

Comprehensive Annual Financial Report

of the

Flemington-Raritan Regional School District

County of Hunterdon

County of Hunterdon, New Jersey

For the Fiscal Year Ended June 30, 2009

Prepared by

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

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INTRODUCTORY SECTION



Flemington-Raritan Regional School District

Board of Education
50 Court Street, Flemington, NJ 08822-1300
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(908)284-7570 - FAX (908)284-7514

October 7, 2009

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

Dear President and Members:

The comprehensive annual financial report of the Flemington-Raritan Regional School District for the fiscal year ending June 30, 2009 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Flemington-Raritan Regional Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES:

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

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

The District completed the 2008-2009 fiscal year with an enrollment of 3,614 students.

The following table presents the actual historical pupil enrollment, as of October 15, for the school years 1999-1998through 2008-2009.

<u>School Year</u>	<u>Enrollment As of October 15</u>	<u>Percent Change</u>
1999-00	3,396	1.83%
2000-01	3,440	1.30%
2001-02	3,452	0.35%
2002-03	3,516	1.85%
2003-04	3,552	1.01%
2004-05	3,569	.48%
2005-06	3,576	.20%
2006-07	3,592	.45%
2007-08	3,544	-.13%
2008-09	3,584	.98%

2) ECONOMIC CONDITION AND OUTLOOK:

The Raritan Township section of the Flemington-Raritan Regional School District is experiencing a period of slowing residential development due to current economic conditions. The Planning Board has approved an additional 127 single-family homes. These homes are scheduled for completion between 2009 and 2012. This new housing inventory, together with resales, indicates that the school district will continue to slowly grow.

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

3) MAJOR INITIATIVES:

The Board established six major academic goals during its annual Board Planning meeting. The 2008-2009 goals aimed to ensure that every student receives an excellent education and is prepared to achieve excellence at his/her next educational level."

1. Improve students' performance on the NJ ASK Language Arts Assessment
2. Improve students' performance on the NJ ASK Math assessment
3. Enhance the quality and quantity of education programming
4. Implement strategies that will maximize instructional time for students and professional development time for teachers
5. Improve communication with parents regarding the district's educational program
6. Develop and implement district benchmark assessments as per NJ QSAC

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

Professional Development

- The district continues to meet the requirement that all teachers be "highly qualified" in the grade level/subject areas that they are teaching.
- District staff was offered a wide variety of staff development opportunities during the summer of 2008. Workshops focused on improving teachers use and familiarity with technology, reading assessments, teaching writing, increase strategies for teaching math and science, and promoting positive classroom environments through Cooperative Learning and Responsive Classroom.
- The district continued its commitment to a thorough induction process for all teachers hired within the past two years by offering specialized workshops for new teachers. These included New Teacher Writing, New Teacher Reading, New Teacher Science, New Teacher Math, as well as district and building level orientations for our newest teachers.
- The district also supported its novice teachers through the development and implementation of our District Mentoring Program. With the support of outside consultants, training was provided for all teachers intending to serve as Mentors.

In addition, the district continues to provide on-going Mentor training throughout the school year and provided compensation for these teachers.

- The Local Professional Development Plan outlined training needs as identified through a teacher survey, informal discussions with district and building level administration, and a review of test data. Two full day, two 3-hour, and eight 90-minute meetings were used to provide the professional development necessary to meet Board goals for instructional improvement.
- The district continued its strong commitment to fostering teachers' use of technology as an instructional and communication tool. A variety of workshops were offered during the summer of 2008 and computer teachers were provided regularly schedule time in their schedule to support the integration of technology in classroom lessons.

Curriculum Development

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

Needs Assessment

- The G&T General Needs Assessment Report was accepted by the Board of Education. Significant modifications are in the process of implementation and have and will continue to require substantial commitment to ensure success.
- The Social Studies Needs Assessment Report was completed and accepted by the Board of Education. The report included recommendations for the piloting and adoption of new materials which will also require a substantial financial investment.
- The ESL Needs Assessment process began during the 2008-2009 school year.

Curriculum Development

- The Language Arts Literacy Curriculum Committee met throughout the year and will submit a revised document in two phases: 6-8 in the fall of 2009 and K-5 in the spring of 2010.
- The Mathematics Curriculum Committee also met throughout the year. The grade 7-8 curriculum is scheduled for submission in the fall of 2009 and the K-6 curriculum will be submitted in the spring of 2010.

Instructional Materials Adoption

The District has funded an ambitious program of textbook and supplemental material adoptions during the 2008-2009 school year. Funded projects included:

- Adoption and implementation of new reading materials in grades K-3.
- Adoption and implementation of new writing materials in grades 4-5.
- Adoption and implementation of new math materials in grades 7-8.
- Adoption and implementation of new French materials in grade 7-8.
- Adoption and implementation of new, supplemental writing materials in grades K-5.

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

- Title I funds were used to fund three class sections of Project Achieve for Kindergarten, Project Achieve: Summer Reading Clubs for grades 3-6, parent nights, and targeted professional development.
- Title II-A funds were used to fund the District's Mentoring Program, Cooperative, Learning, as well as a myriad of language arts, math, and science workshops held during the summer and during in-service days.
- Title II-D funds were used to support professional development through membership in NJECC.
- Title III funds were used to fund the Summer ESL program, RFIS ESL Breakfast Club, and purchase innovative classroom materials.
- Title IV funds were used to fund Responsive Classroom and Cooperative Learning professional development projects.

Other on-going district programs were maintained and/or expanded during the 2008-2009 school year. These programs include the following:

- The district maintains its commitment to maintaining reasonable class sizes at all grade levels.
- Consistent with our Board approved Technology Plan, teachers at RFIS were provided with replacement laptop computers.
- The Reading Recovery program in Grade 1 was continued.
- The Student Support Math and Language Arts programs in Grades K-8 were expanded to meet increases in eligible student enrollment.
- The G&T Math program was sustained with growth in the number of students qualifying for inclusion.
- The G&T General program was sustained with growth in the number of eligible students in grades 3-8.
- The School Counseling program was maintained.
- The ESL program was reduced in staffing from 5.8 FTE to 5.0.

- The High-Intensity ESL program for Spanish-Speaking students was continued at all district schools, continued at the Francis A. Desmares Elementary School, as approved through the submission of the Bilingual Waiver application.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse; and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally-accepted accounting principles (GAAP).

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year.

Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2009.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) CASH MANAGEMENT:

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

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

8) RISK MANAGEMENT:

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

9) OTHER INFORMATION:

Independent Audit -

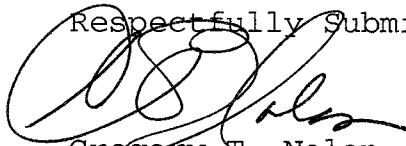
State statutes require an annual audit by independent certified public accountants or registered municipal accountants.

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

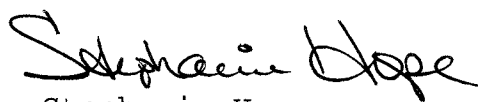
10) ACKNOWLEDGMENTS:

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

Respectfully Submitted,



Gregory F. Nolan
Superintendent



Stephanie Hope
Business Administrator/
Board Secretary

Our Mission

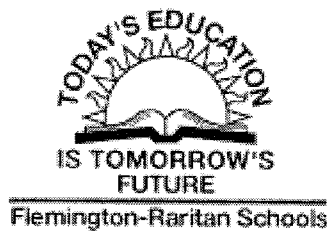
The Flemington-Raritan Regional Schools, a caring and proactive district in partnership with the community, provide each student with an opportunity for a sound educational foundation, guidance to strive for his/her full potential and inspiration to become a lifelong learner and a productive citizen in an ever-changing, global society.

It is the expectation of the Flemington-Raritan School District that all pupils achieve the New Jersey Core Curriculum Content Standards at all grade levels

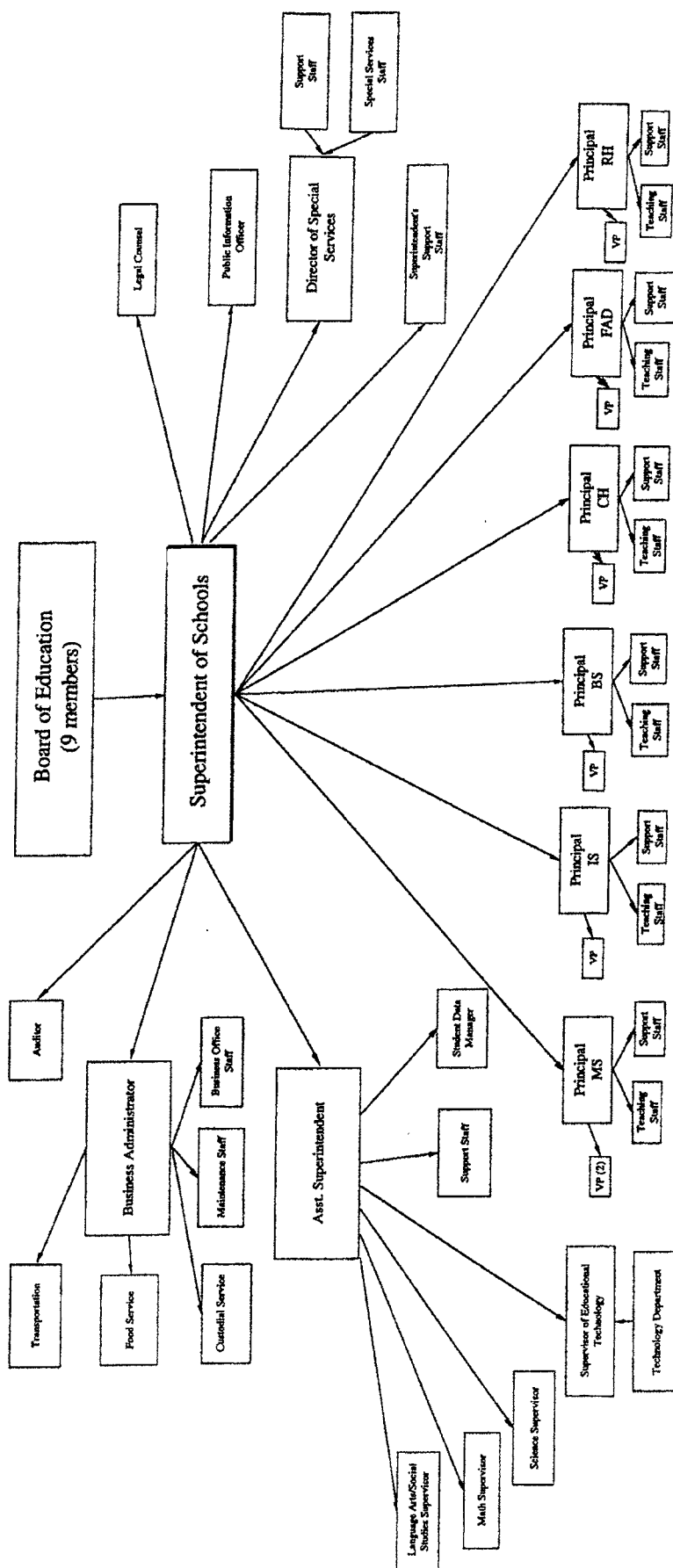
BELIEF STATEMENTS

We believe that:

- To meet children's needs, we must structure a positive, nurturing, academically challenging educational environment which fosters self-esteem and provides opportunities for all children to learn at their appropriate development level.
- To function of the school is to help all children acquire the knowledge and skills necessary to become problem-solvers, capable and creative thinkers, productive team members, effective communicators and decision makers, and to develop positive interpersonal relationships.
- Children learn best in a school community that is challenged by high expectations.
- Professional growth, development, recognition, and nurturing of our staff are integral parts of a successful educational program.
- Information resources are critical to the education of our children, and current and future technologies should be integrated to access those resources.
- The school community has a commitment to constantly identify and address changing social and educational paradigms in order to best educate and prepare children for the future.
- The school system must provide the best possible educational program in a fiscally responsible manner.
- Parental support and involvement fosters successful learning experiences.
- Learning is a lifelong process.
- All children are unique individuals with a variety of learning styles, needs, and talents which must be addressed if they are to reach their fullest potential.
- Safe and appropriately equipped educational facilities are essential for a quality educational program.



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT DISTRICT ORGANIZATION



FLEMINGTON-RARITAN REGIONAL BOARD OF EDUCATION
FLEMINGTON, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2009

<u>Members of the Board of Education</u>	<u>Term Expires</u>
John Yankowski, President	2010
Julie Bell, Vice President	2011
Michael Bonieski	2012
Dennis Copeland	2012
Janine Foreman	2010
Patrick Larmore	2011
Laurie Markowski	2011
Doris McGivney	2010
Joseph Zarish	2012

Other Officials:

Gregory Nolan, Superintendent

Stephanie Hope, Board Secretary/Business Administrator

Danial Bland, Assistant Superintendent for Curriculum and
Instruction

Karen Slagle, Director of Special Services

Patricia Bader, Treasurer of School Monies

David Carroll, Esq., Solicitor

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

**CONSULTANTS AND ADVISORS
JUNE 30, 2009**

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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Flemington-Raritan Regional School District, County of Hunterdon, New Jersey as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey and the provisions of U. S. Office of Management and Budget (OMB) Circular A-133 "Audits of State, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Flemington-Raritan Regional Borough School District, County of Hunterdon, New Jersey as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

In accordance with Government Auditing Standards, we have also issued our report dated October 7, 2009 on our consideration of the Flemington-Raritan Regional School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the required supplementary information, as listed in the foregoing table of contents, respectively, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Flemington-Raritan Regional School District's basic financial statements. The introductory section, combining and individual fund schedules and statements, other schedules, statistical tables and the schedules of expenditures of federal awards and state financial assistance as listed in the table of contents are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and State of New Jersey, Department of Education, Division of Finance and are not a required part of the basic financial statements of the Flemington-Raritan Regional School District, County of Hunterdon, New Jersey. Such information, except for the introductory section and that portion marked unaudited on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

October 7, 2009

**REQUIRED SUPPLEMENTARY INFORMATION –
Part I**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED

The discussion and analysis of Flemington-Raritan Regional School District's (FRSD) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 -*Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments* issued in June 1999. Certain comparative information between the current year (2008-2009) and the prior year (2007-2008) is required to be presented in the MD&A.

The Governmental Accounting Standards Board (GASB) issued Statement No. 44 "Economic Condition Reporting: the Statistical Section"; an amendment of NCGA Statement 1, in May 2004, effective for periods beginning after June 15, 2005. Its' purpose is to improve the understandability and usefulness of the statistical section information.

Financial Highlights

Key financial highlights for 2009 are as follows:

- In total, governmental activities net assets increased \$616,872 while business-type activities net assets decreased \$34,690 from 2008.
- General revenues accounted for \$52,910,128 or 92 percent of all governmental activities revenues. Program specific revenues in the form of charges for service and operating grants and contributions accounted for \$4,386,374 or 8 percent of total governmental activities revenues of \$57,296,502.
- Program specific revenues in the form of charges for service and operating grants and contributions accounted for \$1,077,470 or 99 percent of total business-type activities revenues of \$1,080,018.
- The School District had \$57,794,337 in total expenses; governmental activities expenses were \$56,679,631 and business-type expenses were \$1,114,706.
- Governmental fund balances decreased \$577,765 from 2008. Business-type fund balances decreased \$34,690.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand FRSD as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets and Statement of Activities* provides information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of FRSD, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, whether the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
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In the Statement of Net Assets and the Statement of Activities, the School is divided into two distinct kinds of activities:

- Government activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activity – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise funds are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund Financial Statements provide detailed information about the District's funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
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The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2009 and 2008 in accordance with GASB Statement 34.

Table 1
Net Assets

Assets	<u>2009</u>	<u>2008</u>
Current and Other Assets	\$ 4,417,543	\$ 4,915,753
Capital Assets	<u>55,721,167</u>	<u>56,924,910</u>
 Total Assets	 <u><u>60,138,710</u></u>	 <u><u>61,840,663</u></u>
 Liabilities		
Long-Term Liabilities	45,477,555	47,957,793
Other Liabilities	<u>3,279,166</u>	<u>3,083,063</u>
 Total Liabilities	 <u><u>48,756,721</u></u>	 <u><u>51,040,856</u></u>
 Net Assets		
Invested in Capital Assets, Net of Debt	8,746,535	7,608,538
Restricted	2,656,037	2,710,231
Unrestricted	<u>(20,583)</u>	<u>481,038</u>
 Total Net Assets	 <u><u>\$ 11,381,989</u></u>	 <u><u>\$ 10,799,807</u></u>

As noted earlier, the District's net assets may serve over time as a useful indicator of its financial position. The largest portion of the District's net assets (77 percent) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the district's ongoing obligations.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Table 2 shows changes in net assets for fiscal year 2009 and 2008 in accordance with GASB Statement 34.

Table 2
Changes in Net Assets

Revenues	<u>2009</u>	<u>2008</u>
Program Revenues:		
Charges for Services	\$ 864,169	\$ 807,193
Operating Grants and Contributions	4,599,676	6,075,831
General Revenues:		
Property Taxes	45,225,281	43,807,268
Grants and Entitlements	7,148,271	6,831,876
Other	539,123	885,633
Total Revenues	<u>58,376,520</u>	<u>58,407,801</u>
 Program Expenses		
Instruction	32,871,878	32,089,357
Support Services:		
Pupil and Instructional Staff	6,796,641	7,118,851
General and School Administration	5,531,622	5,328,763
Plant Operations and Maintenance	5,279,337	6,049,336
Pupil Transportation	4,092,228	3,926,666
Business Type Activities	1,113,467	1,045,512
Other Expenses	64,210	57,881
Interest on Long Term Debt	2,044,955	2,337,511
Total Expenses	<u>57,794,337</u>	<u>57,953,876</u>
 Increase (Decrease) in Net Assets	<u>\$ 582,182</u>	<u>\$ 453,925</u>

Government Activities

The unique nature of Local property taxes in New Jersey creates the legal requirement to annually seek the approval of the registered voters of both of the constituent municipalities for the School District operations. The District's total governmental revenues were \$57,296,502 for the year ended June 30, 2009. Local property taxes made up 79 percent of revenues for governmental activities for the FRSD for fiscal year 2009.

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FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Business-Type Activities

Revenues for the District's business-type activities were comprised of charges for services. These services include the Food Services fund. Following are some of our major business-type activity results.

Overall business-type expenditures exceeded revenues by \$34,690.

- Charges for services total \$864,169 of revenue. This represents amounts paid by individuals for various program services.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and donated commodities was \$213,301.

Governmental /Business-type Activities

The Statement of Activities shows the cost of program services and the changes for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Comparisons to 2008 have been provided.

Table 3

	<u>Total Cost of Services 2009</u>	<u>Total Cost of Services 2008</u>	<u>Net Cost of Services 2009</u>	<u>Net Cost of Services 2008</u>
Instruction	\$ 32,871,878	\$ 32,089,357	\$ 30,050,988	\$ 28,402,572
Support Services:				
Pupils and Instructional Staff	6,796,641	7,118,851	6,008,725	5,969,796
General and School Administration	5,531,622	5,328,763	5,191,982	4,877,997
Plant Operation and Maintenance	5,279,337	6,049,336	5,053,130	5,749,116
Pupil Transportation	4,092,228	3,926,666	4,092,228	3,926,666
Interest and Finance Charges	2,044,955	2,337,511	1,833,234	2,053,161
Business Type Activities	<u>1,113,467</u>	<u>1,045,512</u>	<u>35,997</u>	<u>33,663</u>
Total Expenses	\$ <u>57,730,128</u>	\$ <u>57,895,995</u>	\$ <u>52,266,283</u>	\$ <u>51,012,971</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
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General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities include expenses associated with the upkeep of the physical plant, utilities, and property/liability insurance coverage.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

Business-type activities include the costs associated with the districts cafeteria services.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$57,296,502 and expenditures were \$57,874,268.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Table 4 below presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2009, and the amount and percentage of increase and decrease in relation to prior year revenues.

TABLE 4
REVENUES OF THE GOVERNMENTAL FUNDS

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Inc/(Dec) FY 2008</u>	<u>Percent Inc/(Dec)</u>
Local Sources	\$ 45,764,025	79.87%	\$ 1,068,431	2.39%
State Sources	10,701,738	18.68%	(1,032,930)	-8.80%
Federal Sources	830,739	1.45%	(128,769)	-13.42%
Total	<u>\$ 57,296,502</u>	<u>100.00%</u>	<u>\$ (93,268)</u>	<u>-0.16%</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
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The following schedule (Table 5) represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2009, and the percentage of increases and decreases in relation to prior year amounts.

