

# **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, 2010**

**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

Gregory T. Nolan  
Superintendent

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October 29, 2010

Honorable President Larmore 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, 2010 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 Middle School houses grades seven and eight.

The District completed the 2009-2010 fiscal year with an enrollment of 3,648 students.

The following table presents the actual historical pupil enrollment, as of October 15, for the school years 1999-2000 through 2009-2010.

| <u>School Year</u> | Enrollment<br>As of<br><u>October 15</u> | Percent<br><u>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%                     |
| 2009-10            | 3,630                                    | .99%                     |

## 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 resale's, 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 2009-2010 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. Successfully completing the District's NJQSAC District Improvement Plan.
4. Provide professional development in the area of differentiation of instruction to ensure all sub populations meet AYP.
5. Implement the recommendations of the G&T General Needs Assessment.
6. Develop and begin implementation of a new District Strategic Plan.

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 2009. Workshops focused on improving teachers' use and familiarity with technology, teaching writing, increasing 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 days, 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 2009 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**

- School Counseling Needs Assessment
- ESL Needs Assessment (still in progress)
- Technology Needs Assessment

Curriculum Development

A series of projects, some required by the NJQSAC District Improvement Plan, were implemented throughout the 2009-1010 School Year:

- Language Arts Literacy 6-8
- Language Arts Literacy K-5
- Mathematics K-6
- Mathematics 7-8
- Social Studies 1-4
- Social Studies 5
- Social Studies 6-8
- French 7-8
- Art 1-8
- Health 1-4
- Physical Education 1-4
- Computers 1-4
- Kindergarten
- Library Skills
- K-2 Writing Benchmarks Curriculum Adjustment
- G&T General, Grade 3
- Handwriting 3-8, Curriculum Adjustment

Instructional Materials Adoption

The District has funded the following textbook and supplemental material adoptions during the 2009-2010 school year. Funded projects included:

- Social Studies, Grade 5
- Social Studies, Grades 6-8 was not funded due to mid-year reductions in funding.

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, parent nights, and targeted professional development. However, serious consideration is being given to eliminating this program in the future due to dramatic reductions in Title I funding levels during the past two years.

- 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 2009-2010 school year. These programs include the following:

- The district maintains its commitment to maintaining reasonable class sizes at all grade levels.
- Consistent with our newly-approved Technology Plan (also informed by a Technology Audit conducted by an outside consultant), teachers at Copper Hill and Robert Hunter were provided replacement computers. Generally, the District has discontinued the "Teacher Laptop" initiative. The program proved too expensive in terms of initial purchase and maintenance to sustain. Although funding has not decreased, the savings from largely purchasing the less expensive PC-based desktop computers is being utilized to purchase new classroom-based equipment consistent with the District's Technology Plan.
- The Reading Recovery program in Grade 1 was continued.
- The Student Support Math and Language Arts programs were maintained.
- The G&T Math program was sustained with growth in the number of students qualifying for inclusion.
- The G&T General program was restructured. Although we maintained the twice a week pull-out program for identified students, the program now provides for push-in services for all students in grades 1-4. The focus of this program has also been more clearly defined as a language arts/social studies (humanities) focus. Part of this focus includes the use of art, music, computer, and media specialists as teachers for the pull-out program.
- The School Counseling program was maintained.

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

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, 2010.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) CASH MANAGEMENT:

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

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

8) RISK MANAGEMENT:

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

9) OTHER INFORMATION:

Independent Audit

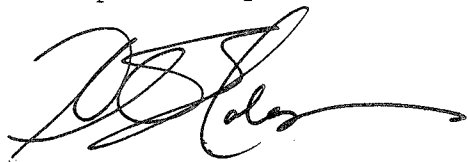
State statutes require an annual audit by independent certified public accountants or registered municipal accountants.

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

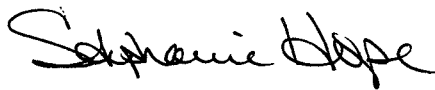
10) ACKNOWLEDGMENTS:

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

Respectfully Submitted,



Gregory T. Nolan  
Superintendent



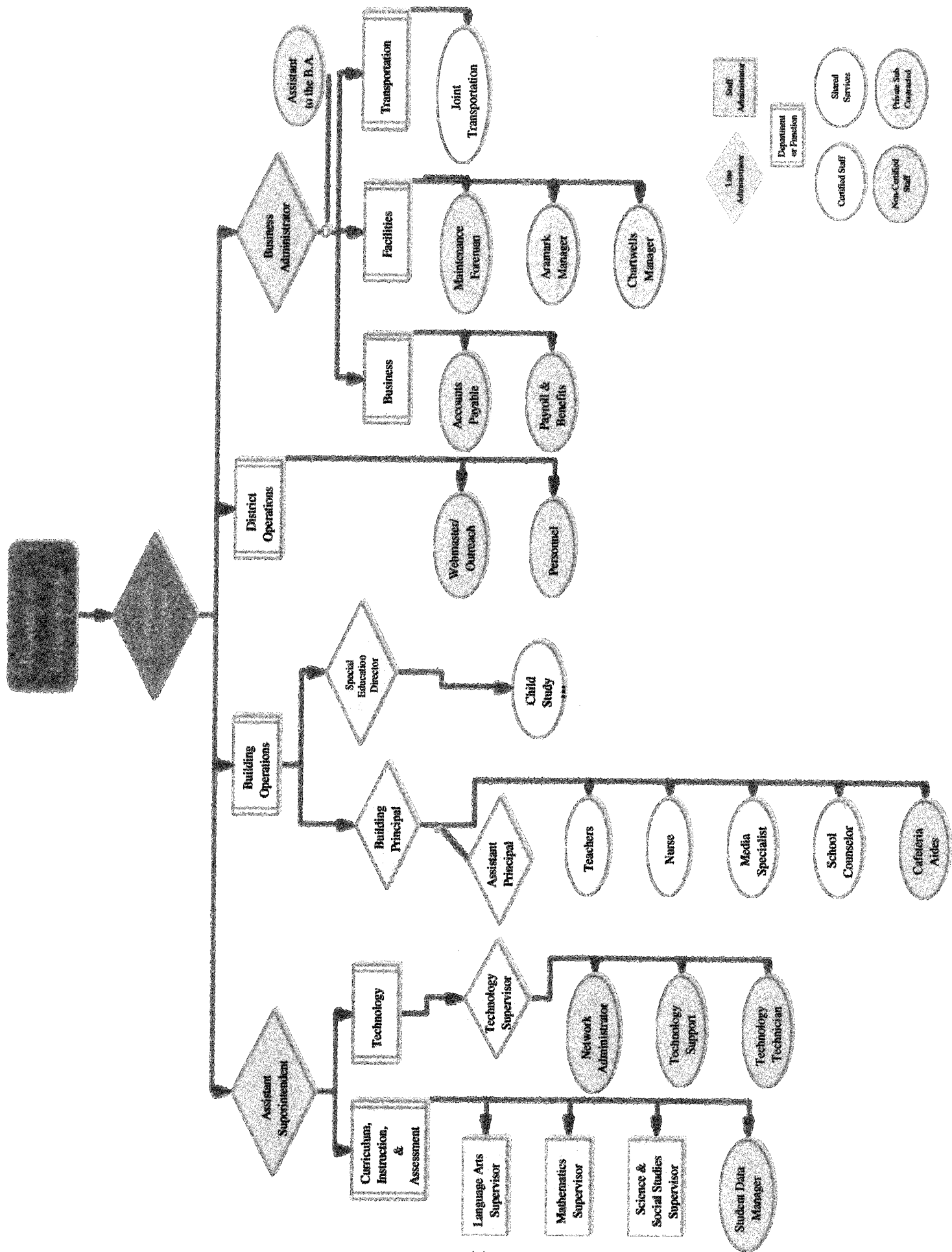
Stephanie Hope  
Business Administrator/  
Board Secretary



## **MISSION STATEMENT**

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

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



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

**ROSTER OF OFFICIALS**  
**JUNE 30, 2010**

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|------------------------------------------|---------------------|
| Julie Bell, President                    | 2011                |
| Patrick Larmore, Vice President          | 2011                |
| Michael Bonieski                         | 2012                |
| Dennis Copeland                          | 2012                |
| Bruce Davidson                           | 2013                |
| Janine Foreman                           | 2013                |
| Laurie Markowski                         | 2011                |
| Doris McGivney                           | 2013                |
| Joseph Zarish                            | 2012                |

Other Officials:

Gregory Nolan, Superintendent

Stephanie Hope, Board Secretary/Business Administrator

Daniel 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, 2010**

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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, 2010, 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, 2010, 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 29, 2010 on our consideration of the Flemington-Raritan Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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. 962

October 29, 2010

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**



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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED

The Management's Discussion and Analysis of the Flemington-Raritan Regional School District (FRSD) offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the 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 (2009-2010) and the prior year (2008-2009) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2010 are as follows:

- In total, governmental activities net assets increased \$1,056,016 while business-type activities net assets increased \$38,974 from 2009.
- Governmental activity expenses of \$57,950,542 were offset by revenues from operating grants and contributions of \$4,808,419 and total general revenues and special items of \$54,198,139.
- Business-type activity expenses of \$1,024,645 were offset by revenues from charges for services of \$814,338, operating grants and contributions of \$248,880 and total general revenues and special items of \$401.
- The General Fund (the District's most significant fund) had revenues of \$53,432,451, expenses of \$53,150,472 and other financing sources of \$63,455. As a result, fund balance increased by \$345,434.

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**Using this Comprehensive Annual Financial Report (CAFR)**

This Comprehensive Annual Financial Report (CAFR) 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. 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 entire 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.

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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.

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**The School District as a Whole**

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 2010 and 2009 in accordance with GASB Statement 34.

**Table 1**  
**Net Assets (EXHIBIT A-1)**

| <b>Assets</b>                           | <u>2010</u>          | <u>2009</u>          |
|-----------------------------------------|----------------------|----------------------|
| Current and Other Assets                | \$ 4,578,858         | \$ 4,417,543         |
| Capital Assets                          | <u>54,142,737</u>    | <u>55,721,167</u>    |
| Total Assets                            | <u>58,721,595</u>    | <u>60,138,710</u>    |
| <b>Liabilities</b>                      |                      |                      |
| Long-Term Liabilities                   | 45,514,560           | 47,995,555           |
| Other Liabilities                       | <u>730,055</u>       | <u>761,166</u>       |
| Total Liabilities                       | <u>46,244,615</u>    | <u>48,756,721</u>    |
| <b>Net Assets</b>                       |                      |                      |
| Invested in Capital Assets, Net of Debt | 9,424,985            | 8,746,535            |
| Restricted                              | 2,327,129            | 2,656,037            |
| Unrestricted                            | <u>724,866</u>       | <u>(20,583)</u>      |
| Total Net Assets                        | <u>\$ 12,476,980</u> | <u>\$ 11,381,989</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 (76 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.

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Table 2 shows changes in net assets for fiscal year 2010 and 2009 in accordance with GASB Statement 34.

**Table 2**  
**Changes in Net Assets (EXHIBIT A-2)**

| <b>Revenues</b>                       | <u>2010</u>             | <u>2009</u>           |
|---------------------------------------|-------------------------|-----------------------|
| Program Revenues:                     |                         |                       |
| Charges for Services                  | \$ 814,339              | \$ 864,169            |
| Operating Grants and Contributions    | 5,057,299               | 4,599,676             |
| General Revenues:                     |                         |                       |
| Property Taxes                        | 46,798,892              | 45,225,281            |
| Grants and Entitlements               | 6,380,582               | 7,148,271             |
| Other                                 | <u>1,035,462</u>        | <u>539,123</u>        |
| Total Revenues                        | <u>60,086,574</u>       | <u>58,376,520</u>     |
| <br><b>Program Expenses</b>           |                         |                       |
| Instruction                           | 33,676,321              | 32,871,878            |
| Support Services:                     |                         |                       |
| Pupil and Instructional Staff         | 6,963,208               | 6,796,641             |
| General and School Administration     | 5,491,330               | 5,531,622             |
| Plant Operations and Maintenance      | 5,169,258               | 5,279,337             |
| Pupil Transportation                  | 4,632,460               | 4,092,228             |
| Business Type Activities              | 1,024,645               | 1,113,467             |
| Disposal of Capital Assets, Net       | 16,396                  | 64,210                |
| Interest on Long Term Debt            | <u>2,017,964</u>        | <u>2,044,955</u>      |
| Total Expenses and Special Items      | <u>58,991,583</u>       | <u>57,794,337</u>     |
| <br>Increase (Decrease) in Net Assets | <br><u>\$ 1,094,991</u> | <br><u>\$ 582,182</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 \$59,006,558 for the year ended June 30, 2010. Local property taxes made up 79 percent of revenues for governmental activities for the FRSD for fiscal year 2010.

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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 revenues exceeded expenditures by \$38,974.

- Charges for services total \$814,339 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 \$248,880.

**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 2009 have been provided.

|                                   | <b>Table 3 (EXHIBIT A-2)</b>           |                                        |                                      |                                      |
|-----------------------------------|----------------------------------------|----------------------------------------|--------------------------------------|--------------------------------------|
|                                   | <b>Total Cost of<br/>Services 2010</b> | <b>Total Cost of<br/>Services 2009</b> | <b>Net Cost of<br/>Services 2010</b> | <b>Net Cost of<br/>Services 2009</b> |
| Instruction                       | \$ 33,676,321                          | \$ 32,871,878                          | \$ 30,644,642                        | \$ 30,050,988                        |
| Support Services:                 |                                        |                                        |                                      |                                      |
| Pupils and Instructional Staff    | 6,963,208                              | 6,796,641                              | 6,030,184                            | 6,008,725                            |
| General and School Administration | 5,491,330                              | 5,531,622                              | 5,123,239                            | 5,191,982                            |
| Plant Operation and Maintenance   | 5,169,258                              | 5,279,337                              | 5,088,469                            | 5,053,130                            |
| Pupil Transportation              | 4,632,460                              | 4,092,228                              | 4,503,254                            | 4,092,228                            |
| Interest and Finance Charges      | 2,017,964                              | 2,044,955                              | 1,752,334                            | 1,833,234                            |
| Business Type Activities          | <u>1,024,645</u>                       | <u>1,113,467</u>                       | <u>(38,573)</u>                      | <u>35,997</u>                        |
| <b>Total Expenses</b>             | <b>\$ <u>58,975,187</u></b>            | <b>\$ <u>57,730,128</u></b>            | <b>\$ <u>53,103,549</u></b>          | <b>\$ <u>52,266,283</u></b>          |

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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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 \$59,021,354 and expenditures were \$58,903,559.

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, 2010, and the amount and percentage of increase and decrease in relation to prior year revenues.

**TABLE 4**  
**REVENUES OF THE GOVERNMENTAL FUNDS (EXHIBIT B-2)**

| <u>Revenue</u>  | <u>Amount</u>        | <u>Percent<br/>of Total</u> | <u>Inc/(Dec)<br/>FY 2009</u> | <u>Percent<br/>Inc/(Dec)</u> |
|-----------------|----------------------|-----------------------------|------------------------------|------------------------------|
| Local Sources   | \$ 47,840,146        | 81.06%                      | \$ 2,076,120                 | 4.54%                        |
| State Sources   | 9,402,309            | 15.93%                      | (1,299,429)                  | -12.14%                      |
| Federal Sources | <u>1,778,899</u>     | <u>3.01%</u>                | <u>948,160</u>               | <u>114.13%</u>               |
| Total           | <u>\$ 59,021,354</u> | <u>100.00%</u>              | <u>\$ 1,724,852</u>          | <u>3.01%</u>                 |



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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, 2010, and the percentage of increases and decreases in relation to prior year amounts.

**TABLE 5**  
**EXPENDITURES OF THE GOVERNMENTAL FUNDS (EXHIBIT B-2)**

| <u>Expenditures</u> | <u>Amount</u>        | <u>Percent<br/>of Total</u> | <u>Inc/(Dec)<br/>FY 2009</u> | <u>Percent<br/>Inc/(Dec)</u> |
|---------------------|----------------------|-----------------------------|------------------------------|------------------------------|
| Current:            |                      |                             |                              |                              |
| Instruction         | \$ 23,928,034        | 40.62%                      | \$ 566,877                   | 2.43%                        |
| Undistributed       | 29,981,643           | 50.90%                      | 744,851                      | 2.55%                        |
| Capital Outlay      | 497,477              | 0.84%                       | (223,417)                    | -30.99%                      |
| Debt Service:       |                      |                             |                              |                              |
| Principal           | 2,518,000            | 4.27%                       | 128,000                      | 5.36%                        |
| Interest            | 1,978,405            | 3.36%                       | (187,020)                    | -8.64%                       |
| Total               | <u>\$ 58,903,559</u> | <u>100.00%</u>              | <u>\$ 1,029,291</u>          | <u>1.78%</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.

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**Capital Assets**

At the end of the fiscal year 2010, the School District had \$54,142,737 invested in land, building, machinery and equipment. Table 6 shows fiscal year 2010 balances compared to 2009.

**TABLE 6**  
**CAPITAL ASSETS (NET OF DEPRECIATION)**

|                                       | June 30              | June 30              |
|---------------------------------------|----------------------|----------------------|
| Capital Assets (Net of Depreciation ) | <u>2010</u>          | <u>2009</u>          |
| Sites                                 | \$ 2,399,641         | \$ 2,399,641         |
| Site Improvements                     | 1,237,018            | 1,356,997            |
| Building and Building Improvements    | 48,494,420           | 49,808,243           |
| Machinery and Equipment               | <u>2,011,657</u>     | <u>2,156,286</u>     |
| Total                                 | <u>\$ 54,142,737</u> | <u>\$ 55,721,167</u> |

Overall capital assets decreased \$1,578,430 from fiscal year 2009 to fiscal year 2010.

**Debt Administration**

In the governmental funds, at June 30, 2010, the School District had \$46,096,379 of outstanding debt. Of this amount \$1,020,379 is for compensated absences and \$45,076,000 of serial bonds for school construction.

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

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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 (EXHIBIT B-1)**

|                                | June 30<br><u>2010</u> | June 30<br><u>2009</u> | <u>Difference</u> |
|--------------------------------|------------------------|------------------------|-------------------|
| <b>Governmental Funds</b>      |                        |                        |                   |
| General Fund                   | \$ 3,890,101           | \$ 3,544,667           | \$ 345,434        |
| Capital Projects Fund          | 45,377                 | 233,770                | (188,393)         |
| Debt Service Fund              | 15,471                 | 54,717                 | (39,246)          |
| <b>Business Type Funds</b>     |                        |                        |                   |
| Food Service - Enterprise Fund | <u>522,707</u>         | <u>483,732</u>         | <u>38,974</u>     |
| Total                          | <u>\$ 4,473,656</u>    | <u>\$ 4,316,886</u>    | <u>\$ 156,770</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 School District provides our students with an exceptional education, empowering them to become problem solvers, collaborators and critical thinkers. The district creates a culture in which students act responsibly and communicate effectively in preparing to become citizens in a changing, global society. It is the expectation of the Flemington-Raritan Regional School District that all pupils achieve the New Jersey Core Curriculum Content Standards at all grade levels.*

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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 2,039 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 792 5<sup>th</sup> and 6<sup>th</sup> grade students. The fifth grade program includes literature-based reading, process writing, hands-on math and science, social studies and computers, all taught in heterogeneous classes. Teachers develop themes to integrate content areas wherever possible. Related arts instruction includes art, music, computer education, library skills, physical education, health and family life and world languages. The sixth grade is organized as a house plan with academic teams. This supports the small school atmosphere while providing various course options. Each team of students is taught the academic subjects by a corresponding team of teachers who meet regularly to monitor student progress and plan instructional programs. Academic subjects include reading, language arts, math, science, and social studies. An expanded related arts curriculum includes instruction in world languages, art, music, computer education, library skills, physical education, and health and family life. The intermediate school houses a principal, vice principal, two counselors, and a full-time nurse.

J.P. Case Middle School, with 817 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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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 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.

**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, 2010.

## **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, 2010

|                                                 | <u>GOVERNMENTAL</u><br><u>ACTIVITIES</u> | <u>BUSINESS-TYPE</u><br><u>ACTIVITIES</u> | <u>TOTAL</u>    |
|-------------------------------------------------|------------------------------------------|-------------------------------------------|-----------------|
| <b>ASSETS</b>                                   |                                          |                                           |                 |
| Cash and cash equivalents                       | \$2,818,873.77                           | \$211,903.59                              | \$3,030,777.36  |
| Receivables, net                                | 1,419,454.69                             | 19,408.79                                 | 1,438,863.48    |
| Inventory                                       |                                          | 22,766.23                                 | 22,766.23       |
| Interfund receivable                            | 13,926.15                                |                                           | 13,926.15       |
| Restricted assets:                              |                                          |                                           |                 |
| Restricted cash and cash equivalents            | 72,524.85                                |                                           | 72,524.85       |
| Capital assets:                                 |                                          |                                           |                 |
| Land and Construction in Progress               | 2,399,641.19                             |                                           | 2,399,641.19    |
| Other capital assets, net of depreciation       | 51,391,512.37                            | 351,583.34                                | 51,743,095.71   |
| Total Assets                                    | 58,115,933.02                            | 605,661.95                                | 58,721,594.97   |
| <b>LIABILITIES</b>                              |                                          |                                           |                 |
| Accounts payable                                | 200,615.17                               | 73,710.78                                 | 274,325.95      |
| Payable to state government                     | 7,554.12                                 |                                           | 7,554.12        |
| Deferred revenue                                | 165,661.18                               | 9,244.54                                  | 174,905.72      |
| Accrued interest on bonds                       | 273,269.24                               |                                           | 273,269.24      |
| Noncurrent liabilities:                         |                                          |                                           |                 |
| Due within one year:                            |                                          |                                           |                 |
| Bonds payable                                   | 2,359,000.00                             |                                           | 2,359,000.00    |
| Due beyond one year:                            |                                          |                                           |                 |
| Compensated absences payable                    | 1,020,379.01                             |                                           | 1,020,379.01    |
| Bonds and capital leases payable                | 42,135,181.00                            |                                           | 42,135,181.00   |
| Total liabilities                               | 46,161,659.72                            | 82,955.32                                 | 46,244,615.04   |
| <b>NET ASSETS</b>                               |                                          |                                           |                 |
| Invested in capital assets, net of related debt | 9,073,401.55                             | 351,583.34                                | 9,424,984.89    |
| Restricted for:                                 |                                          |                                           |                 |
| Capital projects fund                           | 268,947.63                               |                                           | 268,947.63      |
| Debt service fund                               | 15,470.98                                |                                           | 15,470.98       |
| Other purposes                                  | 2,042,710.47                             |                                           | 2,042,710.47    |
| Unrestricted                                    | 553,742.67                               | 171,123.29                                | 724,865.96      |
| Total net assets                                | \$11,954,273.30                          | \$522,706.63                              | \$12,476,979.93 |

See accompanying notes to financial statements.



