

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF RANDOLPH**

**Township of Randolph School District
Randolph, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011**

**Comprehensive Annual
Financial Report**

of the

Township of Randolph School District

Randolph, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by

**Township of Randolph School District
Board of Education**

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2011

INTRODUCTORY SECTION

Letter of Transmittal 1
Organizational Chart 6
Roster of Officials 7
Consultants and Advisors 8

FINANCIAL SECTION..... 9

Independent Auditors' Report..... 10

Required Supplementary Information..... 12
Management's Discussion and Analysis (Unaudited) 13

Basic Financial Statements (Sections A. and B.) 23

A. District-Wide Financial Statements 24
A-1 Statement of Net Assets 25
A-2 Statement of Activities 26

B. Fund Financial Statements..... 28
B-1 Balance Sheet – Governmental Funds 29
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance –
Governmental Funds 31
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities 32
B-4 Statement of Net Assets – Proprietary Funds 33
B-5 Statement of Revenue, Expenses and Changes in Fund Net
Assets – Proprietary Funds 34
B-6 Statement of Cash Flows – Proprietary Funds 35
B-7 Statement of Fiduciary Net Assets – Fiduciary Funds 36
B-8 Statement of Changes in Fiduciary Net Assets – Fiduciary Funds 37

Notes to the Basic Financial Statements 38

Supplementary Schedules (Sections C. to I.)

C. Budgetary Comparison Schedules (Unaudited)..... 60
C-1 Budgetary Comparison Schedule – General Fund 71
C-2 Combining Budgetary Schedule – Special Revenue Fund 72
C-3 Budget-to-GAAP Reconciliation – Notes to Required Supplementary Information 73

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

FINANCIAL SECTION (Cont'd)

D. School Level Schedules (Not Applicable).....	75
E. Special Revenue Fund	76
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	77
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund.....	82
F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance.....	83
F-1a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Construct Additions, Renovations and Alterations at Randolph High School	84
F-1c Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Fernbrook Elementary School - Fire Alarm Upgrade and Floor Replacement	85
F-1d Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Ironia Elementary School - Lighting and Ceiling Replacement.....	86
F-1e Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Randolph Middle School - Window Repairs.....	87
F-1f Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Randolph High School – Rehabilitation - Barrier Free Upgrades to Toilets.....	88
G. Proprietary Funds.....	89
Enterprise Funds:	
G-1 Combining Statement of Net Assets	90
G-2 Combining Statement of Revenue, Expenses and Changes in Fund Net Assets	91
G-3 Combining Statement of Cash Flows.....	92
H. Fiduciary Funds	93
H-1 Combining Statement of Fiduciary Net Assets.....	94
H-2 Statement of Changes in Fiduciary Net Assets.....	95
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements.....	96
H-4 Student Activity Agency Fund Statement of Activity	97
H-5 Payroll Agency Fund Schedule of Receipts and Disbursements	98
I. Long-Term Debt.....	99
I-1 Schedule of Serial Bonds.....	100
I-2 Schedule of Obligations Under Capital Leases.....	102
I-3 Debt Service Fund Budgetary Comparison Schedule (Unaudited).....	103
J. STATISTICAL SECTION (Unaudited)	104
J-1 Net Assets by Component.....	105
J-2 Changes in Net Assets	106
J-3 Fund Balance – Governmental Funds.....	108
J-4 Changes in Fund Balances – Governmental Funds	109
J-5 General Fund Other Local Revenue by Source	111