TABLE 5
EXPENDITURES OF THE GOVERNMENTAL FUNDS

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Inc/(Dec) FY 2008</u>	<u>Percent Inc/(Dec)</u>
Current:				
Instruction	\$ 23,361,156	40.37%	\$ 1,030,518	4.61%
Undistributed	29,236,792	50.52%	(1,198,493)	-3.94%
Capital Outlay	720,895	1.25%	369,441	105.12%
Debt Service:				
Principal	2,390,000	4.13%	60,000	2.58%
Interest	<u>2,165,424</u>	<u>3.74%</u>	<u>(126,239)</u>	<u>-5.51%</u>
Total	<u>\$ 57,874,268</u>	<u>100.00%</u>	<u>\$ 135,228</u>	<u>0.23%</u>

General Fund Budgeting Highlights

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

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Capital Assets

At the end of the fiscal year 2009, the School District had \$55,721,167 invested in land, building, machinery and equipment. Table 6 shows fiscal year 2009 balances compared to 2008.

TABLE 6
CAPITAL ASSETS (NET OF DEPRECIATION)

	June 30	June 30
Capital Assets (Net of Depreciation)	<u>2009</u>	<u>2008</u>
Sites	\$ 2,399,641	\$ 2,399,641
Site Improvements	1,356,997	1,476,976
Construction in Progress		460,870
Building and Building Improvements	49,808,243	50,510,013
Machinery and Equipment	<u>2,156,286</u>	<u>2,077,410</u>
Total	<u>\$ 55,721,167</u>	<u>\$ 56,924,911</u>

Overall capital assets decreased \$1,203,744 from fiscal year 2008 to fiscal year 2009.

Debt Administration

In the governmental funds, at June 30, 2009, the School District had \$48,650,101 of outstanding debt. Of this amount \$1,056,101 is for compensated absences and \$47,594,000 of serial bonds for school construction.

There was no debt outstanding in the business-type activities funds.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
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Fund Balances

Table 7 shows a comparison of the fund balances in each of the District's Governmental and Business-type activities funds.

**TABLE 7
ANALYSIS OF FUND BALANCES**

	June 30 <u>2009</u>	June 30 <u>2008</u>	<u>Difference</u>
Governmental Funds			
General Fund	\$ 3,544,667	\$ 3,895,634	\$ (350,967)
Capital Projects Fund	233,770	374,302	(140,532)
Debt Service Fund	54,717	140,983	(86,266)
Business Type Funds			
Food Service - Enterprise Fund	<u>483,732</u>	<u>518,422</u>	<u>(34,690)</u>
Total	<u>\$ 4,316,886</u>	<u>\$ 4,929,341</u>	<u>\$ (612,455)</u>

For the Future

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

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

The Flemington-Raritan Regional Schools, a caring a proactive district, in partnership with the community, provide each student with an opportunity for: a sound educational foundation; the guidance to strive for his/her full potential; and the inspiration to become a lifelong learner and productive citizen in an ever-changing global society. It is the expectation of the Flemington-Raritan School District that all pupils achieve the New Jersey Core Curriculum Content Standards at all grade levels.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY

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

The District's four elementary schools with 2,010 students, offer students in grades K-4 a comprehensive educational program emphasizing process instruction techniques, cooperative learning, and integration of subject content areas. The K-2 program uses a balanced literacy approach to reading while math and science are taught through hands-on experiences. In heterogeneous classes, these students also study social studies and use computers. The 3-4 program includes literature-based reading, process writing, hands-on math and science, social studies and computers, all taught in heterogeneous classes. Teachers develop themes to integrate content areas wherever possible. Related arts instruction includes art, music, computer education, library skills, physical education, health and family life and world languages. The elementary schools each have their own principal, vice principal, guidance counselor, nurse, and media specialist.

Reading-Fleming Intermediate School, supports 810 5th and 6th grade students. The fifth grade program includes literature-based reading, process writing, hands-on math and science, social studies and computers, all taught in heterogeneous classes. Teachers develop themes to integrate content areas wherever possible. Related arts instruction includes art, music, computer education, library skills, physical education, health and family life and world languages. The sixth grade is organized as a house plan with academic teams. This supports the small school atmosphere while providing various course options. Each team of students is taught the academic subjects by a corresponding team of teachers who meet regularly to monitor student progress and plan instructional programs. Academic subjects include reading, language arts, math, science, and social studies. An expanded related arts curriculum includes instruction in world languages, art, music, computer education, library skills, physical education, and health and family life. The intermediate school houses a principal, vice principal, two counselors, and a full-time nurse.

J.P. Case Middle School, with 794 students, was opened in January 2006. It is organized as a house plan with academic teams at each grade level. This supports the small school atmosphere while providing various course options. Each team of students is taught the academic subjects by a corresponding team of teachers who meet regularly to monitor student progress and plan instructional programs. Academic subjects include reading, language arts, math, science, and social studies. An expanded related arts curriculum includes instruction in world languages, home economics, art, music, computer education, library skills, physical education, and health and family life. The middle school houses a principal, two vice principals, two counselors and one and a half nurses.

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

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

The Board of Education supports an exemplary staff development plan, including a mentoring program for pre-tenured teachers and administrators. New staff members are also required to attend two days of new teacher orientation and, depending on classroom experience, up to five days of additional training. A series of after-school workshops by district staff are offered throughout the first year of teaching. The Board of Education routinely budgets in excess of \$300,000.00 for summer staff development classes and curriculum development projects. The collective bargaining agreement with the Flemington-Raritan Education Association (FREA) also provides for required attendance at three full-day staff development programs, two half-day programs and eight 90-minute meetings. Our teachers average ten years of experience in the district, while the administrators average five years.

The Board of Education and the Flemington-Raritan Education Association have reached a tentative agreement and upon the ratification of both parties the contract will be extended through 2010.

Contacting the School District's Financial Management Office

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

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2009

DISTRICT-WIDE FINANCIAL STATEMENTS

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2009

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$2,650,365.63	\$166,258.66	\$2,816,624.29
Receivables, net	1,508,531.52	37,902.05	1,546,433.57
Interfunds receivable	21,316.18		21,316.18
Inventory		24,189.44	24,189.44
Restricted assets:			
Restricted cash and cash equivalents	8,979.70		8,979.70
Capital assets:			
Land	2,399,641.19		2,399,641.19
Other capital assets - net of accumulated depreciation	52,967,453.55	354,072.16	53,321,525.71
Total Assets	59,556,287.77	582,422.31	60,138,710.08
LIABILITIES			
Accounts payable	271,889.86	92,118.89	364,008.75
Payable to state government	12,865.19		12,865.19
Deferred revenue	71,284.20	6,571.11	77,855.31
Accrued Bond interest payable	306,436.54		306,436.54
Noncurrent liabilities:			
Due within one year:			
Bonds payable	2,518,000.00		2,518,000.00
Due beyond one year:			
Bonds payable	44,421,454.00		44,421,454.00
Compensated absences payable	1,056,101.13		1,056,101.13
Total liabilities	48,658,030.92	98,690.00	48,756,720.92
NET ASSETS			
Investment in capital assets, net of related debt	8,392,463.05	354,072.16	8,746,535.21
Restricted for:			
Capital projects	268,947.63		268,947.63
Debt service	54,716.77		54,716.77
Other purposes	2,332,372.26		2,332,372.26
Unrestricted (deficit)	(150,242.86)	129,660.15	(20,582.71)
Total net assets	\$10,898,256.85	\$483,732.31	\$11,381,989.16

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2009

Functions/Programs	Programs Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental Activities:				
Instruction:				
Regular	\$23,484,841.13	\$2,129,444.56	(\$21,355,396.57)	(\$21,355,396.57)
Special	7,718,335.27	691,445.64	(7,026,889.63)	(7,026,889.63)
Other Instruction	1,668,701.43		(1,668,701.43)	(1,668,701.43)
Support services:				
Tuition	399,700.06		(399,700.06)	(399,700.06)
Student & instruction related services	6,396,940.66	787,915.39	(5,609,025.27)	(5,609,025.27)
General administrative services	1,479,395.00	194,972.55	(1,284,422.45)	(1,284,422.45)
School administrative services	3,241,245.92	144,667.66	(3,096,578.27)	(3,096,578.27)
Central services and info. tech.	810,981.33		(810,981.33)	(810,981.33)
Plant operations and maintenance	5,279,337.48	226,207.61	(5,053,129.87)	(5,053,129.87)
Pupil transportation	4,092,227.83		(4,092,227.83)	(4,092,227.83)
Interest on Long-Term Debt	2,044,955.02	211,721.00	(1,833,234.02)	(1,833,234.02)
Total governmental activities	56,616,661.13	4,386,374.40	(52,230,286.73)	(52,230,286.73)
Business-type activities				
Food Service	1,113,466.73	213,301.26		(\$35,996.67)
Total business-type activities	1,113,466.73	213,301.26		(35,996.67)
Total primary government	\$57,730,127.86	\$4,599,675.66	(\$52,230,286.73)	(\$52,286,283.40)
General Revenues:				
Taxes:				
Property taxes, levied for general purposes, net			\$40,978,349.00	\$40,978,349.00
Taxes levied for debt service			4,246,932.00	4,246,932.00
Federal and state aid not restricted			7,148,271.00	7,148,271.00
Disposal of capital assets - net			(62,969.61)	(64,209.60)
Miscellaneous income			536,575.91	539,123.07
Total general revenues and special items			52,847,158.30	52,848,465.47
Change in net Assets			616,871.57	582,182.07
Net Assets - beginning - Restated			10,281,385.28	10,799,807.09
Net Assets ending			\$10,898,256.85	\$11,381,989.16

See accompanying notes to financial statements.

MAJOR FUND FINANCIAL STATEMENTS

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 2,595,626.55	\$	\$ 22.31	\$ 54,716.77	\$ 2,650,365.63
Cash, Capital reserve	8,979.70				8,979.70
Other receivables	11,728.16				11,728.16
Interfunds receivable	602,854.95				602,854.95
Receivables from other governments	574,472.76	653,382.97	268,947.63		1,496,803.36
Total assets	<u>\$ 3,793,662.12</u>	<u>\$ 653,382.97</u>	<u>\$ 268,969.94</u>	<u>\$ 54,716.77</u>	<u>\$ 4,770,731.80</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 245,577.81	\$ 26,312.05			\$ 271,889.86
Interfunds payable		546,338.77	\$ 35,200.00		581,538.77
Payable to state government		12,865.19			12,865.19
Deferred revenue	3,417.24	67,866.96			71,284.20
Total liabilities	<u>248,995.05</u>	<u>653,382.97</u>	<u>35,200.00</u>		<u>937,578.02</u>
Fund balances:					
Reserved for:					
Encumbrances	554,168.83				554,168.83
Capital reserve account	8,979.70				8,979.70
Excess surplus	1,222,631.39				1,222,631.39
Excess surplus - designated for subsequent year's expenditures	1,100,761.17				1,100,761.17
Unreserved, reported in:					
General fund:					
Designated for subsequent years expenditures	315,798.83				315,798.83
Undesignated	342,327.15				342,327.15
Capital projects fund			233,769.94		233,769.94
Debt service fund:					
Designated for subsequent years expenditures				44,211.00	44,211.00
Undesignated				10,505.77	10,505.77
Total fund balances	<u>3,544,667.07</u>		<u>233,769.94</u>	<u>54,716.77</u>	<u>3,833,153.78</u>
Total liabilities and fund balances	<u>\$ 3,793,662.12</u>	<u>\$ 653,382.97</u>	<u>\$ 268,969.94</u>	<u>\$ 54,716.77</u>	

Amounts reported for governmental activities in the statement of net assets (a-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$77,173,717.45 and the accumulated depreciation is \$21,806,622.71.

\$ 55,367,094.74

Long term liabilities, including bonds and interest payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds (see note 4)

(48,301,991.67)

\$ 10,898,256.85

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 40,978,349.00	\$	\$	\$ 4,246,932.00	\$ 45,225,281.00
Miscellaneous	526,070.59	2,168.45			528,239.04
Total - local sources	41,504,419.59	2,168.45		4,246,932.00	45,753,520.04
State sources	10,436,172.29	53,844.93		211,721.00	10,701,738.22
Federal sources		830,738.73			830,738.73
Total revenues	51,940,591.88	886,752.11		4,458,653.00	57,285,996.99
EXPENDITURES:					
Current expense:					
Regular instruction	15,907,149.98	406,913.07			16,314,063.05
Special instruction	5,378,391.96				5,378,391.96
Other Instruction	1,668,701.43				1,668,701.43
Support services:					
Tuition	399,700.06				399,700.06
Student & instruction related services	4,811,385.20	479,839.04			5,291,224.24
General administrative services	818,219.02				818,219.02
School administrative services	2,690,887.44				2,690,887.44
Central services and info. tech.	810,981.33				810,981.33
Plant operations and maintenance	4,390,883.17				4,390,883.17
Pupil transportation	4,092,227.83				4,092,227.83
Unallocated benefits	10,742,669.16				10,742,669.16
Debt Service:					
Principal				2,390,000.00	2,390,000.00
Interest				2,165,424.26	2,165,424.26
Capital outlay	580,362.29		140,532.35		720,894.64
Total expenditures	52,291,558.87	886,752.11	140,532.35	4,555,424.26	57,874,267.59
Excess (deficiency) of revenues over (under) expenditures	(350,966.99)		(140,532.35)	(96,771.26)	(588,270.60)
Other financing sources (uses):					
Interest earned on investment				10,505.32	10,505.32
Total other financing sources (uses)				10,505.32	10,505.32
Net change in fund balances	(350,966.99)		(140,532.35)	(86,265.94)	(577,765.28)
Fund balances, July 1, 2008	3,895,634.06		374,302.29	140,982.71	4,410,919.06
Fund balances, June 30, 2009	\$ 3,544,667.07	\$ -0-	\$ 233,769.94	\$ 54,716.77	\$ 3,833,153.78

See accompanying notes to financial statements.

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, 2009

Total net change in fund balances - governmental funds (from B-2)	\$	(577,765.28)
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period

Depreciation expense	\$	(1,843,722.64)	
Disposition of capital assets, net of accumulated depreciation		(62,969.61)	
Capital outlays		720,894.64	
			(1,185,797.61)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		2,555,000.00
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Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Deferred amortization on issuance of refunding bonds		(72,727.00)
--	--	-------------

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		28,196.24
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In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(130,034.78)
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Change in net assets of governmental activities	\$	616,871.57
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See accompanying notes to financial statements.

OTHER FUNDS

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS
<hr/>	
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 166,258.66
Accounts receivable:	
State	2,791.10
Federal	32,898.53
Other	2,212.42
Inventories	24,189.44
	<hr/>
Total current assets	228,350.15
	<hr/>
Noncurrent assets:	
Furniture, machinery & equipment	736,016.00
Less accumulated depreciation	(381,943.84)
	<hr/>
Total noncurrent assets	354,072.16
	<hr/>
Total assets	582,422.31
	<hr/>
LIABILITIES	
Current liabilities:	
Accounts payable	92,118.89
Deferred revenue	6,571.11
	<hr/>
Total current liabilities	98,690.00
	<hr/>
Total liabilities	98,690.00
	<hr/>
NET ASSETS	
Investment in capital assets	354,072.16
Unrestricted	129,660.15
	<hr/>
Total net assets	\$ 483,732.31
	<hr/>

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS
OPERATING REVENUES:	
Charges for services:	
Daily sales - reimbursable programs	\$ 849,246.33
Special Functions	14,922.47
	<hr/>
Total operating revenues	864,168.80
	<hr/>
OPERATING EXPENSES:	
Cost of sales	490,514.95
Salaries	333,059.98
Employee Benefits	86,937.08
Other Purchase Service	50,503.53
Supplies and materials	110,917.15
Depreciation	41,534.04
	<hr/>
Total operating expenses	1,113,466.73
	<hr/>
Operating (loss)	(249,297.93)
	<hr/>
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	13,016.06
Federal Sources:	
National School Lunch Program	155,977.91
Disposition of capital assets - net	(1,239.99)
Interest earned	2,547.16
National food distribution commodities	44,307.29
	<hr/>
Total nonoperating revenues (expenses)	214,608.43
	<hr/>
Net loss	(34,689.50)
	<hr/>
Change in net assets	(34,689.50)
	<hr/>
Total net assets - beginning (Restated)	518,421.81
	<hr/>
Total net assets - ending	\$ 483,732.31
	<hr/> <hr/>

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS
Cash flows from operating activities:	
Receipts from customers	\$ 863,481.78
Payments to employees	(333,059.98)
Payments for employee benefits	(86,937.08)
Payments to suppliers	(606,143.06)
	<u>(162,658.34)</u>
Net cash provided by (used for) operating activities	
Cash flows from non capital financing activities:	
State sources	12,281.08
Federal sources	146,953.86
	<u>159,234.94</u>
Net cash provided by non capital financing activities:	
Cash flows from investing activities:	
Interest and dividends	2,547.16
	<u>2,547.16</u>
Net cash provided by investing activities	
Cash flows from capital and relating financing activities:	
Purchase of capital assets	(24,828.00)
	<u>(24,828.00)</u>
Net cash provided by (used for) capital activities:	
	<u>(24,828.00)</u>
Net increase/(decrease) in cash and cash equivalents	(25,704.24)
Cash and cash equivalents, July 1, 2008	191,962.90
Cash and cash equivalents, June 30, 2009	\$ <u><u>166,258.66</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating (loss)	\$ (249,297.93)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	41,534.04
Federal commodities	44,307.29
Change in assets and liabilities:	
(Increase) decrease in accounts receivable, net	(687.02)
Increase (decrease) in deferred revenue	(10,319.93)
(Increase) decrease in inventories	(5,437.81)
Increase (decrease) in accounts payable	17,243.02
	<u>86,639.59</u>
Net cash provided by (used for) operating activities	\$ <u><u>(162,658.34)</u></u>

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	State Unemployment Compensation Trust Fund	Agency Funds
	<u>Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 363,412.24	\$ 287,191.81
Intrafund receivable	<u>26,041.97</u>	<u></u>
Total Assets	\$ <u><u>389,454.21</u></u>	\$ <u><u>287,191.81</u></u>
LIABILITIES		
Interfund payable		\$ 21,316.18
Intrafund payable		26,041.97
Accounts payable		9,792.28
Payroll deductions and withholdings		187,175.37
Due to student groups		<u>42,866.01</u>
Total liabilities		\$ <u><u>287,191.81</u></u>
NET ASSETS		
Held in trust for unemployment claims	\$ <u><u>389,454.21</u></u>	

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	State Unemployment Compensation Trust Fund
	<hr/>
ADDITIONS:	
Contributions:	
Other	\$ 78,086.93
Total contributions	<hr/> 78,086.93
Investment earnings:	
Interest	<hr/> 5,453.84
Net investment earnings	<hr/> 5,453.84
Total additions	<hr/> 83,540.77
DEDUCTIONS:	
Unemployment claims	<hr/> 41,922.33
Total deductions	<hr/> 41,922.33
Change in net assets	41,618.44
Net assets beginning of year	<hr/> 347,835.77
Net assets end of year	\$ <hr/> <hr/> 389,454.21

See accompanying notes to financial statements.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Flemington-Raritan Regional School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No. 34). This Statement provides for significant changes in financial reporting and was first implemented by the district for the fiscal year ending June 30, 2003. In addition, the School District has implemented GASB Statement No. 37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus and Statement No. 38, Certain Financial Statement Note Disclosures. The more significant of the Board's accounting policies are described below.

Reporting Entity

The Flemington-Raritan Regional school District is a Type II District located in Hunterdon County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Flemington-Raritan Regional School District consists of elected officials. These officials are responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 14 of the Governmental Accounting Standards Board entitled "The Financial Reporting Entity" (GASB 14) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards. Under GASB Statement 14 the Financial Reporting Entity is determined by the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the District over which the board exercises operating control. The operations of the District include the four elementary schools, an intermediate school (Grades 5-6) and a middle school (Grades 7-8). There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the district is not includable in any other reporting entity on the basis of such criteria.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting

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

Basis of Presentation

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

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

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category governmental, proprietary, and fiduciary 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.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Statement Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expenses by Board resolution.

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

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

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

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Funds

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

Fiduciary Funds

Agency Funds The agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District. The agency funds included are as follows:

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

Unemployment Insurance Trust Funds A trust fund used to account for unemployment compensation claims as they arise.