**FLEMINGTON-RANTAN REGIONAL SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

| Functions/Programs                               | Expenses         | Programs Revenues    |                                    |  | Net (Expense) Revenue and Changes in Net Assets |                          |                    |
|--------------------------------------------------|------------------|----------------------|------------------------------------|--|-------------------------------------------------|--------------------------|--------------------|
|                                                  |                  | Charges for Services | Operating Grants and Contributions |  | Governmental Activities                         | Business-type Activities | Total              |
| Governmental Activities:                         |                  |                      |                                    |  |                                                 |                          |                    |
| Instruction:                                     |                  |                      |                                    |  |                                                 |                          |                    |
| Regular                                          | \$ 23,004,696.55 | \$                   | \$ 1,602,196.11                    |  | \$ (21,402,500.44)                              | \$                       | \$ (21,402,500.44) |
| Special                                          | 8,247,335.20     |                      | 1,242,826.45                       |  | (7,004,508.75)                                  |                          | (7,004,508.75)     |
| Other Instruction                                | 2,424,289.28     |                      | 186,656.52                         |  | (2,237,632.76)                                  |                          | (2,237,632.76)     |
| Support services:                                |                  |                      |                                    |  |                                                 |                          |                    |
| Tuition                                          | 203,956.80       |                      |                                    |  | (203,956.80)                                    |                          | (203,956.80)       |
| Student & instruction related services           | 6,759,251.63     |                      | 933,024.18                         |  | (5,826,227.45)                                  |                          | (5,826,227.45)     |
| General administrative services                  | 950,753.97       |                      | 41,730.15                          |  | (909,023.82)                                    |                          | (909,023.82)       |
| School administrative services                   | 3,539,474.59     |                      | 251,027.20                         |  | (3,288,447.39)                                  |                          | (3,288,447.39)     |
| Central services                                 | 580,571.91       |                      | 42,097.34                          |  | (538,474.57)                                    |                          | (538,474.57)       |
| Administration information technology            | 420,529.32       |                      | 33,235.71                          |  | (387,293.61)                                    |                          | (387,293.61)       |
| Plant operations and maintenance                 | 5,169,258.05     |                      | 80,789.25                          |  | (5,088,468.80)                                  |                          | (5,088,468.80)     |
| Pupil transportation                             | 4,632,460.23     |                      | 129,206.39                         |  | (4,503,253.84)                                  |                          | (4,503,253.84)     |
| Interest on Long-Term Debt                       | 2,017,964.24     |                      | 265,630.00                         |  | (1,752,334.24)                                  |                          | (1,752,334.24)     |
| Total governmental activities                    | 57,950,541.78    |                      | 4,808,419.30                       |  | (53,142,122.47)                                 |                          | (53,142,122.47)    |
| Business-type activities                         |                  |                      |                                    |  |                                                 |                          |                    |
| Food Service                                     | 1,024,645.31     | 814,338.57           | 248,879.82                         |  |                                                 | 38,573.08                | 38,573.08          |
| Total business-type activities                   | 1,024,645.31     | 814,338.57           | 248,879.82                         |  |                                                 | 38,573.08                | 38,573.08          |
| Total primary government                         | \$ 58,975,187.09 | \$ 814,338.57        | \$ 5,057,299.12                    |  | \$ (53,142,122.47)                              | \$ 38,573.08             | \$ (53,103,549.39) |
| General Revenues:                                |                  |                      |                                    |  |                                                 |                          |                    |
| Taxes:                                           |                  |                      |                                    |  |                                                 |                          |                    |
| Property taxes, levied for general purposes, net |                  |                      |                                    |  | \$ 42,610,823.00                                | \$                       | \$ 42,610,823.00   |
| Taxes levied for debt service                    |                  |                      |                                    |  | 4,188,069.00                                    |                          | 4,188,069.00       |
| Federal and state aid not restricted             |                  |                      |                                    |  | 6,380,582.00                                    |                          | 6,380,582.00       |
| Miscellaneous income                             |                  |                      |                                    |  | 1,033,460.92                                    | 2,001.24                 | 1,035,462.16       |
| Disposal of capital asset (net)                  |                  |                      |                                    |  | (14,796.00)                                     | (1,600.00)               | (16,396.00)        |
| Total general revenues and special items         |                  |                      |                                    |  | 54,198,138.92                                   | 401.24                   | 54,198,540.16      |
| Change in net assets                             |                  |                      |                                    |  | 1,056,016.45                                    | 38,974.32                | 1,094,990.77       |
| Net Assets - beginning                           |                  |                      |                                    |  | 10,898,256.85                                   | 483,732.31               | 11,381,989.16      |
| Net Assets ending                                |                  |                      |                                    |  | 11,954,273.30                                   | 522,706.63               | 12,476,979.93      |

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 the fund type.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010

|                                                              | GENERAL<br>FUND | SPECIAL<br>REVENUE<br>FUND | CAPITAL<br>PROJECTS<br>FUND | DEBT<br>SERVICE<br>FUND | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--------------------------------------------------------------|-----------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| ASSETS                                                       |                 |                            |                             |                         |                                |
| Cash and cash equivalents                                    | \$ 2,803,318.65 | \$                         | \$ 84.14                    | \$ 15,470.98            | \$ 2,818,873.77                |
| Cash, Capital Reserve                                        | 72,524.85       |                            |                             |                         | 72,524.85                      |
| Other receivables                                            | 97,748.71       |                            |                             |                         | 97,748.71                      |
| Due from other funds                                         | 437,946.37      |                            |                             |                         | 437,946.37                     |
| Receivables from other governments                           | 634,725.32      | 418,033.03                 | 268,947.63                  |                         | 1,321,705.98                   |
| Total assets                                                 | \$ 4,046,263.90 | \$ 418,033.03              | \$ 269,031.77               | \$ 15,470.98            | \$ 4,748,799.68                |
| LIABILITIES AND FUND BALANCES                                |                 |                            |                             |                         |                                |
| Liabilities:                                                 |                 |                            |                             |                         |                                |
| Accounts payable                                             | \$ 156,162.51   | \$ 44,452.66               | \$                          | \$                      | \$ 200,615.17                  |
| Interfund payables                                           |                 | 200,365.07                 | 223,655.15                  |                         | 424,020.22                     |
| Payable to state government                                  |                 | 7,554.12                   |                             |                         | 7,554.12                       |
| Deferred revenue                                             |                 | 165,661.18                 |                             |                         | 165,661.18                     |
| Total liabilities                                            | 156,162.51      | 418,033.03                 | 223,655.15                  |                         | 797,850.69                     |
| Fund balances:                                               |                 |                            |                             |                         |                                |
| Reserved for:                                                |                 |                            |                             |                         |                                |
| Encumbrances                                                 | 810,254.77      |                            | 3,500.00                    |                         | 813,754.77                     |
| Capital reserve account                                      | 72,524.85       |                            |                             |                         | 72,524.85                      |
| Excess surplus - Designated for Subsequent Years Expenditure | 1,222,631.39    |                            |                             |                         | 1,222,631.39                   |
| Excess surplus                                               | 747,554.23      |                            |                             |                         | 747,554.23                     |
| Unreserved, reported in:                                     |                 |                            |                             |                         |                                |
| General fund:                                                |                 |                            |                             |                         |                                |
| Designated for subsequent years expenditures                 | 193,928.61      |                            |                             |                         | 193,928.61                     |
| Undesignated                                                 | 843,207.54      |                            |                             |                         | 843,207.54                     |
| Capital projects fund                                        |                 |                            | 41,876.62                   |                         | 41,876.62                      |
| Debt service fund:                                           |                 |                            |                             |                         |                                |
| Designated for subsequent years expenditures                 |                 |                            |                             | 10,506.00               | 10,506.00                      |
| Undesignated                                                 |                 |                            |                             | 4,964.98                | 4,964.98                       |
| Total fund balances                                          | 3,890,101.39    |                            | 45,376.62                   | 15,470.98               | 3,950,948.99                   |
| Total liabilities and fund balances                          | \$ 4,046,263.90 | \$ 418,033.03              | \$ 269,031.77               | \$ 15,470.98            |                                |

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010

|                                                                                                                                                                                                |                        |                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------------------|
| Total Fund Balances (Brought Forward)                                                                                                                                                          |                        | \$3,950,948.99                |
| Amounts Reported for Governmental Activities in the Statement<br>of Net Assets (A-1) are different because:                                                                                    |                        |                               |
| Capital assets used in governmental activities are not financial<br>resources and therefore are not reported in the funds.                                                                     |                        |                               |
| Cost of Assets                                                                                                                                                                                 | \$77,317,878.45        |                               |
| Accumulated Depreciation                                                                                                                                                                       | <u>(23,526,724.89)</u> |                               |
|                                                                                                                                                                                                |                        | 53,791,153.56                 |
| Long term liabilities, including bonds payable, and other related<br>amounts that are not due and payable in the current period<br>and therefore are not reported as liabilities in the funds. |                        |                               |
| Compensated Absences                                                                                                                                                                           | (1,020,379.01)         |                               |
| Bonds Payable                                                                                                                                                                                  | (45,076,000.00)        |                               |
| Deferred Amount on Issuance of Refunding Bonds                                                                                                                                                 | <u>581,819.00</u>      |                               |
|                                                                                                                                                                                                |                        | (45,514,560.01)               |
| Certain liabilities are not due and payable in the current period<br>and therefore, are not reported in the governmental funds.                                                                |                        |                               |
| Accrued Interest Payable                                                                                                                                                                       | <u>(273,269.24)</u>    |                               |
|                                                                                                                                                                                                |                        | <u>(273,269.24)</u>           |
| Net Assets of Governmental Activities                                                                                                                                                          |                        | <u><u>\$11,954,273.30</u></u> |

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|                                                              | GENERAL<br>FUND | SPECIAL<br>REVENUE<br>FUND | CAPITAL<br>PROJECTS<br>FUND | DEBT<br>SERVICE<br>FUND | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--------------------------------------------------------------|-----------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| REVENUES:                                                    |                 |                            |                             |                         |                                |
| Local sources:                                               |                 |                            |                             |                         |                                |
| Local tax levy                                               | \$42,610,823.00 |                            |                             | \$4,188,069.00          | \$46,798,892.00                |
| Interest on capital reserve                                  | 90.00           |                            |                             |                         | 90.00                          |
| Miscellaneous                                                | 1,029,911.17    | \$7,792.83                 |                             | 3,459.75                | 1,041,163.75                   |
| Total revenues - local sources                               | 43,640,824.17   | 7,792.83                   |                             | 4,191,528.75            | 47,840,145.75                  |
| State sources                                                | 9,119,399.12    | 17,280.16                  |                             | 265,630.00              | 9,402,309.28                   |
| Federal sources                                              | 672,228.00      | 1,106,671.19               |                             |                         | 1,778,899.19                   |
| Total revenues                                               | 53,432,451.29   | 1,131,744.18               |                             | 4,457,158.75            | 59,021,354.22                  |
| EXPENDITURES:                                                |                 |                            |                             |                         |                                |
| Current expense:                                             |                 |                            |                             |                         |                                |
| Regular instruction                                          | 15,926,517.76   |                            |                             |                         | 15,926,517.76                  |
| Special instruction                                          | 5,550,499.71    | 654,227.58                 |                             |                         | 6,204,727.29                   |
| Other Instruction                                            | 1,796,788.56    |                            |                             |                         | 1,796,788.56                   |
| Support services:                                            |                 |                            |                             |                         |                                |
| Tuition                                                      | 203,956.80      |                            |                             |                         | 203,956.80                     |
| Student & instruction related services                       | 4,661,533.63    | 477,516.60                 |                             |                         | 5,139,050.23                   |
| General administrative services                              | 842,497.63      |                            |                             |                         | 842,497.63                     |
| School administrative services                               | 2,632,792.20    |                            |                             |                         | 2,632,792.20                   |
| Central services                                             | 439,049.35      |                            |                             |                         | 439,049.35                     |
| Administration information technology                        | 308,797.72      |                            |                             |                         | 308,797.72                     |
| Plant operations and maintenance                             | 4,750,174.11    |                            |                             |                         | 4,750,174.11                   |
| Pupil transportation                                         | 4,198,095.00    |                            |                             |                         | 4,198,095.00                   |
| Unallocated benefits                                         | 11,467,230.33   |                            |                             |                         | 11,467,230.33                  |
| Debt Service:                                                |                 |                            |                             |                         |                                |
| Principal                                                    |                 |                            |                             | 2,518,000.00            | 2,518,000.00                   |
| Interest                                                     |                 |                            |                             | 1,978,404.54            | 1,978,404.54                   |
| Capital outlay                                               | 372,539.32      |                            | \$124,938.17                |                         | 497,477.49                     |
| Total expenditures                                           | 53,150,472.12   | 1,131,744.18               | 124,938.17                  | 4,496,404.54            | 58,903,559.01                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | 281,979.17      |                            | (124,938.17)                | (39,245.79)             | 117,795.21                     |
| Other financing sources (uses):                              |                 |                            |                             |                         |                                |
| Transfers in/(out)                                           | 63,455.15       |                            | (63,455.15)                 |                         |                                |
| Total other financing sources (uses)                         | 63,455.15       |                            | (63,455.15)                 |                         |                                |
| Net change in fund balances                                  | 345,434.32      |                            | (188,393.32)                | (39,245.79)             | 117,795.21                     |
| Fund balances, July 1, 2009                                  | 3,544,667.07    | -0-                        | 233,769.94                  | 54,716.77               | 3,833,153.78                   |
| Fund balances, June 30, 2010                                 | \$3,890,101.39  | \$-0-                      | \$45,376.62                 | \$15,470.98             | \$3,950,948.99                 |

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, 2010

|                                                                   |              |
|-------------------------------------------------------------------|--------------|
| Total net change in fund balances - governmental funds (from B-2) | \$117,795.21 |
|-------------------------------------------------------------------|--------------|

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                                           |              | (1,827,345.18) |
| Disposition of capital assets, net of accumulated depreciation |              | (14,796.00)    |
| Capital outlays                                                | \$497,477.49 |                |
| Less: Capital outlays not capitalized                          | (231,277.49) |                |
|                                                                | \$266,200.00 | 266,200.00     |

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.

2,518,000.00

Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net 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.

33,167.30

In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).

|                                  |           |
|----------------------------------|-----------|
| Increase in Compensated Absences | 35,722.12 |
|----------------------------------|-----------|

|                                                 |                |
|-------------------------------------------------|----------------|
| Change in net assets of governmental activities | \$1,056,016.45 |
|-------------------------------------------------|----------------|

See accompanying notes to financial statements.

|             |
|-------------|
| OTHER FUNDS |
|-------------|

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2010

|                                  | <u>BUSINESS-TYPE ACTIVITIES</u>  |                             |
|----------------------------------|----------------------------------|-----------------------------|
|                                  | <u>FOOD<br/>SERVICE<br/>FUND</u> | <u>TOTAL<br/>ENTERPRISE</u> |
| ASSETS:                          |                                  |                             |
| Current assets:                  |                                  |                             |
| Cash and cash equivalents        | \$211,903.59                     | \$211,903.59                |
| Intergovernmental receivables    |                                  |                             |
| State                            | 1,375.28                         | 1,375.28                    |
| Federal                          | 18,033.51                        | 18,033.51                   |
| Inventories                      | 22,766.23                        | 22,766.23                   |
|                                  |                                  |                             |
| Total current assets             | 254,078.61                       | 254,078.61                  |
|                                  |                                  |                             |
| Noncurrent assets:               |                                  |                             |
| Furniture, machinery & equipment | 776,810.00                       | 776,810.00                  |
| Less accumulated depreciation    | (425,226.66)                     | (425,226.66)                |
|                                  |                                  |                             |
| Total noncurrent assets          | 351,583.34                       | 351,583.34                  |
|                                  |                                  |                             |
| Total assets                     | 605,661.95                       | 605,661.95                  |
|                                  |                                  |                             |
| LIABILITIES:                     |                                  |                             |
| Current liabilities:             |                                  |                             |
| Accounts payable                 | 73,710.78                        | 73,710.78                   |
| Deferred revenue                 | 9,244.54                         | 9,244.54                    |
|                                  |                                  |                             |
| Total current liabilities        | 82,955.32                        | 82,955.32                   |
|                                  |                                  |                             |
| Total liabilities                | 82,955.32                        | 82,955.32                   |
|                                  |                                  |                             |
| NET ASSETS:                      |                                  |                             |
| Invested in capital assets, net  | 351,583.34                       | 351,583.34                  |
| Unrestricted                     | 171,123.29                       | 171,123.29                  |
|                                  |                                  |                             |
| Total net assets                 | \$522,706.63                     | \$522,706.63                |

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, 2010

|                                                  | <u>BUSINESS-TYPE ACTIVITIES</u>  |                             |
|--------------------------------------------------|----------------------------------|-----------------------------|
|                                                  | <u>FOOD<br/>SERVICE<br/>FUND</u> | <u>TOTAL<br/>ENTERPRISE</u> |
| OPERATING REVENUES:                              |                                  |                             |
| Charges for services:                            |                                  |                             |
| Daily sales                                      | <u>\$814,338.57</u>              | <u>\$814,338.57</u>         |
| Total operating revenues                         | <u>814,338.57</u>                | <u>814,338.57</u>           |
| OPERATING EXPENSES:                              |                                  |                             |
| Salaries                                         | 301,205.49                       | 301,205.49                  |
| Employee Benefits                                | 42,018.17                        | 42,018.17                   |
| Other Purchase Service (Administrative Expenses) | 30,000.00                        | 30,000.00                   |
| General Supplies                                 | 29,334.48                        | 29,334.48                   |
| Miscellaneous Expenditures                       | 57,254.63                        | 57,254.63                   |
| Depreciation                                     | 44,082.82                        | 44,082.82                   |
| Cost of sales                                    | <u>520,749.72</u>                | <u>520,749.72</u>           |
| Total operating expenses                         | <u>1,024,645.31</u>              | <u>1,024,645.31</u>         |
| Operating (loss)                                 | <u>(210,306.74)</u>              | <u>(210,306.74)</u>         |
| NONOPERATING REVENUES (EXPENSES):                |                                  |                             |
| State Sources:                                   |                                  |                             |
| State School Lunch Program                       | 13,932.64                        | 13,932.64                   |
| Federal Sources:                                 |                                  |                             |
| National School Lunch Program                    | 180,144.78                       | 180,144.78                  |
| National food distribution commodities           | 54,802.40                        | 54,802.40                   |
| Disposition of capital assets (net)              | (1,600.00)                       | (1,600.00)                  |
| Interest on Investments                          | <u>2,001.24</u>                  | <u>2,001.24</u>             |
| Total nonoperating revenues                      | <u>249,281.06</u>                | <u>249,281.06</u>           |
| Change in net assets                             | <u>38,974.32</u>                 | <u>38,974.32</u>            |
| Total net assets - beginning                     | <u>483,732.31</u>                | <u>483,732.31</u>           |
| Total net assets - ending                        | <u><u>\$522,706.63</u></u>       | <u><u>\$522,706.63</u></u>  |

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|                                                                                                             | <u>BUSINESS-TYPE ACTIVITIES</u>  |                             |
|-------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------|
|                                                                                                             | <u>FOOD<br/>SERVICE<br/>FUND</u> | <u>TOTAL<br/>ENTERPRISE</u> |
| Cash flows from operating activities:                                                                       |                                  |                             |
| Receipts from customers                                                                                     | \$816,550.99                     | \$816,550.99                |
| Payments to employees                                                                                       | (301,205.49)                     | (301,205.49)                |
| Payments to employee benefits                                                                               | (42,018.17)                      | (42,018.17)                 |
| Payments to suppliers                                                                                       | (596,847.90)                     | (596,847.90)                |
| Net cash provided by (used for) operating activities                                                        | (123,520.57)                     | (123,520.57)                |
| Cash flows from noncapital financing activities:                                                            |                                  |                             |
| State Sources                                                                                               | 15,348.46                        | 15,348.46                   |
| Federal Sources                                                                                             | 195,009.80                       | 195,009.80                  |
| Net cash provided by noncapital financing activities                                                        | 210,358.26                       | 210,358.26                  |
| Cash flows from capital and related financing activities:                                                   |                                  |                             |
| Purchases of capital assets                                                                                 | (43,194.00)                      | (43,194.00)                 |
| Net cash provided by (used for) capital and related financing activities                                    | (43,194.00)                      | (43,194.00)                 |
| Cash flows from investing activities:                                                                       |                                  |                             |
| Interest                                                                                                    | 2,001.24                         | 2,001.24                    |
| Net cash provided by (used for) investing activities                                                        | 2,001.24                         | 2,001.24                    |
| Net increase in cash and cash equivalents                                                                   | 45,644.93                        | 45,644.93                   |
| Cash and cash equivalents, July 1, 2009                                                                     | 166,258.66                       | 166,258.66                  |
| Cash and cash equivalents, June 30, 2010                                                                    | \$211,903.59                     | \$211,903.59                |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities               |                                  |                             |
| Operating income (loss)                                                                                     | (\$210,306.74)                   | (\$210,306.74)              |
| Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities: |                                  |                             |
| Depreciation                                                                                                | 44,082.82                        | 44,082.82                   |
| Federal commodities                                                                                         | 57,475.83                        | 57,475.83                   |
| Change in assets and liabilities:                                                                           |                                  |                             |
| (Increase)/Decrease in Accounts Receivable - Other                                                          | 2,212.42                         | 2,212.42                    |
| (Increase) decrease in inventories                                                                          | 1,423.21                         | 1,423.21                    |
| Increase (Decrease) in accounts payable                                                                     | (18,408.11)                      | (18,408.11)                 |
|                                                                                                             | 86,786.17                        | 86,786.17                   |
| Net cash provided by (used for) operating activities                                                        | (\$123,520.57)                   | (\$123,520.57)              |

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, 2010

|                                       | <u>Unemployment<br/>Compensation Fund</u> | <u>Agency Funds</u> |
|---------------------------------------|-------------------------------------------|---------------------|
| ASSETS:                               |                                           |                     |
| Cash and cash equivalents             | \$373,225.67                              | \$297,846.12        |
| Intrafund receivable                  | 10,171.47                                 |                     |
|                                       | <hr/>                                     | <hr/>               |
| Total Assets                          | <u>\$383,397.14</u>                       | <u>\$297,846.12</u> |
| LIABILITIES:                          |                                           |                     |
| Interfund payable                     |                                           | \$13,926.15         |
| Intrafunds payable                    |                                           | 10,171.47           |
| Payroll deductions and withholdings   |                                           | 209,246.09          |
| Due to student groups                 |                                           | 64,502.41           |
|                                       | <hr/>                                     | <hr/>               |
| Total Liabilities                     | <hr/>                                     | <u>297,846.12</u>   |
| NET ASSETS:                           |                                           |                     |
| Held in trust for unemployment claims | <u>\$383,397.14</u>                       | <hr/>               |
| Total Net Assets                      | <u>\$383,397.14</u>                       | <u>\$-0-</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, 2010

|                              |                                   |
|------------------------------|-----------------------------------|
|                              | Unemployment<br>Compensation Fund |
| ADDITIONS:                   |                                   |
| Contributions:               |                                   |
| Other                        | \$86,498.56                       |
| Total contributions          | <u>86,498.56</u>                  |
| Investment earnings:         |                                   |
| Interest                     | 5,593.81                          |
| Net investment earnings      | <u>5,593.81</u>                   |
| Total additions              | <u>92,092.37</u>                  |
| DEDUCTIONS:                  |                                   |
| Unemployment claims          | 98,149.44                         |
| Total deductions             | <u>98,149.44</u>                  |
| Change in net assets         | (6,057.07)                        |
| Net assets beginning of year | <u>389,454.21</u>                 |
| Net assets end of year       | <u><u>\$383,397.14</u></u>        |

See accompanying notes to financial statements.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

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

The financial statements of the Flemington-Raritan Regional School District have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the 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 consists of elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

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

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

**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, 2010**

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

**Governmental Fund Types**

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

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

**Special Revenue Fund** - The District accounts for the proceeds of specific revenue sources from State and Federal Governments (other than major capital projects 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 the 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, 2010**

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

**Proprietary Fund**

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

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

**Food Service Fund:**

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

**Fiduciary Fund Types**

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

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

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



**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

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

**Basis of Accounting – Measurement Focus**

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

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

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

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

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office 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.

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

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated 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 recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial records.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

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

**Encumbrance Accounting**

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as 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 fund and capital projects fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

**Interfunds**

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

**Inventories and Prepaid Expenses**

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

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

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

**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:

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

**Compensated Absences**

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

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

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

**Fund Equity**

Fund balance reserves are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unreserved fund balances represent the amount available for future budgetary operations.

Unrestricted retained earnings represent the remains of the District's equity in the cumulative earnings of the proprietary funds.

**Deferred Revenue**

Deferred revenue in the general and special revenue 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 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.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

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

**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. 18A:7F-7.

**Revenues – Exchange and Nonexchange Transactions**

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

Nonexchange transactions, in which the 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 nonexchange transactions must also be available before it can be recognized.

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

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

**Operating Revenues and Expenses**

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

**Allocation of Indirect Expenses**

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

**Extraordinary and Special Items**

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

**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.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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.

**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, 2010.

| <b>Fund Type:</b> | <b><u>Cash in<br/>Bank</u></b> | <b><u>CLASS</u></b>   | <b><u>N.J. CASH<br/>MANAGEMENT</u></b> | <b><u>Total</u></b>   |
|-------------------|--------------------------------|-----------------------|----------------------------------------|-----------------------|
| Governmental      | \$1,351,872.40                 | \$885,702.72          | \$653,823.50                           | \$2,891,398.62        |
| Proprietary       | 211,903.59                     |                       |                                        | 211,903.59            |
| Fiduciary         | 540,522.33                     | 130,549.46            |                                        | 671,071.79            |
|                   | <u>\$2,104,298.32</u>          | <u>\$1,016,252.18</u> | <u>\$653,823.50</u>                    | <u>\$3,774,374.00</u> |



**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

**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, 2010, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$250,000.00 was covered by Federal Depository Insurance and \$1,854,298.32 was covered by NJ GUDPA. The New Jersey Cash Management Fund and CLASS are investment pools and are not insured by either FDIC or GUDPA.

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

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

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

**Investments (Continued)**

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2010 the District has \$1,016,252.18 on deposit with the New Jersey Cash Management Fund and \$653,823.50 on deposit with CLASS. 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, 2010**

**NOTE 3: CHANGE IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2010 was as follows:

|                                                                           | Beginning<br>Balance    | Additions                | Retirements          | Ending<br>Balance       |
|---------------------------------------------------------------------------|-------------------------|--------------------------|----------------------|-------------------------|
| Governmental Activities                                                   |                         |                          |                      |                         |
| Capital assets not being depreciated:                                     |                         |                          |                      |                         |
| Land                                                                      | \$ 2,399,641.19         | \$ _____                 | \$ _____             | \$ 2,399,641.19         |
| Total Capital assets not being depreciated                                | <u>2,399,641.19</u>     | <u>_____</u>             | <u>_____</u>         | <u>2,399,641.19</u>     |
| Land Improvements                                                         | 3,133,975.49            |                          |                      | 3,133,975.49            |
| Building and Building Improvements                                        | 64,772,875.48           |                          |                      | 64,772,875.48           |
| Furniture and Equipment                                                   | <u>6,867,225.29</u>     | <u>266,200.00</u>        | <u>122,039.00</u>    | <u>7,011,386.29</u>     |
| Totals as historical cost                                                 | <u>74,774,076.26</u>    | <u>266,200.00</u>        | <u>122,039.00</u>    | <u>74,918,237.26</u>    |
| Total Gross assets (Memo only)                                            | <u>\$ 77,173,717.45</u> | <u>\$ 266,200.00</u>     | <u>\$ 122,039.00</u> | <u>\$ 77,317,878.45</u> |
| Less: Accumulated Depreciation for:                                       |                         |                          |                      |                         |
| Land Improvements                                                         | \$ (1,776,978.22)       | \$ (119,979.02)          | \$ _____             | \$ (1,896,957.24)       |
| Building and Building Improvements                                        | (14,964,632.59)         | (1,313,822.59)           |                      | (16,278,455.18)         |
| Furniture and Equipment                                                   | <u>(5,065,011.90)</u>   | <u>(393,543.57)</u>      | <u>(107,243.00)</u>  | <u>(5,351,312.47)</u>   |
| Total depreciation                                                        | <u>(21,806,622.71)</u>  | <u>(1,827,345.18)</u>    | <u>(107,243.00)</u>  | <u>(23,526,724.89)</u>  |
| Total Capital assets being depreciated<br>net of accumulated depreciation | <u>52,967,453.55</u>    | <u>(1,561,145.18)</u>    | <u>14,796.00</u>     | <u>51,391,512.37</u>    |
| Governmental activities capital assets, net                               | <u>\$ 55,367,094.74</u> | <u>\$ (1,561,145.18)</u> | <u>\$ 14,796.00</u>  | <u>\$ 53,791,153.56</u> |
| Business-type activities:                                                 |                         |                          |                      |                         |
| Equipment                                                                 | \$ 736,016.00           | \$ 43,194.00             | \$ 2,400.00          | \$ 776,810.00           |
| Less: Accumulated Depreciation                                            | <u>(381,943.84)</u>     | <u>(44,082.82)</u>       | <u>(800.00)</u>      | <u>(425,226.66)</u>     |
| Proprietary fund capital assets, net                                      | <u>\$ 354,072.16</u>    | <u>\$ (888.82)</u>       | <u>\$ 1,600.00</u>   | <u>\$ 351,583.34</u>    |

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

**NOTE 3:     CHANGE IN CAPITAL ASSETS**

Depreciation Expense was charged to governmental expenses as follows:

|                                        |                        |
|----------------------------------------|------------------------|
| Instruction:                           |                        |
| Regular                                | \$ 1,479,784.13        |
| Special                                | 60,485.13              |
| Support Services:                      |                        |
| Student & Instruction Related Services | 79,306.78              |
| General Administrative Services        | 10,050.40              |
| School Administrative Services         | 50,982.93              |
| Plant Operations & Maintenance         | <u>146,735.82</u>      |
|                                        | <u>\$ 1,827,345.19</u> |

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

**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.

At June 30, 2010, the District had bonds or notes authorized but not issued in the amount of \$386.00.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2010:

|                                | <u>Bonds</u>            | <u>Compensated</u>     |                         | <u>Deferred Amount</u> |                         |
|--------------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|
|                                | <u>Payable</u>          | <u>Absences</u>        | <u>Total</u>            | <u>on Issuance of</u>  | <u>Total</u>            |
|                                |                         | <u>Payable</u>         |                         | <u>Refunding Bonds</u> |                         |
| Balance June 30, 2009          | \$ 47,594,000.00        | \$ 1,056,101.13        | \$ 48,650,101.13        | \$ (654,546.00)        | \$ 47,995,555.13        |
| Deletions                      | <u>2,518,000.00</u>     | <u>35,722.12</u>       | <u>2,553,722.12</u>     | <u>(72,727.00)</u>     | <u>2,480,995.12</u>     |
| Balance June 30, 2010          | <u>\$ 45,076,000.00</u> | <u>\$ 1,020,379.01</u> | <u>\$ 46,096,379.01</u> | <u>\$ (581,819.00)</u> | <u>\$ 45,514,560.01</u> |
| Amounts due within<br>one year | <u>\$ 2,359,000.00</u>  |                        |                         |                        |                         |

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

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

**Bonds Payable**

The annual requirements to amortize all debt outstanding as of June 30, 2010, with interest payments on issued debt, are as follows:

| Fiscal Year Ended<br><u>June 30,</u> | <u>Principal</u>        | <u>Interest</u>         | <u>Total</u>            |
|--------------------------------------|-------------------------|-------------------------|-------------------------|
| 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                                 | 3,530,000.00            | 141,200.00              | 3,671,200.00            |
|                                      | <u>\$ 45,076,000.00</u> | <u>\$ 19,335,906.64</u> | <u>\$ 64,411,906.64</u> |

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

**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.

**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).

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

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

**Vesting and Benefit Provisions** - 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 provision 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** - Chapter 89- P.L. 2008- Members of either system who became members before July 1, 2007 may retire at age 55 years with 25 years of service or at age 60 with any number of years of service without a reduction in the amount of retirement allowance the members' receive. There is a reduction in such an allowance if the member is under 55 with 25 years of service. There is also a reduction in an allowance for members of either system who became members on or after July 1, 2007 and who retire between age 55 and 60 years with 25 or more years of service.