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

J.	STATISTICAL SECTION (Unaudited) (Cont'd)	
J-6	Assessed Value and Actual Value of Taxable Property.....	112
J-7	Direct and Overlapping Property Taxpayers	113
J-8	Principal Property Taxpayers.....	114
J-9	Property Tax Levies and Collections	115
J-10	Ratio of Outstanding Debt by Type	116
J-11	Ratios of Net General Bonded Debt Outstanding	117
J-12	Ratios of Overlapping Governmental Activities Debt.....	118
J-13	Legal Debt Margin.....	119
J-14	Demographic and Economic Statistics	120
J-15	Principal Employers.....	121
J-16	Full-Time Equivalent District Employees by Function/Program	122
J-17	Operating Statistics	123
J-18	School Building Information	124
J-19	Schedule of Required Maintenance for School Facilities.....	125
J-20	Insurance Schedule	126
K.	SINGLE AUDIT SECTION.....	127
K-1	Independent Auditors' Report Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	128
K-2	Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04.....	130
	Schedule of Expenditures of Federal Awards.....	132
	Schedule of Expenditures of State Awards.....	133
	Notes to the Schedules of Expenditures of Federal and State Awards	135
	Schedule of Findings and Questioned Costs.....	137
	Summary Schedule of Prior Audit Findings	139

INTRODUCTORY SECTION

RANDOLPH TOWNSHIP SCHOOLS

25 School House Road, Randolph, NJ 07869

(973) 361-0808

Fax (973) 361-2405

Dr. David Browne
Superintendent of Schools

Michael S. Neves
Business Administrator
Board Secretary

Ms. Jennifer Fano
Assistant Superintendent of Curriculum and Instruction

October 7, 2011

The Honorable President and Members
of the Board of Education
Township of Randolph School District
County of Morris, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Township of Randolph School District (the "District") for the fiscal year ended June 30, 2011, 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 Board of Education (the "Board"). 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 basic financial statements and results of operations 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 Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, 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 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Township of Randolph School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Township of Randolph School District and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12 for the students residing in Randolph Township. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2010-11 fiscal year with an enrollment of 5,294 students, which is a decrease of 123 students from the previous year's enrollment.

The Honorable President and Members
of the Board of Education
Township of Randolph School District
Page 2
October 7, 2011

The following details the changes in student enrollment over the last ten years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u> <u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	5,294	-2.27%
2009-2010	5,417	-1.76%
2008-2009	5,514	-1.02%
2007-2008	5,571	0.40%
2006-2007	5,549	0.20%
2005-2006	5,538	-0.34%
2004-2005	5,557	1.18%
2003-2004	5,492	-0.47%
2002-2003	5,518	3.98%
2001-2002	5,307	1.57%

2) ECONOMIC CONDITION AND OUTLOOK: The Randolph Township School District has weathered the recent period of difficult economic conditions in relatively good shape. While the District's enrollment trend continues to be downward and the nation's economic outlook remains uncertain, Randolph likely will be able to maintain a relatively high standard of economic well-being.

3) MAJOR INITIATIVES: During the 2010-2011 school year, the Randolph Township School District continued the comprehensive review and revision of district curricula, according to parameters set forth in the 5 year curriculum review cycle, approved each year by the Board of Education. Along with each new or newly revised curriculum, new textbooks and materials were purchased, and training of teachers to implement new curricular elements was provided.

The District added several new components to the program of educational technology available to students and staff members. Workshops on the integration of the new technologies into the curriculum are provided by the collaborative partnerships with several organizations. The District investigated and adopted a Learning Management System that has enabled online coursework to be delivered to students. All Middle School and High School labs were refurbished, and elementary computer labs were updated to enable their use in the delivery of newly developed curricula.

Professional development opportunities continue to be provided for all new curriculum initiatives. Elementary School teachers in several curricular areas were trained in the use of remediation strategies specific to State assessment instruments, one factor in improving student performance on these assessments. Teachers were provided with opportunities to attend workshops in-district, out-of-district, and after school hours. The District administration was provided with professional development in several curricular areas, to mirror training provided to instructional staff. The District is also contracting with a provider of professional development and educational support material across the curriculum, with an emphasis on problem-based instruction that incorporates higher-order thinking skills.

The Honorable President and Members
of the Board of Education
Township of Randolph School District
Page 3
October 7, 2011

The District continues to improve the delivery of education and related services to students with unique special education needs. Resources have been provided for the purchase of materials and the kind of targeted professional development likely to provide advancement for students and improvement in a facet of the program identified as an area for growth, in a growth area defined in our State Self-Assessment.