Basis of Accounting Measurement Focus

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

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting Measurement Focus (Continued)

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. 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. All budget amendments and transfers must be approved by School Board resolution. There was \$174,000.00 of budget amendments during the year ended June 30, 2009.

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

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated revenue recognition of the last State Aid payment for budgetary purposes only and 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. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognized encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial records.

Encumbrance Accounting

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditures 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 reservations of 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 and capital project funds for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfunds

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

Inventories and Prepaid Expenses

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

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

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

Capital Assets

The District has an established formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & computer equipment	10
Instructional equipment	10
Grounds equipment	15

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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

Sick Leave:

District employees earn sick leave annually, have the ability to accumulate unused time and are able to receive payment for unused sick time upon retirement or death as per the following:

Administrators - Administrators earn 15 sick days each school year, are able to accumulate unused days with no maximum limit and upon separation from employment from the district an administrator who has attained tenure and who retires under the provisions of the Teachers' Pension and Annuity Fund is entitled to compensation of \$75.00 per day for a maximum of 200 days. Termination of employment for other than retirement will be paid at the rate of \$30.00 per day for a maximum of 200 days.

Teachers - Teachers earn 12 sick days each school year and are able to accumulate unused days with no maximum limit. Upon retirement from the district a teacher, who has taught 10 years, accumulates a minimum of 60 days, and who retires under the provisions of the Teachers' Pension and Annuity Fund or in the event of death before retirement will receive reimbursement at a scaled rate based on the total sick days accumulated.

Secretaries/Teachers Assistants/Cafeteria Aides/Library Clerks - Secretaries earn 12 sick days each school year (teachers assistants, cafeteria aides and library clerks earn 10 days), are able to accumulate unused days with no maximum limit and upon retirement from the district. A secretary with at least 5 years of service in the district, accumulates a minimum of 60 days (45 days for teacher assistants, cafeteria aides and library clerks), and who retires under the provisions of the Public Employees' Retirement System or in the event of death before retirement will receive reimbursement at a scaled rate based on the total sick days accumulated.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

Maintenance Employees - Maintenance Employees earn 12 sick days each school year, are able to accumulate unused days with no maximum limit, and upon retirement from the district. A maintenance employee with at least 5 years of service in the district, accumulates a minimum of 60 days, and who retires under the provisions of the Public Employees' Retirement System or in the event of death before retirement will receive reimbursement at a scaled rate based on the total sick days accumulated.

Vacation Leave:

District employees earn vacation annually, have the ability of limited accumulation and are able to receive payment upon separation of services as per the following:

Administrators - Administrators earn 20 vacation days each school year, are able to carryover up to 10 days and are compensated for unused vacation days earned or accumulated when they leave employment.

Secretaries - Secretaries earn vacation days according to the number of years of continuous services. A maximum of 5 days may be carried over to the next school year, and are reimbursed at their per diem rate.

Maintenance Employees - Maintenance Employees earn vacation days according to the number of years of continuous service. A maximum of 5 days may be carried over to the next school year, and are reimbursed at their per diem rate.

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

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue

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

Accrued Liabilities and Long-term Obligations

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

Net Assets

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

Fund Balance Reserves

The District reserves those portions of fund balance which are legally segregated for a specific future use of which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances and excess surplus in accordance with N.J.S.A. 18:F7.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-exchange Transactions

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

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

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

Operating Revenues and Expenses

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

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board has entered into a Joint Investment Program with other New Jersey School Districts known as CLASS, or Cooperative Liquid Assets Securities System, whereby District investments are pooled with those of other participants to make investments which consist solely of those allowed under New Jersey statutes, as listed below. The District classifies its investment in CLASS as a cash equivalent as all balances are available for withdrawal daily.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

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

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Flemington-Raritan Regional School District had the following cash and cash equivalents at June 30, 2009.

Fund Type:	<u>Cash in Bank</u>	<u>CLASS</u>	<u>Total</u>
Governmental	\$1,124,095.33	\$1,535,250.00	\$2,659,345.33
Proprietary	166,258.66		166,258.66
Fiduciary	520,352.09	130,251.96	650,604.05
	<u>\$1,810,706.08</u>	<u>\$1,665,501.96</u>	<u>\$3,476,208.04</u>

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

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

Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2009, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$1,810,706.08, \$250,000.00 was covered by Federal Depository Insurance, \$1,560,706.08 was covered under the provisions of NJGUDPA, and \$1,013,936.46 was on deposit with the MBIA Asset Management Class Fund.

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

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

Investments (Continued)

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2009 the District has \$651,565.50 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 3: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	<u>Beginning Balance-Restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,399,641.19	\$	\$	\$ 2,399,641.19
Construction in Progress	<u>460,870.49</u>	<u></u>	<u>460,870.49</u>	<u></u>
Total Capital assets not being depreciated	<u>2,860,511.68</u>	<u></u>	<u>460,870.49</u>	<u>2,399,641.19</u>
Land Improvements	3,133,975.49			3,133,975.49
Building and Building Improvements	64,166,882.45	605,993.03		64,772,875.48
Machinery & Equipment	<u>6,470,492.80</u>	<u>524,457.49</u>	<u>127,725.00</u>	<u>6,867,225.29</u>
Totals as historical cost	<u>73,771,350.74</u>	<u>1,130,450.52</u>	<u>127,725.00</u>	<u>74,774,076.26</u>
Total Gross assets (Memo only)	<u>\$ 76,631,862.42</u>	<u>\$ 1,130,450.52</u>	<u>\$ 588,595.49</u>	<u>\$ 77,173,717.45</u>
Less: Accumulated Depreciation for:				
Land Improvements	\$ (1,656,999.19)	\$ (119,979.03)	\$	\$ (1,776,978.22)
Building and Building Improvements	(13,656,869.92)	(1,307,762.67)		(14,964,632.59)
Machinery & Equipment	<u>(4,765,100.96)</u>	<u>(415,980.94)</u>	<u>(116,070.00)</u>	<u>(5,065,011.90)</u>
Total depreciation	<u>(20,078,970.07)</u>	<u>(1,843,722.64)</u>	<u>(116,070.00)</u>	<u>(21,806,622.71)</u>
Total Capital assets being depreciated net of accumulated depreciation	<u>53,692,380.67</u>	<u>(713,272.12)</u>	<u>11,655.00</u>	<u>52,967,453.55</u>
Governmental activities capital assets, net	<u>\$ 56,552,892.35</u>	<u>\$ (713,272.12)</u>	<u>\$ 472,525.49</u>	<u>\$ 55,367,094.74</u>
Business-type activities:				
Equipment	\$ 717,288.00	\$ 24,828.00	\$ 6,100.00	\$ 736,016.00
Less: Accumulated Depreciation	<u>(345,269.81)</u>	<u>(41,534.04)</u>	<u>(4,860.01)</u>	<u>(381,943.84)</u>
Proprietary fund capital assets, net	<u>\$ 372,018.19</u>	<u>\$ (16,706.04)</u>	<u>\$ 1,239.99</u>	<u>\$ 354,072.16</u>

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 3: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental expenses as follows:

Instruction:		
Regular	\$	1,493,046.60
Special		61,027.22
Support Services:		
Student & Instruction Related Services		80,017.56
School Administrative Services		51,439.86
General & Business Related Services		10,140.47
Plant Operations & Maintenance		<u>148,050.93</u>
	\$	<u><u>1,843,722.64</u></u>

NOTE 4: LONG-TERM DEBT

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

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

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 4: LONG-TERM DEBT (CONTINUED)

The following is a summary of transactions that effect other long-term obligations for the year ended June 30, 2009:

	<u>Bonds Payable</u>	<u>Compensated Absences Payable</u>	<u>Sub-Total</u>	<u>Deferred Amount on Issuance of Refunding Bonds</u>	<u>Total</u>
Balance June 30, 2008	\$ 50,149,000.00	\$ 926,066.35	\$ 51,075,066.35	\$ (727,273.00)	\$ 50,347,793.35
Additions	<u>6,495,000.00</u>	<u>130,034.78</u>	<u>6,625,034.78</u>		<u>6,625,034.78</u>
	<u>56,644,000.00</u>	<u>1,056,101.13</u>	<u>57,700,101.13</u>	<u>(727,273.00)</u>	<u>56,972,828.13</u>
Deletions	<u>9,050,000.00</u>		<u>9,050,000.00</u>	<u>(72,727.00)</u>	<u>8,977,273.00</u>
Balance June 30, 2009	\$ <u><u>47,594,000.00</u></u>	\$ <u><u>1,056,101.13</u></u>	\$ <u><u>48,650,101.13</u></u>	\$ <u><u>(654,546.00)</u></u>	\$ <u><u>47,995,555.13</u></u>
Amounts due within one year	\$ <u><u>2,518,000.00</u></u>				

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 4: LONG-TERM DEBT (CONTINUED)

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2009, including interest payments on issued debt, are listed below:

Fiscal Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 2,518,000.00	\$ 1,978,404.54	\$ 4,496,404.54
2011	2,359,000.00	1,881,462.76	4,240,462.76
2012	2,202,000.00	1,782,518.76	3,984,518.76
2013	2,045,000.00	1,681,613.76	3,726,613.76
2014	1,830,000.00	1,591,956.26	3,421,956.26
2015	1,905,000.00	1,516,121.26	3,421,121.26
2016	2,005,000.00	1,428,446.26	3,433,446.26
2017	2,095,000.00	1,340,846.26	3,435,846.26
2018	2,195,000.00	1,249,296.26	3,444,296.26
2019	2,295,000.00	1,161,496.26	3,456,496.26
2020	2,395,000.00	1,069,696.26	3,464,696.26
2021	2,510,000.00	973,896.26	3,483,896.26
2022	2,625,000.00	873,496.26	3,498,496.26
2023	2,750,000.00	765,891.26	3,515,891.26
2024	2,875,000.00	653,161.26	3,528,161.26
2025	3,010,000.00	534,592.50	3,544,592.50
2026	3,150,000.00	410,455.00	3,560,455.00
2027	3,300,000.00	279,760.00	3,579,760.00
2028	<u>3,530,000.00</u>	<u>141,200.00</u>	<u>3,671,200.00</u>
	<u>\$ 47,594,000.00</u>	<u>\$ 21,314,311.18</u>	<u>\$ 68,908,311.18</u>

At of June 30, 2009, the district had bonds authorized but not issued in the amount of \$386.00.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 5: PENSION PLANS

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

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

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

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 5: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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.

Significant Legislation During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 5: PENSION PLANS (CONTINUED)

Legislation was passed during the year (P.L. 2001, C.353) that provides for an increase in the special veterans' retirement allowance and the ordinary and accidental disability retirement allowances for members of the TPAF and PERS. The special veterans retirement allowance increased from 50% to 54.5% of the member's compensation during the highest-paid year of service. The minimum ordinary disability retirement allowance increased from 40% to 43.6% of final average compensation, and the accidental disability retirement allowance increased from 66.66% to 72.7% of the actual annual compensation at the time of the accident. Existing retirees and beneficiaries are eligible for the increases, which were effective October 2001.

Chapter 133, Public Law 2001 increased the retirement benefit under service, deferred and early retirement by changing the formula from 1/60 to 1/55 of final compensation for each year of service. This legislation also increased the retirement benefit for veteran members with 35 or more years of service and reduced the age qualification from 60 to 55. Existing retirees and beneficiaries received a comparable percentage increase in their retirement allowances. This benefit enhancement was effective with the November 1, 2001 benefit payments.

Due to the enactment of 1997 legislation, Chapter 114, P.O. 1997 and Chapter 115, P.L. 1997, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated. In addition, excess valuation assets have been available to fund, in full or in part, the State of New Jersey's normal contribution from 1997 to 2002, excluding the contribution for post-retirement medical benefits in the PERS and TPAF.

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF. During the year ended June 30, 2002 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L.1997.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements (Continued)

<u>Three-Year Trend Information for PERS (Paid on-behalf of the District)</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2009	\$361,995.00	100.00%	\$361,995.00
2008	\$251,245.60	100.00%	\$251,245.60
2007	\$128,991.60	100.00%	\$128,991.60

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2009	None	100.00%	None
2008	\$2,676,193.00	100.00%	\$2,676,193.00
2007	\$2,539,550.00	100.00%	\$2,539,550.00

During the fiscal year ended June 30, 2009, the State of New Jersey contributed \$1,523,245.00 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,764,656.29 during the year ended June 30, 2009 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 6: GASB 45 – OTHER POST-RETIREMENT BENEFITS

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

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

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on state disability retirement. P.L. 2007, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2008, there were 80,181 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State made post-retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in Fiscal Year 2008.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$116.0 million toward Chapter 126 benefits for 12,545 eligible retired members in Fiscal Year 2008.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 6: GASB 45 – OTHER POST-RETIREMENT BENEFITS (CONTINUED)

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2009, 2008 and 2007 were \$1,447,377.00, \$1,054,392.00, and \$1,013,178.00, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$116.00 million toward Chapter 126 benefits for 12,545 eligible retired members in Fiscal Year 2008.

NOTE 7: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 8: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2008-2009 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 9: RISK MANAGEMENT

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

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

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2004

NOTE 9: RISK MANAGEMENT (CONTINUED)

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

<u>Fiscal Year</u>	<u>Interest Earnings</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2008-09	\$ 5,453.84	\$ 78,086.93	\$ 41,922.33	\$ 389,454.21
2007-08	8,804.80	64,177.66	14,802.33	347,835.77
2006-07	10,819.73	61,438.50	35,760.84	289,655.64

NOTE 10: FUND BALANCE APPROPRIATED

General Fund - Of the \$3,544,667.07 in General Fund Balance at June 30, 2009, \$554,168.83 has been reserved for encumbrances; \$1,222,631.39 is reserved for excess surplus in accordance with N.J.S.A. 18A:7F7; \$8,979.70 has been reserved in the Capital Reserve Account; \$1,416,560 has been appropriated and included as anticipated revenue for the year ended June 30, 2010; and \$342,327.15 is unreserved and undesignated.

Debt Service Fund - Of the \$54,716.77 in Debt Service Fund Balance at June 30, 2009, \$44,211.00 has been appropriated and included as anticipated revenue in the 2009-2010 Budget and \$10,505.77 is unreserved and undesignated.

NOTE 11: CALCULATION OF EXCESS SURPLUS

Calculation of Excess Surplus In accordance with N.J.S.A. 18A:7f7, the designation for Reserved 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 reserve 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 years' budget.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 11: CALCULATION OF EXCESS SURPLUS (CONTINUED)

General Fund Expenditures Fiscal Year Ended June 30, 2009	\$52,291,558.87
Less:	
On-behalf TPAF Pension and Social Security Reimbursement	<u>3,287,901.29</u>
Adjusted General Fund Expenditures	\$49,003,657.58
Excess Surplus Percentage	<u>2.00%</u>
2% of Adjusted 2008-09 General Fund Expenditures	980,073.15
Add: Allowable Adjustments	22,620.00
Maximum Unreserved/Undesignated Fund Balance	1,002,693.15
Actual Unreserved/Undesignated Fund Balance	<u>2,225,324.54</u>
General Fund Expenditures:	
Excess Surplus	<u>\$1,222,631.39</u>

Based on the above calculation \$1,222,631.39 is reported as Reserved Fund Balance Excess Surplus as of June 30, 2009 and is required to be appropriated for property tax relief in the 2010-11 budget.

NOTE 12: CAPITAL RESERVE ACCOUNT

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

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 12: CAPITAL RESERVE ACCOUNT (CONTINUED)

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. 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. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2008 to June 30, 2009 fiscal year is as follows:

Beginning balance, July 1, 2008	\$182,979.70
Withdrawals	
Transfer to Capital Outlay	<u>174,000.00</u>
Ending balance, June 30, 2009	<u><u>\$8,979.70</u></u>

NOTE 13: INVENTORY

Inventory in the Food Service Fund at June 30, 2009 consisted of the following:

Food and Supplies	<u>\$24,189.44</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Flemington-Raritan Regional School District
Notes to the Financial Statements
June 30, 2009

NOTE 14: INTERFUNDS RECEIVABLE AND PAYABLE

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$ 602,854.95	
Special Revenue Fund		546,338.77
Capital Projects Fund		35,200.00
Payroll Agency Fund		21,316.18
	<u>\$ 602,854.95</u>	<u>\$ 602,854.95</u>

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

NOTE 15: PRIOR PERIOD ADJUSTMENTS

The below adjustments were reflected against the beginning Net Assets balance on the District Wide Statements as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Beginning Net Assets 06/30/08	\$10,306,066.55	\$479,172.38
Adjustments:		
Capital Assets, net	<u>(24,681.27)</u>	<u>39,249.43</u>
Beginning Net Assets 06/30/08 (as restated)	<u>\$10,281,385.28</u>	<u>\$518,421.81</u>

During the Fiscal Year 2009 the District reclassified Capital Assets that were recorded as Construction in Progress in the prior year. In doing so, depreciation was recalculated on certain assets back to their date of acquisition. As a result, the above adjustment was required of the beginning Net Assets balance in both the Governmental and Business –Type Funds as reflected above.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEARS ENDED JUNE 30, 2009

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES					
Local sources:					
Local tax levy	\$ 40,978,349.00	\$	\$ 40,978,349.00	\$ 40,978,349.00	\$ (3,000.00)
Interest earned on capital reserve funds	3,000.00		3,000.00		
Unrestricted miscellaneous revenues	200,000.00		200,000.00	526,070.59	326,070.59
Total revenues-local sources	41,181,349.00		41,181,349.00	41,504,419.59	323,070.59
State sources:					
Categorical Transportation aid	968,822.00		968,822.00	968,822.00	
Categorical Special education aid	1,849,136.00		1,849,136.00	1,849,136.00	
Equalization aid	4,072,790.00		4,072,790.00	3,918,555.00	(154,235.00)
Security aid	257,056.00		257,056.00	257,056.00	
Non public transportation aid				22,620.00	22,620.00
Extraordinary aid	464,797.00		464,797.00	464,797.00	
Reimbursed TPAF social security contributions (non-budgeted)				1,764,656.29	1,764,656.29
On-behalf TPAF post retirement medical (non-budgeted)				1,523,245.00	1,523,245.00
Total - state sources	7,612,601.00		7,612,601.00	10,768,887.29	3,156,286.29
Total revenues	48,793,950.00		48,793,950.00	52,273,306.88	3,479,356.88
EXPENDITURES					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/Kindergarten	736,221.00	(118,145.33)	618,075.67	617,799.25	276.42
Grades 1-5	8,187,327.00	74,752.52	8,262,079.52	8,244,080.32	17,999.20
Grades 6-8	5,337,675.00	177,410.20	5,515,085.20	5,508,833.00	6,252.20
Regular programs - home instruction:					
Salaries of teachers	3,000.00		3,000.00	2,465.00	535.00

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEARS ENDED JUNE 30, 2009

(Continued from prior page)

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
	\$	\$	\$	\$	\$
Regular programs - undistributed instruction:					
Other salaries for instruction	129,126.00	31,978.35	161,104.35	129,144.74	31,959.61
Purchased professional educational services	15,011.00	(196.00)	14,815.00	2,131.73	12,683.27
Other purchased services (400-500 series)	877,961.00	295,916.21	1,173,877.21	1,069,228.81	104,648.40
General supplies	369,641.00	44,849.05	414,490.05	332,862.13	81,627.92
Textbooks				605.00	1,270.00
Other objects	1,770.00	105.00	1,875.00		
Total regular programs	15,657,732.00	507,317.20	16,165,049.20	15,907,149.98	257,899.22
Special education - instruction:					
Learning and/or language disabilities:					
Salaries of teachers	538,442.00	26,389.95	564,831.95	532,835.82	31,996.13
Other salaries for instruction	274,167.00	22,211.70	296,378.70	293,914.30	2,464.40
Other purchased services (400-500 series)	1,200.00	600.00	1,800.00	335.98	1,464.02
General supplies	40,300.00	8,769.93	49,069.93	43,781.77	5,288.16
Total learning and/or language disabilities	854,109.00	57,971.58	912,080.58	870,867.87	41,212.71
Special Education - multiple disabilities:					
Salaries of teachers	414,308.00	(153,421.90)	260,886.10	260,737.52	148.58
Other salaries for instruction	320,958.00	(889.53)	320,068.47	318,833.68	1,234.79
Other purchased services (400-500 series)	2,500.00	600.00	3,100.00	1,287.44	1,812.56
General supplies	22,500.00	(11,619.59)	10,880.41	9,737.73	1,142.68
Total multiple disabilities	760,266.00	(165,331.02)	594,934.98	590,596.37	4,338.61
Resource room/ resource center:					
Salaries of teachers	1,637,102.00	22,827.74	1,659,929.74	1,651,349.08	8,580.66
Other salaries for instruction	580,084.00	142,895.87	722,979.87	722,408.97	570.90
Other purchased services (400-500 series)	4,600.00		4,600.00	300.00	4,300.00
General supplies	65,550.00	(15,323.26)	50,226.74	44,729.33	5,497.41
Textbooks	2,560.00	47,170.49	49,730.49	47,170.56	2,559.93
Total resource room/ resource center	2,289,896.00	197,570.84	2,487,466.84	2,465,957.94	21,508.90
Autism:					
Salaries of teachers	512,215.00	(150,423.00)	361,792.00	330,906.77	30,885.23
Other salaries for instruction	282,838.00		282,838.00	277,264.35	5,573.65
Other purchased services (400-500 series)	13,600.00	2,200.00	2,200.00	1,752.18	447.82
General supplies		(5,200.00)	8,400.00	7,943.50	456.50
Total autism	808,653.00	(153,423.00)	655,230.00	617,866.80	37,363.20