**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

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

**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.

| <u>Three-Year Trend Information for PERS</u> |                                            |                                                |                                         |
|----------------------------------------------|--------------------------------------------|------------------------------------------------|-----------------------------------------|
| <u>Year</u><br><u>June 30,</u>               | <u>Annual Pension</u><br><u>Cost (APC)</u> | <u>Percentage of</u><br><u>APC Contributed</u> | <u>Net Pension</u><br><u>Obligation</u> |
| 2010                                         | \$407,199.00                               | 100.00%                                        | \$407,199.00                            |
| 2009                                         | \$361,995.00                               | 100.00%                                        | \$361,995.00                            |
| 2008                                         | \$251,245.60                               | 100.00%                                        | \$251,245.60                            |

| <u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u> |                                            |                                                |                                         |
|-------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------------|-----------------------------------------|
| <u>Year</u><br><u>June 30,</u>                                                | <u>Annual Pension</u><br><u>Cost (APC)</u> | <u>Percentage of</u><br><u>APC Contributed</u> | <u>Net Pension</u><br><u>Obligation</u> |
| 2010                                                                          | None                                       | 100.00%                                        | None                                    |
| 2009                                                                          | None                                       | 100.00%                                        | None                                    |
| 2008                                                                          | \$2,676,193.00                             | 100.00%                                        | \$2,676,193.00                          |

During the fiscal year ended June 30, 2010, the State of New Jersey contributed \$1,497,964.00 to the TPAF for post-retirement medical benefits and \$79,758.00 for the non-contributory insurance premiums on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,833,323.12 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

**NOTE 6:      OTHER POST-RETIREMENT BENEFITS**

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

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

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on state disability retirement. P.L. 2007, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 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 \$1.38 billion for fiscal year 2009 and \$3.22 million for 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 \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

**NOTE 6:      OTHER POST-RETIREMENT BENEFITS (CONTINUED)**

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2010, 2009 and 2008 were \$1,497,964, \$1,447,377 and \$1,054,392, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**NOTE 7:      LITIGATION**

The 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.

**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 2009-2010 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 such an audit would result in material amounts of disallowed costs.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

**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 years. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

| <u>Fiscal Year</u> | <u>Interest Earnings</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|--------------------------|-------------------------------|--------------------------|-----------------------|
| 2009-10            | \$ 5,593.81              | \$ 86,498.56                  | \$ 98,149.44             | \$ 383,397.14         |
| 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            |

**NOTE 10: FUND BALANCE APPROPRIATED**

General Fund – Of the \$3,890,101.39 General Fund fund balance at June 30, 2010, \$810,254.77 is reserved for encumbrances, \$72,524.85 has been reserved in the Capital Reserve Account; \$1,970,185.62 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7, of which \$ 1,222,631.39 has been appropriated and included as anticipated revenue for the year ending June 30, 2011; \$193,928.61 is unreserved fund balance designated for subsequent years expenditures; and \$843,207.54 is unreserved and undesignated.

Debt Service Fund – Of the \$15,470.98 in Debt Service Fund fund balance at June 30, 2010, \$10,506.00 has been appropriated and included as anticipated revenue in the 2010-2011 Budget and \$4,964.98 is unreserved and undesignated.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

**NOTE 11:     CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004,c.73 (\$1701), 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 fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget.

|                                                          |                     |
|----------------------------------------------------------|---------------------|
| General Fund Expenditures                                |                     |
| Fiscal Year Ended June 30, 2010                          | \$53,150,472.12     |
| Less:                                                    |                     |
| On-behalf TPAF Pension and Social Security Reimbursement | <u>3,411,045.12</u> |
| Adjusted General Fund Expenditures                       | \$49,739,427.00     |
| Excess Surplus Percentage                                | <u>2.00%</u>        |
| 2% of Adjusted 2009-10 General Fund Expenditures         | 994,788.54          |
| Add: Allowable Adjustments                               | 542,990.00          |
| Maximum Unreserved/Undesignated Fund Balance             | 1,537,778.54        |
| Actual Unreserved/Undesignated Fund Balance              | <u>2,285,332.77</u> |
| Excess Surplus                                           | <u>\$747,554.23</u> |

Based on this calculation, the Flemington-Raritan Regional School District has \$747,554.23 excess fund balance resulting from the year ended June 30, 2010.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

**NOTE 12: INTERFUND RECEIVABLES AND PAYABLES**

| <u>FUND</u>           | <u>INTERFUND<br/>RECEIVABLE</u> | <u>INTERFUND<br/>PAYABLE</u> |
|-----------------------|---------------------------------|------------------------------|
| General Fund          | \$ 437,946.37                   |                              |
| Special Revenue Fund  |                                 | 200,365.07                   |
| Capital Projects Fund |                                 | 223,655.15                   |
| Payroll Agency Fund   |                                 | 13,926.15                    |
|                       | \$ 437,946.37                   | \$ 437,946.37                |

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

**NOTE 13: CAPITAL RESERVE ACCOUNT**

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve as per N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A23A-14.1, 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. N.J.S.A. 18A:7F-41(a), 18A:7F-41(b) and N.J.A.C. 6A:23A-14.3 permit a district board of education to transfer by board resolution (prior to June 30) any unanticipated revenue or unexpended line-item appropriation amounts to the capital reserve for withdrawal in subsequent school years. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local costs of uncompleted capital projects in its approved LRFP.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2010**

**NOTE 13: CAPITAL RESERVE ACCOUNT (CONTINUED)**

**Capital Reserve Account**

|                                        |             |                  |                           |
|----------------------------------------|-------------|------------------|---------------------------|
| Beginning balance, July 1, 2009        |             |                  | \$8,979.70                |
| Transferred from Capital Projects Fund | \$63,455.15 |                  |                           |
| Interest earned                        | 90.00       |                  |                           |
|                                        |             | <u>63,545.15</u> |                           |
| Ending balance, June 30, 2010          |             |                  | <u><u>\$72,524.85</u></u> |

**NOTE 14: DEFERRED COMPENSATION**

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the Board does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2010.

**NOTE 15: INVENTORY**

Inventory in the Food Service Fund at June 30, 2010 consisted of the following:

|                   |                           |
|-------------------|---------------------------|
| Food and Supplies | <u><u>\$22,766.23</u></u> |
|-------------------|---------------------------|

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.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**



|                                       |
|---------------------------------------|
| <b>BUDGETARY COMPARISON SCHEDULES</b> |
|---------------------------------------|

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2010

|                                                              | ORIGINAL<br>BUDGET | BUDGET<br>TRANSFERS/<br>AMENDMENTS | FINAL<br>BUDGET  | ACTUAL           | VARIANCE<br>FINAL TO<br>ACTUAL |
|--------------------------------------------------------------|--------------------|------------------------------------|------------------|------------------|--------------------------------|
| REVENUES:                                                    |                    |                                    |                  |                  |                                |
| Local sources:                                               |                    |                                    |                  |                  |                                |
| Local tax levy                                               | \$ 42,610,823.00   | \$                                 | \$ 42,610,823.00 | \$ 42,610,823.00 | \$ 90.00                       |
| Interest earned on capital reserve funds                     |                    |                                    |                  | 90.00            | 90.00                          |
| Unrestricted miscellaneous revenues                          | 150,000.00         |                                    | 150,000.00       | 1,029,911.17     | 879,911.17                     |
| Total revenues-local sources                                 | 42,760,823.00      |                                    | 42,760,823.00    | 43,640,824.17    | 880,001.17                     |
| State sources:                                               |                    |                                    |                  |                  |                                |
| Extraordinary aid                                            |                    |                                    |                  | 524,445.00       | 524,445.00                     |
| Categorical special education aid                            | 1,917,719.00       |                                    | 1,917,719.00     | 1,917,719.00     |                                |
| Equalization aid                                             | 3,704,835.00       |                                    | 3,704,835.00     | 2,290,437.00     | (1,414,398.00)                 |
| Categorical security aid                                     | 268,724.00         |                                    | 268,724.00       | 174,671.00       | (94,053.00)                    |
| Categorical Transportation aid                               | 1,256,526.00       |                                    | 1,256,526.00     | 816,742.00       | (439,784.00)                   |
| Non public transportation aid                                |                    |                                    |                  | 18,545.00        | 18,545.00                      |
| Reimbursed TPAF social security contributions (non-budgeted) |                    |                                    |                  | 1,833,323.12     | 1,833,323.12                   |
| On-behalf TPAF post retirement medical (non-budgeted)        |                    |                                    |                  | 1,577,722.00     | 1,577,722.00                   |
| Total - state sources                                        | 7,147,804.00       |                                    | 7,147,804.00     | 9,153,604.12     | 2,005,800.12                   |
| Federal sources:                                             |                    |                                    |                  |                  |                                |
| ARRA-ESF                                                     |                    | 647,175.00                         | 647,175.00       | 647,175.00       |                                |
| ARRA-GSF                                                     |                    | 25,053.00                          | 25,053.00        | 25,053.00        |                                |
| Total - federal sources                                      |                    | 672,228.00                         | 672,228.00       | 672,228.00       |                                |
| Total revenues                                               | 49,908,627.00      | 672,228.00                         | 50,580,855.00    | 53,466,656.29    | 2,885,801.29                   |
| EXPENDITURES:                                                |                    |                                    |                  |                  |                                |
| CURRENT EXPENSE:                                             |                    |                                    |                  |                  |                                |
| Instruction - regular programs:                              |                    |                                    |                  |                  |                                |
| Salaries of teachers:                                        |                    |                                    |                  |                  |                                |
| Kindergarten                                                 | 726,697.00         | (95,832.57)                        | 630,864.43       | 625,245.59       | 5,618.84                       |
| Grades 1-5                                                   | 8,835,471.00       | (61,389.69)                        | 8,774,081.31     | 8,703,817.29     | 70,264.02                      |
| Grades 6-8                                                   | 5,501,352.00       | 113,133.15                         | 5,614,485.15     | 5,551,441.22     | 63,043.93                      |
| Regular programs - home instruction:                         |                    |                                    |                  |                  |                                |
| Salaries of teachers                                         | 3,000.00           | 1,000.00                           | 4,000.00         | 3,777.25         | 222.75                         |
| Purchased Prof. Ed Services                                  |                    | 2,000.00                           | 2,000.00         | 1,002.76         | 997.24                         |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2010

|                                               | ORIGINAL<br>BUDGET | BUDGET<br>TRANSFERS/<br>AMENDMENTS | FINAL<br>BUDGET | ACTUAL        | VARIANCE<br>FINAL TO<br>ACTUAL |
|-----------------------------------------------|--------------------|------------------------------------|-----------------|---------------|--------------------------------|
| Regular programs - Undistributed Instruction: |                    |                                    |                 |               |                                |
| Other Salaries for Instruction                | 89,535.00          | 1,952.00                           | 1,952.00        | 1,952.00      |                                |
| Purchased Professional Educational Services   | 9,736.00           | 2,376.25                           | 91,911.25       | 70,455.59     | 21,455.66                      |
| Other Purchased Services (400-500 series)     | 914,743.00         | 963.00                             | 10,699.00       | 2,867.58      | 7,831.42                       |
| General Supplies                              | 99,498.00          | 299,767.33                         | 1,214,510.33    | 959,952.75    | 254,557.58                     |
| Textbooks                                     | 1,875.00           | 11,122.18                          | 110,620.18      | 5,705.73      | 104,914.45                     |
| Other Objects                                 |                    | (15.00)                            | 1,860.00        | 300.00        | 1,560.00                       |
| Total Regular Programs                        | 16,181,907.00      | 275,076.65                         | 16,456,983.65   | 15,926,517.76 | 530,465.89                     |
| Special Education - Instruction:              |                    |                                    |                 |               |                                |
| Learning and/or Language Disabilities:        |                    |                                    |                 |               |                                |
| Salaries of Teachers                          | 522,289.00         | 17,973.09                          | 540,262.09      | 540,202.53    | 59.56                          |
| Other Salaries for Instruction                | 274,925.00         | 36,954.60                          | 311,879.60      | 311,879.60    |                                |
| Other Purchased Services (400-500 series)     | 2,520.00           | (732.34)                           | 1,787.66        |               | 1,787.66                       |
| General Supplies                              | 28,700.00          | (3,699.93)                         | 25,000.07       | 21,844.32     | 3,155.75                       |
| Total Learning and/or Language Disabilities   | 828,434.00         | 50,495.42                          | 878,929.42      | 873,926.45    | 5,002.97                       |
| Multiple Disabilities:                        |                    |                                    |                 |               |                                |
| Salaries of Teachers                          | 351,245.00         | (21,150.39)                        | 330,094.61      | 329,945.69    | 148.92                         |
| Other Salaries for Instruction                | 337,765.00         | 27,849.27                          | 365,614.27      | 365,614.27    |                                |
| Other Purchased Services (400-500 series)     | 2,700.00           |                                    | 2,700.00        |               | 2,700.00                       |
| General Supplies                              | 20,500.00          | (1,835.52)                         | 18,664.48       | 13,822.09     | 4,842.39                       |
| Total Multiple Disabilities                   | 712,210.00         | 4,863.36                           | 717,073.36      | 709,382.05    | 7,691.31                       |
| Resource Room/ Resource Center:               |                    |                                    |                 |               |                                |
| Salaries of Teachers                          | 1,707,119.00       | 11,142.16                          | 1,718,261.16    | 1,717,884.74  | 376.42                         |
| Other Salaries for Instruction                | 619,090.00         | 138,841.33                         | 757,931.33      | 757,502.17    | 429.16                         |
| Other Purchased Services (400-500 series)     | 6,960.00           |                                    | 6,960.00        | 136.59        | 6,823.41                       |
| General Supplies                              | 58,550.00          | (9,867.33)                         | 48,682.67       | 34,852.78     | 13,829.89                      |
| Textbooks                                     | 2,560.00           |                                    | 2,560.00        |               | 2,560.00                       |
| Total Resource Room/ Resource Center          | 2,394,279.00       | 140,116.16                         | 2,534,395.16    | 2,510,376.28  | 24,018.88                      |
| Autism:                                       |                    |                                    |                 |               |                                |
| Salaries of Teachers                          | 473,145.00         | (125,928.75)                       | 347,216.25      | 346,724.57    | 491.68                         |
| Other Salaries for Instruction                | 296,390.00         | (37,121.43)                        | 259,268.57      | 258,835.99    | 432.58                         |
| Other Purchased Services (400-500 series)     | 1,800.00           |                                    | 1,800.00        | 355.32        | 1,444.68                       |
| General Supplies                              | 13,600.00          | (6,041.86)                         | 7,558.14        | 7,208.78      | 349.36                         |
| Total Autism                                  | 784,935.00         | (169,092.04)                       | 615,842.96      | 613,124.66    | 2,718.30                       |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2010

|                                             | <u>ORIGINAL<br/>BUDGET</u> | <u>BUDGET<br/>TRANSFERS/<br/>AMENDMENTS</u> | <u>FINAL<br/>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE<br/>FINAL TO<br/>ACTUAL</u> |
|---------------------------------------------|----------------------------|---------------------------------------------|-------------------------|---------------|-----------------------------------------|
| Preschool Disabilities - Part Time:         |                            |                                             |                         |               |                                         |
| Salaries of Teachers                        | 295,386.00                 | (152,029.76)                                | 143,356.24              | 143,355.64    | 0.60                                    |
| Other Salaries for Instruction              | 130,137.00                 | (63,854.10)                                 | 66,282.90               | 66,282.90     |                                         |
| Purchased Professional-Educational Services | 1,500.00                   |                                             | 1,500.00                | 1,500.00      |                                         |
| General Supplies                            | 6,725.00                   | (1,894.21)                                  | 4,830.79                | 2,965.05      | 1,865.74                                |
| Total Preschool Disabilities - Part Time    | 433,748.00                 | (217,778.07)                                | 215,969.93              | 212,603.59    | 3,366.34                                |
| Preschool Disabilities - Full Time:         |                            |                                             |                         |               |                                         |
| Salaries of Teachers                        | 174,823.00                 | 229,848.43                                  | 404,671.43              | 404,483.51    | 187.92                                  |
| Other Salaries for Instruction              | 145,909.00                 | 75,257.00                                   | 221,166.00              | 221,165.38    | 0.62                                    |
| Purchased Professional-Educational Services | 14,350.00                  | (14,350.00)                                 |                         |               |                                         |
| Other Purchased Services (400-500 series)   | 450.00                     |                                             | 450.00                  |               | 450.00                                  |
| General Supplies                            | 5,900.00                   | (3,969.26)                                  | 1,930.74                | 558.54        | 1,372.20                                |
| Total Preschool Disabilities - Full Time    | 341,432.00                 | 286,786.17                                  | 628,218.17              | 626,207.43    | 2,010.74                                |
| Home Instruction:                           |                            |                                             |                         |               |                                         |
| Salaries of Teachers                        | 3,000.00                   | 2,000.00                                    | 5,000.00                | 4,879.25      | 120.75                                  |
| Total Home Instruction                      | 3,000.00                   | 2,000.00                                    | 5,000.00                | 4,879.25      | 120.75                                  |
| Total Special Education - Instruction       | 5,498,038.00               | 97,391.00                                   | 5,595,429.00            | 5,550,499.71  | 44,929.29                               |
| Basic Skills/ Remedial - Instruction:       |                            |                                             |                         |               |                                         |
| Salaries of Teachers                        | 1,170,587.00               | (24,984.95)                                 | 1,145,602.05            | 1,145,602.05  |                                         |
| General Supplies                            | 17,600.00                  |                                             | 17,600.00               | 12,139.02     | 5,460.98                                |
| Textbooks                                   | 1,200.00                   |                                             | 1,200.00                |               | 1,200.00                                |
| Total Basic Skills/ Remedial - Instruction  | 1,189,387.00               | (24,984.95)                                 | 1,164,402.05            | 1,157,741.07  | 6,660.98                                |
| Bilingual education - instruction:          |                            |                                             |                         |               |                                         |
| Salaries of Teachers                        | 340,270.00                 |                                             | 340,270.00              | 339,363.48    | 906.52                                  |
| Other Purchased Services (400-500 series)   | 1,071.00                   | 1,000.00                                    | 2,071.00                | 1,786.65      | 284.35                                  |
| General Supplies                            | 6,360.00                   | 2,629.65                                    | 8,989.65                | 7,940.50      | 1,049.15                                |
| Total Bilingual Education - Instruction     | 347,701.00                 | 3,629.65                                    | 351,330.65              | 349,090.63    | 2,240.02                                |

FLEMINGTON-RANTAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2010

|                                                                           | <u>ORIGINAL<br/>BUDGET</u> | <u>BUDGET<br/>TRANSFERS/<br/>AMENDMENTS</u> | <u>FINAL<br/>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE<br/>FINAL TO<br/>ACTUAL</u> |
|---------------------------------------------------------------------------|----------------------------|---------------------------------------------|-------------------------|---------------|-----------------------------------------|
| School Sponsored Co/Extra Curricular Activities - Instruction:            |                            |                                             |                         |               |                                         |
| Salaries                                                                  | 179,904.00                 | 500.00                                      | 180,404.00              | 156,351.36    | 24,052.64                               |
| Supplies and Materials                                                    | 6,160.00                   |                                             | 6,160.00                | 4,452.63      | 1,707.37                                |
| Total School Sponsored Co/Extra Curricular Activities - Instruction       | 186,064.00                 | 500.00                                      | 186,564.00              | 160,803.99    | 25,760.01                               |
| School Sponsored Athletics - Instruction:                                 |                            |                                             |                         |               |                                         |
| Salaries                                                                  | 105,444.00                 |                                             | 105,444.00              | 92,935.50     | 12,508.50                               |
| Purchased Services (300-500 series)                                       | 17,130.00                  | (930.00)                                    | 16,200.00               | 14,720.37     | 1,479.63                                |
| Supplies and Materials                                                    | 21,927.00                  | 330.00                                      | 22,257.00               | 21,497.00     | 760.00                                  |
| Total School Sponsored Athletics - Instruction                            | 144,501.00                 | (600.00)                                    | 143,901.00              | 129,152.87    | 14,748.13                               |
| Undistributed Expenditures - Instruction                                  |                            |                                             |                         |               |                                         |
| Tuition to other LEAs within the State - Regular                          | 10,054.00                  | 30,421.80                                   | 40,475.80               | 40,475.80     |                                         |
| Tuition to CSSD & Regular Day Schools                                     | 203,768.00                 | (84,829.00)                                 | 118,939.00              | 118,939.00    |                                         |
| Tuition to Private Schools for the Disabled W/ State                      | 182,486.00                 | (137,924.00)                                | 44,562.00               | 44,542.00     |                                         |
| Total Undistributed Expenditures - Instruction                            | 396,288.00                 | (192,331.20)                                | 203,956.80              | 203,956.80    |                                         |
| Undistributed Expenditures - Health Services:                             |                            |                                             |                         |               |                                         |
| Salaries                                                                  | 620,540.00                 | 35,887.51                                   | 656,427.51              | 656,427.51    |                                         |
| Purchased Professional and Technical Services                             | 12,500.00                  | (6,500.00)                                  | 6,000.00                | 3,970.00      | 2,030.00                                |
| Other Purchased Services (400-500 series)                                 | 4,200.00                   |                                             | 4,200.00                | 706.75        | 3,493.25                                |
| Supplies and Materials                                                    | 20,100.00                  |                                             | 20,100.00               | 13,507.59     | 6,592.41                                |
| Total Undistributed Expenditures - Health Services                        | 657,340.00                 | 29,387.51                                   | 686,727.51              | 674,611.85    | 12,115.66                               |
| Undistributed Expend. - Speech, OT, PT & Related Services:                |                            |                                             |                         |               |                                         |
| Salaries                                                                  | 457,322.00                 | 56,541.90                                   | 513,863.90              | 513,863.90    |                                         |
| Purchased professional - Educational Services                             | 108,260.00                 | (19,547.50)                                 | 88,712.50               | 88,712.50     |                                         |
| Supplies and materials                                                    | 4,400.00                   | 293.35                                      | 4,693.35                | 3,558.05      | 1,135.30                                |
| Total Undistributed Expend. - Speech, OT, PT & Related Services           | 569,982.00                 | 37,287.75                                   | 607,269.75              | 606,134.45    | 1,135.30                                |
| Undistributed Expend. - Other Supp. Serv. -Students- Extra Services:      |                            |                                             |                         |               |                                         |
| Salaries                                                                  | 124,496.00                 | (122,597.12)                                | 1,898.88                |               | 1,898.88                                |
| Total Undistributed Expend. - Other Supp. Serv. -Students- Extra Services | 124,496.00                 | (122,597.12)                                | 1,898.88                |               | 1,898.88                                |