The District introduced new courses or revised curricula in a number of areas, accompanied by a series of curriculum writing sessions and staff development opportunities to ensure the effective delivery of revised course materials. Professional development opportunities are targeted to each of the four district board of education goals, including the improvement of the observation and evaluation of certificated staff, the use of data to drive decision making, the creation and maintenance of a student-focused culture in the schools, and the improvement of special education instruction and related services.

Randolph High School students continue to achieve at a rate commensurate with, and in many ways exceeding that of, their counterparts in Morris County. RHS has one of the highest percentages of students taking the AP examination and has a HSPA student passing rate of over 90% in all academic areas. New courses were added to the high school curriculum this year. In the middle school, elective cycle courses are being reviewed and will be modified to reflect a problem-based focus.

The District continues to offer a comprehensive array of award winning music and art programs. Our athletic initiatives are exceptional and our co-curricular clubs offer numerous and diverse opportunities to our student body, as we work to maintain the quality of a public education program second to none in the State of New Jersey.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system 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 system 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

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

The Honorable President and Members
of the Board of Education
Township of Randolph School District
Page 4
October 7, 2011

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and 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 fund balance restrictions, commitments and/or assignments at June 30, 2011.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds 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 state statute as detailed in "Notes to the Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found on J-20.

The Board is a member of the Pooled Insurance Program of New Jersey ("PIP"). The PIP is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost workers' compensation insurance coverage to their members. Additional information on the PIP is included in Note 10 to the Financial Statements.

9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board of Education at its last organization meeting. 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 and the related Federal OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

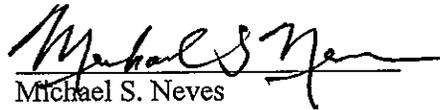
The Honorable President and Members
of the Board of Education
Township of Randolph School District
Page 5
October 7, 2011

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Randolph Township 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. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