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEARS ENDED JUNE 30, 2009

(Continued from prior page)

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Preschool disabilities - part time:					
Salaries of teachers	\$ 235,502.00	\$ (100,000.00)	\$ 135,502.00	\$ 127,862.28	\$ 7,639.72
Other salaries for instruction	121,712.00	(56,664.59)	65,047.41	63,366.47	1,680.94
Other purchased services (400-500 series)	1,400.00		1,400.00	74.25	1,325.75
General supplies	6,575.00	(1,680.41)	4,894.59	4,466.41	428.18
Total preschool disabilities - part time	365,189.00	(158,345.00)	206,844.00	195,769.41	11,074.59
Preschool disabilities - full time:					
Salaries of teachers	168,471.00	250,468.17	418,939.17	418,939.17	0.01
Other salaries for instruction	138,527.00	75,480.00	214,007.00	214,006.99	
Purchased professional - educational services	14,350.00	(14,350.00)			
Other purchased services (400-500 series)	4,400.00	600.00	600.00	58.42	541.58
General supplies		(1,600.00)	2,800.00	2,632.49	167.51
Total preschool disabilities - full time	325,748.00	310,598.17	636,346.17	635,637.07	709.10
Home Instruction:					
Salaries of teachers	3,000.00		3,000.00	1,696.50	1,303.50
Total special education - instruction	5,406,861.00	89,041.57	5,495,902.57	5,378,391.96	117,510.61
Basic skills/ remedial - instruction:					
Salaries of teachers	1,232,590.00	(207,478.00)	1,025,112.00	1,024,189.22	922.78
General supplies	17,500.00		17,500.00	5,399.15	12,100.85
Textbooks	1,200.00		1,200.00		1,200.00
Total basic skills/ remedial - instruction	1,251,290.00	(207,478.00)	1,043,812.00	1,029,588.37	14,223.63
Bilingual education - instruction:					
Salaries of teachers	395,552.00	(64,591.00)	330,961.00	326,987.65	3,973.35
Other purchased services (400-500 series)	1,500.00		1,500.00	1,149.31	350.69
General supplies	4,010.00		4,010.00	783.05	3,226.95
Other objects	850.00		850.00	574.05	275.95
Total bilingual education - instruction	401,912.00	(64,591.00)	337,321.00	329,494.06	7,826.94

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEARS ENDED JUNE 30, 2009

(Continued from prior page)

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
School sponsored cocurricular activities - instruction:					
Salaries	\$ 133,594.00	\$ 37,540.31	\$ 171,134.31	\$ 166,644.75	\$ 4,489.56
Other purchased services (400-500 series)		1,500.00	1,500.00		1,500.00
Supplies and materials	6,800.00	3,307.19	10,107.19	8,096.16	2,011.03
Total school sponsored cocurricular activities - instruction	140,394.00	42,347.50	182,741.50	174,740.91	8,000.59
School sponsored athletics - instruction:					
Salaries	105,255.00	(11,382.00)	93,873.00	92,943.00	930.00
Purchased services (300-500 series)	17,130.00	(1,000.00)	16,130.00	14,948.92	1,181.08
Supplies and materials	22,128.00	5,087.50	27,215.50	26,986.17	229.33
Total school sponsored athletics - instruction	144,513.00	(7,294.50)	137,218.50	134,878.09	2,340.41
Total instruction	23,002,702.00	359,342.77	23,362,044.77	22,954,243.37	407,801.40
Undistributed Expenditures - instruction:					
Tuition to other LEAs within the state - special	302,428.00	(250,317.56)	52,110.44	38,533.56	13,576.88
Tuition to special serv school-district		270,618.56	270,618.56	240,849.46	29,769.10
Tuition to private schools for the disabled w/i state	308,321.00	(56,300.00)	252,021.00	110,618.04	141,402.96
Charter school tuition		9,699.00	9,699.00		
Total undistributed expenditures - instruction	610,749.00	(26,300.00)	584,449.00	399,700.06	184,748.94
Undistributed expenditures - health services:					
Salaries	598,001.00	81,010.20	679,011.20	679,011.20	
Purchased professional and technical services	12,500.00	(5,000.00)	7,500.00	5,055.00	2,445.00
Other purchased services (400-500 series)	3,600.00	(3,000.00)	600.00	392.00	208.00
Supplies and materials	22,400.00	(6,000.00)	16,400.00	15,725.55	674.45
Total undistributed expenditures - health services	636,501.00	67,010.20	703,511.20	700,183.75	3,327.45

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEARS ENDED JUNE 30, 2009

(Continued from prior page)

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed expend. - other supp. serv. - students-related services:					
Salaries	\$ 438,505.00	\$ 56,330.00	\$ 494,835.00	\$ 494,833.76	\$ 1.24
Purchased professional - educational services	90,600.00	79,350.00	169,950.00	169,821.00	129.00
Supplies and materials	5,400.00		5,400.00	5,037.65	362.35
Total undistributed expend. - other supp. serv. - student-related services	534,505.00	135,680.00	670,185.00	669,692.41	492.59
Undistributed expend -other supp. serv.-students extra. services:					
Salaries	125,088.00	(78,000.00)	47,088.00		47,088.00
Total undistributed expend.-other supp. serv.-students extra. services	125,088.00	(78,000.00)	47,088.00		47,088.00
Undistributed expenditures - other support serv. students regular:					
Salaries of other professional staff	662,384.00	(810.20)	661,573.80	657,817.98	3,755.82
Salaries of secretarial and clerical assistants	100,992.00		100,992.00	100,992.00	
Other purchased services (400-500 series)	2,250.00		2,250.00	64.22	2,185.78
Supplies and materials	12,650.00	(200.00)	12,450.00	7,456.05	4,993.95
Total undistributed expenditures - other support serv. students regular	778,276.00	(1,010.20)	777,265.80	766,330.25	10,935.55
Undistributed expenditures - other support serv. student - special:					
Salaries of other professional staff	721,099.00	(7,044.48)	714,054.52	714,054.52	
Salaries of secretarial and clerical assistants	98,242.00	(997.93)	97,244.07	94,628.72	2,615.35
Purchased professional - educational services	25,000.00	(4,111.19)	20,888.81	19,193.00	1,695.81
Miscellaneous purchased services (400-500 series o/than resid. cost)	31,000.00	(3,830.08)	27,169.92	20,559.81	6,610.11
Supplies and Materials	24,500.00	(5,000.00)	19,500.00	15,599.91	3,900.09
Other objects	2,500.00	(715.82)	1,784.18	364.00	1,420.18
Total undistributed expenditures - other support serv. student - special	902,341.00	(21,699.50)	880,641.50	864,399.96	16,241.54

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEARS ENDED JUNE 30, 2009

(Continued from prior page)

	\$	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed expenditures - improvement of instruction:						
Salaries of supervisors of instruction	\$	291,243.00	\$	291,243.00	\$ 276,388.60	\$ 14,854.40
Salaries of other professional staff		67,520.00	(19,920.00)	47,600.00	47,600.00	
Salaries of secretarial and clerical assistants		28,483.00		28,483.00	28,482.96	0.04
Other Purch. Prof. and Tech. Services		3,000.00	2,600.00	5,600.00	5,600.00	
Other purchased services (400-500 series)		36,000.00	(2,600.00)	33,400.00	28,665.14	4,734.86
Supplies and materials		10,400.00	6,722.93	17,122.93	9,050.22	8,072.71
Other objects		7,950.00		7,950.00	6,733.00	1,217.00
Total undistributed expenditures - improvement of instruction		444,596.00	(13,197.07)	431,398.93	402,519.92	28,879.01
Undistributed expend. - educational media serv./school library:						
Salaries		659,025.00	997.93	660,022.93	658,397.07	1,625.86
Purchased professional and technical services		22,374.00	(8,664.48)	13,709.52	12,703.55	1,005.97
Other purchased services (400-500 series)		5,545.00	(3,785.00)	1,760.00	699.06	1,060.94
Supplies and materials		136,422.00	10,624.52	147,046.52	144,239.04	2,807.48
Other objects		12,307.00	3,621.60	15,928.60	15,744.20	184.40
Total undistributed expend. - educational media serv./school library		835,673.00	2,794.57	838,467.57	831,782.92	6,684.65
Undistributed expend - instructional staff training services:						
Salaries of supervisors of instruction		382,864.00	21,026.64	403,890.64	403,890.64	
Salaries of other professional staff		76,576.00	(35,201.64)	41,374.36	38,159.00	3,215.36
Salaries of secretarial and clerical assistants		85,449.00		85,449.00	85,448.83	0.17
Other salaries			5,575.00	5,575.00	5,575.00	
Other purchased professional and technical services		5,150.00	3,460.00	8,610.00	8,610.00	
Other purchased services (400-500 series)		39,747.00	861.00	40,608.00	20,017.82	20,590.18
Supplies and materials		13,500.00	2,780.46	16,280.46	14,774.70	1,505.76
Total undistributed expend. instructional staff training services		603,286.00	(1,498.54)	601,787.46	576,475.99	25,311.47
Undistributed expend.-support services-general administration:						
Salaries		418,532.00	27,090.69	445,622.69	441,782.47	3,840.22
Legal Services		105,000.00		105,000.00	65,971.99	39,028.01
Other purchased professional services		57,000.00	4,049.31	61,049.31	34,859.66	26,189.65
Purchased technical services		31,000.00	2,929.03	33,929.03	31,487.80	2,441.23
Communications/telephone		230,809.00	(5,373.81)	225,435.19	139,245.96	86,189.23
Other purchased services (400-500 series)		48,475.00	5,238.31	53,713.31	45,676.34	8,036.97
General Supplies		23,750.00	629.98	24,379.98	14,860.14	9,519.84
BOE in-house training/meeting supplies		3,900.00		3,900.00		3,900.00
Miscellaneous Expenditures		39,880.00	(7,818.00)	32,062.00	20,652.00	11,410.00
BOE membership dues and fees		22,600.00	1,218.00	23,818.00	23,682.66	135.34
Total undistributed expend.-support services-general administration		980,946.00	27,963.51	1,008,909.51	818,219.02	190,690.49

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEARS ENDED JUNE 30, 2009

(Continued from prior page)

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed expend. -support services school administration:					
Salaries of principals/assistant principals	\$ 1,512,282.00	\$ (2,000.00)	\$ 1,510,282.00	\$ 1,506,590.87	\$ 3,691.13
Salaries of other professional staff	151,467.00	14,674.21	166,141.21	166,141.21	
Salaries of secretarial and clerical assistants	741,651.00	45,604.24	787,255.24	787,255.24	
Purchased professional and technical services	200.00		200.00		200.00
Other purchased services (400-500 series)	176,556.00	(9,290.30)	167,265.70	144,002.10	23,263.60
Supplies and materials	105,361.00	1,951.72	107,312.72	73,147.02	34,165.70
Other objects	17,059.00	1,039.00	18,098.00	13,751.00	4,347.00
Total undistributed expend. -support services school administration	2,704,576.00	51,978.87	2,756,554.87	2,690,887.44	65,667.43
Undistributed expend. - central services					
Salaries					
Purchased Professional Services	431,487.00	(9,600.00)	421,887.00	421,792.56	94.44
Purchased Technical Services	13,550.00	(13,550.00)			
Miscellaneous purchased services (400-500 series)	11,250.00	29,031.00	40,281.00	31,252.21	9,028.79
Supplies and materials	21,875.00	(12,149.38)	9,725.62	5,307.06	4,418.56
Miscellaneous expenditures	3,500.00	8,400.00	11,900.00	9,020.68	2,879.32
Total undistributed expend. - central services	481,662.00	2,131.62	483,793.62	467,372.51	16,421.11
Undistributed expend. - admin. info. tech.:					
Salaries	333,635.00	9,974.00	343,609.00	343,608.82	0.18
Total undistributed expend. - admin. info. tech.	333,635.00	9,974.00	343,609.00	343,608.82	0.18
Undistributed expend. -required maintenance for school facilities:					
Salaries	477,321.00	(10,873.74)	466,447.26	424,854.03	41,593.23
Cleaning, repair and maintenance services	491,363.00	119,988.99	611,351.99	288,544.21	322,807.78
Supplies and materials	156,200.00	6,093.53	162,293.53	118,717.88	43,575.65
Total undistributed expend. -required maintenance for school facilities	1,124,884.00	115,208.78	1,240,092.78	832,116.12	407,976.66
Undistributed expend. -operation and maintenance of plant services:					
Salaries	309,339.00	11,031.07	320,370.07	320,370.07	
Purchased professional and technical services	4,000.00	10,003.00	14,003.00	9,993.15	4,009.85
Cleaning, repair and maintenance services	1,726,678.00	(337,582.81)	1,389,095.19	1,384,436.89	4,658.30
Other purchased property services	150,000.00	(3,185.62)	146,814.38	128,459.25	18,355.13
Insurance	128,978.00		128,978.00	123,463.00	5,515.00
Miscellaneous purchased services	45,050.00	(30,125.80)	14,924.20	7,869.50	7,054.70
General supplies	129,840.00	53,880.77	183,720.77	172,087.77	11,633.00
Energy (heat and electricity)	1,445,400.00	(5,852.52)	1,439,547.48	1,402,658.92	36,888.56
Other objects	11,878.00	2,682.00	14,560.00	9,428.50	5,131.50
Total undistributed expend. -operation and maintenance of plant services	3,951,163.00	(299,149.91)	3,652,013.09	3,558,767.05	93,246.04

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEARS ENDED JUNE 30, 2009

(Continued from prior page)

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
	\$	\$	\$	\$	\$
Undistributed expend.-student transportation services:	819,060.00		819,060.00	819,060.00	
Salaries for pupil transportation (bet. home & school)-reg	375,820.00		375,820.00	375,820.00	
Salaries for pupil transportation (bet. home & school)-special ed.	17,850.00	16,027.83	33,877.83	33,877.83	
Management fee - ESC transportation programs	18,200.00		18,200.00	18,200.00	
Other purchased professional and technical services	35,700.00		35,700.00	35,700.00	
Cleaning, repair and maintenance services	17,050.00		17,050.00	17,050.00	
Contracted services (between home and school) - vendors	1,310,000.00		1,310,000.00	1,310,000.00	
Contracted services (other than between home and school) - vendors	42,500.00		42,500.00	42,500.00	
Contracted services - special ed. students - ESC & CTSA	285,000.00		285,000.00	285,000.00	
Contracted services - aid in lieu of payments	130,500.00		130,500.00	130,500.00	
Miscellaneous purchased services - transportation	83,700.00		83,700.00	83,700.00	
Supplies and materials	192,600.00		192,600.00	192,600.00	
Miscellaneous expenditures	748,220.00		748,220.00	748,220.00	
Total undistributed expend.-student transportation services	4,076,200.00	16,027.83	4,092,227.83	4,092,227.83	
Unallocated benefits:					
Group Insurance	16,878.00		16,878.00	16,543.66	334.34
Social security contributions - other	520,000.00	27,000.00	547,000.00	540,321.96	6,678.04
Other retirement contributions - regular	329,175.00	32,820.00	361,995.00	361,995.00	
Workmen's compensation	161,611.00		161,611.00	157,913.00	3,698.00
Health benefits	6,454,116.00	(175,288.30)	6,278,827.70	6,024,495.70	254,332.00
Tuition reimbursement	210,000.00	44,410.87	254,410.87	229,738.08	24,672.79
Other employee benefits	51,500.00	72,260.47	123,760.47	123,760.47	
Total unallocated benefits	7,743,280.00	1,203.04	7,744,483.04	7,454,767.87	289,715.17

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEARS ENDED JUNE 30, 2009

(Continued from prior page)

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
	\$	\$	\$	\$	\$
Reimbursed TPAF social security contributions (non-budgeted)				1,764,656.29	(1,764,656.29)
On-behalf TPAF post retirement medical (non-budgeted)				1,523,245.00	(1,523,245.00)
Total undistributed expenditures	26,867,361.00	(10,882.80)	26,856,478.20	28,756,953.21	(1,900,475.01)
Total expenditures - current expense	49,870,063.00	348,459.97	50,218,522.97	51,711,196.58	(1,492,673.61)
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction:					
Grades 1-5	9,370.00	3,650.95	13,020.95	6,482.51	6,538.44
Grades 6-8	7,900.00	28,999.00	36,899.00	7,426.00	29,473.00
Special Ed Equipment		4,000.00	4,000.00	3,322.99	677.01
Undistributed expenditures:					
School administration					
Central services	5,000.00		5,000.00		5,000.00
Admin. Info. Tech					
Operation and maintenance of plant services	7,177.00	2,563.00	9,740.00	9,740.00	
Student transportation services - non-instructional equipment	38,000.00		38,000.00	38,000.00	
School buses - regular	135,000.00		135,000.00	135,000.00	
School buses - special	135,000.00		135,000.00	135,000.00	
Total equipment	337,447.00	39,212.95	376,659.95	334,971.50	41,688.45
Facilities acquisition and construction services:					
Construction Services		266,195.63	266,195.63	245,390.79	20,804.84
Capital reserve	3,000.00		3,000.00		3,000.00
Total facilities acquisition and construction services	3,000.00	266,195.63	269,195.63	245,390.79	23,804.84
TOTAL CAPITAL OUTLAY	340,447.00	305,408.58	645,855.58	580,362.29	65,493.29
TOTAL EXPENDITURES	50,210,510.00	653,868.55	50,864,378.55	52,291,558.87	(1,427,180.32)

FLEMINGTON-PARTAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEARS ENDED JUNE 30, 2009

(Continued from prior page)

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,416,580.00)	\$ (653,868.55)	\$ (2,070,428.55)	\$ (18,251.99)	\$ 2,052,176.56
Fund Balances, July 1,	4,223,285.06		4,223,285.06	4,223,285.06	
Fund Balances, June 30,	2,806,725.06	(653,868.55)	2,152,856.51	4,205,033.07	2,052,176.56
Recapitulation:					
Reserve for Encumbrances				554,168.83	
Legally Restricted - Designated for Subsequent Year's Expenditures				315,798.83	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,100,761.17	
Reserve for Excess Surplus				1,222,631.39	
Capital Reserve				8,979.70	
Unrestricted Fund Balance				1,002,693.15	
				4,205,033.07	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(660,366.00)	
Fund Balance per Governmental Funds (GAAP)				3,544,667.07	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
State sources	\$31,753.00	(\$4,977.81)	\$26,775.19	\$13,614.56	\$13,160.63
Federal sources	813,008.00	247,462.78	1,060,470.78	855,052.92	205,417.86
Other sources		23,023.33	23,023.33	3,155.93	19,867.40
Total revenues	<u>844,761.00</u>	<u>265,508.30</u>	<u>1,110,269.30</u>	<u>871,823.41</u>	<u>238,445.89</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	145,071.10	11,387.08	156,458.18	129,941.01	26,517.17
Purchased professional-technical services	32,725.00	(27,835.00)	4,890.00		4,890.00
Purchased professional - Educational Services	3,384.00	3,146.66	6,530.66	3,790.12	2,740.54
Other purchased professional services		120.50	120.50		120.50
Other purchased services	32,300.00	228,305.49	260,605.49	208,962.76	51,642.73
Travel					
Supplies and materials	60,746.00	10,833.12	71,579.12	47,521.36	24,057.76
Textbooks	4,560.00	(2,730.00)	1,830.00	1,769.12	60.88
Total instruction	<u>278,786.10</u>	<u>223,227.85</u>	<u>502,013.95</u>	<u>391,984.37</u>	<u>110,029.58</u>
Support services:					
Salaries of teachers	31,674.40	95,175.60	126,850.00	79,519.83	47,330.17
Personal services-employee benefits	26,265.85	16,404.63	42,670.48	24,788.09	17,882.39
Purchased professional-technical services	446,633.20	(89,165.20)	357,468.00	340,497.00	16,971.00
Purchased professional - Educational Services	20,749.00	24,197.50	44,946.50	6,359.57	38,586.93
Other purchased services	18,869.15	(5,755.21)	13,113.94	12,989.30	124.64
Supplies and materials	21,783.30	928.13	22,711.43	15,685.25	7,026.18
Total support services	<u>565,974.90</u>	<u>41,785.45</u>	<u>607,760.35</u>	<u>479,839.04</u>	<u>127,921.31</u>
Facilities acquisition and construction services:					
Instructional equipment		495.00	495.00		495.00
Total facilities acquisition and construction serv.		<u>495.00</u>	<u>495.00</u>		<u>495.00</u>
Total expenditures	<u>\$844,761.00</u>	<u>\$265,508.30</u>	<u>\$1,110,269.30</u>	<u>\$871,823.41</u>	<u>\$238,445.89</u>
Excess (deficiency) of revenues over (under) expenditures					