FLEMINGTON-RANTAN REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2010

|                                                                          | ORIGINAL<br>BUDGET | BUDGET<br>TRANSFERS/<br>AMENDMENTS | FINAL<br>BUDGET | ACTUAL     | VARIANCE<br>FINAL TO<br>ACTUAL |
|--------------------------------------------------------------------------|--------------------|------------------------------------|-----------------|------------|--------------------------------|
| Undistributed Expenditures - Guidance:                                   |                    |                                    |                 |            |                                |
| Salaries of Other Professional Staff                                     | 657,352.00         | (8,494.33)                         | 648,857.67      | 636,766.30 | 12,091.37                      |
| Salaries of Secretarial and Clerical Assistants                          | 106,616.00         |                                    | 106,616.00      | 106,616.00 |                                |
| Other Purchased Services (400-500 series)                                | 1,350.00           |                                    | 1,350.00        | 353.02     | 996.98                         |
| Supplies and Materials                                                   | 10,625.00          |                                    | 10,625.00       | 6,023.05   | 4,601.95                       |
| Total Undistributed Expenditures - Guidance                              | 775,943.00         | (8,494.33)                         | 767,448.67      | 749,758.37 | 17,690.30                      |
| Undistributed Expenditures - Child Study Teams:                          |                    |                                    |                 |            |                                |
| Salaries of Other Professional Staff                                     | 774,188.00         | (35,887.51)                        | 738,300.49      | 736,560.00 | 1,740.49                       |
| Salaries of Secretarial and Clerical Assistants                          | 105,672.00         |                                    | 105,672.00      | 98,124.00  | 7,548.00                       |
| Purchased Professional - Educational Services                            | 25,000.00          | (1,370.79)                         | 23,629.21       | 15,567.50  | 8,061.71                       |
| Miscellaneous Purchased Services (400-500 series other than resid. cost) | 47,000.00          | 95.00                              | 47,095.00       | 22,703.72  | 24,391.28                      |
| Supplies and Materials                                                   | 19,500.00          | 35.20                              | 19,535.20       | 15,734.23  | 3,800.97                       |
| Other Objects                                                            | 2,500.00           |                                    | 2,500.00        |            | 2,500.00                       |
| Total Undistributed Expenditures - Child Study Teams                     | 973,860.00         | (37,128.10)                        | 936,731.90      | 888,689.45 | 48,042.45                      |
| Undistributed Expenditures - Improvement of Instr. Serv.                 |                    |                                    |                 |            |                                |
| Salaries of Supervisors of Instruction                                   | 279,335.00         |                                    | 279,335.00      | 263,009.59 | 16,325.41                      |
| Salaries of Other Professional Staff                                     | 121,440.00         | (15,584.59)                        | 105,855.41      | 63,564.00  | 42,291.41                      |
| Salaries of Secretarial and Clerical Assistants                          | 29,394.00          |                                    | 29,394.00       | 29,393.68  | 0.32                           |
| Other Purchased Services (400-500 series)                                | 32,210.00          | 10,600.00                          | 42,810.00       | 27,395.08  | 15,414.92                      |
| Supplies and Materials                                                   | 18,500.00          | 8,009.59                           | 26,509.59       | 21,394.41  | 5,115.18                       |
| Other Objects                                                            | 7,950.00           |                                    | 7,950.00        | 4,973.00   | 2,977.00                       |
| Total Undistributed Expenditures - Improvement of Instr. Serv.           | 488,829.00         | 3,025.00                           | 491,854.00      | 409,729.76 | 82,124.24                      |
| Undistributed Expend. - Educational Media Serv./School Library:          |                    |                                    |                 |            |                                |
| Salaries                                                                 | 664,796.00         | (65,412.59)                        | 599,383.41      | 592,343.22 | 7,040.19                       |
| Purchased Professional and Technical Services                            | 20,448.00          | (2,915.13)                         | 17,532.87       | 16,599.94  | 932.93                         |
| Other Purchased Services (400-500 series)                                | 4,769.00           | (3,674.00)                         | 1,095.00        | 390.86     | 704.14                         |
| Supplies and Materials                                                   | 135,084.00         | 1,339.39                           | 136,423.39      | 130,218.29 | 6,205.10                       |
| Other Objects                                                            | 12,238.00          | 3,541.50                           | 15,779.50       | 15,727.25  | 52.25                          |
| Total Undistributed Expend. - Educational Media Serv./School Library     | 837,335.00         | (67,120.83)                        | 770,214.17      | 755,279.56 | 14,934.61                      |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2010

|                                                                      | <u>ORIGINAL<br/>BUDGET</u> | <u>BUDGET<br/>TRANSFERS/<br/>AMENDMENTS</u> | <u>FINAL<br/>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE<br/>FINAL TO<br/>ACTUAL</u> |
|----------------------------------------------------------------------|----------------------------|---------------------------------------------|-------------------------|---------------|-----------------------------------------|
| Undistributed Expend - Instructional Staff Training Services:        |                            |                                             |                         |               |                                         |
| Salaries of Supervisors of Instruction                               | 380,003.00                 | 3,727.59                                    | 383,730.59              | 383,730.59    | 27,663.66                               |
| Salaries of Other Professional Staff                                 | 85,200.00                  | (4,320.00)                                  | 80,880.00               | 53,216.34     | 0.11                                    |
| Salaries of Secretarial and Clerical Assistants                      | 88,181.00                  |                                             | 88,181.00               | 88,180.89     | 2,110.00                                |
| Other Salaries                                                       | 12,500.00                  |                                             | 12,500.00               | 10,390.00     | 1,250.00                                |
| Other Purchased Professional and Technical Services                  | 7,000.00                   |                                             | 7,000.00                | 5,750.00      | 6,666.57                                |
| Other Purchased Services (400-500 series)                            | 21,356.00                  | 4,834.00                                    | 26,190.00               | 19,523.43     | 1,503.16                                |
| Supplies and Materials                                               | 17,200.00                  | 842.10                                      | 18,042.10               | 16,538.94     |                                         |
| Total Undistributed Expend - Instructional Staff Training Services   | 611,440.00                 | 5,083.69                                    | 616,523.69              | 577,330.19    | 39,193.50                               |
| Undistributed Expend - Support Services-General Administration:      |                            |                                             |                         |               |                                         |
| Salaries                                                             | 415,299.00                 |                                             | 415,299.00              | 387,720.76    | 27,578.24                               |
| Legal Services                                                       | 105,000.00                 | 21,500.00                                   | 126,500.00              | 112,437.79    | 14,062.21                               |
| Other Purchased Professional Services                                | 65,600.00                  | 22,540.00                                   | 88,140.00               | 71,605.48     | 16,534.52                               |
| Purchased Technical Services                                         | 42,150.00                  |                                             | 42,150.00               | 39,507.80     | 2,642.20                                |
| Communications/Telephone                                             | 217,529.00                 | (14,798.01)                                 | 202,730.99              | 147,142.42    | 55,588.57                               |
| Misc. Purchased Services (400-500 series, O/T 530 & 585)             | 37,075.00                  | 1,734.78                                    | 38,809.78               | 18,520.14     | 20,289.64                               |
| General Supplies                                                     | 16,500.00                  | 6,866.60                                    | 23,366.60               | 22,895.24     | 471.36                                  |
| BOE In-house Training/Meeting Supplies                               | 900.00                     | (9,571.00)                                  | 900.00                  | 18,357.00     | 900.00                                  |
| Miscellaneous Expenditures                                           | 39,880.00                  | 1,711.00                                    | 30,309.00               | 24,311.00     | 11,952.00                               |
| BOE Membership Dues and Fees                                         | 22,600.00                  |                                             | 24,311.00               |               |                                         |
| Total Undistributed Expend - Support Services-General Administration | 962,533.00                 | 29,983.37                                   | 992,516.37              | 842,497.63    | 150,018.74                              |
| Undistributed Expend - Support Services- School Administration:      |                            |                                             |                         |               |                                         |
| Salaries of Principals/Assistant Principals                          | 1,403,056.00               | (18,245.06)                                 | 1,384,810.94            | 1,382,286.57  | 2,524.37                                |
| Salaries of Other Professional Staff                                 | 139,000.00                 | (8,298.27)                                  | 130,701.73              | 130,701.73    | 242.81                                  |
| Salaries of Secretarial and Clerical Assistants                      | 775,271.00                 | 44,313.09                                   | 819,584.09              | 819,341.28    | 9,436.88                                |
| Purchased Professional and Technical Services                        | 48,660.00                  | 700.00                                      | 49,360.00               | 39,923.12     | 37,384.11                               |
| Other Purchased Services (400-500 series)                            | 167,161.00                 | 1,043.26                                    | 168,204.26              | 130,820.15    | 10,627.50                               |
| Supplies and Materials                                               | 104,483.00                 | 21,511.85                                   | 125,994.85              | 115,367.35    | 2,919.00                                |
| Other Objects                                                        | 17,059.00                  | 212.00                                      | 17,271.00               | 14,352.00     |                                         |
| Total Undistributed Expend - Support Services- School Administration | 2,654,690.00               | 41,236.87                                   | 2,695,926.87            | 2,632,792.20  | 63,134.67                               |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2010

|                                                                        | ORIGINAL<br>BUDGET | BUDGET<br>TRANSFERS/<br>AMENDMENTS | FINAL<br>BUDGET | ACTUAL       | VARIANCE<br>FINAL TO<br>ACTUAL |
|------------------------------------------------------------------------|--------------------|------------------------------------|-----------------|--------------|--------------------------------|
| Undistributed Expend. - Central Services                               |                    |                                    |                 |              |                                |
| Salaries                                                               | 389,041.00         | 2,091.37                           | 391,132.37      | 391,132.37   |                                |
| Purchased Professional Services                                        | 13,550.00          | 20,050.00                          | 33,600.00       | 33,600.00    |                                |
| Miscellaneous Purchased Services (400-500 series, O/T 594)             | 3,000.00           | (123.00)                           | 2,877.00        | 268.12       | 2,608.88                       |
| Supplies and Materials                                                 | 18,000.00          |                                    | 18,000.00       | 9,355.42     | 8,644.58                       |
| Other Objects                                                          | 7,500.00           | (478.00)                           | 7,022.00        | 4,693.44     | 2,328.56                       |
| Total Undistributed Expend. - Central Services                         | 431,091.00         | 21,540.37                          | 452,631.37      | 439,049.35   | 13,582.02                      |
| Undistributed Expend. - Admin. Info. Technology:                       |                    |                                    |                 |              |                                |
| Salaries                                                               | 341,609.00         | (6,006.37)                         | 335,602.63      | 308,797.72   | 26,804.91                      |
| Total Undistributed Expend. - Admin. Info. Technology                  | 341,609.00         | (6,006.37)                         | 335,602.63      | 308,797.72   | 26,804.91                      |
| Undistributed Expend.-Required Maintenance for School Facilities:      |                    |                                    |                 |              |                                |
| Salaries                                                               | 431,485.00         |                                    | 431,485.00      | 428,535.16   | 2,949.84                       |
| Cleaning, Repair and Maintenance Services                              | 1,048,263.00       | 270,380.80                         | 1,318,643.80    | 712,377.92   | 606,265.88                     |
| General Supplies                                                       | 151,200.00         | 24,228.13                          | 175,428.13      | 125,214.68   | 50,213.45                      |
| Total Undistributed Expend.-Required Maintenance for School Facilities | 1,630,948.00       | 294,608.93                         | 1,925,556.93    | 1,266,127.76 | 659,429.17                     |
| Undistributed Expend -Custodial Services:                              |                    |                                    |                 |              |                                |
| Salaries                                                               | 317,396.00         | 5,800.00                           | 323,196.00      | 322,089.28   | 1,106.72                       |
| Purchased Professional and Technical Services                          | 4,000.00           | 29,195.00                          | 33,195.00       | 9,157.95     | 24,037.05                      |
| Cleaning, Repair and Maintenance Services                              | 1,454,233.00       | 2,314.49                           | 1,456,547.49    | 1,380,952.75 | 75,594.74                      |
| Other Purchased Property Services                                      | 150,000.00         |                                    | 150,000.00      | 127,477.94   | 22,522.06                      |
| Insurance                                                              | 143,179.00         |                                    | 143,179.00      | 132,607.00   | 10,572.00                      |
| Miscellaneous Purchased Services                                       | 45,050.00          |                                    | 45,050.00       | 6,712.70     | 38,337.30                      |
| General Supplies                                                       | 130,040.00         | 19,470.91                          | 149,510.91      | 132,574.56   | 16,936.35                      |
| Energy ( Electricity)                                                  | 1,445,400.00       |                                    | 1,445,400.00    | 1,365,094.17 | 80,305.83                      |
| Other Objects                                                          | 7,878.00           | 1,130.00                           | 9,008.00        | 7,380.00     | 1,628.00                       |
| Total Undistributed Expend -Custodial Services:                        | 3,697,176.00       | 57,910.40                          | 3,755,086.40    | 3,484,046.35 | 271,040.05                     |
| Total Undistributed Expend. - Oper. & Maintenance of Plant Serv.       | 5,328,124.00       | 352,519.33                         | 5,680,643.33    | 4,750,174.11 | 930,469.22                     |



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2010

|                                                                    | ORIGINAL<br>BUDGET | BUDGET<br>TRANSFERS/<br>AMENDMENTS | FINAL<br>BUDGET | ACTUAL        | VARIANCE<br>FINAL TO<br>ACTUAL |
|--------------------------------------------------------------------|--------------------|------------------------------------|-----------------|---------------|--------------------------------|
| Undistributed Expend.-Student Transportation Services:             |                    |                                    |                 |               |                                |
| Salaries for Pupil Transportation (bet. home & school)-Reg         | 813,070.00         |                                    | 813,070.00      | 813,070.00    |                                |
| Salaries for Pupil Transportation (bet. home & school)-Special Ed. | 352,750.00         |                                    | 352,750.00      | 352,750.00    |                                |
| Salaries for Pupil Transportation (other than bet. home & school)  | 23,240.00          | 11,415.00                          | 34,655.00       | 34,655.00     |                                |
| Management Fee - ESC Transportation Programs                       | 19,500.00          |                                    | 19,500.00       | 19,500.00     |                                |
| Other Purchased Professional and Technical Services                | 39,300.00          |                                    | 39,300.00       | 39,300.00     |                                |
| Cleaning, Repair and Maintenance Services                          | 18,450.00          |                                    | 18,450.00       | 18,450.00     |                                |
| Contracted Services (between home and school) - Vendors            | 1,371,000.00       |                                    | 1,371,000.00    | 1,371,000.00  |                                |
| Contracted Services (other than between home and school) - Vendors | 47,500.00          |                                    | 47,500.00       | 47,500.00     |                                |
| Contracted Services - Special Ed. Students - ESC & CTSA            | 315,000.00         |                                    | 315,000.00      | 315,000.00    |                                |
| Contracted Services - Aid in Lieu of Payments- Non-Public Schools  | 128,800.00         |                                    | 128,800.00      | 128,800.00    |                                |
| Miscellaneous Purchased Services - Transportation                  | 56,300.00          |                                    | 56,300.00       | 56,300.00     |                                |
| General Supplies                                                   | 217,900.00         |                                    | 217,900.00      | 217,900.00    |                                |
| Other Objects                                                      | 783,870.00         |                                    | 783,870.00      | 783,870.00    |                                |
| Total Undistributed Expend.-Student Transportation Services        | 4,186,680.00       | 11,415.00                          | 4,198,095.00    | 4,198,095.00  |                                |
| Unallocated Benefits:                                              |                    |                                    |                 |               |                                |
| Group Insurance                                                    | 17,000.00          |                                    | 17,000.00       | 14,610.53     | 2,389.47                       |
| Social Security Contributions - Other                              | 560,000.00         |                                    | 560,000.00      | 537,013.61    | 22,986.39                      |
| Other Retirement Contributions - Regular                           | 380,000.00         | 27,199.00                          | 407,199.00      | 407,199.00    |                                |
| Workmen's Compensation                                             | 174,541.00         |                                    | 174,541.00      | 159,263.36    | 15,277.64                      |
| Health Benefits                                                    | 6,759,191.00       | (55,989.00)                        | 6,703,202.00    | 6,662,145.46  | 41,056.54                      |
| Tuition Reimbursement                                              | 224,400.00         | 14,450.50                          | 238,850.50      | 212,716.75    | 26,133.75                      |
| Other Employee Benefits                                            | 56,640.00          | 10,340.00                          | 66,980.00       | 63,236.50     | 3,743.50                       |
| Total Unallocated Benefits                                         | 8,171,772.00       | (3,999.50)                         | 8,167,772.50    | 8,056,185.21  | 111,587.29                     |
| Total Personal Services - Employee                                 | 8,171,772.00       | (3,999.50)                         | 8,167,772.50    | 8,056,185.21  | 111,587.29                     |
| Reimbursed TPAF social security contributions (non-budgeted)       |                    |                                    |                 | 1,833,323.12  | (1,833,323.12)                 |
| On-behalf TPAF post retirement medical (non-budgeted)              |                    |                                    |                 | 1,577,722.00  | (1,577,722.00)                 |
| TOTAL UNDISTRIBUTED EXPENDITURES                                   | 27,512,012.00      | 93,801.44                          | 27,605,813.44   | 29,504,126.77 | (1,898,313.33)                 |
| TOTAL GENERAL CURRENT EXPENSE                                      | 51,059,610.00      | 444,813.79                         | 51,504,423.79   | 52,777,932.80 | (1,273,509.01)                 |

FLEMINGTON-RANTAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2010

|                                                                                                                             | ORIGINAL<br>BUDGET   | BUDGET<br>TRANSFERS/<br>AMENDMENTS | FINAL<br>BUDGET      | ACTUAL               | VARIANCE<br>FINAL TO<br>ACTUAL |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------|----------------------|----------------------|--------------------------------|
| <b>CAPITAL OUTLAY:</b>                                                                                                      |                      |                                    |                      |                      |                                |
| <b>EQUIPMENT:</b>                                                                                                           |                      |                                    |                      |                      |                                |
| Grades 1-5                                                                                                                  | 3,700.00             | 18,288.00                          | 21,988.00            | 21,969.25            | 18.75                          |
| Grades 6-8                                                                                                                  | 3,900.00             | 28,379.00                          | 32,279.00            | 32,279.00            |                                |
| Undistributed:                                                                                                              |                      |                                    |                      |                      |                                |
| Undistributed Expenditures - School Admin.                                                                                  |                      | 2,610.00                           | 2,610.00             | 2,610.00             |                                |
| Undistributed Expenditures - Central Services                                                                               | 3,477.00             | (3,477.00)                         |                      |                      |                                |
| Undistributed Expenditures - Admin. Info. Tech.                                                                             |                      | 31,352.34                          | 31,352.34            | 31,352.34            |                                |
| Undist. Expend. - Required Maintenance for School Facilities                                                                |                      | 12,360.00                          | 12,360.00            | 12,089.33            | 270.67                         |
| Undist. Expend. - Security                                                                                                  |                      | 17,739.40                          | 17,739.40            | 17,739.40            |                                |
| Undist. Expend. - Student Trans. - Non-Inst. Equip.                                                                         | 49,500.00            |                                    | 49,500.00            | 49,500.00            |                                |
| School Buses - Regular                                                                                                      | 170,000.00           |                                    | 170,000.00           | 170,000.00           |                                |
| School Buses - Special                                                                                                      | 35,000.00            |                                    | 35,000.00            | 35,000.00            |                                |
| <b>TOTAL EQUIPMENT</b>                                                                                                      | <b>265,577.00</b>    | <b>107,251.74</b>                  | <b>372,828.74</b>    | <b>372,539.32</b>    | <b>289.42</b>                  |
| <b>TOTAL CAPITAL OUTLAY</b>                                                                                                 | <b>265,577.00</b>    | <b>107,251.74</b>                  | <b>372,828.74</b>    | <b>372,539.32</b>    | <b>289.42</b>                  |
| <b>TOTAL EXPENDITURES</b>                                                                                                   | <b>51,325,187.00</b> | <b>552,065.53</b>                  | <b>51,877,252.53</b> | <b>53,150,472.12</b> | <b>(1,273,219.59)</b>          |
| Excess (Deficiency) of Revenues Over (Under) Expenditures                                                                   | (1,416,560.00)       | 120,162.47                         | (1,296,397.53)       | 316,184.17           | 1,612,581.70                   |
| Other financing sources (use)                                                                                               |                      |                                    |                      |                      |                                |
| Transfer of funds:                                                                                                          |                      |                                    |                      | 63,455.15            | (63,455.15)                    |
| Transfer to/from capital projects fund                                                                                      |                      |                                    |                      | 63,455.15            | (63,455.15)                    |
| Total other financing sources                                                                                               |                      |                                    |                      |                      |                                |
| Excess/Deficit of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources | (1,416,560.00)       | 120,162.47                         | (1,296,397.53)       | 379,639.32           | 1,549,126.55                   |
| Fund Balances, July 1,                                                                                                      | 4,205,033.07         |                                    | 4,205,033.07         | 4,205,033.07         |                                |
| Fund Balances, June 30,                                                                                                     | 2,788,473.07         | 120,162.47                         | 2,908,635.54         | 4,584,672.39         | 1,549,126.55                   |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2010

|                                                                    | <u>ORIGINAL<br/>BUDGET</u> | <u>BUDGET<br/>TRANSFERS/<br/>AMENDMENTS</u> | <u>FINAL<br/>BUDGET</u> | <u>ACTUAL</u>          | <u>VARIANCE<br/>FINAL TO<br/>ACTUAL</u> |
|--------------------------------------------------------------------|----------------------------|---------------------------------------------|-------------------------|------------------------|-----------------------------------------|
| Recapitulation:                                                    |                            |                                             |                         |                        |                                         |
| Reserve for Encumbrances                                           |                            |                                             |                         | \$ 810,254.77          |                                         |
| Legally Restricted - Designated for Subsequent Year's Expenditures |                            |                                             |                         | 193,928.61             |                                         |
| Excess Surplus - Designated for Subsequent Year's Expenditures     |                            |                                             |                         | 1,222,631.39           |                                         |
| Reserve for Excess Surplus                                         |                            |                                             |                         | 747,554.23             |                                         |
| Capital Reserve                                                    |                            |                                             |                         | 72,524.85              |                                         |
| Unrestricted Fund Balance                                          |                            |                                             |                         | <u>1,537,778.54</u>    |                                         |
|                                                                    |                            |                                             |                         | <u>4,584,672.39</u>    |                                         |
| Reconciliation to Governmental Funds Statements (GAAP):            |                            |                                             |                         |                        |                                         |
| Last State Aid Payment not recognized on GAAP basis                |                            |                                             |                         | <u>(694,571.00)</u>    |                                         |
| Fund Balance per Governmental Funds (GAAP)                         |                            |                                             |                         | <u>\$ 3,890,101.39</u> |                                         |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND - ARRA ESF  
FISCAL YEAR ENDED JUNE 30, 2010

|                                 | ORIGINAL<br>BUDGET | BUDGET<br>TRANSFERS/<br>AMENDMENTS | FINAL<br>BUDGET | ACTUAL       | VARIANCE<br>FINAL TO<br>ACTUAL |
|---------------------------------|--------------------|------------------------------------|-----------------|--------------|--------------------------------|
| REVENUES:                       |                    |                                    |                 |              |                                |
| Federal sources:                |                    |                                    |                 |              |                                |
| ARRA-ESF                        |                    | \$647,175.00                       | \$647,175.00    | \$647,175.00 |                                |
| Total - federal sources         |                    | 647,175.00                         | 647,175.00      | 647,175.00   |                                |
| Total revenues                  |                    | 647,175.00                         | 647,175.00      | 647,175.00   |                                |
| EXPENDITURES:                   |                    |                                    |                 |              |                                |
| CURRENT EXPENSE:                |                    |                                    |                 |              |                                |
| Instruction - regular programs: |                    |                                    |                 |              |                                |
| Salaries of teachers:           |                    |                                    |                 |              |                                |
| Grades 1-5                      |                    | 125,456.40                         | 125,456.40      | 125,456.40   |                                |
| Grades 6-8                      |                    | 521,718.60                         | 521,718.60      | 521,718.60   |                                |
| Total Regular Programs          |                    | \$647,175.00                       | \$647,175.00    | \$647,175.00 |                                |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND - ARRA GSF  
FISCAL YEAR ENDED JUNE 30, 2010

|                                 | ORIGINAL<br>BUDGET | BUDGET<br>TRANSFERS/<br>AMENDMENTS | FINAL<br>BUDGET | ACTUAL      | VARIANCE<br>FINAL TO<br>ACTUAL |
|---------------------------------|--------------------|------------------------------------|-----------------|-------------|--------------------------------|
| REVENUES:                       |                    |                                    |                 |             |                                |
| Federal sources:                |                    |                                    |                 |             |                                |
| ARRA-GSF                        |                    | \$25,053.00                        | \$25,053.00     | \$25,053.00 |                                |
| Total - federal sources         |                    | 25,053.00                          | 25,053.00       | 25,053.00   |                                |
| Total revenues                  |                    | 25,053.00                          | 25,053.00       | 25,053.00   |                                |
| EXPENDITURES:                   |                    |                                    |                 |             |                                |
| CURRENT EXPENSE:                |                    |                                    |                 |             |                                |
| Instruction - regular programs: |                    |                                    |                 |             |                                |
| Salaries of teachers:           |                    | 25,053.00                          | 25,053.00       | 25,053.00   |                                |
| Kindergarten                    |                    |                                    |                 |             |                                |
| Total Regular Programs          |                    | \$25,053.00                        | \$25,053.00     | \$25,053.00 |                                |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|                                                                                                 | ORIGINAL<br>BUDGET | BUDGET<br>TRANSFERS/<br>AMENDMENTS | FINAL<br>BUDGET | ACTUAL       | VARIANCE<br>FINAL<br>TO ACTUAL |
|-------------------------------------------------------------------------------------------------|--------------------|------------------------------------|-----------------|--------------|--------------------------------|
| REVENUES:                                                                                       |                    |                                    |                 |              |                                |
| State Aid                                                                                       | \$                 | \$ 25,374.34                       | \$ 25,374.34    | \$ 15,341.88 | \$ 10,032.46                   |
| Federal Aid                                                                                     | 805,975.00         | 1,162,475.28                       | 1,968,450.28    | 1,166,351.70 | 802,098.58                     |
| Local Sources                                                                                   |                    | 82,469.34                          | 82,469.34       | 62,305.35    | 20,163.99                      |
| Total Revenues                                                                                  | 805,975.00         | 1,270,318.96                       | 2,076,293.96    | 1,243,998.93 | 832,295.03                     |
| EXPENDITURES:                                                                                   |                    |                                    |                 |              |                                |
| Instruction:                                                                                    |                    |                                    |                 |              |                                |
| Salaries                                                                                        | 198,747.05         | 55,007.17                          | 253,754.22      | 182,592.55   | 71,161.67                      |
| Purchased Professional and Technical Services                                                   | 32,725.00          | 22,285.50                          | 55,010.50       | 38,862.00    | 16,148.50                      |
| Purchased Professional - Educational Services                                                   |                    | 60,175.66                          | 60,175.66       | 60,023.00    | 152.66                         |
| Other Purchased Services (400-500 Series)                                                       | 34,000.00          | 754,399.73                         | 788,399.73      | 445,497.62   | 342,902.11                     |
| General Supplies                                                                                | 28,858.60          | 85,253.01                          | 114,111.61      | 36,740.84    | 77,370.77                      |
| Textbooks                                                                                       |                    | 4,452.90                           | 4,452.90        | 2,766.32     | 1,686.58                       |
| Other Objects                                                                                   |                    | 495.00                             | 495.00          |              | 495.00                         |
| Total Instruction                                                                               | 294,330.65         | 982,068.97                         | 1,276,399.62    | 766,482.33   | 509,917.29                     |
| Support Services:                                                                               |                    |                                    |                 |              |                                |
| Salaries                                                                                        | 5,278.50           | 149,785.24                         | 155,063.74      | 48,998.75    | 106,064.99                     |
| Personal Services - Employee Benefits                                                           | 26,265.85          | 32,649.34                          | 58,915.19       | 25,449.89    | 33,465.30                      |
| Purchased Professional and Technical Services                                                   | 458,523.75         | 7,880.25                           | 466,404.00      | 365,621.05   | 100,782.95                     |
| Purchased Professional - Educational Services                                                   |                    | 43,369.59                          | 43,369.59       | 8,052.56     | 35,317.03                      |
| Other Purchased Services (400-500 Series)                                                       | 14,669.15          | 5,137.19                           | 19,806.34       | 19,806.34    |                                |
| Supplies and Materials                                                                          | 6,907.10           | 49,428.38                          | 56,335.48       | 9,588.01     | 46,747.47                      |
| Total Support Services                                                                          | 511,644.35         | 288,249.99                         | 799,894.34      | 477,516.60   | 322,377.74                     |
| Total Expenditures                                                                              | 805,975.00         | 1,270,318.96                       | 2,076,293.96    | 1,243,998.93 | 832,295.03                     |
| Excess (Deficiency) of Revenues Over (Under)<br>Expenditures and Other Financing Sources (Uses) | \$                 | \$                                 | \$              | \$           | \$                             |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

|                                                                                                                                                                                                                                                    | GENERAL<br>FUND        | SPECIAL<br>REVENUE<br>FUND |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------------|
| Sources/inflows of resources                                                                                                                                                                                                                       |                        |                            |
| Actual amounts (budgetary basis) "revenue"<br>from the budgetary comparison schedule                                                                                                                                                               | \$53,466,656.29        | \$1,243,998.93             |
| Difference - budget to GAAP:                                                                                                                                                                                                                       |                        |                            |
| Grant accounting budgetary basis differs from GAAP in that encumbrances<br>are recognized as expenditures, and the related revenue is recognized.                                                                                                  | N/A                    | (112,254.75)               |
| The last State aid payment of the current year is recognized as revenue for budgetary purposes<br>and differs from GAAP which does not recognize this revenue until the<br>subsequent year when the State recognizes the related expense (GASB 33) | (694,571.00)           |                            |
| The last State aid payment of the prior year is recognized as revenue under GAAP<br>when the State recognizes the related expense (GASB 33). (This revenue was recognized<br>during the previous fiscal year for budgetary purposes.)              | 660,366.00             |                            |
| Total revenues as reported on the statement of revenues, expenditures<br>and changes in fund balances - governmental funds.                                                                                                                        | <u>\$53,432,451.29</u> | <u>\$1,131,744.18</u>      |
| Uses/outflows of resources                                                                                                                                                                                                                         |                        |                            |
| Actual amounts (budgetary basis) "total expenditures" from the<br>budgetary comparison schedule.                                                                                                                                                   | \$53,150,472.12        | \$1,243,998.93             |
| Encumbrances for supplies and equipment ordered but<br>not received are reported in the year the order is placed for<br>budgetary purposes, but in the year the supplies are received<br>for financial reporting purposes.                         | N/A                    | (112,254.75)               |
| Total expenditures as reported on the statement of revenues,<br>expenditures, and changes in fund balances - governmental funds                                                                                                                    | <u>\$53,150,472.12</u> | <u>\$1,131,744.18</u>      |

