7/1/21-6/30/22	91,472	8,349	(8,349)			
COVID 19 - Supply Chain Assistance	10.555	N/A	7/1/21-6/30/22	1,365,169	125,168	(125,168)			
Total Child Nutrition Cluster	10.555	N/A	7/1/22-6/30/23	149,957	149,957	(149,957)			
Total U.S. Department of Agriculture					832,946	(736,813)		(40,876)	5,713
Total U.S. Department of Health and Human Services: Medicaid Cluster:					832,946	(736,813)		(40,876)	5,713
Medical Assistance Program	93.778	N/A	7/1/22-6/30/23	146,869	146,869	(146,869)			
COVID 19 - FFCRA CARES Semi	93.778	N/A	1/1/21-12/31/21	12,866	12,866	(12,866)		*	
Total U.S. Department of Health and Human Services/Total Medicaid Cluster					159,735	(159,735)			

ELEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing #	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Cancellation of Prior Year Encumbrances	Balance at June 30, 2023		Amount Paid to Sub- Recipients
					Budgetary (Accounts Receivable)/ Unearned Revenue	Budgetary (Accounts Receivable)				Budgetary Unearned Revenue		
U.S. Department of Homeland Security Passed-through State Department of Law and Public Safety Disaster Grants - Public Assistance: COVID-19 - FEMA - Disaster Relief	97.036	N/A	3/13/20-6/30/22	\$ 129,156	\$ 129,156	\$ 129,156	\$ (129,156)	*				
Total U.S. Department of Homeland Security				\$ 129,156	\$ 129,156	\$ 129,156	\$ (129,156)					
Total Federal Awards				\$ (443,153)	\$ 2,764,633	\$ (2,627,634)	\$ 28,523	\$ (283,344)	\$ 5,713	\$ -0-		

N/A - Not Available/Applicable

* Expended in a prior year

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Balance at June 30, 2023		MEMO		
				Budgetary Accounts Receivable	Budgetary Accounts Receivable			Budgetary Accounts Receivable	Budgetary Accounts Receivable	Cumulative Total Expenditures		
New Jersey Department of Education												
General Fund:												
Categorical Special Education Aid	23-495-034-5120-089	7/1/22 - 6/30/23	\$ 2,682,732	\$ 2,682,732	\$ 2,420,265	\$ (2,682,732)	\$ (2,682,732)	\$ (262,467)	\$ 2,682,732			
Equalization Aid	23-495-034-5120-078	7/1/22 - 6/30/23	2,588,893	2,588,893	2,335,608	(2,588,893)	(2,588,893)	(253,285)	2,588,893			
Categorical Security Aid	23-495-034-5120-084	7/1/22 - 6/30/23	140,035	140,035	126,335	(140,035)	(140,035)	(13,700)	140,035			
Supplemental Stabilization Aid	23-495-034-5120-148	7/1/22 - 6/30/23	107,069	107,069	107,069	(107,069)	(107,069)	(29,077)	107,069			
Categorical Transportation Aid	23-495-035-5120-014	7/1/22 - 6/30/23	297,208	297,208	268,131	(297,208)	(297,208)	(110,334)	297,208			
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22 - 6/30/23	2,233,161	2,233,161	2,122,827	(2,233,161)	(2,233,161)	(846,631)	2,233,161			
Extraordinary Aid	23-495-034-5120-044	7/1/22 - 6/30/23	846,631	846,631		(846,631)	(846,631)	(19,656)	846,631			
Non-Public Transportation Aid	23-495-034-5120-014	7/1/22 - 6/30/23	19,656	19,656		(19,656)	(19,656)	(20,058)	19,656			
Homeless Tuition Reimbursement	N/A		20,058	20,058					20,058			
State Reimbursement for Lead Testing of Drinking Water	23-495-034-5120-104	7/1/22 - 6/30/23	14,604	14,604	14,604	(14,604)	(14,604)		14,604			
Categorical Special Education Aid	22-495-034-5120-089	7/1/21 - 6/30/22	2,087,364	2,087,364	2,057,688	(2,087,364)	(2,087,364)		2,087,364			
Equalization Aid	22-495-034-5120-078	7/1/21 - 6/30/22	2,588,893	2,588,893	2,552,207	(2,588,893)	(2,588,893)		2,588,893			
Categorical Security Aid	22-495-034-5120-084	7/1/21 - 6/30/22	140,035	140,035	13,804	(140,035)	(140,035)		140,035			
Categorical Transportation Aid	22-495-035-5120-014	7/1/21 - 6/30/22	297,208	297,208	292,988	(297,208)	(297,208)		297,208			
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21 - 6/30/22	2,143,538	2,143,538	1,053,359	(2,143,538)	(2,143,538)		2,143,538			
Extraordinary Aid	22-495-034-5120-044	7/1/21 - 6/30/22	3,166,247	3,166,247	3,166,247	(3,166,247)	(3,166,247)		3,166,247			
Non-Public Transportation Aid	22-495-034-5120-014	7/1/21 - 6/30/22	14,790	14,790	14,790	(14,790)	(14,790)		14,790			
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22 - 6/30/23	2,680,364	2,680,364	2,680,364	(2,680,364)	(2,680,364)		2,680,364			
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22 - 6/30/23	10,063,610	10,063,610	10,063,610	(10,063,610)	(10,063,610)		10,063,610			
On-Behalf TPAF Long Term Disability Insurance	23-495-034-5094-004	7/1/22 - 6/30/23	139,621	139,621	139,621	(139,621)	(139,621)		139,621			
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22 - 6/30/23	3,897	3,897	3,897	(3,897)	(3,897)		3,897			
Total General Fund					24,072,804	(21,837,539)	(21,837,539)	(1,555,208)	32,275,614			
Capital Projects Fund:												
Securing Our Children's Future Bond Act	20E00486	7/1/20 - 6/30/23	163,549	163,549	28,705	(28,705)	(28,705)		28,705			
Total General Fund					28,705	(28,705)	(28,705)		28,705			
Total New Jersey Department of Education					24,101,509	(21,866,244)	(21,866,244)	(1,555,208)	32,304,319			
Schools Development Authority												
Special Revenue Fund:												
SDA Emergent and Capital Maintenance Needs Grant	N/A	7/1/22 - 6/30/23	69,826	69,826	69,826	(69,826)	(69,826)		69,826			
Climate Awareness Education Grant	23-100-034-5063-359	7/1/22 - 6/30/23	6,660	6,660	6,660	(6,660)	(6,660)		6,660			
Total Special Revenue Fund					76,486	(76,486)	(76,486)		76,486			