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$52,273,306.88	\$871,823.41
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		14,928.70
The last State aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize the revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(660,366.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	327,651.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$51,940,591.88</u>	<u>\$886,752.11</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$52,291,558.87	\$871,823.41
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes but in the year the supplies are received for <i>financial reporting</i> purposes.		14,928.70
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$52,291,558.87</u>	<u>\$886,752.11</u>

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	TITLE I 2008-2009	TITLE I 2007-2008	TITLE II - PART A 2008-2009	TITLE II - PART A 2007-2008	TITLE II - PART A 2006-2007	TITLE II - PART D 2008-2009	TITLE III 2008-2009	TITLE III 2007-2008
REVENUES:								
State sources	\$100,241.58	\$19,088.72	\$29,812.33	\$28,921.06	\$127.96	\$1,062.00	\$10,065.43	\$10,505.26
Federal sources								
Other sources								
Total revenues	\$100,241.58	\$19,088.72	\$29,812.33	\$28,921.06	\$127.96	\$1,062.00	\$10,065.43	\$10,505.26
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$77,993.00	\$12,554.06					\$551.00	\$5,973.64
Purchased professional - Educational Services								
Other purchased services	4,306.76	3,406.66					8,697.20	4,074.63
Supplies and materials								
Textbooks								
Total instruction	82,299.76	15,960.72					9,248.20	10,048.27
Support services:								
Salaries of teachers	1,952.00	3,128.00	\$752.00	\$26,776.00			720.00	
Personal services-employee benefits	12,051.47		57.52	2,048.49			97.23	456.99
Purchased professional-technical services	3,600.00		16,500.00					
Purchased professional - Educational Services								
Other purchased services			11,712.15	87.19	\$127.96	\$1,062.00		
Supplies and materials	338.35		790.66	9.38				
Total support services	17,941.82	3,128.00	29,812.33	28,921.06	127.96	1,062.00	817.23	456.99
Total expenditures	\$100,241.58	\$19,088.72	\$29,812.33	\$28,921.06	\$127.96	\$1,062.00	\$10,065.43	\$10,505.26

(Continued on next page)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	TITLE IV 2008-2009	TITLE IV 2007-2008	TITLE V 2008-2009	IDEA BASIC 2008-2009	IDEA PSH 2008-2009	CHARACTER EDUCATION (PY)	NONPUBLIC TEXTBOOK	NONPUBLIC TECHNOLOGY
REVENUES:								
State sources	\$1,731.38	\$7,594.88	\$12,870.72	\$603,456.60	\$29,575.00	\$415.75	\$1,769.12	\$1,280.00
Federal sources								
Other sources								
Total revenues	1,731.38	7,594.88	12,870.72	603,456.60	29,575.00	415.75	1,769.12	1,280.00
EXPENDITURES:								
Instruction:								
Salaries of teachers			\$8,209.31		\$23,660.00			
Purchased professional - Educational Services				\$208,602.76				
Other purchased services			2,042.21	23,282.22		\$415.75	\$1,769.12	
Supplies and materials								
Textbooks								
Total instruction			10,251.52	231,884.98	23,660.00	415.75	1,769.12	
Support services:								
Salaries of teachers		\$6,945.00	1,728.00	37,518.83				\$1,280.00
Personal services-employee benefits		531.00	760.20	2,870.19	5,915.00			
Purchased professional-technical services				320,397.00				
Purchased professional - Educational Services								
Other purchased services		118.88	131.00	10,785.60				
Supplies and materials	\$1,731.38							
Total support services	1,731.38	7,594.88	2,619.20	371,571.62	5,915.00			1,280.00
Total expenditures	1,731.38	7,594.88	12,870.72	603,456.60	29,575.00	415.75	1,769.12	1,280.00

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FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	NONPUBLIC NURSING	COMPENSATORY EDUCATION	ESL	NON - PUBLIC EXAMINATION & CLASSIFICATION	CORRECTIVE SPEECH	SUPPLEMENTARY INSTRUCTION	MERCK	REBEL
REVENUES:								
State sources	\$2,471.00	\$3,384.12	\$406.00	\$1,326.17	\$2,232.00	\$330.40	\$200.00	\$1,468.45
Federal sources								
Other sources								
Total revenues	\$2,471.00	\$3,384.12	\$406.00	\$1,326.17	\$2,232.00	\$330.40	\$200.00	\$1,468.45
EXPENDITURES:								
Instruction:								
Salaries of teachers								\$1,000.00
Purchased professional - Educational Services		\$3,384.12	\$406.00				\$200.00	160.00
Other purchased services								308.45
Supplies and materials								
Textbooks								
Total instruction		3,384.12	406.00				200.00	1,468.45
Support services:								
Salaries of teachers								
Personal services-employee benefits								
Purchased professional-technical services	\$2,471.00			\$1,326.17	\$2,232.00	\$330.40		
Purchased professional - Educational Services								
Other purchased services								
Supplies and materials								
Total support services	2,471.00			1,326.17	2,232.00	330.40		
Total expenditures	\$2,471.00	\$3,384.12	\$406.00	\$1,326.17	\$2,232.00	\$330.40	\$200.00	\$1,468.45

(Continued on next page)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	COMPASS DONATION	NURSING GRANT	TOTALS
REVENUES:			
State sources	\$500.00	\$987.48	\$13,614.56
Federal sources			855,052.92
Other sources			3,155.93
Total revenues	\$500.00	\$987.48	\$871,823.41
EXPENDITURES:			
Instruction:			
Salaries of teachers			\$129,941.01
Purchased professional - Educational Services			3,700.12
Other purchased services		\$987.48	206,962.76
Supplies and materials			47,521.36
Textbooks			1,769.12
Total instruction		987.48	391,984.37
Support services:			
Salaries of teachers			79,519.83
Personal services-employee benefits			24,788.09
Purchased professional-technical services			340,487.00
Purchased professional - Educational Services			6,359.57
Other purchased services			12,989.30
Supplies and materials	\$500.00		15,685.25
Total support services	500.00		479,839.04
Total expenditures	\$500.00	\$987.48	\$871,823.41

CAPITAL PROJECTS FUND
DETAIL STATEMENTS

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2009

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>(MEMO ONLY) UNEXPENDED PROJECT BALANCE</u>
			<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Acquire land, construct, furnish and equip a new middle school	09/24/02	\$ 39,225,000.00	\$ 38,919,866.36	\$ 134,432.85	\$ 170,700.79
Electrical upgrade to Robert Hunter	12/23/03	30,588.90	30,587.40		1.50
Reading-Fleming Middle School roof repair	06/11/04	153,844.30	137,884.10		15,960.20
Francis A. Desmares - Magnetic Doors	06/14/04	13,824.82	6,200.00		7,624.82
Barley Sheaf Electrical Upgrade	10/12/04	46,584.13	6,715.50		39,868.63
Totals		\$ 39,469,842.15	\$ 39,101,253.36	\$ 134,432.85	\$ 234,155.94
<u>Reconciliation to GAAP:</u>					
Unexpended project balance				\$	234,155.94
Bonds Authorized but not Issued					(386.00)
Unreserved capital fund balance - GAAP				\$	233,769.94

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2009

	REVISED AUTHORIZED <u>COST</u>
Expenditures and Other Financing Uses	
Construction services	\$ 485.50
Supplies	115,761.59
Equipment purchases	<u>18,185.76</u>
Total expenditures	<u>134,432.85</u>
Excess (deficiency) of revenues over (under) expenditures	(134,432.85)
Fund balance - beginning	<u>368,202.79</u>
Fund balance - ending	\$ <u><u>233,769.94</u></u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
JP CASE MIDDLE SCHOOL

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 5,976,614.00	\$	\$ 5,976,614.00	\$ 5,976,614.00
Bond proceeds and transfers	33,248,000.00		33,248,000.00	33,248,000.00
Total revenues	<u>39,224,614.00</u>		<u>39,224,614.00</u>	<u>39,224,614.00</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	1,377,858.34		1,377,858.34	1,377,858.34
Construction services	33,708,379.87	485.50	33,708,865.37	33,726,025.50
Supplies	1,862,032.79	115,761.59	1,977,794.38	2,096,265.98
Land and improvements	1,851,663.00	18,185.76	1,869,848.76	1,870,696.64
Equipment purchases	119,546.36		119,546.36	119,546.36
Other objects				34,221.18
Total expenditures	<u>38,919,480.36</u>	<u>134,432.85</u>	<u>39,053,913.21</u>	<u>39,224,614.00</u>
Excess (deficiency) or revenues over (under) expenditures	\$ <u>305,133.64</u>	\$ <u>(134,432.85)</u>	\$ <u>170,700.79</u>	\$ <u></u>

Additional project information:	
Project Number	1510-N01-02-0249-00
Grant Date	3/31/2003
Bond Authorization Date	9/24/2002
Bonds Authorized	33,248,386.00
Bonds Issued	33,248,386.00
SCC Amount	5,976,614.00
Local Share	33,248,386.00
Original Authorized Cost	39,225,000.00
Additional Authorized Cost	NONE
Revised Authorized Cost	39,225,000.00

Percentage Increase over Original Authorized Cost	NONE
Percentage completion	95%
Original target completion date	7/1/2005
Revised target completion date	not completed

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
ROBERT HUNTER ELECTRICAL UPGRADE

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 12,236.00	\$	\$ 12,236.00	\$ 12,236.00
Transfer from capital reserve	18,352.90		18,352.90	18,352.90
Total revenues	<u>30,588.90</u>		<u>30,588.90</u>	<u>30,588.90</u>
Expenditures and Other Financing Uses				
Salaries	18,235.56		18,235.56	18,237.06
Supplies	12,351.84		12,351.84	12,351.84
Total expenditures	<u>30,587.40</u>		<u>30,587.40</u>	<u>30,588.90</u>

Excess (deficiency) or revenues over (under) expenditures	\$ <u>1.50</u>	\$	\$ <u>1.50</u>	\$
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Additional project information:

Project Number	1510-050-02-1200
Grant Date	12/23/2003
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
SCC Amount	5,734.26
Local Share	24,854.64
Original Authorized Cost	30,558.90
Additional Authorized Cost	NONE
Revised Authorized Cost	30,558.90

Percentage Increase over Original Authorized Cost	NONE
Percentage completion	100%
Original target completion date	10/29/2002
Revised target completion date	completed

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
READING-FLEMING ROOF REPLACEMENT

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 59,654.30	\$	\$ 59,654.30	\$ 59,654.30
Transfer from capital reserve	94,190.00		94,190.00	94,190.00
Total revenues	<u>153,844.30</u>		<u>153,844.30</u>	<u>153,844.30</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	4,544.10		4,544.10	10,504.30
Construction services	133,340.00		133,340.00	143,340.00
Total expenditures	<u>137,884.10</u>		<u>137,884.10</u>	<u>153,844.30</u>
	<u>\$ 15,960.20</u>	<u>\$</u>	<u>\$ 15,960.20</u>	<u>\$</u>

Additional project information:

Project Number	1510-040-03-1402-00
Grant Date	6/11/2004
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
SCC Amount	62,794.00
Local Share	94,190.00
Original Authorized Cost	156,984.00
Additional Authorized Cost	NONE
Revised Authorized Cost	153,844.30

Percentage Increase over Original Authorized Cost	NONE
Percentage completion	100%
Original target completion date	2/18/2004
Revised target completion date	completed

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
DESMARES MAGNETIC DOORS

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 4,464.82	\$	\$ 4,464.82	\$ 4,464.82
Transfer from capital reserve	9,360.00		9,360.00	9,360.00
Total revenues	<u>13,824.82</u>		<u>13,824.82</u>	<u>13,824.82</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	6,200.00		6,200.00	13,824.82
Total expenditures	<u>6,200.00</u>		<u>6,200.00</u>	<u>13,824.82</u>
	<u>\$ 7,624.82</u>	<u>\$</u>	<u>\$ 7,624.82</u>	<u>\$</u>

Additional project information:

Project Number	1510-0350-04-000C
Grant Date	6/14/2004
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
SCC Amount	6,240.00
Local Share	9,360.00
Original Authorized Cost	15,600.00
Additional Authorized Cost	NONE
Revised Authorized Cost	13,824.82

Percentage Increase over Original Authorized Cost	NONE
Percentage completion	100%
Original target completion date	9/13/2004
Revised target completion date	completed

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
BARLEY SHEAF ELECTRICAL UPDATE

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 16,452.13	\$	\$ 16,452.13	\$ 16,452.13
Transfer from capital reserve	30,132.00		30,132.00	30,132.00
Total revenues	<u>46,584.13</u>		<u>46,584.13</u>	<u>46,584.13</u>
Expenditures and Other Financing Uses				
Supplies	6,715.50		6,715.50	46,584.13
Total expenditures	<u>6,715.50</u>		<u>6,715.50</u>	<u>46,584.13</u>
Excess (deficiency) or revenues over (under) expenditures	\$ <u>39,868.63</u>	\$	\$ <u>39,868.63</u>	\$
Additional project information:				
Project Number	1510-030-04-1000			
Grant Date	8/9/2004			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
SCC Amount	20,088.00			
Local Share	30,132.00			
Original Authorized Cost	50,220.00			
Additional Authorized Cost	NONE			
Revised Authorized Cost	46,584.13			
Percentage Increase over Original Authorized Cost	NONE			
Percentage completion	100%			
Original target completion date	5/9/2004			
Revised target completion date	completed			

PROPRIETARY FUND DETAIL STATEMENTS

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

FOOD SERVICES FUND:

This fund provides for the operation of food services within the school district.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUND
 COMBINING STATEMENT OF NET ASSETS
 JUNE 30, 2009

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUND		
	FOOD SERVICE FUND	COMPARATIVE TOTALS JUNE 30	
		2009	2008
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 166,258.66	\$ 166,258.66	\$ 191,962.90
Accounts receivable:			
State	2,791.10	2,791.10	2,056.12
Federal	32,898.53	32,898.53	23,874.48
Other	2,212.42	2,212.42	1,525.40
Inventories	24,189.44	24,189.44	18,751.63
Total current assets	228,350.15	228,350.15	238,170.53
Noncurrent assets:			
Furniture, machinery & equipment	736,016.00	736,016.00	717,288.00
Less accumulated depreciation	(381,943.84)	(381,943.84)	(345,269.81)
Total noncurrent assets	354,072.16	354,072.16	372,018.19
Total assets	582,422.31	582,422.31	610,188.72
LIABILITIES			
Current liabilities:			
Accounts payable	92,118.89	92,118.89	74,875.87
Deferred revenue	6,571.11	6,571.11	16,891.04
Total current liabilities	98,690.00	98,690.00	91,766.91
Total liabilities	98,690.00	98,690.00	91,766.91
NET ASSETS			
Investment in capital assets (Restated)	354,072.16	354,072.16	372,018.19
Unrestricted	129,660.15	129,660.15	146,403.62
Total net assets	\$ 483,732.31	\$ 483,732.31	\$ 518,421.81

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	FOOD SERVICE FUND	<u>COMPARATIVE TOTALS</u> <u>JUNE 30</u>	
		2009	2008
OPERATING REVENUES:			
Charges for services:			
Daily sales - reimbursable programs	\$ 849,246.33	\$ 849,246.33	\$ 784,210.08
Special functions	14,922.47	14,922.47	22,983.14
Total operating revenues	864,168.80	864,168.80	807,193.22
OPERATING EXPENSES:			
Cost of sales	490,514.95	490,514.95	476,882.00
Salaries	333,059.98	333,059.98	311,010.75
Employee benefits	86,937.08	86,937.08	84,687.38
Other purchase service	50,503.53	50,503.53	49,260.99
Supplies and materials	110,917.15	110,917.15	88,018.05
Depreciation	41,534.04	41,534.04	35,652.46
Total operating expenses	1,113,466.73	1,113,466.73	1,045,511.63
Operating (loss)	(249,297.93)	(249,297.93)	(238,318.41)
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State school lunch program	13,016.06	13,016.06	11,295.58
Federal Sources:			
National school lunch program	155,977.91	155,977.91	126,627.46
Disposition of capital assets (net)	(1,239.99)	(1,239.99)	(2,987.67)
Interest earned on investments	2,547.16	2,547.16	6,183.43
National food distribution commodities	44,307.29	44,307.29	66,732.32
Total nonoperating revenues (expenses)	214,608.43	214,608.43	207,851.12
Net (Loss)	(34,689.50)	(34,689.50)	(30,467.29)
Change in net assets	(34,689.50)	(34,689.50)	(30,467.29)
Total net assets - beginning (Restated)	518,421.81	518,421.81	548,889.10
Total net assets - ending	\$ 483,732.31	\$ 483,732.31	\$ 518,421.81

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUND
 COMBINING STATEMENTS OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	FOOD SERVICE FUND	COMPARATIVE TOTALS	
		JUNE 30	
		2009	2008
Cash flows from operating activities:			
Receipts from customers	\$ 863,481.78	\$ 863,481.78	\$ 813,437.69
Payments to employees	(333,059.98)	(333,059.98)	(311,010.75)
Payments to employee benefits	(86,937.08)	(86,937.08)	(84,687.38)
Payments to suppliers	(606,143.06)	(606,143.06)	(506,755.28)
Net cash provided by (used for) operating activities	(162,658.34)	(162,658.34)	(89,015.72)
Cash flows from non-capital financing activities:			
State sources	12,281.08	12,281.08	10,041.14
Federal sources	146,953.86	146,953.86	111,119.99
Net cash provided by non-capital financing activities:	159,234.94	159,234.94	121,161.13
Cash flows from investing activities:			
Interest on investments	2,547.16	2,547.16	6,183.43
Net cash provided by (used for) investing activities	2,547.16	2,547.16	6,183.43
Cash flows from capital and related financing activities:			
Purchases of capital assets	(24,828.00)	(24,828.00)	(18,800.00)
Net cash provided by (used for) capital and related financing activities	(24,828.00)	(24,828.00)	(18,800.00)
Net increase in cash and cash equivalents	(25,704.24)	(25,704.24)	19,528.84
Cash and cash equivalents, July 1, 2008	191,962.90	191,962.90	172,434.06
Cash and cash equivalents, June 30, 2009	\$ 166,258.66	\$ 166,258.66	\$ 191,962.90
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (249,297.93)	\$ (249,297.93)	\$ (238,318.41)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	41,534.04	41,534.04	35,652.46
Federal commodities	44,307.29	44,307.29	66,732.32
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(687.02)	(687.02)	6,244.47
Increase (decrease) in deferred revenue	(10,319.93)	(10,319.93)	4,631.36
(Increase) decrease in inventories	(5,437.81)	(5,437.81)	7,165.80
Increase (decrease) in overpayments payable			(1,350.00)
Increase (decrease) in accounts payable	17,243.02	17,243.02	30,226.28
	86,639.59	86,639.59	149,302.69
Net cash provided by (used for) operating activities	\$ (162,658.34)	\$ (162,658.34)	\$ (89,015.72)

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

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

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

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

Payroll Fund:	This agency fund is used to account for the payroll transactions of the school district.
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FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
TRUST AND AGENCY FUND
COMBINING STATEMENTS OF FIDUCIARY NET ASSETS
JUNE 30, 2009