**OTHER SUPPLEMENTARY INFORMATION**



|                                               |
|-----------------------------------------------|
| <b>SPECIAL REVENUE FUND DETAIL STATEMENTS</b> |
|-----------------------------------------------|

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|                                               | IDEA PSH<br>CURRENT YEAR | IDEA BASIC<br>CURRENT YEAR | IDEA BASIC<br>PRIOR YEAR | ARRA<br>IDEA PSH<br>CURRENT YEAR | ARRA<br>IDEA BASIC<br>CURRENT YEAR | TITLE I<br>CURRENT YEAR |
|-----------------------------------------------|--------------------------|----------------------------|--------------------------|----------------------------------|------------------------------------|-------------------------|
| Revenues:                                     |                          |                            |                          |                                  |                                    |                         |
| State Aid                                     | \$32,639.00              | \$549,746.22               | \$68,195.73              | \$27,475.00                      | \$291,706.50                       | \$97,455.72             |
| Federal Aid                                   |                          |                            |                          |                                  |                                    |                         |
| Local Sources                                 |                          |                            |                          |                                  |                                    |                         |
| Total Revenues                                | <u>\$32,639.00</u>       | <u>\$549,746.22</u>        | <u>\$68,195.73</u>       | <u>\$27,475.00</u>               | <u>\$291,706.50</u>                | <u>\$97,455.72</u>      |
| Expenditures:                                 |                          |                            |                          |                                  |                                    |                         |
| Instruction:                                  |                          |                            |                          |                                  |                                    |                         |
| Salaries                                      | \$27,199.00              | \$39,503.62                |                          | \$22,896.00                      |                                    | \$76,293.74             |
| Purchased Professional and Technical Services |                          | 38,862.00                  |                          |                                  |                                    |                         |
| Purchased Professional - Educational Services |                          |                            |                          |                                  | \$202,598.76                       |                         |
| Other purchased services                      |                          | 191,326.62                 | \$51,572.24              |                                  | 21,821.74                          | 73.90                   |
| General Supplies                              |                          | 452.85                     | 9,202.74                 |                                  |                                    |                         |
| Textbooks                                     |                          |                            |                          |                                  |                                    |                         |
| Total Instruction                             | <u>27,199.00</u>         | <u>270,145.09</u>          | <u>60,774.98</u>         | <u>22,896.00</u>                 | <u>224,420.50</u>                  | <u>76,367.64</u>        |
| Support Services:                             |                          |                            |                          |                                  |                                    |                         |
| Salaries                                      |                          |                            | 7,420.75                 |                                  | 1,862.00                           | 1,088.00                |
| Personal Services - Employee Benefits         | 5,440.00                 |                            |                          | 4,579.00                         |                                    | 15,155.80               |
| Purchased Professional and Technical Services |                          | 278,156.00                 |                          |                                  | 65,424.00                          | 4,800.00                |
| Purchased Professional - Educational Services |                          |                            |                          |                                  |                                    |                         |
| Other Purchased Services (400-500 Series)     |                          | 1,445.13                   |                          |                                  |                                    | 44.28                   |
| Supplies and Materials                        | <u>5,440.00</u>          | <u>279,601.13</u>          | <u>7,420.75</u>          | <u>4,579.00</u>                  | <u>67,286.00</u>                   | <u>21,068.08</u>        |
| Total Support Services                        |                          |                            |                          |                                  |                                    |                         |
|                                               | <u>\$32,639.00</u>       | <u>\$549,746.22</u>        | <u>\$68,195.73</u>       | <u>\$27,475.00</u>               | <u>\$291,706.50</u>                | <u>\$97,455.72</u>      |
| Total Expenditures                            |                          |                            |                          |                                  |                                    |                         |

FLEMINGTON-PARITAN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|                                               | TITLE I<br>PRIOR YEAR | TITLE II - A<br>CURRENT YEAR | TITLE II - A<br>PRIOR YEAR | TITLE II - D<br>CURRENT YEAR | TITLE III<br>CURRENT YEAR | TITLE III<br>PRIOR YEAR |
|-----------------------------------------------|-----------------------|------------------------------|----------------------------|------------------------------|---------------------------|-------------------------|
| Revenues:                                     |                       |                              |                            |                              |                           |                         |
| State Aid                                     | \$10,708.41           | \$37,736.18                  | \$29,707.00                | \$943.57                     | \$4,741.02                | \$7,462.00              |
| Federal Aid                                   |                       |                              |                            |                              |                           |                         |
| Local Sources                                 |                       |                              |                            |                              |                           |                         |
| Total Revenues                                | \$10,708.41           | \$37,736.18                  | \$29,707.00                | \$943.57                     | \$4,741.02                | \$7,462.00              |
| Expenditures:                                 |                       |                              |                            |                              |                           |                         |
| Instruction:                                  |                       |                              |                            |                              |                           |                         |
| Salaries                                      | \$7,501.92            | \$884.04                     |                            |                              | \$696.00                  | \$7,046.00              |
| Purchased Professional and Technical Services |                       |                              |                            |                              |                           |                         |
| Purchased Professional - Educational Services |                       |                              |                            |                              |                           |                         |
| Other purchased services                      |                       |                              |                            |                              |                           |                         |
| General Supplies                              | 1,478.49              |                              |                            |                              | 2,441.62                  |                         |
| Textbooks                                     |                       |                              |                            |                              |                           |                         |
| Total Instruction                             | 8,980.41              | 884.04                       |                            |                              | 3,137.62                  | 7,046.00                |
| Support Services:                             |                       |                              |                            |                              |                           |                         |
| Salaries                                      | 1,728.00              | 576.00                       | \$29,707.00                |                              | 1,440.00                  | 416.00                  |
| Personal Services - Employee Benefits         |                       | 111.69                       |                            |                              | 163.40                    |                         |
| Purchased Professional and Technical Services |                       | 17,241.05                    |                            |                              |                           |                         |
| Purchased Professional - Educational Services |                       |                              |                            |                              |                           |                         |
| Other Purchased Services (400-500 Series)     |                       | 17,569.34                    |                            | \$943.57                     |                           |                         |
| Supplies and Materials                        |                       | 1,354.06                     |                            |                              |                           |                         |
| Total Support Services                        | 1,728.00              | 36,852.14                    | 29,707.00                  | 943.57                       | 1,603.40                  | 416.00                  |
| Total Expenditures                            | \$10,708.41           | \$37,736.18                  | \$29,707.00                | \$943.57                     | \$4,741.02                | \$7,462.00              |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|                                               | TITLE IV<br>CURRENT YEAR | TITLE IV<br>PRIOR YEAR | NONPUBLIC<br>TEXTBOOK | NONPUBLIC<br>NURSING | CORRECTIVE<br>SPEECH | EXAMINATION<br>& CLASSIFICATION |
|-----------------------------------------------|--------------------------|------------------------|-----------------------|----------------------|----------------------|---------------------------------|
| Revenues:                                     |                          |                        |                       |                      |                      |                                 |
| State Aid                                     | \$3,074.35               | \$4,761.00             | \$2,766.32            | \$3,011.00           | \$2,600.46           | \$1,645.10                      |
| Federal Aid                                   |                          |                        |                       |                      |                      |                                 |
| Local Sources                                 |                          |                        |                       |                      |                      |                                 |
| Total Revenues                                | <u>\$3,074.35</u>        | <u>\$4,761.00</u>      | <u>\$2,766.32</u>     | <u>\$3,011.00</u>    | <u>\$2,600.46</u>    | <u>\$1,645.10</u>               |
| Expenditures:                                 |                          |                        |                       |                      |                      |                                 |
| Instruction:                                  |                          |                        |                       |                      |                      |                                 |
| Salaries                                      |                          |                        |                       |                      |                      |                                 |
| Purchased Professional and Technical Services |                          |                        |                       |                      |                      |                                 |
| Purchased Professional - Educational Services |                          |                        |                       |                      |                      |                                 |
| Other purchased services                      |                          |                        |                       |                      |                      |                                 |
| General Supplies                              |                          |                        |                       |                      |                      |                                 |
| Textbooks                                     |                          |                        | \$2,766.32            |                      |                      |                                 |
| Total Instruction                             |                          |                        | <u>2,766.32</u>       |                      |                      |                                 |
| Support Services:                             |                          |                        |                       |                      |                      |                                 |
| Salaries                                      |                          | \$4,761.00             |                       |                      |                      |                                 |
| Personal Services - Employee Benefits         |                          |                        |                       |                      |                      |                                 |
| Purchased Professional and Technical Services |                          |                        |                       | \$3,011.00           | \$2,600.46           | \$1,645.10                      |
| Purchased Professional - Educational Services |                          |                        |                       |                      |                      |                                 |
| Other Purchased Services (400-500 Series)     | \$1,293.43               |                        |                       |                      |                      |                                 |
| Supplies and Materials                        | 1,780.92                 |                        |                       |                      |                      |                                 |
| Total Support Services                        | <u>3,074.35</u>          | <u>4,761.00</u>        |                       | <u>3,011.00</u>      | <u>2,600.46</u>      | <u>1,645.10</u>                 |
| Total Expenditures                            | <u>\$3,074.35</u>        | <u>\$4,761.00</u>      | <u>\$2,766.32</u>     | <u>\$3,011.00</u>    | <u>\$2,600.46</u>    | <u>\$1,645.10</u>               |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|                                               | SUPPLEMENTAL<br>INSTRUCTION | ESL      | COMPENSATORY<br>EDUCATION | LOCAL<br>PROJECTS | TOTAL          |
|-----------------------------------------------|-----------------------------|----------|---------------------------|-------------------|----------------|
| Revenues:                                     |                             |          |                           |                   |                |
| State Aid                                     | \$796.00                    | \$685.00 | \$3,838.00                |                   | \$15,341.88    |
| Federal Aid                                   |                             |          |                           |                   | 1,166,351.70   |
| Local Sources                                 |                             |          |                           | \$62,305.35       | 62,305.35      |
| Total Revenues                                | \$796.00                    | \$685.00 | \$3,838.00                | \$62,305.35       | \$1,243,998.93 |
| Expenditures:                                 |                             |          |                           |                   |                |
| Instruction:                                  |                             |          |                           |                   |                |
| Salaries                                      |                             |          |                           | \$572.23          | \$182,592.55   |
| Purchased Professional and Technical Services |                             |          |                           |                   | 38,862.00      |
| Purchased Professional - Educational Services |                             | \$685.00 | \$3,838.00                | 55,500.00         | 60,023.00      |
| Other purchased services                      |                             |          |                           |                   | 445,497.62     |
| General Supplies                              |                             |          |                           | 1,269.50          | 36,740.84      |
| Textbooks                                     |                             |          |                           |                   | 2,766.32       |
| Total Instruction                             |                             | 685.00   | 3,838.00                  | 57,341.73         | 766,482.33     |
| Support Services:                             |                             |          |                           |                   |                |
| Salaries                                      |                             |          |                           |                   | 48,998.75      |
| Personal Services - Employee Benefits         |                             |          |                           |                   | 25,449.89      |
| Purchased Professional and Technical Services |                             |          |                           |                   | 365,621.05     |
| Purchased Professional - Educational Services | \$796.00                    |          |                           |                   | 8,052.56       |
| Other Purchased Services (400-500 Series)     |                             |          |                           |                   | 19,806.34      |
| Supplies and Materials                        | 796.00                      |          |                           | 4,963.62          | 9,588.01       |
| Total Support Services                        | 796.00                      |          |                           | 4,963.62          | 477,516.60     |
| Total Expenditures                            | \$796.00                    | \$685.00 | \$3,838.00                | \$62,305.35       | \$1,243,998.93 |

|                                                |
|------------------------------------------------|
| <b>CAPITAL PROJECTS FUND DETAIL STATEMENTS</b> |
|------------------------------------------------|

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2010

|                                                           |                           |
|-----------------------------------------------------------|---------------------------|
| Expenditures and Other Financing Uses:                    |                           |
| Supplies                                                  | \$128,438.17              |
| Transfer to Capital Reserve                               | <u>63,455.15</u>          |
| Total expenditures                                        | <u>191,893.32</u>         |
| Excess (deficiency) of revenues over (under) expenditures | (191,893.32)              |
| Fund balance - beginning                                  | <u>234,155.94</u>         |
| Fund balance - ending                                     | <u><u>\$42,262.62</u></u> |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
JP CASE MIDDLE SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2010

|                                                              | <u>Prior Periods</u> | <u>Current Year</u>    | <u>Totals</u>        | <u>Revised<br/>Authorized<br/>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                                        | 33,708,865.37        |                        | 33,708,865.37        | 33,716,058.93                          |
| Supplies                                                     | 1,977,794.38         | 128,438.17             | 2,106,232.55         | 2,106,232.55                           |
| Land and Improvements                                        | 1,869,848.76         |                        | 1,869,848.76         | 1,870,696.64                           |
| Equipment purchases                                          | 119,546.36           |                        | 119,546.36           | 119,546.36                             |
| Other Expenditures                                           |                      |                        |                      | 34,221.18                              |
| Total expenditures                                           | <u>39,053,913.21</u> | <u>128,438.17</u>      | <u>39,182,351.38</u> | <u>39,224,614.00</u>                   |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ <u>170,700.79</u> | \$ <u>(128,438.17)</u> | \$ <u>42,262.62</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         |                        |                      |                                        |
| Original Authorized Cost                                     | 39,225,000.00        |                        |                      |                                        |
| Additional Authorized Cost                                   |                      |                        |                      |                                        |
| Revised Authorized Cost                                      | 39,225,000.00        |                        |                      |                                        |
| Percentage Increase over Original Authorized Cost            | 0%                   |                        |                      |                                        |
| Percentage completion                                        | 99%                  |                        |                      |                                        |
| Original target completion date                              | 7/1/2005             |                        |                      |                                        |
| Revised target completion date                               | Open                 |                        |                      |                                        |



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
ROBERT HUNTER ELECTRICAL UPGRADE  
FOR THE YEAR ENDED JUNE 30, 2010

|                                                              | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u>    | <u>Revised<br/>Authorized<br/>Cost</u> |
|--------------------------------------------------------------|----------------------|---------------------|------------------|----------------------------------------|
| Revenues and Other Financing Sources:                        |                      |                     |                  |                                        |
| State Sources - SCC Grant                                    | \$ 12,236.00         | \$                  | \$ 12,236.00     | \$ 12,236.00                           |
| 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        | 18,235.56                              |
| Supplies                                                     | 12,351.84            |                     | 12,351.84        | 12,351.84                              |
| Transfer to Capital Reserve                                  |                      | 1.50                | 1.50             | 1.50                                   |
| Total expenditures                                           | <u>30,587.40</u>     | <u>1.50</u>         | <u>30,588.90</u> | <u>30,588.90</u>                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ <u>1.50</u>       | \$ <u>(1.50)</u>    | \$               | \$                                     |
| 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                                   |                      |                     |                  |                                        |
| Revised Authorized Cost                                      | 30,558.90            |                     |                  |                                        |
| Percentage Increase over Original Authorized Cost            | 0%                   |                     |                  |                                        |
| Percentage completion                                        | 100%                 |                     |                  |                                        |
| Original target completion date                              | 10/29/2002           |                     |                  |                                        |
| Revised target completion date                               | Completed            |                     |                  |                                        |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 READING-FLEMING ROOF REPLACEMENT  
 FOR THE YEAR ENDED JUNE 30, 2010

|                                                              | <u>Prior Periods</u> | <u>Current Year</u>   | <u>Totals</u>     | <u>Revised<br/>Authorized<br/>Cost</u> |
|--------------------------------------------------------------|----------------------|-----------------------|-------------------|----------------------------------------|
| Revenues and Other Financing Sources:                        |                      |                       |                   |                                        |
| State Sources - SCC Grant                                    | \$ 59,654.30         | \$                    | \$ 59,654.30      | \$ 59,654.30                           |
| 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          | 4,544.10                               |
| Construction services                                        | 133,340.00           |                       | 133,340.00        | 133,340.00                             |
| Transfer to Capital Reserve                                  |                      | 15,960.20             | 15,960.20         | 15,960.20                              |
| Total expenditures                                           | <u>137,884.10</u>    | <u>15,960.20</u>      | <u>153,844.30</u> | <u>153,844.30</u>                      |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ <u>15,960.20</u>  | \$ <u>(15,960.20)</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                                   |                      |                       |                   |                                        |
| Revised Authorized Cost                                      | 153,844.30           |                       |                   |                                        |
| Percentage Increase over Original Authorized Cost            | 0%                   |                       |                   |                                        |
| Percentage completion                                        | 100%                 |                       |                   |                                        |
| Original target completion date                              | 2/18/2004            |                       |                   |                                        |
| Revised target completion date                               | Completed            |                       |                   |                                        |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
DESMARES MAGNETIC DOORS  
FOR THE YEAR ENDED JUNE 30, 2010

|                                                              | <u>Prior Periods</u> | <u>Current Year</u>  | <u>Totals</u>    | <u>Revised<br/>Authorized<br/>Cost</u> |
|--------------------------------------------------------------|----------------------|----------------------|------------------|----------------------------------------|
| Revenues and Other Financing Sources:                        |                      |                      |                  |                                        |
| State Sources - SCC Grant                                    | \$ 4,464.82          | \$                   | \$ 4,464.82      | \$ 4,464.82                            |
| 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                              |
| Transfer to Capital Reserve                                  |                      | 7,624.82             | 7,624.82         |                                        |
| Total expenditures                                           | <u>6,200.00</u>      | <u>7,624.82</u>      | <u>13,824.82</u> | <u>13,824.82</u>                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ <u>7,624.82</u>   | \$ <u>(7,624.82)</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                                   |                      |                      |                  |                                        |
| Revised Authorized Cost                                      | 15,600.00            |                      |                  |                                        |
| Percentage Increase over Original Authorized Cost            | 0%                   |                      |                  |                                        |
| Percentage completion                                        | 100%                 |                      |                  |                                        |
| Original target completion date                              | 9/13/2004            |                      |                  |                                        |
| Revised target completion date                               | Completed            |                      |                  |                                        |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 BARLEY SHEAR ELECTRICAL UPDATE  
 FOR THE YEAR ENDED JUNE 30, 2010

|                                                              | <u>Prior Periods</u> | <u>Current Year</u>   | <u>Totals</u>    | <u>Revised<br/>Authorized<br/>Cost</u> |
|--------------------------------------------------------------|----------------------|-----------------------|------------------|----------------------------------------|
| Revenues and Other Financing Sources:                        |                      |                       |                  |                                        |
| State Sources - SCC Grant                                    | \$ 16,452.13         | \$                    | \$ 16,452.13     | \$ 16,452.13                           |
| 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                              |
| Transfer to Capital Reserve                                  |                      | 39,868.63             | 39,868.63        |                                        |
| Total expenditures                                           | <u>6,715.50</u>      | <u>39,868.63</u>      | <u>46,584.13</u> | <u>46,584.13</u>                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ <u>39,868.63</u>  | \$ <u>(39,868.63)</u> | \$ <u></u>       | \$ <u></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                                   |                      |                       |                  |                                        |
| Revised Authorized Cost                                      | 50,220.00            |                       |                  |                                        |
| Percentage Increase over Original Authorized Cost            | 0%                   |                       |                  |                                        |
| Percentage completion                                        | 100%                 |                       |                  |                                        |
| Original target completion date                              | 5/9/2004             |                       |                  |                                        |
| Revised target completion date                               | Completed            |                       |                  |                                        |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES  
AS OF JUNE 30, 2010

| <u>ISSUE/PROJECT TITLE</u>                                     | <u>ORIGINAL DATE</u> | <u>REVISED BUDGETARY APPROPRIATIONS</u> | <u>EXPENDITURES TO DATE</u> |                                        | <u>CANCELLED</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 | 9/24/2002            | \$39,225,000.00                         | \$39,054,299.21             | \$128,438.17                           |                  | \$42,262.62                                   |
| Electrical upgrade to Robert Hunter                            | 12/23/2003           | 30,588.90                               | 30,587.40                   |                                        | \$1.50           |                                               |
| Reading-Fleming Middle School roof repair                      | 6/11/2004            | 153,844.30                              | 137,884.10                  |                                        | 15,960.20        |                                               |
| Francis A. Desmares - Magnetic Doors                           | 6/14/2004            | 13,824.82                               | 6,200.00                    |                                        | 7,624.82         |                                               |
| Barley Sheaf Electrical Upgrade                                | 10/12/2004           | 46,584.13                               | 6,715.50                    |                                        | 39,868.63        |                                               |
| Totals                                                         |                      | \$39,469,842.15                         | \$39,235,686.21             | \$128,438.17                           | \$63,455.15      | \$42,262.62                                   |
| <u>Reconciliation to GAAP:</u>                                 |                      |                                         |                             |                                        |                  |                                               |
|                                                                |                      |                                         |                             | Unexpended project balance             |                  | \$42,262.62                                   |
|                                                                |                      |                                         |                             | Bonds Authorized but not Issued        |                  | (386.00)                                      |
|                                                                |                      |                                         |                             | Unreserved capital fund balance - GAAP |                  | \$41,876.62                                   |

|                                           |
|-------------------------------------------|
| <b>PROPRIETARY FUND DETAIL STATEMENTS</b> |
|-------------------------------------------|

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
JUNE 30, 2010

|                                  | FOOD<br>SERVICE<br>FUND | TOTAL        |
|----------------------------------|-------------------------|--------------|
| ASSETS:                          |                         |              |
| Current assets:                  |                         |              |
| Cash and cash equivalents        | \$211,903.59            | \$211,903.59 |
| Intergovernmental Receivables:   |                         |              |
| State                            | 1,375.28                | 1,375.28     |
| Federal                          | 18,033.51               | 18,033.51    |
| Inventories                      | 22,766.23               | 22,766.23    |
|                                  | <hr/>                   | <hr/>        |
| Total current assets             | 254,078.61              | 254,078.61   |
|                                  | <hr/>                   | <hr/>        |
| Noncurrent assets:               |                         |              |
| Furniture, machinery & equipment | 776,810.00              | 776,810.00   |
| Less accumulated depreciation    | (425,226.66)            | (425,226.66) |
|                                  | <hr/>                   | <hr/>        |
| Total noncurrent assets          | 351,583.34              | 351,583.34   |
|                                  | <hr/>                   | <hr/>        |
| Total assets                     | 605,661.95              | 605,661.95   |
|                                  | <hr/>                   | <hr/>        |
| LIABILITIES:                     |                         |              |
| Current liabilities:             |                         |              |
| Accounts payable                 | 73,710.78               | 73,710.78    |
| Deferred revenue                 | 9,244.54                | 9,244.54     |
|                                  | <hr/>                   | <hr/>        |
| Total current liabilities        | 82,955.32               | 82,955.32    |
|                                  | <hr/>                   | <hr/>        |
| Total liabilities                | 82,955.32               | 82,955.32    |
|                                  | <hr/>                   | <hr/>        |
| NET ASSETS:                      |                         |              |
| Invested in capital assets, net  | 351,583.34              | 351,583.34   |
| Unrestricted                     | 171,123.29              | 171,123.29   |
|                                  | <hr/>                   | <hr/>        |
| Total net assets                 | \$522,706.63            | \$522,706.63 |
|                                  | <hr/>                   | <hr/>        |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|                                                  | FOOD<br>SERVICE<br>FUND | TOTAL        |
|--------------------------------------------------|-------------------------|--------------|
| OPERATING REVENUES:                              |                         |              |
| Charges for services:                            |                         |              |
| Daily sales                                      | \$814,338.57            | \$814,338.57 |
| Total operating revenues                         | 814,338.57              | 814,338.57   |
| OPERATING EXPENSES:                              |                         |              |
| Salaries                                         | 301,205.49              | 301,205.49   |
| Employee Benefits                                | 42,018.17               | 42,018.17    |
| Other Purchase Service (Administrative Expenses) | 30,000.00               | 30,000.00    |
| General Supplies                                 | 29,334.48               | 29,334.48    |
| Miscellaneous Expenditures                       | 57,254.63               | 57,254.63    |
| Depreciation                                     | 44,082.82               | 44,082.82    |
| Cost of sales                                    | 520,749.72              | 520,749.72   |
| Total operating expenses                         | 1,024,645.31            | 1,024,645.31 |
| Operating income (loss)                          | (210,306.74)            | (210,306.74) |
| NONOPERATING REVENUES (EXPENSES):                |                         |              |
| State Sources:                                   |                         |              |
| State School Lunch Program                       | 13,932.64               | 13,932.64    |
| Federal Sources:                                 |                         |              |
| National School Lunch Program                    | 180,144.78              | 180,144.78   |
| National food distribution commodities           | 54,802.40               | 54,802.40    |
| Disposition of capital assets (net)              | (1,600.00)              | (1,600.00)   |
| Interest on Investments                          | 2,001.24                | 2,001.24     |
| Total nonoperating revenues                      | 249,281.06              | 249,281.06   |
| Income                                           | 38,974.32               | 38,974.32    |
| Change in net assets                             | 38,974.32               | 38,974.32    |
| Total net assets - July 1, 2009                  | 483,732.31              | 483,732.31   |
| Total net assets - June 30, 2010                 | \$522,706.63            | \$522,706.63 |