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at		MEMO	
				June 30, 2022	June 30, 2023	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Agriculture:							
Enterprise Fund:							
State School Lunch Program	23-495-010-3350-001	7/1/22 - 6/30/23	\$ 17,541	\$ 15,886	\$ (17,541)	\$ (1,655)	\$ 17,541
State School Breakfast Program	23-495-010-3350-002	7/1/22 - 6/30/23	206	155	(206)	(51)	206
COVID 19 - Seamless Summer Option	22-100-010-3350-023	7/1/21 - 6/30/22	32,028	2,880			32,028
Total Enterprise Fund				18,921	(17,747)	(1,706)	49,775
Total New Jersey Department of Agriculture				18,921	(17,747)	(1,706)	49,775
New Jersey Department of Education							
Debt Service Fund:							
Debt Service Aid - Type II	23-495-034-5120-075	7/1/22 - 6/30/23	886,568	886,568	(886,568)		886,568
Total Debt Service Fund				886,568	(886,568)		886,568
Total State Awards Subject to Single Audit Determination				\$ 25,083,484	\$ (22,847,045)	\$ (1,556,914)	\$ 33,317,148
Less: State Awards Not Subject to Single Audit Major Program Determination							
On-Behalf TPAF Pension System Contributions:							
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22 - 6/30/23	2,680,364		\$ 2,680,364		
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22 - 6/30/23	10,063,610		10,063,610		
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22 - 6/30/23	139,621		139,621		
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22 - 6/30/23	3,897		3,897		
Subtotal - On-Behalf TPAF Pension System Contributions					12,887,492		
Total State Awards Subject to Single Audit Major Program Determination					\$ (9,959,553)		

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Flemington-Raritan Regional School District under programs of the federal and state governments for the fiscal year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Grant revenue in the capital projects fund is recognized on the budgetary basis in the fiscal year of award but is not recognized on the GAAP basis until expended and submitted for reimbursement.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$54,452) for the General Fund and \$68,930 for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 288,891	\$ 21,783,087	\$ 22,071,978
Special Revenue Fund	1,685,694	61,652	1,747,346
Capital Projects Fund		28,705	28,705
Debt Service Fund		886,568	886,568
Food Service Fund	736,813	17,747	754,560
Total Awards	<u>\$ 2,711,398</u>	<u>\$ 22,777,759</u>	<u>\$ 25,489,157</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2023. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

In a prior year, the District was awarded a grant in the amount of \$163,549 from the Schools Development Authority (SDA) under the Securing Our Children's Future Bond Act. As of June 30, 2023, \$28,705 of grant funds have been expended and drawn down on a GAAP basis. The remaining balance of \$134,844 was cancelled. In the Capital Projects Fund, the District realized the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures reported on the NJSDA grants on the Schedule of Expenditures of State Awards represent reimbursement requests submitted to the NJSDA.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	<u>Assistance Listing # or State Grant #</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Federal:				
Special Education Cluster (IDEA):				
I.D.E.A. Part B, Basic	84.027A	7/1/21-9/30/22	\$ 693,838	\$ 267
I.D.E.A. Part B, Basic	84.027A	7/1/22-9/30/23	732,414	732,414
I.D.E.A. Part B, Preschool	84.173A	7/1/22-9/30/23	39,805	39,805
COVID-19 ARP I.D.E.A. Preschool	84.173X	7/1/21-9/30/22	11,567	4,643
Child Nutrition Cluster:				
Food Distribution Program	10.555	7/1/22-6/30/23	89,788	84,075
Food Distribution Program	10.555	7/1/21-6/30/22	45,733	2,221
School Breakfast Program	10.553	7/1/22-6/30/23	29,714	29,714
National School Lunch Program	10.555	7/1/22-6/30/23	470,846	470,846
Supply Chain Assistance	10.555	7/1/22-6/30/23	149,957	149,957
State:				
Categorical Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	2,682,732	2,682,732
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	2,588,893	2,588,893
Categorical Security Aid	23-495-034-5120-084	7/1/22-6/30/23	140,035	140,035
Supplemental Stabilization Aid	23-495-034-5120-148	7/1/22-6/30/23	107,069	107,069
Reimbursed TPAF				
Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	2,233,161	2,233,161

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Summary of Auditors' Results (Cont'd):

- The threshold used for distinguishing between Type A and Type B federal and state programs was \$750,000.
- The District was not determined to be a "low-risk" auditee for both state and federal programs.

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Status of Prior Year Finding/Recommendation:

There were no prior year audit findings.