	AGENCY FUNDS		UNEMPLOYMENT COMPENSATION TRUST	COMPARATIVE TOTALS	
	STUDENT	PAYROLL		JUNE 30	
	ACTIVITY	AGENCY		2009	2008
ASSETS					
Cash and cash equivalents	\$ 52,658.29	\$ 234,533.52	\$ 363,412.24	\$ 650,604.05	\$ 668,135.49
Intrafund receivable			26,041.97	26,041.97	10,866.28
Total assets	<u>\$ 52,658.29</u>	<u>\$ 234,533.52</u>	<u>\$ 389,454.21</u>	<u>\$ 676,646.02</u>	<u>\$ 679,001.77</u>
LIABILITIES					
Intrafunds payable	\$	\$ 26,041.97	\$	\$ 26,041.97	\$ 10,866.28
Interfunds payable		21,316.18		21,316.18	44,253.66
Accounts payable	9,792.28			9,792.28	
Payroll deductions and withholdings		187,175.37		187,175.37	221,461.36
Due to student groups	<u>42,866.01</u>			<u>42,866.01</u>	<u>54,584.70</u>
Total liabilities	<u>52,658.29</u>	<u>234,533.52</u>		<u>287,191.81</u>	<u>331,166.00</u>
NET ASSETS					
Held in trust for unemployment claims			389,454.21	389,454.21	347,835.77
Total net assets	<u>\$ \$-0-</u>	<u>\$ \$-0-</u>	<u>\$ 389,454.21</u>	<u>\$ 389,454.21</u>	<u>\$ 347,835.77</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
TRUST FUND - UNEMPLOYMENT COMPENSATION TRUST
COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS
IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ADDITIONS:		
Contributions:		
Other	\$ 78,086.93	\$ 64,177.66
Total contributions	<u>78,086.93</u>	<u>64,177.66</u>
Investment earnings:		
Interest on investments	<u>5,453.84</u>	<u>8,804.80</u>
Net investment earnings	<u>5,453.84</u>	<u>8,804.80</u>
Total additions	<u>83,540.77</u>	<u>72,982.46</u>
DEDUCTIONS		
Unemployment claims	<u>41,922.33</u>	<u>14,802.33</u>
Total deductions	<u>41,922.33</u>	<u>14,802.33</u>
Change in net assets	41,618.44	58,180.13
Net assets beginning of year	<u>347,835.77</u>	<u>289,655.64</u>
Net assets end of year	<u>\$ 389,454.21</u>	<u>\$ 347,835.77</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>BALANCE</u> <u>JUNE 30, 2008</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2009</u>
Student Activities Fund	\$ 41,054.17	\$ 119,712.24	\$ 128,086.67	\$ 32,679.74
Athletic Fund	5.00	15,062.82	15,055.50	12.32
School Store	2,182.03			2,182.03
J.P. Case Student Fund	<u>11,343.50</u>	<u>19,609.91</u>	<u>22,961.49</u>	<u>7,991.92</u>
Total all schools	\$ <u><u>54,584.70</u></u>	\$ <u><u>154,384.97</u></u>	\$ <u><u>166,103.66</u></u>	\$ <u><u>42,866.01</u></u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>BALANCE</u> <u>JULY 1, 2008</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2009</u>
ASSETS:				
Cash and cash equivalents	\$ 276,581.30	\$ 33,121,631.38	\$ 33,163,679.16	\$ 234,533.52
Total assets	<u>\$ 276,581.30</u>	<u>\$ 33,121,631.38</u>	<u>\$ 33,163,679.16</u>	<u>\$ 234,533.52</u>
LIABILITIES:				
Intrafunds payable	\$ 10,866.28	\$ 78,086.93	\$ 62,911.24	\$ 26,041.97
Interfunds payable	44,253.66	12,299.89	35,237.37	21,316.18
Net salary account		19,235,532.93	19,235,532.93	
Payroll deductions and withholdings	<u>221,461.36</u>	<u>13,795,711.63</u>	<u>13,829,997.62</u>	<u>187,175.37</u>
Total liabilities	<u>\$ 276,581.30</u>	<u>\$ 33,121,631.38</u>	<u>\$ 33,163,679.16</u>	<u>\$ 234,533.52</u>

LONG-TERM DEBT SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Capital Leases.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2009

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2008	ISSUED	RETIRED	BALANCE JUNE 30, 2009
			DATE	AMOUNT					
Construction of a New School House	9/15/69	\$ 4,900,000.00	9/1/2009	\$ 348,000.00	6.875% \$	648,000.00 \$		300,000.00 \$	348,000.00
Construction of a New School House	7/15/90	3,657,000.00	7/15/2009 7/15/2010	250,000.00 244,000.00	6.950%	744,000.00		250,000.00	494,000.00
Additions, Alterations and Renovations to the Reading-Fleming Building	6/15/92	4,900,000.00	6/1/2010-11 6/1/2012	325,000.00 347,000.00	6.000%	1,297,000.00		300,000.00	997,000.00
Additions, Alterations and Renovations to the Reading-Fleming Building	5/15/93	2,100,000.00	5/15/2010-12 5/15/2013	140,000.00 135,000.00	5.350%	695,000.00		140,000.00	555,000.00
Refunding School Bonds	2/1/99	11,780,000.00				7,785,000.00		7,785,000.00	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2009

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JULY 1, 2008	ISSUED	RETIRED	BALANCE JUNE 30, 2009
Renovation of the Barley Sheaf Media Center and Construction of an addition to the Middle School	2/1/00	\$ 5,832,000.00	2/1/2010	\$ 80,000.00	5.250%	\$		\$	
			2/1/2011	200,000.00	5.625%				
			2/1/2012	235,000.00	5.700%				
			2/1/2013	355,000.00	5.700%				
			2/1/2014	155,000.00	5.700%				
			2/1/2015	675,000.00	5.700%	1,775,000.00		75,000.00	1,700,000.00
School Bonds	6/15/03	33,248,000.00	6/15/2010	200,000.00	2.600%				
			6/15/2011	250,000.00	2.840%				
			6/15/2012	250,000.00	3.000%				
			6/15/2013	300,000.00	3.150%				
			6/15/2014	390,000.00	3.300%				
			6/15/2015	625,000.00	3.500%				
			6/15/2016	1,265,000.00	3.670%				
			6/15/2017	1,320,000.00	4.000%				
			6/15/2018	1,385,000.00	4.000%				
			6/15/2019	1,455,000.00	4.000%				
			6/15/2020	1,520,000.00	4.000%				
			6/15/2021	2,490,000.00	4.000%				
			6/15/2022	2,605,000.00	4.100%				
			6/15/2023	2,730,000.00	4.100%				
			6/15/2024	2,855,000.00	4.125%				
			6/15/2025	2,990,000.00	4.125%				
			6/15/2026	3,130,000.00	4.150%				
			6/15/2027	3,280,000.00	4.200%	29,240,000.00		200,000.00	29,040,000.00

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2009

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE	ISSUED	RETIRED	BALANCE
			DATE	AMOUNT		JULY 1, 2008			JUNE 30, 2009
Refunding School Bonds	12/13/2006	\$ 8,115,000.00	2/1/2011	\$ 45,000.00	4.000%	\$	\$	\$	
			2/1/2012	45,000.00	4.000%				
			2/1/2013	55,000.00	4.000%				
			2/1/2014	55,000.00	4.000%				
			2/1/2015	55,000.00	4.000%				
			2/1/2016	740,000.00	5.000%				
			2/1/2017	775,000.00	5.000%				
			2/1/2018	810,000.00	4.000%				
			2/1/2019	840,000.00	4.000%				
			2/1/2020	875,000.00	4.000%				
			2/1/21-27	20,000.00	4.000%				
			2/1/2028	3,530,000.00	4.000%	7,965,000.00			7,965,000.00
Refunding School Bonds	5/1/2009	6,495,000.00	5/1/2010	1,175,000.00	2.000%				
			5/1/2011	1,155,000.00	3.500%				
			5/1/2012	1,185,000.00	4.000%				
			5/1/2013	1,200,000.00	4.000%				
			5/1/2014	1,230,000.00	4.000%				
			5/1/2015	550,000.00	4.000%		6,495,000.00		6,495,000.00
						\$ 50,149,000.00	\$ 6,495,000.00	\$ 9,050,000.00	\$ 47,594,000.00

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2009 AND 2008

	2009			2008		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:						
Local sources:						
Local tax levy	\$ 4,246,932.00	\$ 4,246,932.00	\$	\$ 4,296,398.00	\$ 4,296,398.00	\$
State sources:						
Debt service aid type II	211,721.00	211,721.00		284,350.00	284,350.00	
Total revenues	4,458,653.00	4,458,653.00		4,580,748.00	4,580,748.00	
EXPENDITURES:						
Regular debt service:						
Interest	2,165,425.00	2,165,424.26	0.74	2,291,663.00	2,291,663.00	
Redemption of principal	2,390,000.00	2,390,000.00		2,330,000.00	2,330,000.00	
Total regular debt service-expenditures	4,555,425.00	4,555,424.26	0.74	4,621,663.00	4,621,663.00	
Excess (deficiency) of revenues over (under) expenditures	(96,772.00)	(96,771.26)	0.74	(40,915.00)	(40,915.00)	
Other financing sources:						
Refunding Bond Proceeds		6,495,000.00	6,495,000.00			
Premium on Sale of Bonds		349,361.15	349,361.15			
Cost of Issuance		(95,849.71)	(95,849.71)			
Payment to Refunded Bonds Escrow Agent		(6,748,511.44)	(6,748,511.44)			
Interest earned on Investment		10,505.32	10,505.32		44,210.11	44,210.11
Total other financing sources		10,505.32	10,505.32		44,210.11	44,210.11
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(96,772.00)	(86,265.94)	10,506.06	(40,915.00)	3,295.11	44,210.11
Fund balance, July 1	140,982.71	140,982.71		137,687.60	137,687.60	
Fund balance, June 30	44,210.71	54,716.77	10,506.06	96,772.60	140,982.71	44,210.11

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STATISTICAL SECTION - UNAUDITED

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FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
STATISTICAL SECTION

Contents

Page

Financial Trends:

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time. J-1 to J-4

Revenue Capacity:

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax. J-5 to J-9

Debt Capacity:

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

Demographic and Economic Information:

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

Operating Information:

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

Sources

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
NET ASSETS BY COMPONENT
UNAUDITED

	2009	2008	2007	2006	2005	2004	2003
Governmental activities							
Invested in capital assets, net of related debt	\$8,392,463.05	\$7,261,201.28	\$6,525,697.70	\$6,787,528.23	\$5,683,422.94	\$4,862,774.29	\$15,235,440.80
Restricted	2,656,036.66	2,710,231.24	2,810,757.56	2,560,029.96	3,880,824.90	7,343,517.04	6,695,841.39
Unrestricted	(150,242.86)	334,634.03	485,218.68	129,632.18	521,929.69	1,884,781.88	686,482.13
Total governmental activities net assets	<u>\$10,898,256.85</u>	<u>\$10,306,066.55</u>	<u>\$9,821,673.94</u>	<u>\$9,477,190.37</u>	<u>\$10,086,177.53</u>	<u>\$14,091,073.21</u>	<u>\$22,617,764.32</u>
Business-type activities							
Invested in capital assets, net of related debt	\$354,072.16	\$332,768.76	\$352,608.89	\$349,599.44	\$61,149.97	\$208,815.07	\$107,702.29
Unrestricted	129,660.15	146,403.62	157,030.78	112,620.53	289,381.49	154,144.49	135,705.47
Total business-type activities net assets	<u>\$483,732.31</u>	<u>\$479,172.38</u>	<u>\$509,639.67</u>	<u>\$462,219.97</u>	<u>\$350,531.46</u>	<u>\$362,959.56</u>	<u>\$243,407.76</u>
District-wide							
Invested in capital assets, net of related debt	\$8,746,535.21	\$7,593,970.04	\$6,878,306.59	\$7,137,127.67	\$5,744,572.91	\$5,071,589.36	\$15,343,143.09
Restricted	2,656,036.66	2,710,231.24	2,810,757.56	2,560,029.96	3,880,824.90	7,343,517.04	6,695,841.39
Unrestricted	(20,582.71)	481,037.65	642,249.46	242,252.71	811,311.18	2,038,926.37	822,187.60
Total district net assets	<u>\$11,381,989.16</u>	<u>\$10,785,238.93</u>	<u>\$10,331,313.61</u>	<u>\$9,939,410.34</u>	<u>\$10,436,708.99</u>	<u>\$14,454,032.77</u>	<u>\$22,861,172.08</u>

Source: CAFR Schedule A-1

FLEMINGTON-PARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN NET ASSETS
UNAUDITED

	2009	2008	2007	2006	2005	2004	2003
EXPENSES							
Governmental activities							
Instruction							
Regular	\$23,484,841.13	\$22,733,788.93	\$21,670,703.01	\$21,110,410.00	\$18,256,297.91	\$17,953,773.26	\$16,789,259.70
Special education	7,718,335.27	7,385,022.09	6,910,137.70	6,006,308.28	5,217,210.11	4,787,313.18	4,177,085.05
Other instruction	1,668,701.43	1,970,546.09	1,874,916.11	1,629,389.84	1,454,371.06	1,354,799.07	1,263,824.83
Support Services:							
Tuition	399,700.06	696,507.93	547,910.56	529,051.82	587,815.39	493,235.40	644,221.88
Student & instruction related services	6,396,940.66	6,422,342.75	6,089,380.26	5,993,330.11	5,147,455.37	4,912,430.22	3,799,184.08
General administrative services	1,479,395.00	1,407,843.95	1,462,105.01	1,232,795.36	1,031,639.06	1,019,995.27	1,872,464.32
School administrative services	3,241,245.92	3,130,852.48	3,118,461.20	2,950,393.28	2,473,424.98	2,350,865.40	2,275,236.10
Plant operations and maintenance	5,279,337.48	6,049,336.00	5,692,142.10	4,989,247.75	3,860,352.41	3,802,594.28	3,453,554.36
Student transportation services	4,092,227.83	3,926,666.12	3,742,232.00	3,405,979.15	2,998,876.83	2,764,785.31	2,540,683.09
Business and other support services	810,981.33	790,066.42	821,151.28	843,447.72	1,176,612.36	424,568.05	446,484.09
Central services/ Admin. Info. tech.	2,044,955.02	2,337,510.94	2,222,843.11	2,540,341.13	2,660,795.25	2,860,562.62	1,494,001.93
Interest on long-term debt	56,616,661.13	56,850,483.70	54,151,982.34	51,230,694.44	44,864,850.73	42,724,922.06	38,755,999.43
Total governmental activities expenses							
Business-type activities:							
Food Service	1,113,466.73	1,045,511.63	956,874.66	1,044,741.45	801,535.56	756,076.33	655,128.32
School Store	1,113,466.73	1,045,511.63	956,874.66	2,093.95	2,114.15	1,948.26	1,736.17
Total business-type activities expense							
Total district expenses	\$57,730,127.86	\$57,895,995.33	\$55,108,857.00	\$52,277,529.84	\$45,668,500.44	\$43,482,946.65	\$39,412,863.92
PROGRAM REVENUES							
Governmental activities:							
Operating grants and contributions	\$4,386,374.40	\$5,871,175.65	\$5,435,711.26	\$3,925,305.16	\$3,336,913.82	\$3,125,139.85	\$2,952,983.73
Total governmental activities program revenues	4,386,374.40	5,871,175.65	5,435,711.26	3,925,305.16	3,336,913.82	3,125,139.85	2,952,983.73
Business-type activities:							
Charges for services	864,168.80	807,193.22	810,538.56	788,090.67	661,971.48	630,021.19	531,914.12
Food Service				1,603.11	2,335.50	2,785.35	2,524.79
School Store							
Operating grants and contributions	213,301.26	204,655.36	172,800.78	152,059.52	155,204.23	127,215.50	126,872.42
Total business type activities program revenues	1,077,470.06	1,011,848.58	983,339.34	941,753.30	819,511.21	760,022.04	661,311.33
Total district program revenues	\$5,463,844.46	\$6,883,024.23	\$6,419,050.60	\$4,867,058.46	\$4,156,425.03	\$3,885,161.89	\$3,614,295.06
NET (EXPENSE)/REVENUE							
Governmental activities	(\$52,230,286.73)	(\$50,979,308.05)	(\$48,716,271.08)	(\$47,305,389.28)	(\$41,527,936.91)	(\$39,599,782.21)	(\$35,803,015.70)
Business-type activities	(35,996.67)	(33,663.05)	26,464.68	(105,082.10)	15,861.50	1,997.45	4,446.84
Total district-wide net expense	(\$52,266,283.40)	(\$51,012,971.10)	(\$48,689,806.40)	(\$47,410,471.38)	(\$41,512,075.41)	(\$39,597,784.76)	(\$35,798,568.86)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN NET ASSETS
UNAUDITED

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>GENERAL REVENUES AND OTHER CHANGES</u>							
<u>IN NET ASSETS</u>							
Governmental activities:							
Property taxes levied for general purposes, net	\$40,978,349.00	\$39,510,870.00	\$37,820,501.00	\$35,454,737.00	\$30,150,203.00	\$29,649,541.00	\$27,023,450.00
Taxes levied for debt service	4,246,932.00	4,296,398.00	4,286,238.00	3,776,256.00	4,386,690.00	4,620,170.00	2,752,998.00
Unrestricted grants and contributions	7,148,271.00	6,831,875.61	6,728,703.89	6,735,924.46	6,701,323.52	6,647,751.00	11,827,444.60
Disposal of capital assets	(62,969.61)	(54,892.95)	(956,052.42)			(27,440.00)	
Receivables canceled			(8,550.75)				
Miscellaneous income	536,575.91	879,450.00	1,189,914.93	729,484.66	763,514.41	800,242.42	189,610.85
Total governmental activities	<u>52,847,158.30</u>	<u>51,463,700.66</u>	<u>49,060,754.65</u>	<u>46,696,402.12</u>	<u>42,001,730.93</u>	<u>41,690,264.42</u>	<u>41,793,503.45</u>
Business-type activities:							
Miscellaneous income	2,547.16	6,183.43	24,132.54	216,770.61	2,917.10	976.68	1,631.87
Disposal of capital assets	(1,239.99)	(2,987.67)					
Total business-type activities	<u>1,307.17</u>	<u>3,195.76</u>	<u>24,132.54</u>	<u>216,770.61</u>	<u>2,917.10</u>	<u>976.68</u>	<u>1,631.87</u>
Total district-wide	<u>\$52,848,465.47</u>	<u>\$51,466,896.42</u>	<u>\$49,084,887.19</u>	<u>\$46,913,172.73</u>	<u>\$42,004,648.03</u>	<u>\$41,691,241.10</u>	<u>\$41,795,135.32</u>
<u>CHANGE IN NET ASSETS</u>							
Governmental activities	\$616,871.57	\$484,392.61	\$344,483.57	(\$608,987.16)	\$473,794.02	\$2,090,482.21	\$5,990,487.75
Business-type activities	(34,689.50)	(30,467.29)	50,597.22	111,688.51	18,778.60	2,974.13	6,078.71
Total district	<u>\$582,182.07</u>	<u>\$453,925.32</u>	<u>\$395,080.79</u>	<u>(\$497,298.65)</u>	<u>\$492,572.62</u>	<u>\$2,093,456.34</u>	<u>\$5,996,566.46</u>

Source: CAFR Schedule A-2

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund							
Reserved	\$2,886,541.09	\$2,780,169.45	\$3,063,040.60	\$2,703,682.42	\$2,675,522.62	\$2,806,388.34	\$2,115,119.65
Unreserved	658,125.98	1,115,464.61	1,185,159.59	1,068,149.31	1,218,596.70	1,837,994.30	1,698,172.48
Total general fund	<u>\$3,544,667.07</u>	<u>\$3,895,634.06</u>	<u>\$4,248,200.19</u>	<u>\$3,771,831.73</u>	<u>\$3,894,119.32</u>	<u>\$4,644,382.64</u>	<u>\$3,813,292.13</u>
All Other Governmental Funds							
Reserved		\$6,099.50	\$411,623.34	\$731,847.91	\$2,034,067.40	\$28,503,868.46	\$1,360.50
Unreserved, reported in:							
Capital projects fund	\$233,769.94	368,202.79	455,891.43	872,973.95	6,755,226.10	3,385,648.39	5,597,648.75
Debt service fund	54,716.77	140,982.71	137,687.60	230,365.15	819,527.40	646,500.06	56,280.35
Total all other governmental funds	<u>\$288,486.71</u>	<u>\$515,285.00</u>	<u>\$1,005,202.37</u>	<u>\$1,835,187.01</u>	<u>\$9,608,820.90</u>	<u>\$32,536,016.91</u>	<u>\$5,655,289.60</u>