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|                                                                                                             | FOOD<br>SERVICE<br>FUND | TOTAL          |
|-------------------------------------------------------------------------------------------------------------|-------------------------|----------------|
| Cash flows from operating activities:                                                                       |                         |                |
| Receipts from customers                                                                                     | \$816,550.99            | \$816,550.99   |
| Payments to employees                                                                                       | (301,205.49)            | (301,205.49)   |
| Payments to employee benefits                                                                               | (42,018.17)             | (42,018.17)    |
| Payments to suppliers                                                                                       | (596,847.90)            | (596,847.90)   |
| Net cash provided by (used for) operating activities                                                        | (123,520.57)            | (123,520.57)   |
| Cash flows from noncapital financing activities:                                                            |                         |                |
| State Sources                                                                                               | 15,348.46               | 15,348.46      |
| Federal Sources                                                                                             | 195,009.80              | 195,009.80     |
| Net cash provided by noncapital financing activities:                                                       | 210,358.26              | 210,358.26     |
| Cash flows from capital and related financing activities:                                                   |                         |                |
| Purchases of capital assets                                                                                 | (43,194.00)             | (43,194.00)    |
| Net cash provided by (used for) capital and related financing activities                                    | (43,194.00)             | (43,194.00)    |
| Cash flows from investing activities:                                                                       |                         |                |
| Interest                                                                                                    | 2,001.24                | 2,001.24       |
| Net cash provided by (used for) investing activities                                                        | 2,001.24                | 2,001.24       |
| Net increase in cash and cash equivalents                                                                   | 45,644.93               | 45,644.93      |
| Cash and cash equivalents, July 1, 2009                                                                     | 166,258.66              | 166,258.66     |
| Cash and cash equivalents, June 30, 2010                                                                    | \$211,903.59            | \$211,903.59   |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities               |                         |                |
| Operating income (loss)                                                                                     | (\$210,306.74)          | (\$210,306.74) |
| Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities: |                         |                |
| Depreciation                                                                                                | 44,082.82               | 44,082.82      |
| Federal commodities                                                                                         | 57,475.83               | 57,475.83      |
| Change in assets and liabilities:                                                                           |                         |                |
| (Increase)/Decrease in Accounts Receivable - Other                                                          | 2,212.42                | 2,212.42       |
| (Increase) decrease in inventories                                                                          | 1,423.21                | 1,423.21       |
| Increase (Decrease) in accounts payable                                                                     | (18,408.11)             | (18,408.11)    |
|                                                                                                             | 86,786.17               | 86,786.17      |
| Net cash provided by (used for) operating activities                                                        | (\$123,520.57)          | (\$123,520.57) |

## FIDUCIARY FUND DETAIL STATEMENTS

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

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

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

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

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
TRUST AND AGENCY FUNDS  
JUNE 30, 2010

|                                       | <u>AGENCY FUNDS</u> |                     | <u>TRUST FUNDS</u>  |                     |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                       | <u>STUDENT</u>      | <u>PAYROLL</u>      | <u>UNEMPLOYMENT</u> |                     |
|                                       | <u>ACTIVITY</u>     | <u>AGENCY</u>       | <u>COMPENSATION</u> | <u>TOTALS</u>       |
| ASSETS:                               |                     |                     |                     |                     |
| Cash and cash equivalents             | \$64,502.41         | \$233,343.71        | \$373,225.67        | \$671,071.79        |
| Intrafunds receivable                 |                     |                     | 10,171.47           | 10,171.47           |
| Total assets                          | <u>\$64,502.41</u>  | <u>\$233,343.71</u> | <u>\$383,397.14</u> | <u>\$681,243.26</u> |
| LIABILITIES:                          |                     |                     |                     |                     |
| Interfunds Payable                    |                     | \$13,926.15         |                     | \$13,926.15         |
| Intrafunds Payable                    |                     | 10,171.47           |                     | 10,171.47           |
| Payroll deductions and withholdings   |                     | 209,246.09          |                     | 209,246.09          |
| Due to student groups                 | <u>\$64,502.41</u>  |                     |                     | <u>64,502.41</u>    |
| Total liabilities                     | <u>64,502.41</u>    | <u>233,343.71</u>   |                     | <u>297,846.12</u>   |
| NET ASSETS:                           |                     |                     |                     |                     |
| Held in trust for unemployment claims |                     |                     | <u>\$383,397.14</u> | <u>383,397.14</u>   |
| Total net assets                      | <u>\$-0-</u>        | <u>\$-0-</u>        | <u>\$383,397.14</u> | <u>\$383,397.14</u> |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|                         | UNEMPLOYMENT<br>COMPENSATION<br><u>TRUST FUND</u> | <u>TOTAL</u>               |
|-------------------------|---------------------------------------------------|----------------------------|
| ADDITIONS:              |                                                   |                            |
| Contributions:          |                                                   |                            |
| Other                   | \$86,498.56                                       | \$86,498.56                |
| Total contributions     | <u>86,498.56</u>                                  | <u>86,498.56</u>           |
| Investment earnings:    |                                                   |                            |
| Interest                | 5,593.81                                          | 5,593.81                   |
| Net investment earnings | <u>5,593.81</u>                                   | <u>5,593.81</u>            |
| Total additions         | <u>92,092.37</u>                                  | <u>92,092.37</u>           |
| DEDUCTIONS:             |                                                   |                            |
| Unemployment claims     | 98,149.44                                         | 98,149.44                  |
| Total deductions        | <u>98,149.44</u>                                  | <u>98,149.44</u>           |
| Change in net assets    | (6,057.07)                                        | (6,057.07)                 |
| Net assets end of year  | <u>389,454.21</u>                                 | <u>389,454.21</u>          |
| Net assets end of year  | <u><u>\$383,397.14</u></u>                        | <u><u>\$383,397.14</u></u> |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|                        | <u>BALANCE</u><br><u>JUNE 30, 2009</u> | <u>CASH</u><br><u>RECEIPTS</u> | <u>CASH</u><br><u>DISBURSEMENTS</u> | <u>BALANCE</u><br><u>JUNE 30, 2010</u> |
|------------------------|----------------------------------------|--------------------------------|-------------------------------------|----------------------------------------|
| Student Activity Fund  | \$32,679.74                            | \$134,379.40                   | \$127,713.13                        | \$39,346.01                            |
| Athletic Fund          | 12.32                                  | 16,834.70                      | 16,839.13                           | 7.89                                   |
| School Store           | 2,182.03                               |                                | 2,182.03                            |                                        |
| J.P. Case Student Fund | 7,991.92                               | 41,169.21                      | 24,012.62                           | 25,148.51                              |
|                        | <hr/>                                  | <hr/>                          | <hr/>                               | <hr/>                                  |
| Total all schools      | <u>\$42,866.01</u>                     | <u>\$192,383.31</u>            | <u>\$170,746.91</u>                 | <u>\$64,502.41</u>                     |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
PAYROLL AGENCY FUNDS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|                                     | <u>BALANCE</u><br><u>JULY 1, 2009</u> | <u>ADDITIONS</u>       | <u>DEDUCTIONS</u>      | <u>BALANCE</u><br><u>JUNE 30, 2010</u> |
|-------------------------------------|---------------------------------------|------------------------|------------------------|----------------------------------------|
| ASSETS:                             |                                       |                        |                        |                                        |
| Cash and cash equivalents           | <u>\$234,533.52</u>                   | <u>\$33,838,115.31</u> | <u>\$33,839,305.12</u> | <u>\$233,343.71</u>                    |
| Total assets                        | <u>234,533.52</u>                     | <u>33,838,115.31</u>   | <u>33,839,305.12</u>   | <u>233,343.71</u>                      |
| LIABILITIES:                        |                                       |                        |                        |                                        |
| Payroll deductions and withholdings | 187,175.37                            | 13,887,496.46          | 13,865,425.74          | 209,246.09                             |
| Net payroll                         |                                       | 19,841,385.17          | 19,841,385.17          |                                        |
| Interfunds payable                  | 21,316.18                             | 5,395.39               | 12,785.42              | 13,926.15                              |
| Intrafund payable                   | <u>26,041.97</u>                      | <u>103,838.29</u>      | <u>119,708.79</u>      | <u>10,171.47</u>                       |
| Total liabilities                   | <u>\$234,533.52</u>                   | <u>\$33,838,115.31</u> | <u>\$33,839,305.12</u> | <u>\$233,343.71</u>                    |

|                                 |
|---------------------------------|
| <b>LONG-TERM DEBT SCHEDULES</b> |
|---------------------------------|

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

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2010

| <u>ISSUE</u>                                                                                           | <u>DATE OF<br/>ISSUE</u> | <u>AMOUNT OF<br/>ISSUE</u> | <u>MATURITIES</u><br><u>DATE</u>                                                                                                                                                                                          | <u>RATE OF<br/>INTEREST</u>                                                                                                                                  | <u>BALANCE<br/>JULY 1, 2009</u> | <u>RETIRED</u> | <u>BALANCE<br/>JUNE 30, 2010</u> |
|--------------------------------------------------------------------------------------------------------|--------------------------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------|----------------------------------|
| Construction of a New School House                                                                     | 9/15/89                  | \$ 4,900,000.00            |                                                                                                                                                                                                                           | \$                                                                                                                                                           | 348,000.00                      | \$ 348,000.00  | \$                               |
| Construction of a New School House                                                                     | 7/15/90                  | 3,657,000.00               | 7/15/2010                                                                                                                                                                                                                 | 6.950%                                                                                                                                                       | 494,000.00                      | 250,000.00     | 244,000.00                       |
| Additions, Alterations and Renovations to<br>the Reading-Fleming Building                              | 6/15/92                  | 4,900,000.00               | 6/1/2011<br>6/1/2012                                                                                                                                                                                                      | 6.000%                                                                                                                                                       | 997,000.00                      | 325,000.00     | 672,000.00                       |
| Additions, Alterations and Renovations to<br>the Reading-Fleming Building                              | 5/15/93                  | 2,100,000.00               | 5/15/2011-12<br>5/15/2013                                                                                                                                                                                                 | 5.350%                                                                                                                                                       | 555,000.00                      | 140,000.00     | 415,000.00                       |
| Renovation of the Barley Sheaf Media Center<br>and Construction of an addition to the<br>Middle School | 2/1/00                   | \$5,832,000.00             | 2/1/2011<br>2/1/2012<br>2/1/2013<br>2/1/2014<br>2/1/2015                                                                                                                                                                  | 5.625%<br>5.700%<br>5.700%<br>5.700%<br>5.700%                                                                                                               | 1,700,000.00                    | 80,000.00      | 1,620,000.00                     |
| School Bonds                                                                                           | 6/15/03                  | 33,248,000.00              | 6/15/2011<br>6/15/2012<br>6/15/2013<br>6/15/2014<br>6/15/2015<br>6/15/2016<br>6/15/2017<br>6/15/2018<br>6/15/2019<br>6/15/2020<br>6/15/2021<br>6/15/2022<br>6/15/2023<br>6/15/2024<br>6/15/2025<br>6/15/2026<br>6/15/2027 | 2.840%<br>3.000%<br>3.150%<br>3.300%<br>3.500%<br>3.670%<br>4.000%<br>4.000%<br>4.000%<br>4.000%<br>4.100%<br>4.100%<br>4.125%<br>4.125%<br>4.150%<br>4.200% | 29,040,000.00                   | 200,000.00     | 28,840,000.00                    |



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2010

| <u>ISSUE</u>           | <u>DATE OF<br/>ISSUE</u> | <u>AMOUNT OF<br/>ISSUE</u> | <u>ANNUAL MATURITIES</u> |               | <u>INTEREST<br/>RATE</u> | <u>BALANCE<br/>JULY 1, 2009</u> | <u>RETIRED</u> | <u>BALANCE<br/>JUNE 30, 2010</u> |
|------------------------|--------------------------|----------------------------|--------------------------|---------------|--------------------------|---------------------------------|----------------|----------------------------------|
|                        |                          |                            | <u>DATE</u>              | <u>AMOUNT</u> |                          |                                 |                |                                  |
| Refunding School Bonds | 12/13/2006               | 8,115,000.00               | 2/01/11                  | 45,000.00     | 4.000%                   |                                 |                |                                  |
|                        |                          |                            | 2/01/12                  | 45,000.00     | 4.000%                   |                                 |                |                                  |
|                        |                          |                            | 2/01/13                  | 55,000.00     | 4.000%                   |                                 |                |                                  |
|                        |                          |                            | 2/01/14                  | 55,000.00     | 4.000%                   |                                 |                |                                  |
|                        |                          |                            | 2/01/15                  | 55,000.00     | 4.000%                   |                                 |                |                                  |
|                        |                          |                            | 2/01/16                  | 740,000.00    | 5.000%                   |                                 |                |                                  |
|                        |                          |                            | 2/01/17                  | 775,000.00    | 5.000%                   |                                 |                |                                  |
|                        |                          |                            | 2/01/18                  | 810,000.00    | 4.000%                   |                                 |                |                                  |
|                        |                          |                            | 2/01/19                  | 840,000.00    | 4.000%                   |                                 |                |                                  |
|                        |                          |                            | 2/01/20                  | 875,000.00    | 4.000%                   |                                 |                |                                  |
|                        |                          |                            | 2/01/21-27               | 20,000.00     | 4.000%                   |                                 |                |                                  |
|                        | 2/01/28                  | 3,530,000.00               | 4.000%                   | 7,965,000.00  |                          | 7,965,000.00                    |                |                                  |
| Refunding School Bonds | 5/1/2009                 | 6,495,000.00               | 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                    | 1,175,000.00   | 5,320,000.00                     |
|                        |                          |                            |                          |               |                          |                                 |                |                                  |

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010.

|                                                              | 2010               |                    |                 |                | VARIANCE        |
|--------------------------------------------------------------|--------------------|--------------------|-----------------|----------------|-----------------|
|                                                              | ORIGINAL<br>BUDGET | BUDGET<br>TRANSFER | FINAL<br>BUDGET | ACTUAL         | FINAL TO ACTUAL |
| REVENUES:                                                    |                    |                    |                 |                |                 |
| Local sources:                                               |                    |                    |                 |                |                 |
| Local tax levy                                               | \$4,188,069.00     |                    | \$4,188,069.00  | \$4,188,069.00 |                 |
| Interest                                                     |                    |                    |                 | 3,459.75       | \$3,459.75      |
| State sources:                                               |                    |                    |                 |                |                 |
| Debt service aid type II                                     | 265,630.00         |                    | 265,630.00      | 265,630.00     |                 |
| Total revenues                                               | 4,453,699.00       |                    | 4,453,699.00    | 4,457,158.75   | 3,459.75        |
| EXPENDITURES:                                                |                    |                    |                 |                |                 |
| Regular debt service:                                        |                    |                    |                 |                |                 |
| Interest                                                     | 2,034,910.00       | (\$55,000.00)      | 1,979,910.00    | 1,978,404.54   | 1,505.46        |
| Redemption of principal                                      | 2,463,000.00       | 55,000.00          | 2,518,000.00    | 2,518,000.00   |                 |
| Total regular debt service-expenditures                      | 4,497,910.00       |                    | 4,497,910.00    | 4,496,404.54   | 1,505.46        |
| Excess (deficiency) of revenues<br>over (under) expenditures | (44,211.00)        |                    | (44,211.00)     | (39,245.79)    | 4,965.21        |
| Fund balance, July 1                                         | 54,716.77          |                    | 54,716.77       | 54,716.77      |                 |
| Fund balance, June 30                                        | \$10,505.77        |                    | \$10,505.77     | \$15,470.98    | \$4,965.21      |

**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

|                                                 | 2010                   | 2009                   | 2008                   | 2007                   | 2006                  | 2005                   | 2004                   | 2003                   |
|-------------------------------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|------------------------|
| <b>Governmental activities</b>                  |                        |                        |                        |                        |                       |                        |                        |                        |
| Invested in capital assets, net of related debt | \$9,073,401.55         | \$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                                      | 2,327,129.08           | 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                                    | 553,742.67             | (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>\$11,954,273.30</u> | <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> |
| <b>Business-type activities</b>                 |                        |                        |                        |                        |                       |                        |                        |                        |
| Invested in capital assets, net of related debt | \$351,583.34           | \$354,072.16           | \$332,768.76           | \$352,608.89           | \$349,599.44          | \$61,149.97            | \$208,815.07           | \$107,702.29           |
| Unrestricted                                    | 171,123.29             | 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>\$522,706.63</u>    | <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>    |
| <b>District-wide</b>                            |                        |                        |                        |                        |                       |                        |                        |                        |
| Invested in capital assets, net of related debt | \$9,424,984.89         | \$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                                      | 2,327,129.08           | 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                                    | 724,865.96             | (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>\$12,476,979.93</u> | <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-RARITAN REGIONAL SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
UNAUDITED

|                                                 | 2010              | 2009              | 2008              | 2007              | 2006              | 2005              | 2004              | 2003              |
|-------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>EXPENSES</b>                                 |                   |                   |                   |                   |                   |                   |                   |                   |
| Governmental activities                         |                   |                   |                   |                   |                   |                   |                   |                   |
| Instruction                                     |                   |                   |                   |                   |                   |                   |                   |                   |
| Regular                                         | \$23,004,696.55   | \$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                               | 8,247,335.20      | 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                               | 2,424,289.28      | 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                                         | 203,956.80        | 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          | 6,759,251.63      | 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                 | 950,753.97        | 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                  | 3,539,474.59      | 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      |
| Central services/Admin. Info. Technology        | 1,001,101.23      | 810,981.33        | 790,066.42        | 821,151.28        | 843,447.72        | 1,176,612.36      | 3,802,594.28      | 3,453,554.36      |
| Plant operations and maintenance                | 5,169,258.05      | 5,279,337.48      | 6,049,336.00      | 5,692,142.10      | 4,989,247.75      | 3,860,352.41      | 2,764,785.31      | 2,540,683.09      |
| Student transportation services                 | 4,632,460.23      | 4,092,227.83      | 3,926,666.12      | 3,742,232.00      | 3,405,979.15      | 2,998,876.83      | 2,424,568.05      | 446,484.09        |
| Business and other support services             |                   |                   |                   |                   |                   |                   |                   |                   |
| Interest on long-term debt                      | 2,017,964.23      | 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      |
| Total governmental activities expenses          | 57,950,541.77     | \$56,616,661.13   | \$56,850,483.70   | \$4,151,982.34    | 51,230,694.44     | 44,864,850.73     | 42,724,922.06     | 38,755,999.43     |
| Business-type activities:                       |                   |                   |                   |                   |                   |                   |                   |                   |
| Food Service                                    | 1,024,645.31      | 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                                    |                   |                   |                   |                   | 2,093.95          | 2,114.15          | 1,948.26          | 1,736.17          |
| Total business-type activities expense          | 1,024,645.31      | 1,113,466.73      | 1,045,511.63      | 956,874.66        | 1,046,835.40      | 803,649.71        | 758,024.59        | 656,864.49        |
| Total district expenses                         | \$58,975,187.08   | \$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   |
| <b>PROGRAM REVENUES</b>                         |                   |                   |                   |                   |                   |                   |                   |                   |
| Governmental activities:                        |                   |                   |                   |                   |                   |                   |                   |                   |
| Operating grants and contributions              | \$4,808,419.30    | \$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  | 4,808,419.30      | 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                            |                   |                   |                   |                   |                   |                   |                   |                   |
| Food Service                                    | 814,338.57        | 864,168.80        | 807,193.22        | 810,538.56        | 788,090.67        | 661,971.48        | 630,021.19        | 531,914.12        |
| School Store                                    |                   |                   |                   |                   | 1,603.11          | 2,335.50          | 2,785.35          | 2,524.79          |
| Operating grants and contributions              | 248,879.82        | 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 | 1,063,218.39      | 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                 | \$5,871,637.69    | \$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    |
| <b>NET (EXPENSE)/REVENUE</b>                    |                   |                   |                   |                   |                   |                   |                   |                   |
| Governmental activities                         | (\$53,142,122.47) | (\$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                        | 38,573.08         | (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                 | (\$53,103,549.39) | (\$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

|                                                 | 2010            | 2009            | 2008            | 2007            | 2006            | 2005            | 2004            | 2003            |
|-------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>GENERAL REVENUES AND OTHER CHANGES</b>       |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>IN NET ASSETS</b>                            |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities:                        |                 |                 |                 |                 |                 |                 |                 |                 |
| Property taxes levied for general purposes, net | \$42,610,823.00 | \$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                   | 4,188,069.00    | 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           | 6,380,582.00    | 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                      | (14,796.00)     | (62,969.61)     | (54,892.95)     | (956,052.42)    |                 |                 | (27,440.00)     |                 |
| Receivables cancelled                           |                 |                 |                 | (8,550.75)      |                 |                 |                 |                 |
| Miscellaneous income                            | 1,033,460.92    | 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                   | 54,198,138.92   | 52,847,158.30   | 51,463,700.66   | 49,080,754.65   | 46,696,402.12   | 42,001,730.93   | 41,690,264.42   | 41,793,503.45   |
| Business-type activities:                       |                 |                 |                 |                 |                 |                 |                 |                 |
| Miscellaneous Income                            | 2,001.24        | 2,547.16        | 6,183.43        | 24,132.54       | 216,770.61      | 2,917.10        | 976.68          | 1,631.87        |
| Disposal of capital assets                      | (1,600.00)      | (1,239.99)      | (2,987.67)      |                 |                 |                 |                 |                 |
| Total business-type activities                  | 401.24          | 1,307.17        | 3,195.76        | 24,132.54       | 216,770.61      | 2,917.10        | 976.68          | 1,631.87        |
| Total district-wide                             | \$54,198,540.16 | \$52,848,465.47 | \$51,466,896.42 | \$49,084,887.19 | \$46,913,172.73 | \$42,004,648.03 | \$41,691,241.10 | \$41,795,135.32 |
| <b>CHANGE IN NET ASSETS</b>                     |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities                         | \$1,056,016.45  | \$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                        | 38,974.32       | (34,689.50)     | (30,467.29)     | 50,597.22       | 111,688.51      | 18,778.60       | 2,974.13        | 6,078.71        |
| Total district                                  | \$1,094,990.77  | \$582,182.07    | \$453,925.32    | \$395,080.79    | (\$497,298.65)  | \$492,572.62    | \$2,093,456.34  | \$5,996,566.46  |

Source: CAFR Schedule A-2



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

|                                    | 2010                  | 2009                  | 2008                  | 2007                  | 2006                  | 2005                  | 2004                   | 2003                  |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|
| General Fund                       |                       |                       |                       |                       |                       |                       |                        |                       |
| Reserved                           | \$2,852,965.24        | \$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                         | 1,037,136.15          | 658,125.98            | 1,115,464.61          | 1,185,159.59          | 1,088,149.31          | 1,218,596.70          | 1,837,994.30           | 1,698,172.48          |
| Total general fund                 | <u>\$3,890,101.39</u> | <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                           | \$3,500.00            |                       | \$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              | 41,876.62             | 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                  | 15,470.98             | 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>\$60,847.60</u>    | <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

|                                                           | 2010            | 2009            | 2008            | 2007            | 2006             | 2005              | 2004            | 2003            |
|-----------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|-------------------|-----------------|-----------------|
| <b>Revenues</b>                                           |                 |                 |                 |                 |                  |                   |                 |                 |
| Tax levy                                                  | \$46,798,892.00 | \$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                                             | 1,041,253.75    | 528,239.04      | 844,115.46      | 1,148,841.00    | 704,587.66       | 593,086.70        | 411,724.66      | 204,921.51      |
| State sources                                             | 9,402,309.28    | 10,701,738.22   | 11,734,668.16   | 11,234,257.34   | 9,698,735.68     | 9,140,596.08      | 8,939,687.66    | 14,019,986.72   |
| Federal sources                                           | 1,778,899.19    | 830,738.73      | 989,507.53      | 916,310.53      | 946,476.43       | 878,629.34        | 825,520.86      | 745,130.95      |
| Total revenue                                             | 59,021,354.22   | 57,285,996.99   | 57,345,559.15   | 55,406,147.87   | 50,580,792.77    | 45,149,195.12     | 44,448,644.18   | 44,746,487.18   |
| <b>Expenditures</b>                                       |                 |                 |                 |                 |                  |                   |                 |                 |
| Instruction                                               |                 |                 |                 |                 |                  |                   |                 |                 |
| Regular Instruction                                       | 15,926,517.76   | 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 Instruction                             | 6,204,727.29    | 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                                         | 1,796,788.56    | 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                                                   | 203,956.80      | 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                    | 5,139,050.23    | 5,291,224.24    | 5,291,067.08    | 5,029,266.30    | 5,063,293.92     | 4,363,944.25      | 4,229,549.33    | 3,162,284.81    |
| General administrative services                           | 842,497.63      | 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                            | 2,632,792.20    | 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/Administration Information Technology    | 747,847.07      | 810,981.33      | 790,066.42      | 821,151.28      | 843,447.72       | 1,176,612.36      | 3,525,171.88    | 3,196,994.11    |
| Plant operations and maintenance                          | 4,750,174.11    | 4,390,883.17    | 5,145,295.36    | 4,794,345.54    | 4,590,986.45     | 3,564,053.11      | 2,764,785.31    | 2,540,683.09    |
| Student transportation services                           | 4,198,095.00    | 4,092,227.83    | 3,926,666.12    | 3,742,232.00    | 3,405,979.15     | 2,998,876.83      | 6,474,048.86    | 5,456,412.26    |
| Unallocated employee benefits                             | 11,467,230.33   | 10,742,669.16   | 11,231,164.92   | 10,536,392.98   | 8,628,992.87     | 7,503,396.19      | 6,873,844.13    | 1,598,572.09    |
| Capital outlay                                            | 497,477.49      | 720,894.64      | 844,665.99      | 1,188,262.86    | 7,609,751.64     | 23,778,243.08     |                 |                 |
| Debt service:                                             |                 |                 |                 |                 |                  |                   |                 |                 |
| Principal                                                 | 2,518,000.00    | 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                                | 1,978,404.54    | 2,165,424.26    | 2,291,663.00    | 2,314,196.76    | 2,573,271.76     | 2,690,732.45      | 2,826,574.99    | 1,523,316.65    |
| Total expenditures                                        | 58,903,559.01   | 57,874,267.59   | 58,232,252.76   | 55,806,134.51   | 58,517,628.76    | 69,016,104.08     | 49,714,058.72   | 40,422,325.83   |
| Excess (Deficiency) of revenues over (under) expenditures | 117,795.21      | (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    |
| <b>Other Financing sources (uses)</b>                     |                 |                 |                 |                 |                  |                   |                 |                 |
| Bond proceeds                                             |                 |                 |                 |                 |                  |                   |                 |                 |
| Premium on sale of bonds                                  |                 | 6,495,000.00    |                 | 8,115,000.00    |                  |                   | 32,593,032.28   | 684,967.72      |
| Cost of issuance                                          |                 | 349,361.15      |                 | 146,424.00      |                  |                   |                 |                 |
| Payment to refunded bonds escrow agent                    |                 | (95,849.71)     |                 | (126,024.63)    |                  |                   |                 |                 |
| Grants canceled                                           |                 | (6,748,511.44)  |                 | (8,135,399.77)  |                  |                   |                 |                 |
| Interest earned/bond sale                                 |                 | 10,505.32       | 44,210.11       | (8,550.75)      |                  |                   |                 |                 |
| Total other financing sources (uses)                      |                 | 10,505.32       | 44,210.11       | 54,921.21       | 40,914.51        | 189,449.63        | 396,200.08      |                 |
| Net change in fund balances                               | \$117,795.21    | (\$577,765.28)  | (\$842,483.50)  | (\$353,616.58)  | (\$7,995,921.48) | (\$23,677,459.33) | \$27,711,817.82 | \$4,989,129.07  |
| Debt service as a percentage of noncapital expenditures   | 7.70%           | 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><br><u>Ended June 30,</u> | <u>Tuition</u> | <u>Interest On</u><br><u>Investments</u> | <u>Settlement</u> | <u>Transportation</u><br><u>Refunds</u> | <u>Miscellaneous</u> | <u>Total</u>   |
|---------------------------------------------|----------------|------------------------------------------|-------------------|-----------------------------------------|----------------------|----------------|
| 2010                                        | \$87,241.29    | \$165,999.27                             |                   | \$627,172.89                            | \$149,587.72         | \$1,030,001.17 |
| 2009                                        | 24,264.21      | 147,172.64                               |                   | 253,218.38                              | 101,415.36           | 526,070.59     |
| 2008                                        | 105,990.82     | 220,526.00                               |                   | 400,102.26                              | 99,907.51            | 826,526.59     |
| 2007                                        | 101,240.04     | 286,057.37                               |                   | 339,599.00                              | 67,314.49            | 1,126,695.32   |
| 2006                                        | 14,521.94      | 365,212.76                               | \$332,484.42      | 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     |