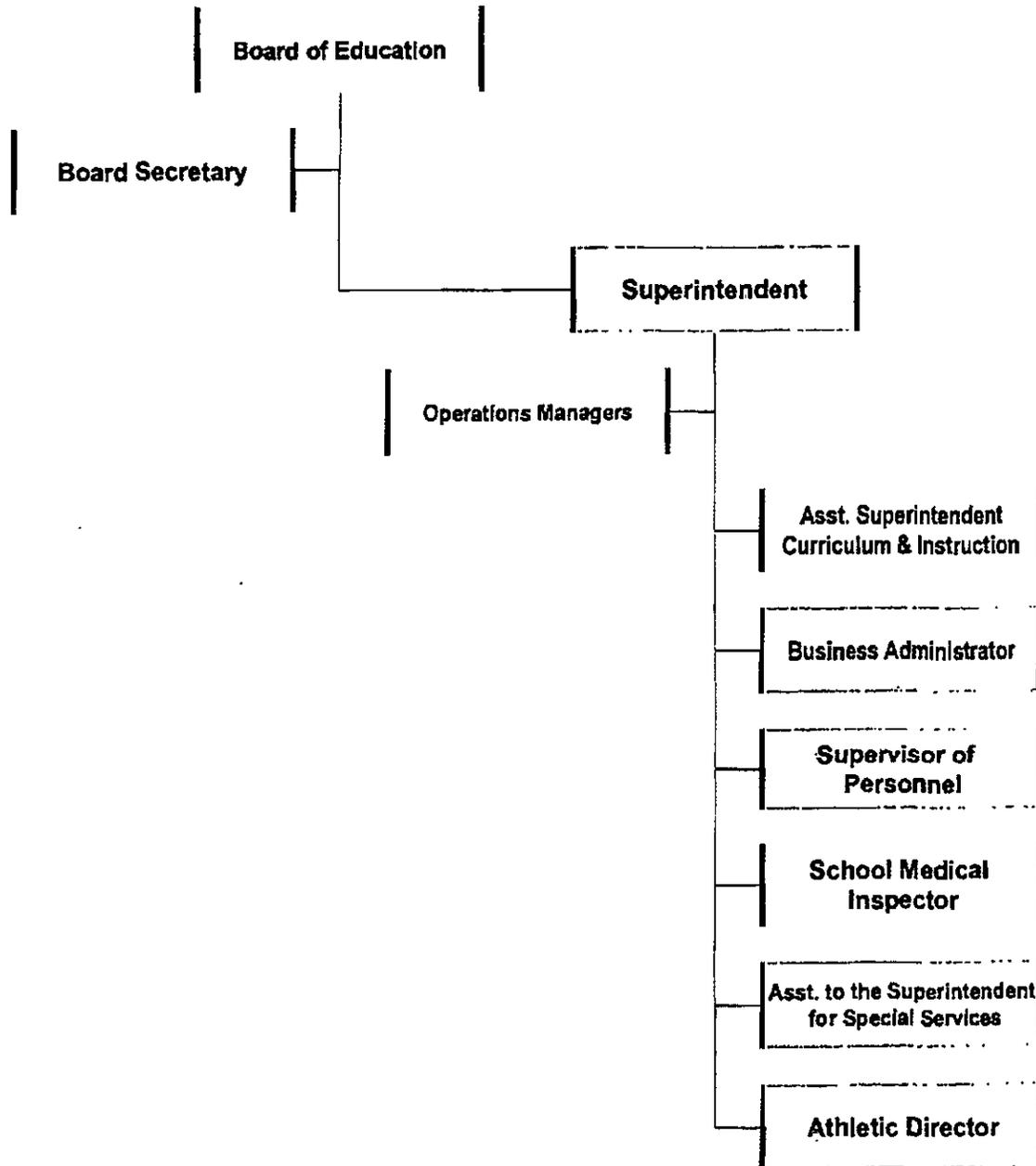


Dr. David Browne
Superintendent



Michael S. Neves
Business Administrator

Randolph Board of Education Organization Chart



**TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2011**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Amy Sachs, President	2013
Tammy MacKay, Vice President	2012
Maria Martorana	2012
Alfredo Matos	2013
Charles Mooney	2014
David Rosenblatt	2014
Harry Ruiz	2013
MaryAnn Spagnuolo	2014
Jeanne Stifelman	2012

<u>Other Officers</u>	<u>Title</u>
Dr. David Browne	Superintendent of Schools (from July 2011)
	Assistant Superintendent of Schools (to June 2011)
Owen M. Snyder	Superintendent of Schools (to June 2011)
Michael S. Neves	Business Administrator/Board Secretary
Michael Soccio	Treasurer of School Monies

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
Consultants and Advisors

Architect

Solutions Architecture, LLC
81 Clay Street, Second Floor Suite 2
Newark, NJ 07104

Attorney

Kenney, Gross, Kovats & Parton
The Courts of Red Bank
130 Maple Avenue
P.O. Box 8610
Red Bank, NJ 07701

Attorney

Parker McCay P.A.
1009 Lenox Drive
Building Four East
Suite 102A
Lawrenceville, NJ 08648

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, NJ 07856
and
Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

Official Depository

The Provident Bank
1185 Sussex Turnpike
Randolph, NJ 07869

FINANCIAL SECTION



Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973-328-1825 | 973-328-0507 Fax
Lawrence Business Center
11 Lawrence Road
Newton, NJ 07860
973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Township of Randolph School District
County of Morris, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Randolph Township School District (the "District") in the County of Morris as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Randolph Township School District in the County of Morris as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2011 on our consideration of the Board of Education of the Randolph Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Honorable President and Members
of the Board of Education
Township of Randolph School District
Page 2