Source: CAFR Schedule B-1

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

	2009	2008	2007	2006	2005	2004	2003
Revenues							
Tax levy	\$45,225,281.00	\$43,807,268.00	\$42,106,739.00	\$39,230,993.00	\$34,536,893.00	\$34,269,711.00	\$29,776,448.00
Miscellaneous	528,239.04	844,115.46	1,148,841.00	704,587.66	593,086.70	411,724.66	204,921.51
State sources	10,701,738.22	11,734,668.16	11,234,257.34	9,688,735.68	9,140,586.08	8,939,687.66	14,019,986.72
Federal sources	830,738.73	959,507.53	916,310.53	946,476.43	878,629.34	825,520.86	745,130.95
Total revenue	<u>57,285,996.99</u>	<u>57,345,559.15</u>	<u>55,406,147.87</u>	<u>50,580,792.77</u>	<u>45,149,195.12</u>	<u>44,446,644.18</u>	<u>44,746,487.18</u>
Expenditures							
Instruction							
Regular instruction	16,314,063.05	15,390,991.09	14,537,053.28	14,245,312.50	12,684,443.34	12,995,345.64	12,264,342.08
Special education	5,378,391.96	4,969,101.16	4,634,849.29	4,074,937.02	3,537,242.90	3,228,996.25	2,982,081.76
Other instruction	1,668,701.43	1,970,546.09	1,874,916.11	1,629,389.84	1,454,371.06	1,354,799.07	1,263,824.83
Support Services:							
Tuition	399,700.06	690,830.26	547,910.56	529,051.82	587,815.39	493,235.40	644,221.88
Student & instruction related services	5,291,224.24	5,291,067.08	5,029,266.30	5,063,283.92	4,363,944.25	4,229,549.33	3,162,284.81
General administrative services	818,219.02	767,679.67	795,743.11	809,603.99	681,258.09	696,765.36	1,632,774.03
School Administrative services	2,690,887.44	2,592,515.60	2,579,814.44	2,393,710.08	1,998,237.19	1,937,619.07	1,906,576.77
Business and other support services						424,568.05	446,484.09
Central services/ Admin. Info. tech.	810,981.33	790,066.42	821,151.28	843,447.72	1,176,612.36		
Plant operations and maintenance	4,390,883.17	5,145,295.36	4,794,345.54	4,590,986.45	3,584,053.11	3,525,171.88	3,196,994.11
Student transportation services	4,092,227.83	3,926,666.12	3,742,232.00	3,405,979.15	2,998,876.83	2,764,785.31	2,540,683.09
Unallocated employee benefits	10,742,669.16	11,231,164.92	10,536,392.98	8,628,892.87	7,503,396.19	6,474,048.86	5,456,412.26
Capital outlay	720,894.84	844,665.99	1,188,262.86	7,609,751.64	23,778,243.08	6,873,844.13	1,566,572.09
Debt service:							
Principal	2,390,000.00	2,330,000.00	2,410,000.00	2,120,000.00	1,996,877.84	1,888,755.38	1,843,755.38
Interest and other charges	2,165,424.26	2,291,863.00	2,314,196.76	2,573,271.76	2,690,732.45	2,826,574.99	1,523,318.65
Total expenditures	<u>57,874,267.59</u>	<u>58,232,252.76</u>	<u>55,806,134.51</u>	<u>58,517,628.76</u>	<u>69,016,104.08</u>	<u>49,714,068.72</u>	<u>40,422,325.83</u>
Excess (Deficiency) of revenues over (under) expenditures	(588,270.60)	(886,693.61)	(399,986.64)	(7,936,835.99)	(23,866,908.96)	(5,267,414.54)	4,324,161.35
Other Financing sources (uses)							
Bond proceeds	6,495,000.00		8,115,000.00			32,583,032.28	664,967.72
Premium on sale of bonds	349,361.15		146,424.40				
Cost of issuance	(95,849.71)		(128,024.63)				
Payment to refunded bonds escrow agent	(6,748,511.44)		(8,135,399.77)				
Grants canceled			(8,550.75)				
Interest earned/bond sale	10,505.32	44,210.11	54,921.21	40,914.51	189,449.63	396,200.08	664,967.72
Total other financing sources (uses)	<u>10,505.32</u>	<u>44,210.11</u>	<u>46,370.46</u>	<u>40,914.51</u>	<u>189,449.63</u>	<u>32,979,232.36</u>	
Net change in fund balances	<u>(\$577,765.28)</u>	<u>(\$842,483.50)</u>	<u>(\$353,616.18)</u>	<u>(\$7,895,921.48)</u>	<u>(\$23,677,459.33)</u>	<u>\$27,711,817.82</u>	<u>\$4,989,129.07</u>
Debt service as a percentage of noncapital expenditures	7.97%	8.05%	8.65%	9.22%	10.36%	11.01%	8.66%

Source: CAFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investments</u>	<u>Settlement</u>	<u>Transportation</u> <u>Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2009	\$24,264.21	\$147,172.64		\$253,218.38	\$101,415.36	\$526,070.59
2008	105,990.82	220,526.00		400,102.26	99,907.51	826,526.59
2007	101,240.04	286,057.37	\$332,484.42	339,599.00	67,314.49	1,126,695.32
2006	14,521.94	365,212.76		271,664.90	29,956.40	681,356.00
2005	64,767.64	192,247.27		264,303.59	52,746.28	574,064.78
2004	43,239.00	128,857.29		203,401.19	27,655.45	403,152.93
2003	57,225.51	66,968.99			48,994.27	173,188.77
2002	65,231.67	116,737.17		86,601.94	37,655.31	306,226.09
2001	78,605.68	273,393.61	175,000.00	236,759.43	8,508.48	772,267.20
2000	89,849.31	208,508.22			79,990.24	378,347.77

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Req.	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2009	\$83,602,300	\$3,174,796,750	\$72,719,300	\$551,130,525	\$112,267,100	\$12,039,400	\$4,006,555,375		\$5,255,322	\$4,011,810,697	\$4,288,296,452	1.023
2008	96,565,800	3,484,223,675	77,788,000	514,880,200	115,852,600	12,686,700	4,301,996,975		6,484,948	4,308,481,923	4,513,661,478	0.922
2007	90,288,300	3,471,183,800	78,340,200	517,905,600	113,115,500	12,686,700	4,283,520,100		6,991,505	4,290,511,605	4,624,967,955	0.887
2006	61,862,300	1,824,119,900	42,135,800	257,214,700	59,192,800	6,112,000	2,250,637,500		4,561,079	2,255,198,579	4,190,961,100	1.590
2005	58,921,800	1,772,932,500	47,522,600	246,015,300	58,902,300	6,112,000	2,190,406,500		5,094,825	2,195,501,325	3,781,394,395	1.481
2004	82,432,000	1,656,112,300	44,991,800	235,346,100	59,861,200	6,112,000	2,084,855,400		5,582,949	2,090,438,349	3,261,835,114	1.439
2003	78,611,000	1,580,462,400	44,375,600	230,175,300	69,361,200	6,112,000	2,009,087,500		5,967,153	2,015,064,653	2,999,548,373	1.382
2002	66,999,300	1,524,228,500	44,330,600	211,997,700	66,271,200	6,112,000	1,919,939,300		5,697,883	1,925,637,183	2,588,917,966	1.336
2001	56,111,200	1,426,234,200	53,590,900	198,412,200	67,996,800	6,112,000	1,808,457,300		5,773,748	1,814,231,048	2,148,799,062	1.348
2000	54,029,900	1,354,162,700	43,615,300	189,640,000	69,112,400	6,112,000	1,716,672,300		5,798,082	1,722,470,382	1,884,747,108	1.291

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

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Q-Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2009	\$4,500,000	\$241,327,200		\$243,748,200	\$3,651,100	\$42,234,000	\$535,460,500		\$6,245,384	\$541,705,884	\$570,686,479	\$1.02
2008	5,010,500	258,907,500		221,209,500	3,365,000	42,997,200	531,489,700		7,850,869	539,340,569	567,073,152	0.887
2007	4,926,100	258,451,200		209,805,200	3,257,100	41,253,600	517,693,200		6,095,584	523,788,784	557,587,233	0.932
2006	4,568,800	234,695,900		197,857,700	3,100,400	39,874,100	480,096,900		5,721,733	485,818,633	504,031,338	0.991
2005	3,529,400	208,390,600		184,883,700	2,859,000	36,253,000	435,915,700		4,897,263	440,812,963	451,088,670	0.993
2004	2,199,200	168,630,500	\$11,800.00	156,487,600	2,402,300	31,160,100	360,891,500		4,637,467	365,528,967	396,426,462	1.188
2003	2,410,900	168,281,300	11,800	155,322,900	2,402,300	31,160,100	359,589,300		5,109,598	364,698,898	378,077,279	1.382
2002	2,821,800	151,340,200	11,800	144,716,700	2,209,800	29,507,100	330,607,400		5,109,598	335,716,998	356,122,837	1.150
2001	3,003,900	142,062,958	11,122	137,813,400	2,073,200	28,456,700	313,421,280		4,342,191	317,763,471	324,017,000	1.186
2000	2,753,900	133,650,558	10,597	131,492,700	2,017,200	25,344,800	295,269,755		3,837,073	299,106,828	305,366,848	1.176

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

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

Fiscal Year Ended June 30,	Township of Raritan			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Township of Raritan	Hunterdon Central High School	Hunterdon County	
2009	\$0.927	\$0.096	\$1.023	\$0.265	\$0.511	\$0.369	\$2.168
2008	0.832	0.090	0.922	0.243	0.474	0.348	1.987
2007	0.797	0.090	0.887	0.248	0.465	0.360	1.960
2006	1.437	0.153	1.590	0.360	0.828	0.662	3.440
2005	1.293	0.188	1.481	0.307	0.774	0.648	3.210
2004	1.245	0.194	1.439	0.307	0.722	0.629	3.097
2003	1.254	0.128	1.382	0.311	0.653	0.644	2.990
2002	1.188	0.148	1.336	0.337	0.620	0.607	2.900
2001	1.171	0.177	1.348	0.337	0.612	0.543	2.840
2000	1.125	0.166	1.291	0.336	0.527	0.509	2.663

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

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

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

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

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

Fiscal Year Ended June 30,	Borough of Flemington			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Borough of Flemington	Hunterdon Central High School	Hunterdon County	
2009	\$0.927	\$0.096	\$1.023	\$0.508	\$0.480	\$0.316	\$2.327
2008	0.803	0.084	0.887	0.488	0.494	0.323	2.192
2007	0.837	0.095	0.932	0.478	0.540	0.330	2.280
2006	0.896	0.095	0.991	0.496	0.552	0.341	2.380
2005	0.867	0.126	0.993	0.510	0.527	0.360	2.390
2004	1.028	0.160	1.188	0.561	0.617	0.414	2.780
2003	1.254	0.128	1.382	0.571	0.562	0.428	2.943
2002	1.023	0.127	1.150	0.595	0.572	0.453	2.770
2001	1.031	0.155	1.186	0.589	0.626	0.439	2.840
2000	1.025	0.151	1.176	0.592	0.675	0.415	2.858

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

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

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

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

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

Taxpayer	2009				2000			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
Thomas J. Lipton Inc.								
Flemington Fair Associates	\$32,183,300.00	1			\$21,000,000.00	1	1.22%	
Flemington Mall Ltd.	30,675,300.00	2	0.71%		10,200,000.00	2	0.59%	
Equity Industrial Flemington LLC	26,543,200.00	3	0.62%					
Yale Materials Handling Corp.					7,968,600.00	3	0.46%	
Bedford Falls Land Co.	22,888,800.00	4	0.53%					
Hunterdon Convalescent Center Inc.					7,795,900.00	4	0.45%	
Clojo Circle, LLC.	19,486,900.00	6	0.45%					
Johanna Foods Inc.					7,400,000.00	5	0.43%	
Hunterdon Medical Office Assoc.	21,198,100.00	5	0.49%		6,824,900.00	6	0.40%	
Raritan Valley Developers	17,249,700.00	7	0.40%					
Raritan Village Shopping Ctr. LLC					6,000,000.00	7	0.35%	
Belscot Associates et al					5,638,700.00	8	0.33%	
Minnesota Mining and Manufacturing					5,000,000.00	9	0.29%	
Algoquin Gas Trans Co.					4,879,500.00	10	0.28%	
FBS Partners III LP	17,040,900.00	8						
M R Development Corp.	15,579,400.00	9	0.36%					
Macedo Industrial Park	14,407,000.00	10						
Total	\$185,069,300.00		3.57%		\$82,707,600.00		4.80%	

Source: Municipal Tax Assessor

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

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Liberty Village	\$32,399,100.00	2	6.19%	\$21,948,800.00	1	7.34%
Flemington Apts. LLC.	47,978,000.00	1	9.16%			
Flemington South	26,769,600.00	3	5.11%			
Bitmore Realty Co.	11,394,000.00	4	2.18%			
Arjay Realty				7,200,000.00	2	2.41%
Eagle Properties				6,888,000.00	3	2.30%
DiBianca Family Associates				5,685,600.00	4	1.90%
Hunterdon Shopping Center				4,516,600.00	5	1.51%
Flemington Fidelco	9,041,000.00	5	1.73%	4,360,800.00	6	1.46%
Roho LLC.	7,089,600.00	6	1.35%	4,121,200.00	7	1.38%
Taxpayer # 8	8,400,000.00	7	1.60%			0.00%
Old Egg Auction	5,165,000.00	8	0.99%	3,826,600.00	8	1.28%
Flemington Circle Park Assoc.	4,263,300.00	9		2,700,400.00	9	0.90%
NJN Associates	4,235,000.00	10		2,678,800.00	10	0.90%
Total	\$156,734,600.00		0.81%	\$63,926,800.00		0.00%
			29.12%			21.37%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2009	\$40,364,516.65	\$40,364,516.65	100.00%	-
2008	39,102,565.20	39,102,565.20	100.00%	-
2007	37,065,195.30	37,065,195.30	100.00%	-
2006	34,646,664.10	34,646,664.10	100.00%	-
2005	30,366,963.11	30,366,963.11	100.00%	-
2004	29,766,406.66	29,766,406.66	100.00%	-
2003	25,913,510.01	25,913,510.01	100.00%	-
2002	25,560,017.89	25,560,017.89	100.00%	-
2001	23,326,161.87	23,326,161.87	100.00%	-
2000	21,125,794.47	21,125,794.47	100.00%	-

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2009	\$4,860,764.35	\$4,860,764.35	100.00%	-
2008	4,884,702.80	4,884,702.80	100.00%	-
2007	5,041,543.70	5,041,543.70	100.00%	-
2006	4,584,328.90	4,584,328.90	100.00%	-
2005	4,169,929.89	4,169,929.89	100.00%	-
2004	4,503,304.34	4,503,304.34	100.00%	-
2003	3,862,937.99	3,862,937.99	100.00%	-
2002	3,848,483.11	3,848,483.11	100.00%	-
2001	3,677,110.13	3,677,110.13	100.00%	-
2000	3,350,666.53	3,350,666.53	100.00%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases	Total District	
2009	\$47,594,000.00					\$47,594,000.00	\$1,787.23
2008	50,149,000.00					50,149,000.00	1,882.82
2007	52,479,000.00					52,479,000.00	1,972.01
2006	54,089,000.00					54,089,000.00	2,043.48
2005	56,209,000.00					56,209,000.00	2,144.07
2004	58,205,877.84		\$52,032.88			58,257,910.72	2,260.42
2003	26,846,633.22		103,941.35			26,950,574.57	1,064.69
2002	28,690,388.60		152,329.76			28,842,718.36	1,163.76
2001	30,738,143.98		201,330.80			30,939,474.78	1,280.13
2000	32,771,899.36		261,439.81			33,033,339.17	1,375.87

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

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

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

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

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

Fiscal Year Ended <u>June 30,</u>	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Value (a) of <u>Property</u>	<u>Per Capita (b)</u>
	<u>General Obligation Bonds</u>	<u>Deductions</u>		
2009	\$47,594,000.00		1.19%	\$1,787.23
2008	50,149,000.00		1.03%	1,882.82
2007	52,479,000.00		1.09%	1,972.01
2006	54,089,000.00		1.97%	2,043.48
2005	56,209,000.00		2.13%	2,144.07
2004	58,205,877.84		2.37%	2,258.41
2003	26,846,633.22		1.13%	1,060.59
2002	28,690,388.60		1.27%	1,157.62
2001	30,738,143.98		1.44%	1,271.80
2000	32,771,899.36		1.62%	1,364.98

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

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF DECEMBER 31, 2008
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Flemington Borough	\$7,010,029.33	100.00%	\$7,010,029.33
Raritan Township	26,832,287.33	100.00%	26,832,287.33
Other debt			
Hunterdon County	151,194,224.92	19.83%	29,976,271.57
Subtotal, overlapping debt			\$63,818,588.23
Flemington-Raritan Regional School District Direct Debt			47,594,386.00
Total direct and overlapping debt			<u>\$111,412,974.23</u>

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

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

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

FLEMINGTON-PARTAN REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2007:

Equalized Valuation Basis

Calendar Year

2008
2007
2006

\$4,862,148,287.00
4,861,917,585.00
4,656,217,164.00
14,380,283,036.00

Average Equalized Valuation of Taxable Property

\$4,793,427,678.67

Debt Limit (3% (a) of average equalization value)

143,802,830.36

Total Net Debt Applicable to Limit

47,594,386.00

Legal Debt Margin

\$96,208,444.36

	Fiscal Year Ending June 30,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Debt Limit	\$143,802,830.36	\$136,266,619.94	\$123,612,139.60	\$108,871,952.27	\$95,062,349.15	\$82,979,933.67	\$72,552,758.99	\$65,156,628.54	\$60,185,086.72	\$57,376,650.29
Total Net Debt Applicable To Limit	47,594,386.00	50,149,386.00	52,479,386.00	54,089,386.00	56,209,386.00	58,205,877.84	60,095,019.22	28,690,388.60	30,738,143.98	32,771,899.36
Legal Debt Margin	<u>\$96,208,444.36</u>	<u>\$86,117,233.94</u>	<u>\$71,132,753.60</u>	<u>\$54,782,566.27</u>	<u>\$38,852,963.15</u>	<u>\$24,774,055.83</u>	<u>\$12,457,739.77</u>	<u>\$36,466,239.94</u>	<u>\$29,446,942.74</u>	<u>\$24,604,750.93</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	33.10%	36.80%	42.45%	49.68%	59.13%	70.14%	82.83%	44.03%	51.07%	57.12%

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>	
				<u>Flemington</u>	<u>Raritan</u>
2009	26,630	\$1,769,536,870	\$66,449	4.00%	2.00%
2008	26,635	1,769,869,115	66,449	3.10%	1.50%
2007	26,612	1,669,929,612	62,751	3.60%	1.80%
2006	26,469	1,548,965,880	58,520	3.60%	1.80%
2005	26,216	1,531,302,776	58,411	3.70%	1.60%
2004	25,773	1,470,710,472	57,064	4.90%	2.90%
2003	25,313	1,412,693,217	55,809	5.90%	3.50%
2002	24,784	1,352,115,904	54,556	5.40%	3.20%
2001	24,169	1,277,766,692	52,868	3.20%	1.90%
2000	24,009	1,157,353,845	48,205	2.60%	1.50%

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 - CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

<u>Employer</u>	2009		2000	
	<u># of Employees</u>	<u>Rank (Optional)</u>	<u># of Employees</u>	<u>Rank (Optional)</u>
		<u>Percentage of Total Employment</u>		<u>Percentage of Total Employment</u>
(1)	0	0.00%	0	0.00%

Source: Municipal Records

(1) - Data not available

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

Function/Program	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Instruction:						
Regular	275	278	274	244	234	253
Special education	48	48	48	42	37	47
Other special education						
Vocational						
Other instruction	64	63	63	41	38	49
Nonpublic school programs						
Adult/continuing education programs						
Support Services:						
Tuition						
Student & instruction related services						
General administrative services	3	3	3	4	4	4
School administrative services	17	17	17	17	15	15
Plant operations and maintenance	10	11	11	11	10	9
Pupil transportation						
Central services	33	33	33	33	29	29
Administration information technology	5	5	5	5	4	4
Special Schools						
Food Service	25	25	25	23	23	21
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>480</u>	<u>483</u>	<u>479</u>	<u>420</u>	<u>394</u>	<u>431</u>