Source: District Records

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

| Fiscal Year<br>Ended<br>June 30, | Vacant Land  | Residential     | Farm Reg.    | Commercial    | Industrial    | Apartment    | Total<br>Assessed Value | Public<br>Utilities (a) | Net<br>Valuation<br>Taxable | Est. Actual<br>(County Equalized<br>Value) | Total Direct<br>School<br>Tax Rate (b) |
|----------------------------------|--------------|-----------------|--------------|---------------|---------------|--------------|-------------------------|-------------------------|-----------------------------|--------------------------------------------|----------------------------------------|
| 2010                             | \$76,421,100 | \$3,075,441,300 | \$74,173,800 | \$587,488,500 | \$102,443,496 | \$12,000,400 | \$3,927,968,596         | \$7,164,889             | \$3,935,133,485             | \$4,293,331,070                            | \$1.052                                |
| 2009                             | 83,602,300   | 3,174,796,750   | 72,719,300   | 551,130,525   | 112,267,100   | 12,039,400   | 4,006,555,375           | 5,255,322               | 4,011,810,697               | 4,288,296,452                              | 1.023                                  |
| 2008                             | 96,565,800   | 3,484,223,675   | 77,788,000   | 514,880,200   | 115,852,600   | 12,686,700   | 4,301,996,975           | 6,484,948               | 4,308,481,923               | 4,513,661,478                              | 0.922                                  |
| 2007                             | 90,288,300   | 3,471,183,800   | 78,340,200   | 517,905,600   | 113,115,500   | 12,686,700   | 4,283,520,100           | 6,991,505               | 4,290,511,605               | 4,624,967,955                              | 0.887                                  |
| 2006                             | 61,862,300   | 1,824,119,900   | 42,135,800   | 257,214,700   | 59,192,800    | 6,112,000    | 2,250,637,500           | 4,561,079               | 2,255,198,579               | 4,190,961,100                              | 1.590                                  |
| 2005                             | 58,921,800   | 1,772,932,500   | 47,522,600   | 246,015,300   | 58,902,300    | 6,112,000    | 2,190,406,500           | 5,094,825               | 2,195,501,325               | 3,781,394,395                              | 1.481                                  |
| 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    | 2,009,097,500           | 5,967,153               | 2,015,064,653               | 2,999,548,373                              | 1.382                                  |
| 2002                             | 66,998,300   | 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                                  |

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  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY - FLEMINGTON BOROUGH  
UNAUDITED

| Fiscal Year<br>Ended<br>June 30, | Vacant Land | Residential   | Q-Farm   | Commercial    | Industrial  | Apartment    | Total<br>Assessed Value | Less: Tax<br>Exempt Property | Public<br>Utilities (a) | Net<br>Valuation<br>Taxable | Est. Actual<br>(County Equalized<br>Value) | Total Direct<br>School<br>Tax Rate (b) |
|----------------------------------|-------------|---------------|----------|---------------|-------------|--------------|-------------------------|------------------------------|-------------------------|-----------------------------|--------------------------------------------|----------------------------------------|
| 2010                             | \$3,902,700 | \$216,142,600 |          | \$210,993,100 | \$3,223,000 | \$39,940,200 | \$474,201,600           |                              | \$4,488,355             | \$478,689,955               | \$545,874,986                              | \$1.107                                |
| 2009                             | 4,500,000   | 241,327,200   |          | 243,748,200   | 3,651,100   | 42,234,000   | 535,460,500             |                              | 6,245,384               | 541,705,884                 | 570,686,479                                | 1.023                                  |
| 2008                             | 5,010,500   | 258,907,500   |          | 221,209,500   | 3,365,000   | 42,997,200   | 531,489,700             |                              | 7,850,869               | 539,340,569                 | 567,073,152                                | 0.887                                  |
| 2007                             | 4,926,100   | 258,451,200   |          | 209,805,200   | 3,257,100   | 41,253,600   | 517,693,200             |                              | 6,095,584               | 523,788,784                 | 557,587,233                                | 0.932                                  |
| 2006                             | 4,568,800   | 234,695,900   |          | 197,857,700   | 3,100,400   | 39,874,100   | 480,096,900             |                              | 5,721,733               | 485,818,633                 | 504,031,338                                | 0.991                                  |
| 2005                             | 3,529,400   | 208,390,600   |          | 184,883,700   | 2,859,000   | 36,253,000   | 435,915,700             |                              | 4,897,263               | 440,812,963                 | 451,088,670                                | 0.993                                  |
| 2004                             | 2,199,200   | 168,630,500   | \$11,800 | 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                                  |

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<br>Ended<br>June 30, | Township of Raritan |                                           |                                    | Overlapping Rates      |                                     |                     | Total Direct and<br>Overlapping<br>Tax Rate |
|----------------------------------|---------------------|-------------------------------------------|------------------------------------|------------------------|-------------------------------------|---------------------|---------------------------------------------|
|                                  | Basic Rate (a)      | General<br>Obligation<br>Debt Service (b) | Total Direct<br>School<br>Tax Rate | Township of<br>Raritan | Hunterdon<br>Central<br>High School | Hunterdon<br>County |                                             |
| 2010                             | \$0.958             | \$0.094                                   | \$1.052                            | \$0.294                | \$0.541                             | \$0.377             | \$2.264                                     |
| 2009                             | 0.927               | 0.096                                     | 1.023                              | 0.265                  | 0.511                               | 0.369               | 2.168                                       |
| 2008                             | 0.832               | 0.090                                     | 0.922                              | 0.243                  | 0.474                               | 0.348               | 1.987                                       |
| 2007                             | 0.797               | 0.090                                     | 0.887                              | 0.248                  | 0.465                               | 0.360               | 1.960                                       |
| 2006                             | 1.437               | 0.153                                     | 1.590                              | 0.360                  | 0.828                               | 0.662               | 3.440                                       |
| 2005                             | 1.293               | 0.188                                     | 1.481                              | 0.307                  | 0.774                               | 0.648               | 3.210                                       |
| 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                                       |

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<br>Ended<br>June 30, | Borough of Flemington |                                           |                                    | Overlapping Rates        |                                     |                     | Total Direct and<br>Overlapping<br>Tax Rate |
|----------------------------------|-----------------------|-------------------------------------------|------------------------------------|--------------------------|-------------------------------------|---------------------|---------------------------------------------|
|                                  | Basic Rate (a)        | General<br>Obligation<br>Debt Service (b) | Total Direct<br>School<br>Tax Rate | Borough of<br>Flemington | Hunterdon<br>Central<br>High School | Hunterdon<br>County |                                             |
| 2010                             | \$1.008               | \$0.099                                   | \$1.107                            | \$0.581                  | \$0.524                             | \$0.370             | \$2.582                                     |
| 2009                             | 0.927                 | 0.096                                     | 1.023                              | 0.508                    | 0.480                               | 0.316               | 2.327                                       |
| 2008                             | 0.803                 | 0.084                                     | 0.887                              | 0.488                    | 0.494                               | 0.323               | 2.192                                       |
| 2007                             | 0.837                 | 0.095                                     | 0.932                              | 0.478                    | 0.540                               | 0.330               | 2.280                                       |
| 2006                             | 0.896                 | 0.095                                     | 0.991                              | 0.496                    | 0.552                               | 0.341               | 2.380                                       |
| 2005                             | 0.867                 | 0.126                                     | 0.993                              | 0.510                    | 0.527                               | 0.360               | 2.390                                       |
| 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                                       |

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                           | 2010                   |                 |                                        | 2001                   |                 |                                        |
|------------------------------------|------------------------|-----------------|----------------------------------------|------------------------|-----------------|----------------------------------------|
|                                    | 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         | \$57,372,100.00        | 1               |                                        | \$21,000,000.00        | 1               | 1.16%                                  |
| Flemington Mall Ltd.               | 30,675,300.00          | 2               | 0.78%                                  | 10,200,000.00          | 2               | 0.56%                                  |
| Yale Materials Handling Corp.      |                        |                 |                                        | 7,968,600.00           | 3               | 0.44%                                  |
| Bedford Falls Land Co.             | 30,670,200.00          | 3               | 0.78%                                  |                        |                 |                                        |
| Hunterdon Convalescent Center Inc. |                        |                 |                                        | 7,795,900.00           | 4               | 0.43%                                  |
| Clojo Circle, LLC.                 | 19,486,900.00          | 4               | 0.50%                                  |                        |                 |                                        |
| Johanna Foods Inc.                 |                        |                 |                                        | 7,400,000.00           | 5               | 0.41%                                  |
| Hunterdon Medical Office Assoc.    | 17,070,000.00          | 5               | 0.43%                                  | 6,824,900.00           | 6               | 0.38%                                  |
| FBS Partners III LP                | 17,040,900.00          | 6               |                                        |                        |                 |                                        |
| Raritan Village Shopping Ctr. LLC  |                        |                 |                                        | 6,000,000.00           | 7               | 0.33%                                  |
| Equity Industrial Flemington LLC   | 17,000,000.00          | 7               | 0.43%                                  |                        |                 |                                        |
| Belscot Associates et al           |                        |                 |                                        | 5,638,700.00           | 8               | 0.31%                                  |
| M R Development Corp.              | 15,579,400.00          | 8               | 0.40%                                  |                        |                 |                                        |
| Minnesota Mining and Manufacturing |                        |                 |                                        | 5,000,000.00           | 9               | 0.28%                                  |
| Foremost Realty LP                 | 15,181,000.00          | 9               | 0.39%                                  |                        |                 |                                        |
| Algoquin Gas Trans Co.             |                        |                 |                                        | 4,879,500.00           | 10              | 0.27%                                  |
| Raritan Valley Developers          | 14,706,900.00          | 10              | 0.37%                                  |                        |                 |                                        |
| Total                              | \$177,410,600.00       |                 | 4.08%                                  | \$82,707,600.00        |                 | 4.56%                                  |

Source: Municipal Tax Assessor



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

| Taxpayer                      | 2010                   |                 |                                        | 2001                   |                 |                                        |
|-------------------------------|------------------------|-----------------|----------------------------------------|------------------------|-----------------|----------------------------------------|
|                               | 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%                                  | \$22,776,000.00        | 1               | 7.61%                                  |
| 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%                                  | 8,010,000.00           | 2               | 2.68%                                  |
| Arjay Realty                  |                        |                 |                                        | 7,790,000.00           | 3               | 2.60%                                  |
| Eagle Properties              |                        |                 |                                        | 5,856,000.00           | 4               | 1.96%                                  |
| Hunterdon Shopping Center     | 9,041,000.00           | 5               | 1.73%                                  | 4,750,000.00           | 5               | 1.59%                                  |
| Flemington Fidelco            | 7,089,600.00           | 6               | 1.35%                                  | 4,592,000.00           | 6               | 1.54%                                  |
| Roho LLC.                     | 8,400,000.00           | 7               | 1.60%                                  |                        |                 | 0.00%                                  |
| DiBianca Family Associates    |                        |                 |                                        | 3,917,300.00           | 7               | 1.31%                                  |
| Taxpayer # 8                  | 5,165,000.00           | 8               | 0.99%                                  | 3,874,800.00           | 8               | 1.30%                                  |
| Old Egg Auction               |                        |                 |                                        | 2,798,800.00           | 9               | 0.94%                                  |
| Flemington Circle Park Assoc. | 4,263,300.00           | 9               |                                        | 2,926,000.00           | 10              | 0.98%                                  |
| NJN Associates                | 4,235,000.00           | 10              | 0.81%                                  |                        |                 | 0.00%                                  |
| Total                         | \$156,734,600.00       |                 | 29.12%                                 | \$67,290,900.00        |                 | 22.50%                                 |

Source: Municipal Tax Assessor

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

| <u>Fiscal Year</u><br><u>Ended</u><br><u>June 30,</u> | <u>Taxes Levied</u><br><u>for the</u><br><u>Fiscal Year</u> | <u>Collected within the Fiscal Year of the Levy (a)</u> |                                     | <u>Collections in</u><br><u>Subsequent Years</u> |
|-------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------|-------------------------------------|--------------------------------------------------|
|                                                       |                                                             | <u>Amount</u>                                           | <u>Percentage</u><br><u>of Levy</u> |                                                  |
| 2010                                                  | \$41,729,291.63                                             | \$41,729,291.63                                         | 100.00%                             | -                                                |
| 2009                                                  | 40,364,516.65                                               | 40,364,516.65                                           | 100.00%                             | -                                                |
| 2008                                                  | 39,102,565.20                                               | 39,102,565.20                                           | 100.00%                             | -                                                |
| 2007                                                  | 37,065,195.30                                               | 37,065,195.30                                           | 100.00%                             | -                                                |
| 2006                                                  | 34,646,664.10                                               | 34,646,664.10                                           | 100.00%                             | -                                                |
| 2005                                                  | 30,366,963.11                                               | 30,366,963.11                                           | 100.00%                             | -                                                |
| 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%                             | -                                                |

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</u><br><u>Ended</u><br><u>June 30,</u> | <u>Taxes Levied</u><br><u>for the</u><br><u>Fiscal Year</u> | <u>Collected within the Fiscal Year of the Levy (a)</u> |                                     | <u>Collections in</u><br><u>Subsequent Years</u> |
|-------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------|-------------------------------------|--------------------------------------------------|
|                                                       |                                                             | <u>Amount</u>                                           | <u>Percentage</u><br><u>of Levy</u> |                                                  |
| 2010                                                  | \$5,069,600.37                                              | \$5,069,600.37                                          | 100.00%                             | -                                                |
| 2009                                                  | 4,860,764.35                                                | 4,860,764.35                                            | 100.00%                             | -                                                |
| 2008                                                  | 4,884,702.80                                                | 4,884,702.80                                            | 100.00%                             | -                                                |
| 2007                                                  | 5,041,543.70                                                | 5,041,543.70                                            | 100.00%                             | -                                                |
| 2006                                                  | 4,584,328.90                                                | 4,584,328.90                                            | 100.00%                             | -                                                |
| 2005                                                  | 4,169,929.89                                                | 4,169,929.89                                            | 100.00%                             | -                                                |
| 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%                             | -                                                |

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<br>Ended<br>June 30, | Governmental Activities            |                                     | Business-Type<br>Activities |                               | Total<br>District | Percentage<br>of Personal<br>Income (a) | Per Capita (a) |
|----------------------------------|------------------------------------|-------------------------------------|-----------------------------|-------------------------------|-------------------|-----------------------------------------|----------------|
|                                  | General<br>Obligation<br>Bonds (b) | Certificates<br>of<br>Participation | Capital<br>Leases           | Bond<br>Anticipation<br>Notes |                   |                                         |                |
| 2010                             | \$45,076,000.00                    |                                     |                             |                               | \$45,076,000.00   | 0.15%                                   | \$1,674.50     |
| 2009                             | 47,594,000.00                      |                                     |                             |                               | 47,594,000.00     | 0.14%                                   | 1,777.16       |
| 2008                             | 50,149,000.00                      |                                     |                             |                               | 50,149,000.00     | 0.14%                                   | 1,874.31       |
| 2007                             | 52,479,000.00                      |                                     |                             |                               | 52,479,000.00     | 0.12%                                   | 1,967.79       |
| 2006                             | 54,089,000.00                      |                                     |                             |                               | 54,089,000.00     | 0.11%                                   | 2,042.56       |
| 2005                             | 56,209,000.00                      |                                     |                             |                               | 56,209,000.00     | 0.11%                                   | 2,143.25       |
| 2004                             | 58,205,877.84                      |                                     | \$52,032.88                 |                               | 58,257,910.72     | 0.10%                                   | 2,259.72       |
| 2003                             | 26,846,633.22                      |                                     | 103,941.35                  |                               | 26,950,574.57     | 0.21%                                   | 1,064.31       |
| 2002                             | 28,690,388.60                      |                                     | 152,329.76                  |                               | 28,842,718.36     | 0.19%                                   | 1,163.62       |
| 2001                             | 30,738,143.98                      |                                     | 201,330.80                  |                               | 30,939,474.78     | 0.17%                                   | 1,280.13       |

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<br>Ended<br><u>June 30,</u> | <u>General Bonded Debt Outstanding</u>  |                   | Percentage of<br>Actual Taxable<br>Value (a) of<br><u>Property</u> | <u>Per Capita (b)</u> |
|-----------------------------------------|-----------------------------------------|-------------------|--------------------------------------------------------------------|-----------------------|
|                                         | <u>General<br/>Obligation<br/>Bonds</u> | <u>Deductions</u> |                                                                    |                       |
| 2010                                    | \$45,076,000.00                         |                   | 1.02%                                                              | \$1,674.50            |
| 2009                                    | 47,594,000.00                           |                   | 1.05%                                                              | 1,777.16              |
| 2008                                    | 50,149,000.00                           |                   | 1.03%                                                              | 1,874.31              |
| 2007                                    | 52,479,000.00                           |                   | 1.09%                                                              | 1,967.79              |
| 2006                                    | 54,089,000.00                           |                   | 1.97%                                                              | 2,042.56              |
| 2005                                    | 56,209,000.00                           |                   | 2.13%                                                              | 2,143.25              |
| 2004                                    | 58,205,877.84                           |                   | 2.37%                                                              | 2,257.70              |
| 2003                                    | 26,846,633.22                           |                   | 1.13%                                                              | 1,060.21              |
| 2002                                    | 28,690,388.60                           |                   | 1.27%                                                              | 1,157.48              |
| 2001                                    | 30,738,143.98                           |                   | 1.44%                                                              | 1,271.80              |

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, 2009  
UNAUDITED

| <u>Governmental Unit</u>                                | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable (a)</u> | <u>Estimated Share<br/>of Overlapping<br/>Debt</u> |
|---------------------------------------------------------|-----------------------------|----------------------------------------------------|----------------------------------------------------|
| Debt repaid with property taxes                         |                             |                                                    |                                                    |
| Flemington Borough                                      | \$6,557,779.33              | 100.00%                                            | \$6,557,779.33                                     |
| Raritan Township                                        | 24,743,496.88               | 100.00%                                            | 24,743,496.88                                      |
| Other debt                                              |                             |                                                    |                                                    |
| Hunterdon County                                        | 115,523,634.58              | 20.36%                                             | <u>23,522,479.42</u>                               |
| Subtotal, overlapping debt                              |                             |                                                    | \$54,823,755.63                                    |
| Flemington-Raritan Regional School District Direct Debt |                             |                                                    | <u>47,594,386.00</u>                               |
| Total direct and overlapping debt                       |                             |                                                    | <u><u>\$102,418,141.63</u></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-RANTAN REGIONAL SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2008:

Equalized Valuation Basis

Calendar Year

|      |                          |
|------|--------------------------|
| 2009 | \$4,786,594,903.00       |
| 2008 | 4,862,148,287.00         |
| 2007 | 4,861,917,585.00         |
|      | <u>14,510,660,775.00</u> |

Average Equalized Valuation of Taxable Property

\$4,836,886,925.00

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

145,106,607.75

Total Net Debt Applicable to Limit

47,594,386.00

Legal Debt Margin

\$97,512,221.75

|                                                             | Fiscal Year Ending June 30, |                        |                        |                        |                        |                        |                        |                        |                        |                        |
|-------------------------------------------------------------|-----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                                                             | 2010                        | 2009                   | 2008                   | 2007                   | 2006                   | 2005                   | 2004                   | 2003                   | 2002                   | 2001                   |
| Debt Limit                                                  | \$145,106,607.75            | \$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        |
| Total Net Debt Applicable To Limit                          | 47,594,386.00               | 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          |
| Legal Debt Margin                                           | <u>\$97,512,221.75</u>      | <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> |
| Total Net Debt Applicable to the Limit as a % of Debt Limit | 32.80%                      | 33.10%                 | 36.80%                 | 42.45%                 | 49.68%                 | 59.13%                 | 70.14%                 | 82.83%                 | 44.03%                 | 51.07%                 |

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<br/>Personal Income (c)</u> | <u>Unemployment Rate (d)</u> |                |
|-------------|-----------------------|----------------------------|-------------------------------------------|------------------------------|----------------|
|             |                       |                            |                                           | <u>Flemington</u>            | <u>Raritan</u> |
| 2010        | 26,919                | \$1,851,623,415            | \$68,785                                  | 7.30%                        | 3.70%          |
| 2009        | 26,781                | 1,842,131,085              | 68,785                                    | 4.00%                        | 2.00%          |
| 2008        | 26,756                | 1,823,528,424              | 68,154                                    | 3.10%                        | 1.50%          |
| 2007        | 26,669                | 1,715,510,094              | 64,326                                    | 3.60%                        | 1.80%          |
| 2006        | 26,481                | 1,578,055,752              | 59,592                                    | 3.60%                        | 1.80%          |
| 2005        | 26,226                | 1,571,383,242              | 59,917                                    | 3.70%                        | 1.60%          |
| 2004        | 25,781                | 1,512,468,146              | 58,666                                    | 4.90%                        | 2.90%          |
| 2003        | 25,322                | 1,446,139,420              | 57,110                                    | 5.90%                        | 3.50%          |
| 2002        | 24,787                | 1,373,943,410              | 55,430                                    | 5.40%                        | 3.20%          |
| 2001        | 24,169                | 1,289,416,150              | 53,350                                    | 3.20%                        | 1.90%          |

## 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> | 2010                      |                                           | 2001                       |                                           |
|-----------------|---------------------------|-------------------------------------------|----------------------------|-------------------------------------------|
|                 | <u># of<br/>Employees</u> | <u>Percentage of Total<br/>Employment</u> | <u>Rank<br/>(Optional)</u> | <u>Percentage of Total<br/>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>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|----------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction:                           |             |             |             |             |             |             |             |
| Regular                                | 278         | 275         | 278         | 274         | 244         | 234         | 253         |
| Special education                      | 51          | 48          | 48          | 48          | 42          | 37          | 47          |
| Other special education                |             |             |             |             |             |             |             |
| Vocational                             |             |             |             |             |             |             |             |
| Other instruction                      | 64          | 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           | 3           | 4           | 4           | 4           |
| School administrative services         | 17          | 17          | 17          | 17          | 17          | 15          | 15          |
| Plant operations and maintenance       | 10          | 10          | 11          | 11          | 11          | 10          | 9           |
| Pupil transportation                   |             |             |             |             |             |             |             |
| Central services                       | 33          | 33          | 33          | 33          | 33          | 29          | 29          |
| Administration information technology  | 4           | 5           | 5           | 5           | 5           | 4           | 4           |
| Special Schools                        |             |             |             |             |             |             |             |
| Food Service                           | 25          | 25          | 25          | 25          | 23          | 23          | 21          |
| Total                                  | <u>485</u>  | <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> |
|--------------------|-------------------|-----------------------------------|-----------------------|-----------------|---------------------------|----------------------------|-------------------------------------|-------------------------------------|---------------------------------------------|--------------------------------------|
| 2010               | 3,630             | \$53,909,676.98                   | \$14,851.15           | 2.04%           | 346                       | 10.5                       | 3,604                               | 3,465                               | 0.82%                                       | 96.16%                               |
| 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%                               |

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>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</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      | 70,869      |             |             |             |             |             |             |
| Capacity (students)       | 566         | 566         | 566         | 566         | 566         |             |             |             |             |             |             |
| Enrollment                | 458         | 459         | 478         | 475         | 469         |             |             |             |             |             |             |
| Copper Hill (1996)        |             |             |             |             |             |             |             |             |             |             |             |
| Square Feet               | 127,219     | 127,219     | 127,219     | 127,219     | 127,219     |             |             |             |             |             |             |
| Capacity (students)       | 619         | 619         | 619         | 619         | 619         |             |             |             |             |             |             |
| Enrollment                | 548         | 537         | 559         | 560         | 579         |             |             |             |             |             |             |
| Robert Hunter (1961)      |             |             |             |             |             |             |             |             |             |             |             |
| Square Feet               | 74,464      | 74,464      | 74,464      | 74,464      | 74,464      |             |             |             |             |             |             |
| Capacity (students)       | 547         | 547         | 547         | 547         | 547         |             |             |             |             |             |             |
| Enrollment                | 521         | 487         | 483         | 474         | 465         |             |             |             |             |             |             |
| Desmares (1991)           |             |             |             |             |             |             |             |             |             |             |             |
| Square Feet               | 84,094      | 84,094      | 84,094      | 84,094      | 84,094      |             |             |             |             |             |             |
| Capacity (students)       | 569         | 569         | 569         | 569         | 569         |             |             |             |             |             |             |
| Enrollment                | 473         | 463         | 447         | 456         | 429         |             |             |             |             |             |             |
| Middle School(s):         |             |             |             |             |             |             |             |             |             |             |             |
| JP Case (2006)            |             |             |             |             |             |             |             |             |             |             |             |
| Square Feet               | 137,672     | 137,672     | 137,672     | 137,672     | 137,672     |             |             |             |             |             |             |
| Capacity (students)       | 912         | 912         | 912         | 912         | 912         |             |             |             |             |             |             |
| Enrollment                | 791         | 829         | 851         | 841         | 834         |             |             |             |             |             |             |
| Intermediate School(s)    |             |             |             |             |             |             |             |             |             |             |             |
| Reading-Fleming (1964)    |             |             |             |             |             |             |             |             |             |             |             |
| Square Feet               | 175,318     | 175,318     | 175,318     | 175,318     | 175,318     |             |             |             |             |             |             |
| Capacity (students)       | 902         | 902         | 902         | 902         | 902         |             |             |             |             |             |             |
| Enrollment                | 811         | 800         | 768         | 773         | 812         |             |             |             |             |             |             |

Number of Schools at June 30, 2010

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 *<br>Project #(s)                                                      | Total          | Other       | Barley<br>Sheaf | Copper<br>Hill | Frances A.<br>Desmares | Reading-<br>Fleming | JP<br>Case   | Robert<br>Hunter |  |
| 2010                                                                                     | \$1,302,711.41 |             | \$186,415.33    | \$133,013.58   | \$181,944.99           | \$542,598.99        | \$80,721.30  | \$178,017.22     |  |
| 2009                                                                                     | 745,905.97     | \$24,989.00 | 191,977.59      | 100,253.69     | 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  
6/30/2010  
UNAUDITED

|                                                    | <u>COVERAGE</u> | <u>DEDUCTIBLE</u> |
|----------------------------------------------------|-----------------|-------------------|
| Bonds - Selective Insurance                        |                 |                   |
| Treasurer of School Monies                         | \$ 300,000      | \$                |
| Public Employees Blanket Bond - SAIF               | 500,000         | 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<br>Auto Liability | 5,000,000       |                   |
| Commercial Property Coverage Includes:             | 250,000,000     | 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

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

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

We have audited 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, 2010, and have issued our report thereon dated October 29, 2010. We conducted our audit 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, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.