Source: District Personnel Records

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>% Change</u>	<u>Teaching Staff (b)</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (c)</u>	<u>Average Daily Attendance (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2009	3,614	\$52,597,948.69	\$14,553.94	-1.67%	347	10.4	3,574	3,439	-0.32%	96.21%
2008	3,565	52,765,923.77	14,801.10	6.17%	342	10.4	3,586	3,449	0.61%	96.19%
2007	3,579	49,893,674.89	13,940.67	7.25%	342	10.5	3,564	3,427	-0.39%	96.16%
2006	3,588	46,639,885.36	12,998.85	12.71%	327	11.0	3,578	3,442	0.39%	96.20%
2005	3,569	41,162,450.44	11,533.33	7.76%	322	11.1	3,564	3,427	-0.14%	96.14%
2004	3,598	38,508,130.77	10,702.65	5.24%	322	11.2	3,569	3,435	1.69%	96.23%
2003	3,530	35,898,777.77	10,169.63	5.29%	320	11.0	3,510	3,361	1.74%	95.75%
2002	3,467	33,485,548.88	9,658.36	5.35%	309	11.2	3,450	3,317	0.68%	96.14%
2001	3,445	31,584,100.66	9,168.10	6.50%	301	11.4	3,427	3,280	1.51%	95.73%
2000	3,391	29,192,422.97	8,608.79	1.55%	292	11.6	3,376	3,244	0.58%	96.09%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2001</u>	<u>2000</u>
<u>District Buildings</u>									
Elementary School(s):									
Barley Sheaf (1967)									
Square Feet	70,869	70,869	70,869	70,869					
Capacity (students)	566	566	566	566					
Enrollment	459	478	475	469					
Copper Hill (1996)									
Square Feet	127,219	127,219	127,219	127,219					
Capacity (students)	619	619	619	619					
Enrollment	537	559	560	579					
Robert Hunter (1961)									
Square Feet	74,464	74,464	74,464	74,464					
Capacity (students)	547	547	547	547					
Enrollment	487	483	474	465					
Desmares (1991)									
Square Feet	84,094	84,094	84,094	84,094					
Capacity (students)	569	569	569	569					
Enrollment	463	447	456	429					
Middle School(s):									
JP Case (2006)									
Square Feet	137,672	137,672	137,672	137,672					
Capacity (students)	912	912	912	912					
Enrollment	829	851	841	834					
Intermediate School(s)									
Reading-Fleming (1964)									
Square Feet	175,318	175,318	175,318	175,318					
Capacity (students)	902	902	902	902					
Enrollment	800	768	773	812					

Number of Schools at June 30, 2009

Elementary = 4

Middle School = 1

Intermediate = 1

Source: District records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX									
School Facilities * Project #(s)	Total	Other	Barley Sheaf	Copper Hill	Frances A. Desmares	Reading- Fleming	JP Case	Robert Hunter	
2009	\$745,905.97	\$24,989.00	\$191,977.59	\$100,253.59	\$65,811.25	\$193,076.20	\$70,335.19	\$99,463.15	
2008	731,365.52		277,132.62	106,081.53	76,870.49	134,536.09	57,458.06	79,286.73	
2007	890,408.18		256,158.63	97,884.86	96,525.43	253,935.24	53,335.39	132,568.63	
2006	1,068,080.54	8,031.53	162,196.61	133,435.16	179,330.93	278,235.95	20,579.93	286,270.43	
2005	1,011,104.86	3,253.16	145,906.90	150,809.43	138,465.98	199,897.77		372,771.62	
2004	659,578.90	10,932.22	59,375.05	161,351.15	74,372.44	160,358.98		193,189.06	
2003	294,480.18	40,198.38	46,191.08	58,435.21	29,149.55	90,539.51		29,966.45	
2002	560,445.20		74,663.30	134,030.27	88,596.37	184,704.48		78,450.78	
2001	291,638.21		38,852.46	69,745.17	46,102.79	96,114.45		40,823.34	
Total School Facilities	\$5,507,101.59	\$62,415.29	\$1,060,476.65	\$911,772.78	\$729,413.98	\$1,398,322.47	\$131,373.38	\$1,213,327.04	

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

Source: District records

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
6/30/2009
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Bonds - Selective Insurance		
Treasurer of School Monies	\$ 300,000	\$
Public Employees Blanket Bond - SAIF	100,000	1,000
Business Administrator/ Board Secretary	150,000	
<u>School Alliance Insurance Fund</u>		
School Board Legal Liability- (ACE)	5,000,000	10,000
Employment Practices Liability (EPL)		10,000
Commercial General Liability and Auto Liability	5,000,000	
Commercial Property Coverage Includes:	150,000,000	1,000
Building		
Boiler and Machinery		
Valuable Papers and Records		
Demolition		
Increased Cost of Construction		
EDP Floater		
EDP Media		
Auto Physical Damage		
Commercial Excess Liability	5,000,000	
Includes Excess School Board Legal		
Pollution Liability	1,000,000	5,000
Workers' Compensation - Statutory Limits		
Employees Liability	5,000,000	
Source: District Records		

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-1"

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

Westfield 908-789-9300

Somerville 908-725-6688

Fax 908-789-8535

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

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

We have audited the basic financial statements of the Flemington-Raritan Regional School District, County of Hunterdon, New Jersey as of and for the fiscal year ended June 30, 2009, and have issued our report thereon dated October 7, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Flemington-Raritan Regional School District, County of Hunterdon, New Jersey internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of the Flemington-Raritan Regional School District, County of Hunterdon internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Flemington-Raritan Regional, County of Hunterdon's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is a more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

SUPLEE, CLOONEY & COMPANY

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was limited for the purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However we noted immaterial matters involving the internal control structure and the operations that we have reported to the Board of Education of the Flemington-Raritan Regional School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated October 7, 2009.

Compliance and Other Matters

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

This report is intended for the information of the Flemington-Raritan Regional School District, County of Hunterdon, New Jersey, the New Jersey State Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

October 7, 2009



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Westfield 908-789-9300

Somerville 908-725-6688

Fax 908-789-8535

EXHIBIT "K-2"

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A -133 AND NEW JERSEY OMB CIRCULAR 04-04

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

Compliance

We have audited the compliance of the Flemington-Raritan Regional School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the New Jersey State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2009. Flemington-Raritan Regional School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Flemington-Raritan Regional School District's management. Our responsibility is to express an opinion on Flemington-Raritan Regional School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Flemington-Raritan Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Flemington-Raritan Regional School District's compliance with those requirements.

SUPLEE, CLOONEY & COMPANY

In our opinion, the Flemington-Raritan Regional School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Flemington-Raritan Regional School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Flemington-Raritan Regional School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on the effectiveness of internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Flemington-Raritan Regional School District's internal control over compliance.


A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal and state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal and state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the Flemington-Raritan Regional School District, County of Hunterdon, New Jersey, the New Jersey State Department of Education, and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

October 7, 2009

ELEMINGTON-BARTON REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

BALANCE AT JUNE 30, 2009														
FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	FROM	GRANT PERIOD FROM	TO	BALANCE AT JUNE 30, 2009	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCES	(ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2009	
													DEFERRED REVENUE	DUE TO GRANTOR AT
Enterprise Funds														
U.S. Department of Agriculture														
Passed-through State Department of Education														
10.550	N/A	\$ 33,967.36		7/1/08	6/30/09	\$ 16,891.04	\$	\$ 33,967.36	\$ (27,416.25)	\$	\$	\$	\$ 6,551.11	\$
10.550	N/A	71,363.68		7/1/07	6/30/08				(16,891.04)			(32,868.53)		
10.555	N/A	155,977.91		7/1/08	6/30/09	(23,874.48)		123,079.38	(155,977.91)					
10.555	N/A	155,977.91		7/1/07	6/30/08	(6,963.44)		23,874.48	(200,265.20)			(32,868.53)	6,571.11	
Total U.S. Department of Agriculture														
Special Revenue Funds														
U.S. Department of Education														
Passed-through State Department of Education														
84.010	NCLB-1510-06	130,365.00		9/1/06	8/31/07	0.26					(0.26)			
84.010	NCLB-1510-08	128,362.00		9/1/07	8/31/08	20,746.75			(19,098.72)			(37,750.58)	1,658.03	
84.010	NCLB-1510-09	128,764.00		9/1/08	8/31/09			62,481.00	(100,244.58)			(2,534.33)		
84.281	NCLB-1510-09	58,127.00		9/1/08	8/31/09			26,978.00	(29,812.33)					
84.281	NCLB-1510-08	80,968.00		9/1/07	8/31/08	28,921.06			(28,921.06)					
84.281	NCLB-1510-07	569.00		9/1/06	8/31/07	127.96			(127.96)					
84.281	NCLB-1510-09	1,062.00		9/1/08	8/31/09			6,329.00	(10,505.26)			(1,062.00)	5.66	
84.365	NCLB-1510-08	20,220.00		9/1/07	8/31/08	10,510.94			(10,065.43)			(3,736.43)		
84.365	NCLB-1510-06	17,038.00		9/1/08	8/31/09			465.00	(12,870.72)			(1,236.38)		
84.186	NCLB-1510-09	6,840.00		9/1/08	8/31/09				(7,594.88)					
84.186	NCLB-1510-08	5,516.00		9/1/07	8/31/08	7,611.69	(62.16)				(20,857.00)		16.81	
84.027	FT-1510-06	652,932.00		9/1/05	8/31/06	20,939.16				7,486.00			16,308.22	
84.027	FT-1510-08	678,235.00		9/1/07	8/31/08	(669,412.78)		678,235.00					23,078.00	
84.027	FT-1510-07	653,478.00		9/1/06	8/31/07	24,488.00	(1,410.00)					(601,964.44)		
84.027	FT-1510-09	685,763.00		9/1/08	8/31/09		1,492.16		(603,456.60)				2,837.00	
84.173	PS-1510-08	34,064.00		9/1/07	8/31/08	(31,127.00)		34,064.00	(29,575.00)			(29,575.00)		
84.173	PS-1510-09	32,533.00		9/1/08	8/31/09						(819.74)			
84.173	PS-1510-06	31,141.00		9/1/05	8/31/06	819.74							530.00	
84.173	PS-1510-07	33,925.00		9/1/06	8/31/07	(585,844.22)		808,592.00	(895,052.92)		(21,677.00)	(681,029.88)	44,533.74	
Total U.S. Department of Education														
Total Federal Financial Assistance														
						\$ (592,827.66)	\$ 0.	\$ 989,533.22	\$ (1,055,338.12)	\$ 7,486.00	\$ (21,677.00)	\$ (723,528.41)	\$ 51,104.85	\$

See accompanying notes to schedule of financial assistance.

ELMINGTON-RAITAN REGIONAL SCHOOL DISTRICT
SCHEDULE B - FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

STATE GRANT/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM	GRANT PERIOD TO	(ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2008 DEFERRED REVENUE	DUE TO GRANTOR	CARRYOVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES	(ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2009 DEFERRED REVENUE	DUE TO GRANTOR AT	MEMO BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education General Funds																
Core Curriculum Standards Aid	08-485-034-5120-022	\$ 1,486,857.00	7/1/07	6/30/08	\$	\$	\$	\$	\$ 72,178.59	\$ (968,822.00)	\$ (72,178.59)	\$	\$	\$	\$	\$
Transportation Aid	08-485-034-5120-014	968,822.00	7/1/07	6/30/08					85,508.81		85,508.81					(968,822.00)
Transportation Aid	08-485-034-5120-014	855,413.00	7/1/07	6/30/08					46,379.96		46,379.96					(1,449,138.00)
Transportation Aid	08-485-034-5120-014	1,164,850.00	7/1/07	6/30/08					102,458.86		102,458.86					(3,918,555.00)
Special Education Aid	08-485-034-5120-011	2,110,840.00	7/1/07	6/30/08					5,091.63		(5,091.63)					(257,056.00)
Special Education Aid	08-485-034-5120-008	1,04,886.00	7/1/07	6/30/08					376,273.89		376,273.89					(3,918,555.00)
Equalization Aid	08-485-034-5120-078	4,072,790.00	7/1/08	6/30/09					23,748.70		23,748.70					(3,918,555.00)
Security Aid	08-485-034-5120-084	257,295.00	7/1/08	6/30/09					18,008.92		18,008.92					(3,918,555.00)
Security Aid	08-485-034-5120-084	1,164,850.00	7/1/07	6/30/08					18,008.92		18,008.92					(3,918,555.00)
Consolidated Aid	08-485-034-5120-057	381,591.00	7/1/07	6/30/08					18,008.92		18,008.92					(3,918,555.00)
Additional Formula Aid	08-100-034-5120-058	387,450.00	7/1/07	6/30/08					18,008.92		18,008.92					(3,918,555.00)
Nonpublic Transportation Aid	08-100-034-5120-068	22,620.00	7/1/08	6/30/09					16,353.61		16,353.61					(22,620.00)
Nonpublic Transportation Aid	08-100-034-5120-068	18,325.61	7/1/07	6/30/08					76,151.00		76,151.00					(464,797.00)
Nonpublic Transportation Costs Aid	08-100-034-5120-068	4,895.00	7/1/07	6/30/08					1,877,600.53		1,877,600.53					(1,764,656.29)
Extraordinary Special Education Costs Aid	08-485-034-5120-044	76,151.00	7/1/07	6/30/08					84,438.31		84,438.31					(1,764,656.29)
Reimbursed TPAF Social Security Contribution	08-485-034-5095-002	1,764,656.29	7/1/07	6/30/08					8,515,397.45		8,515,397.45					(8,515,397.45)
Reimbursed TPAF Social Security Contribution	08-485-034-5095-002	1,687,468.14	7/1/07	6/30/08					1,764,656.29		1,764,656.29					(8,515,397.45)
Special Revenue Funds:																
State Education Fund	06-100-034-5120-418	9,650.00	7/1/05	6/30/08					11,089.00		11,089.00					(415.75)
Autism Exam Grant	06-5801-003	279,221.00	4/4/07	6/30/08					6,208.55		6,208.55					(415.75)
Non-Public Aid																
Hardicapped Services:																
Corrective Speech	09-100-034-5120-066	9,300.00	7/1/08	6/30/09					9,300.00		9,300.00					(2,232.00)
Corrective Speech	09-100-034-5120-066	9,300.00	7/1/07	6/30/08					59.00		59.00					(2,232.00)
Examination and Classification	09-100-034-5120-066	7,205.00	7/1/07	6/30/08					1,900.32		1,900.32					(1,326.17)
Examination and Classification	09-100-034-5120-066	3,875.00	7/1/08	6/30/09					3,979.00		3,979.00					(1,326.17)
Supplemental Instruction	08-100-034-5120-066	4,595.00	7/1/07	6/30/08					4,708.20		4,708.20					(330.40)
Supplemental Instruction	09-100-034-5120-066	625.00	7/1/08	6/30/09					826.00		826.00					(405.00)
Artary Services	09-100-034-5120-067	405.00	7/1/08	6/30/09					305.00		305.00					(405.00)
Compensatory Education	08-100-034-5120-067	3,951.00	7/1/07	6/30/08					5,972.00		5,972.00					(3,384.12)
Compensatory Education	09-100-034-5120-067	5,972.00	7/1/08	6/30/09					1,156.19		1,156.19					(1,326.17)
Nonpublic Textbook Aid	08-100-034-5120-064	5,995.00	7/1/07	6/30/08					2,276.80		2,276.80					(1,326.17)
Nonpublic Textbook Aid	09-100-034-5120-064	1,830.00	7/1/08	6/30/09					1,830.00		1,830.00					(1,326.17)
Nonpublic Textbook Aid	09-100-034-5120-064	1,830.00	7/1/08	6/30/09					2,471.00		2,471.00					(1,326.17)
Nonpublic Textbook Aid	09-100-034-5120-070	3,600.00	7/1/08	6/30/09					1,260.00		1,260.00					(1,326.17)
Nonpublic Technology Initiative	08-100-034-5120-373	1,260.00	7/1/07	6/30/08					37,052.00		37,052.00					(1,326.17)
Nonpublic Technology Initiative	09-100-034-5120-373	1,260.00	7/1/08	6/30/09					20,686.08		20,686.08					(1,326.17)
Debt Service Fund																
Debt Service Aid - Type II	09-100-034-5120-125	211,721.00	7/1/08	6/30/09					211,721.00		211,721.00					(13,016.06)
National School Lunch Program (State Share)	09-100-010-3350-023	13,016.06	7/1/08	6/30/09					10,224.86		10,224.86					(13,016.06)
National School Lunch Program (State Share)	08-100-010-3350-023	11,297.58	7/1/07	6/30/08					2,056.12		2,056.12					(13,016.06)
Total State Financial Assistance									8,776,451.53		8,776,451.53					(9,483,993.91)

See accompanying notes to schedules of financial assistance

Flemington-Raritan Regional School District
Notes to the Schedules of Expenditures of Awards and Financial Assistance
Year Ended June 30, 2009

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Flemington-Raritan Regional School District
Notes to the Schedules of Expenditure of Awards and Financial Assistance
Year Ended June 30, 2009

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$332,715.00) for the general fund and \$14,928.70 for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$10,436,172.29	\$10,436,172.29
Special Revenue Fund	\$830,738.73	53,844.93	884,583.66
Debt Service Fund		211,721.00	211,721.00
Food Service Fund	<u>200,285.20</u>	<u>13,016.06</u>	<u>213,301.26</u>
Total Awards & Financial Assistance	<u>\$1,031,023.93</u>	<u>\$10,714,754.28</u>	<u>\$11,745,778.21</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2009.

Flemington-Raritan Regional School District
Hunterdon County, New Jersey

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|---|-------------|
| (1) Type of Auditor's Report Issued: | Unqualified |
| (2) Internal Control Over Financial Reporting: | |
| (a) Significant deficiencies identified during the audit of the financial statements? | No |
| (b) Significant deficiencies identified as material weaknesses? | N/A |
| (3) Noncompliance material to the basic financial statements noted during the audit? | No |

Federal Program(s)

- | | |
|---|---------------|
| (1) Internal Control Over Major Federal Programs: | |
| (a) Significant deficiencies identified during the audit of major federal programs? | None Reported |
| (b) Significant deficiencies identified as material weaknesses? | N/A |
| (2) Type of Auditor's Report issued on compliance for major federal program(s)? | Unqualified |
| (3) Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133 and listed in Section III of this schedule? | None Reported |

Flemington-Raritan Regional School District
Hunterdon County, New Jersey

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Federal Program(s) (Continued)

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

<u>Program</u>	<u>CFDA</u>	<u>Grant Period</u>		<u>Type</u>	<u>Award Amount</u>	<u>Expended FY '09</u>
		<u>From</u>	<u>To</u>			
IDEA Part B, Basic	84.027	9/1/08	8/31/09	A	\$685,763.00	\$603,456.60

(5) Program Threshold Determination:

 Type A Federal Program Threshold > \$300,000.00

 Type B Federal Program Threshold <= \$300,000.00

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

State Program(s)

(1) Internal Control Over Major State Programs:

 (a) Significant deficiencies identified during the audit of major state program(s)? None Reported

 (b) Significant deficiencies identified as material weaknesses? N/A

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

(3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04 and listed in Section III of this schedule? None Reported

Flemington-Raritan Regional School District
Hunterdon County, New Jersey

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

State Program(s) (Continued)

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

<u>Program</u>	<u>Grant Number</u>	<u>Grant Period</u>		<u>Type</u>	<u>Award Amount</u>	<u>Expended FY '09</u>
		<u>From</u>	<u>To</u>			
Extraordinary Aid	495-034-5120-044	7/1/08	6/30/09	A	\$464,797.00	\$464,797.00
Equalization Aid	495-034-5120-078	7/1/08	6/30/09	A	4,072,790.00	4,072,790.00
Special Education						
Categorical Aid	495-034-5120-089	7/1/08	6/30/09	A	1,849,136.00	1,849,136.00
Security Aid	495-034-5120-084	7/1/08	6/30/09	B	257,056.00	257,056.00

(5) Program Threshold Determination:

Type A State Program Threshold > \$300,000.00
Type B State Program Threshold <= \$300,000.00

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

Flemington-Raritan Regional School District
Hunterdon County, New Jersey

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

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

Internal Control Findings

None Reported

Compliance Findings

None Reported

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

Federal Programs - None Reported

State Programs - None Reported

Flemington-Raritan Regional School District
Hunterdon County, New Jersey
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2009

Status of Prior Year Audit Findings

None