## SUPLEE, CLOONEY & COMPANY

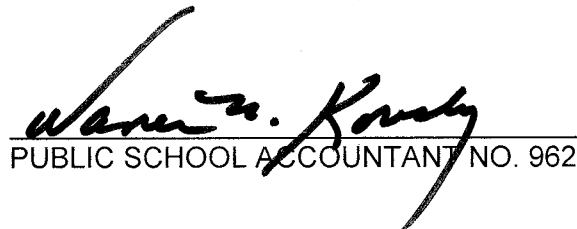
Our consideration of the internal control over financial reporting was limited for the purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However we noted immaterial matters involving the internal control over financial reporting 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 29, 2010.

### 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 grant agreements, 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 solely for the information and use of management and the Board of Education of the Flemington-Raritan Regional School District, 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. 962

October 29, 2010



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-2"

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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, 2010. 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Flemington-Raritan Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. 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, 2010.

## 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 compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Flemington-Raritan Regional School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 and use of management and the Board of Education of the Flemington-Raritan Regional School District, 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. 962

October 29, 2010

ELEMINGTON-BARTMAN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| FEDERAL GRANTOR/PASS-THROUGH<br>GRANTOR/PROGRAM TITLE | FEDERAL<br>CFDA<br>NUMBER | GRANT OR<br>STATE<br>PROJECT<br>NUMBER | PROGRAM OR<br>AWARD<br>AMOUNT | GRANT PERIOD<br>FROM TO | BALANCE<br>AT<br>JUNE 30, 2009 | CARRYOVER/<br>(WALDOVER)<br>AMOUNT | CASH<br>RECEIVED | BUDGETARY<br>EXPENDITURES | ADJUSTMENTS | (ACCOUNTS<br>RECEIVABLE) | BALANCE AT JUNE 30, 2010 |                      |
|-------------------------------------------------------|---------------------------|----------------------------------------|-------------------------------|-------------------------|--------------------------------|------------------------------------|------------------|---------------------------|-------------|--------------------------|--------------------------|----------------------|
|                                                       |                           |                                        |                               |                         |                                |                                    |                  |                           |             |                          | DEFERRED<br>REVENUE      | DUE TO<br>GRANTOR AT |
| General Fund                                          |                           |                                        |                               |                         |                                |                                    |                  |                           |             |                          |                          |                      |
| U.S. Department of Education                          | 84-394                    | N/A                                    | 647,175.00                    | 6/30/10                 | \$                             | \$                                 | 647,175.00       | \$                        | \$          | \$                       | \$                       | \$                   |
| ARRA - SF-SF-ESF                                      | 84-397                    | N/A                                    | 25,053.00                     | 6/30/10                 |                                |                                    | 25,053.00        | (25,053.00)               |             |                          |                          |                      |
| ARRA - SF-SF-GSF                                      |                           |                                        |                               |                         |                                |                                    | 672,228.00       | (672,228.00)              |             |                          |                          |                      |
| Special Revenue Funds                                 |                           |                                        |                               |                         |                                |                                    |                  |                           |             |                          |                          |                      |
| U.S. Department of Education                          |                           |                                        |                               |                         |                                |                                    |                  |                           |             |                          |                          |                      |
| Passed-through State Department of Education:         |                           |                                        |                               |                         |                                |                                    |                  |                           |             |                          |                          |                      |
| Title I, Part A                                       | 84-010A                   | NCLB-1510-10                           | 100,018.00                    | 9/1/09                  |                                |                                    | 61,776.00        | (97,455.72)               | (0.03)      | (35,679.72)              |                          |                      |
| Title I, Part A, Carryover                            | 84-010                    | NCLB-1510-08                           | 128,352.00                    | 9/1/07                  | 1,658.03                       | (1,658.03)                         |                  |                           | 0.03        | (1.96)                   |                          |                      |
| Title I, Part A                                       | 84-010                    | NCLB-1510-09                           | 130,422.00                    | 9/1/08                  | (37,730.56)                    | 1,958.00                           | 46,799.00        | (10,706.41)               | 0.03        | (4,428.26)               |                          |                      |
| Title II, Part A                                      | 84-367                    | NCLB-1510-09                           | 62,286.00                     | 9/1/08                  | (2,634.33)                     |                                    | 28,057.00        | (25,707.00)               | 46.07       | (6,614.16)               |                          |                      |
| Title II, Part A                                      | 84-367A                   | NCLB-1510-10                           | 76,001.00                     | 9/1/09                  |                                |                                    | 29,122.00        | (37,736.16)               |             |                          |                          |                      |
| Title II, Part D                                      | 84-316X                   | NCLB-1510-10                           | 1,054.00                      | 9/1/09                  |                                |                                    | 944.00           | (943.57)                  |             |                          | 0.43                     |                      |
| Title II, Part D                                      | 84-367                    | NCLB-1510-09                           | 1,052.00                      | 9/1/08                  | (1,052.00)                     | (5.00)                             |                  |                           | (0.66)      | (1,062.00)               |                          |                      |
| Title II, Part D                                      | 84-365                    | NCLB-1510-08                           | 20,220.00                     | 9/1/07                  | 5.66                           |                                    | 1,873.00         | (4,741.02)                | 14.20       | (2,868.02)               |                          |                      |
| Title III                                             | 84-365A                   | NCLB-1510-10                           | 19,887.00                     | 9/1/08                  | (3,736.43)                     | 5.00                               | 10,786.00        | (7,462.00)                | 0.72        | (2,104.00)               |                          |                      |
| Title IV                                              | 84-365                    | NCLB-1510-09                           | 12,870.00                     | 9/1/08                  | (12,870.72)                    |                                    | 1,283.00         | (3,074.35)                | 0.79        | (1,781.35)               |                          |                      |
| Title V                                               | 84-296                    | NCLB-1510-09                           | 6,320.00                      | 9/1/09                  | (1,236.38)                     | 16.00                              | 1,751.00         | (4,761.00)                | (0.81)      | (4,229.59)               |                          |                      |
| Title IV                                              | 84-186A                   | NCLB-1510-10                           | 6,856.00                      | 9/1/08                  |                                | (16.00)                            | 231,598.00       | (291,706.50)              |             | (60,108.50)              |                          |                      |
| Title IV                                              | 84-186                    | NCLB-1510-09                           | 9,516.00                      | 9/1/07                  | 16.81                          |                                    | 27,475.00        | (27,475.00)               |             | (27,475.00)              |                          |                      |
| Title V                                               | 84-391                    | FT-1510-10                             | 758,792.00                    | 9/1/09                  |                                |                                    |                  |                           |             |                          | 16,306.22                |                      |
| ARRA - I.D.E.A. Part B, Basic                         | 84-392                    | FT-1510-08                             | 27,475.00                     | 9/1/07                  | 16,308.22                      |                                    | 308,965.00       | (548,746.22)              | 5,771.00    | (239,781.22)             | 23,078.00                |                      |
| ARRA - I.D.E.A. Preschool                             | 84-027                    | FT-1510-08                             | 678,235.00                    | 9/1/09                  | 23,078.00                      |                                    | 667,126.00       | (68,195.73)               |             |                          | 2,738.83                 |                      |
| I.D.E.A. Part B, Basic Regular                        | 84-027                    | FT-1510-07                             | 653,479.00                    | 9/1/06                  |                                |                                    |                  |                           |             |                          | 2,837.00                 |                      |
| I.D.E.A. Part B, Basic Regular                        | 84-027                    | FT-1510-08                             | 685,328.00                    | 9/1/09                  | (601,984.44)                   |                                    | 27,283.00        | (2,292.00)                |             | (2,292.00)               |                          |                      |
| I.D.E.A. Part B, Basic Regular                        | 84-027                    | FT-1510-09                             | 34,064.00                     | 9/1/07                  | 2,937.00                       |                                    | 15,638.00        | (16,801.00)               |             | (16,801.00)              |                          |                      |
| I.D.E.A. Part B, Preschool                            | 84-173                    | PS-1510-08                             | 32,533.00                     | 9/1/08                  | (29,575.00)                    |                                    |                  |                           |             |                          | 530.00                   |                      |
| I.D.E.A. Part B, Preschool                            | 84-173                    | PS-1510-10                             | 32,639.00                     | 9/1/09                  |                                |                                    |                  |                           |             |                          |                          |                      |
| I.D.E.A. Part B, Preschool                            | 84-173                    | PS-1510-07                             | 33,929.00                     | 8/31/07                 | 530.00                         |                                    | 1,445,381.00     | (1,166,351.70)            | 5,831.29    | (407,228.03)             | 45,592.48                |                      |
| Total U.S. Department of Education                    |                           |                                        |                               |                         | (645,496.14)                   |                                    |                  |                           |             |                          |                          |                      |
| Enterprise Funds                                      |                           |                                        |                               |                         |                                |                                    |                  |                           |             |                          |                          |                      |
| U.S. Department of Agriculture                        |                           |                                        |                               |                         |                                |                                    |                  |                           |             |                          |                          |                      |
| Passed-through State Department of Education          |                           |                                        |                               |                         |                                |                                    |                  |                           |             |                          |                          |                      |
| Food Donations                                        | 10-550                    | N/A                                    | 33,987.36                     | 7/1/08                  | 6,571.11                       |                                    | 57,475.83        | (48,231.29)               |             |                          | 9,244.54                 |                      |
| National School Lunch Program                         | 10-555                    | N/A                                    | 155,977.61                    | 7/1/08                  | (32,888.53)                    |                                    | 162,111.27       | (180,144.78)              |             | (18,033.51)              |                          |                      |
| National School Lunch Program                         | 10-555                    | N/A                                    | 180,144.78                    | 7/1/08                  | (26,327.42)                    |                                    | 252,485.63       | (234,947.18)              |             | (18,033.51)              | 9,244.54                 |                      |
| Total U.S. Department of Agriculture                  |                           |                                        |                               |                         |                                |                                    |                  |                           |             |                          |                          |                      |
| Total Federal Financial Assistance                    |                           |                                        |                               |                         | (672,823.56)                   | \$ -0-                             | 2,370,084.63     | (2,073,526.88)            | 5,831.29    | (425,261.54)             | \$                       | 54,837.02            |

e accompany notes to schedules of financial assistance

ELEMATION-BARTON REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| STATE GRANTOR/PROGRAM TITLE                              | GRANT OR STATE PROJECT NUMBER | PROGRAM OR AWARD AMOUNT | GRANT PERIOD FROM TO | (ACCOUNTS RECEIVABLE) | BALANCE AT JUNE 30, 2009 | DUE TO GRANITOR | CASH RECEIVED | BUDGETARY EXPENDITURES | ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES | (ACCOUNTS RECEIVABLE) | DEFERRED REVENUE | DUE TO GRANITOR AT | MEMO BUDGETARY RECEIVABLE | CUMULATIVE TOTAL EXPENDITURES <sup>f</sup> |
|----------------------------------------------------------|-------------------------------|-------------------------|----------------------|-----------------------|--------------------------|-----------------|---------------|------------------------|-----------------------------------------------|-----------------------|------------------|--------------------|---------------------------|--------------------------------------------|
| State Department of Education                            |                               |                         |                      |                       |                          |                 |               |                        |                                               |                       |                  |                    |                           |                                            |
| General Fund:                                            |                               |                         |                      |                       |                          |                 |               |                        |                                               |                       |                  |                    |                           |                                            |
| Integration Aid                                          | 10-495-034-5120-014           | 816,742.00              | 7/1/09               | 6/30/10               | \$                       | \$              | \$            | \$                     | \$                                            | \$                    | \$               | \$                 | \$                        | \$                                         |
| Special Education Aid                                    | 10-495-034-5120-069           | 1,817,719.00            | 7/1/09               | 6/30/10               |                          |                 | 1,832,392.06  | (816,742.00)           | (9,586.59)                                    |                       |                  |                    | 109,102.37                | (816,742.00)                               |
| Evaluation Aid                                           | 10-495-034-5120-078           | 2,290,437.00            | 7/1/09               | 6/30/10               |                          |                 | 2,365,748.77  | (1,917,719.00)         | (63,336.94)                                   |                       |                  |                    | 256,173.54                | (1,917,719.00)                             |
| Security Aid                                             | 10-495-034-5120-084           | 174,871.00              | 7/1/09               | 6/30/10               |                          |                 | 175,086.73    | (174,871.00)           | 415.73                                        |                       |                  |                    | 305,962.12                | (2,290,437.00)                             |
| Nonpublic Transportation Aid                             | 09-495-034-5120-044           | 22,620.00               | 7/1/09               | 6/30/09               | (22,620.00)              |                 | 22,620.00     |                        |                                               | (18,545.00)           |                  |                    | 23,332.87                 | (174,871.00)                               |
| Nonpublic Transportation Aid                             | 10-495-034-5120-044           | 18,545.00               | 7/1/09               | 6/30/10               |                          |                 | 464,797.00    | (18,545.00)            |                                               |                       |                  |                    |                           | (18,545.00)                                |
| Extraordinary Special Education Costs Aid                | 10-495-034-5120-045           | 4,485.00                | 7/1/09               | 6/30/10               | (464,797.00)             |                 |               | (524,445.00)           |                                               | (524,445.00)          |                  |                    |                           | (524,445.00)                               |
| Reimbursed TPAF Social Security Contribution             | 09-495-034-5120-073           | 524,445.00              | 7/1/09               | 6/30/10               | (87,055.78)              |                 | 1,741,587.92  | (1,833,323.12)         |                                               | (87,736.32)           |                  |                    |                           | (1,833,323.12)                             |
| Reimbursed TPAF Social Security Contribution             | 10-495-034-5095-002           | 1,833,323.12            | 7/1/09               | 6/30/10               |                          |                 | 7,481,424.96  | (7,575,882.12)         | (34,205.00)                                   | (634,725.32)          |                  |                    | 694,571.00                | (7,575,882.12)                             |
| Special Revenue Funds:                                   |                               |                         |                      |                       |                          |                 |               |                        |                                               |                       |                  |                    |                           |                                            |
| Character Education                                      | 06-100-034-5120-418           | 9,563.00                | 7/1/05               | 6/30/06               |                          |                 | 295.44        |                        |                                               | (8,755.00)            |                  |                    |                           |                                            |
| Adult Extension Grant                                    | 06-FB01-H03                   | 279,221.00              | 4/4/07               | 6/30/08               | (8,755.00)               |                 |               |                        |                                               |                       | 295.44           |                    |                           |                                            |
| N.J. NonPublic Aid:                                      |                               |                         |                      |                       |                          |                 |               |                        |                                               |                       |                  |                    |                           |                                            |
| Hillside Services:                                       |                               |                         |                      |                       |                          |                 |               |                        |                                               |                       |                  |                    |                           |                                            |
| Corrective Speech                                        | 09-100-034-5120-066           | 9,300.00                | 7/1/08               | 6/30/09               |                          |                 | 7,085.00      |                        | (7,086.00)                                    |                       |                  |                    |                           |                                            |
| Examination and Classification                           | 10-100-034-5120-068           | 7,174.00                | 7/1/09               | 6/30/10               |                          |                 | 4,202.00      | (2,600.46)             |                                               |                       |                  | 4,573.54           |                           | (2,600.46)                                 |
| Examination and Classification                           | 10-100-034-5120-068           | 4,202.00                | 7/1/09               | 6/30/10               |                          |                 | 2,652.33      | (1,645.10)             | (2,652.33)                                    |                       |                  | 2,556.90           |                           | (1,645.10)                                 |
| Supplemental Instruction                                 | 09-100-034-5120-068           | 3,978.00                | 7/1/08               | 6/30/09               |                          |                 | 796.00        | (796.00)               | (485.60)                                      |                       |                  |                    |                           | (796.00)                                   |
| Supplemental Instruction                                 | 10-100-034-5120-068           | 796.00                  | 7/1/09               | 6/30/10               |                          |                 |               |                        |                                               |                       |                  |                    |                           |                                            |
| Supply Services:                                         |                               |                         |                      |                       |                          |                 |               |                        |                                               |                       |                  |                    |                           |                                            |
| ESL                                                      | 09-100-034-5120-067           | 685.00                  | 7/1/09               | 6/30/10               |                          |                 | 685.00        | (685.00)               |                                               |                       |                  |                    |                           | (685.00)                                   |
| ESL                                                      | 10-100-034-5120-067           | 406.00                  | 7/1/08               | 6/30/09               | (101.00)                 |                 | 101.00        |                        |                                               |                       |                  |                    |                           |                                            |
| Compensatory Education                                   | 09-100-034-5120-067           | 3,938.00                | 7/1/09               | 6/30/10               |                          |                 | 3,938.00      | (3,938.00)             |                                               |                       |                  |                    |                           | (3,938.00)                                 |
| Compensatory Education                                   | 10-100-034-5120-067           | 5,972.00                | 7/1/08               | 6/30/09               |                          |                 | 2,597.88      | (2,597.88)             | (2,597.88)                                    |                       |                  | 423.68             |                           | (2,597.88)                                 |
| Nonpublic Textbook Aid                                   | 09-100-034-5120-064           | 1,330.00                | 7/1/08               | 6/30/09               |                          |                 | 3,190.00      | (2,765.32)             | (60.88)                                       |                       |                  |                    |                           | (2,765.32)                                 |
| Nonpublic Textbook Aid                                   | 10-100-034-5120-064           | 1,330.00                | 7/1/09               | 6/30/10               |                          |                 | 3,011.00      | (3,011.00)             |                                               |                       |                  |                    |                           | (3,011.00)                                 |
| Nonpublic Nursing Services                               | 10-100-034-5120-070           | 3,011.00                | 7/1/08               | 6/30/10               |                          |                 |               |                        |                                               |                       |                  |                    |                           |                                            |
| Deaf Services Fund:                                      |                               |                         |                      |                       |                          |                 |               |                        |                                               |                       |                  |                    |                           |                                            |
| Deaf Services Aid - Type II                              | 10-100-034-5120-125           | 265,630.01              | 7/1/09               | 6/30/10               | (8,856.00)               | 295.44          | 22,897.00     | (15,341.89)            | (12,865.19)                                   | (8,755.00)            | 295.44           | 7,554.12           |                           | (15,341.89)                                |
| Enterprise Fund:                                         |                               |                         |                      |                       |                          |                 |               |                        |                                               |                       |                  |                    |                           |                                            |
| National School Lunch Program (State Share)              | 09-100-010-3350-023           | 13,016.06               | 7/1/08               | 6/30/09               | (2,791.10)               |                 | 265,630.00    | (265,630.00)           |                                               |                       |                  |                    |                           | (265,630.00)                               |
| National School Lunch Program (State Share)              | 10-100-010-3350-023           | 13,832.04               | 7/1/08               | 6/30/10               |                          |                 | 9,791.10      |                        |                                               | (1,375.28)            |                  |                    |                           | (1,375.28)                                 |
| National School Lunch Program (State Share)              |                               |                         |                      |                       |                          |                 | 12,567.36     | (13,932.64)            |                                               |                       |                  |                    |                           | (13,932.64)                                |
| National School Lunch Program (State Share)              |                               |                         |                      |                       |                          |                 | 15,348.46     | (13,932.64)            |                                               | (1,375.28)            |                  |                    |                           | (1,375.28)                                 |
| Total State Financial Assistance Subject to Single Audit |                               |                         |                      |                       |                          | 295.44          | 7,795,400.02  | (7,870,786.64)         | (47,070.19)                                   | (644,855.60)          | 295.44           | 7,554.12           | 694,571.00                | (7,870,786.64)                             |
| General Fund:                                            |                               |                         |                      |                       |                          |                 |               |                        |                                               |                       |                  |                    |                           |                                            |
| On-Behalf TPAF Non-Contributory Insurance                | 10-495-034-5095-007           | 79,756.00               | 07/01/09             | 06/30/10              |                          |                 | 79,756.00     | (79,756.00)            |                                               |                       |                  |                    |                           | (79,756.00)                                |
| On-Behalf TPAF Post-Retirement Medical Benefits          | 10-495-034-5095-001           | 1,487,864.00            | 07/01/09             | 06/30/10              |                          |                 | 1,487,864.00  | (1,487,864.00)         |                                               |                       |                  |                    |                           | (1,487,864.00)                             |
| Total State Financial Assistance                         |                               |                         |                      |                       |                          |                 | 9,353,122.02  | (9,448,536.64)         | (47,070.19)                                   | (644,855.60)          | 295.44           | 7,554.12           | 694,571.00                | (9,448,536.64)                             |

See accompanying notes to schedules of financial assistance.

**Flemington-Raritan Regional School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2010**

**NOTE 1:     GENERAL**

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

**NOTE 2:     BASIS OF ACCOUNTING**

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

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

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

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

**Flemington-Raritan Regional School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2010**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$34,205.00) for the general fund and (\$112,254.75) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

|                                        | <u>Federal</u>        | <u>State</u>          | <u>Total</u>           |
|----------------------------------------|-----------------------|-----------------------|------------------------|
| General Fund                           | \$672,228.00          | \$9,119,399.12        | \$9,791,627.12         |
| Special Revenue Fund                   | 1,106,671.19          | 17,280.16             | 1,123,951.35           |
| Debt Service Fund                      |                       | 265,630.00            | 265,630.00             |
| Food Service Fund                      | 234,947.18            | 13,932.64             | 248,879.82             |
|                                        | <u>234,947.18</u>     | <u>13,932.64</u>      | <u>248,879.82</u>      |
| Total Awards &<br>Financial Assistance | <u>\$2,013,846.37</u> | <u>\$9,416,241.92</u> | <u>\$11,430,088.29</u> |

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

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

**NOTE 5: OTHER**

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2010. 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, 2010.

**NOTE 6: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a state single audit, and therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of state financial assistance reported in the Commission's basic financial statements and the amounts subject to state single audit and major program determination

**Flemington-Raritan Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2010**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

- |     |                                                                                        |               |
|-----|----------------------------------------------------------------------------------------|---------------|
| (1) | Type of Auditor’s Report Issued:                                                       | Unqualified   |
| (2) | Internal Control Over Financial Reporting:                                             |               |
| (a) | Material weakness identified?                                                          | No            |
| (b) | Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| (3) | Noncompliance material to basic financial statements noted?                            | No            |

**Federal Program(s)**

- |     |                                                                                                                        |               |
|-----|------------------------------------------------------------------------------------------------------------------------|---------------|
| (1) | Internal Control Over Major Federal Programs:                                                                          |               |
| (a) | Material weakness identified?                                                                                          | No            |
| (b) | Significant deficiencies identified that are not considered to be material weaknesses?                                 | None Reported |
| (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 Section.510(a) of Circular OMB A-133? | None Reported |



**Flemington-Raritan Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2010**

**Section I – Summary of Auditor’s Results (Continued)**

**Federal Program(s) (Continued)**

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

| <u>Program</u>         | <u>Grant<br/>Number</u> | <u>Grant Period</u> |           | <u>Type</u> | <u>Award<br/>Amount</u> | <u>Expended FY '10</u> |
|------------------------|-------------------------|---------------------|-----------|-------------|-------------------------|------------------------|
|                        |                         | <u>From</u>         | <u>To</u> |             |                         |                        |
| ARRA - SFSF - ESF      | 84.394                  | 7/1/09              | 6/30/10   | A           | \$647,175.00            | \$647,175.00           |
| ARRA - SFSF - GSF      | 84.397                  | 7/1/09              | 6/30/10   | B           | 25,053.00               | 25,053.00              |
| IDEA Part B            | 84.027                  | 9/1/09              | 8/31/10   | A           | 693,328.00              | 549,746.22             |
| IDEA Part B - extended | 84.027                  | 9/1/08              | 8/31/09   | B           | 685,763.00              | 68,195.73              |
| IDEA Preschool         | 84.173                  | 9/1/09              | 8/31/10   | B           | 32,639.00               | 32,639.00              |
| IDEA Part B - ARRA     | 84.391                  | 9/1/09              | 8/31/10   | B           | 759,792.00              | 291,706.50             |
| IDEA Preschool - ARRA  | 84.392                  | 9/1/09              | 8/31/10   | B           | 27,475.00               | 27,475.00              |

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$300,000.00

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

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

**Flemington-Raritan Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2010**

**Section I – Summary of Auditor’s Results (Continued)**

**State Program(s)**

(1) Internal Control Over Major State Programs:

- |     |                                                                                        |               |
|-----|----------------------------------------------------------------------------------------|---------------|
| (a) | Material weakness identified?                                                          | No            |
| (a) | Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |

|     |                                                                           |             |
|-----|---------------------------------------------------------------------------|-------------|
| (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? | None Reported |
|-----|-----------------------------------------------------------------------------------------------------------|---------------|

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

| Program                               | Grant<br>Number     | Grant Period |         | Type | Award<br>Amount | Expended FY '10 |
|---------------------------------------|---------------------|--------------|---------|------|-----------------|-----------------|
|                                       |                     | From         | To      |      |                 |                 |
| Extraordinary Special Education Aid   | 10-100-034-5120-473 | 7/1/09       | 6/30/10 | A    | \$524,445.00    | \$524,445.00    |
| Reimbursed TPAF Social Security Cont. | 10-495-034-5095-002 | 7/1/09       | 6/30/10 | A    | 1,833,323.12    | 1,833,323.12    |
| Transportation Aid                    | 10-495-034-5120-014 | 7/1/09       | 6/30/10 | A    | 816,742.00      | 816,742.00      |
| Debt Service Aid                      | 10-495-034-5120-017 | 7/1/09       | 6/30/10 | B    | 265,630.00      | 265,630.00      |

(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**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2010**

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

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

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

Federal Programs – None Reported

State Programs – None Reported

**Flemington-Raritan Regional School District**

**Schedule of Prior Year Audit Findings**

Not Applicable