The Management's Discussion and Analysis and the Budgetary Comparison Information on Exhibits C-1 through C-3 and I-3 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 Board of Education of the Randolph Township School District's basic financial statements. The accompanying introductory section, combining and individual fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the schedules of expenditures of federal and state awards 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 Nonprofit Organizations*; and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. The combining and individual fund financial statements, financial schedules and schedules of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

October 7, 2011
Mount Arlington, New Jersey


NISIVOCCIA LLP


Francis J. Jones, Jr.
Licensed Public School Accountant #1154
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management Discussion and Analysis (Unaudited)

This section of Township of Randolph School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial status improved on a district-wide basis and on a fund basis.
- Overall revenue was \$88.97 million.
- The net assets of the District's business-type activities increased by over \$246,000 primarily due to the reduced spending of the community school and the District's contractual agreement with a new food service management company.

Overview of the Financial Statements

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

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.
- *Notes to Financial Statements* provide additional information essential to full understanding of district-wide and fund financial statements.

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

**Figure A-1
Organization of Financial Report**

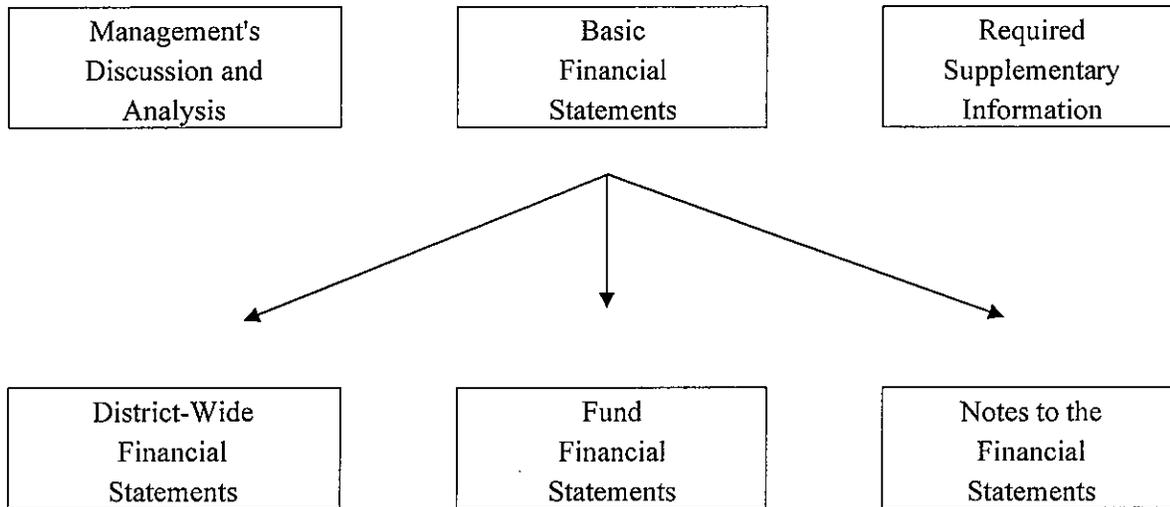


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).
- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.
- *Notes to the financial statements:* The notes provide information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Assets. The District's combined net assets totaled \$16,001,526, 74.85% more than the prior year. Net assets from governmental activities increased \$6,603,266 and the net assets from business-type activities increased \$246,895.

Figure A-3
Condensed Statement of Net Assets

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
Current and							
Other Assets	\$ 4,448,088	\$ 2,400,254	\$ 184,807	\$ 49,078	\$ 4,632,895	\$ 2,449,332	89.15%
Capital Assets	42,831,486	44,351,456	256,143	131,075	43,087,629	44,482,531	-3.14%
Total Assets	<u>47,279,574</u>	<u>46,751,710</u>	<u>440,950</u>	<u>180,153</u>	<u>47,720,524</u>	<u>46,931,863</u>	1.68%
Long-Term Debt							
Outstanding	29,864,433	34,473,070	11,541	15,664	29,875,974	34,488,734	-13.37%
Other Liabilities	1,539,096	3,005,861	303,928	285,903	1,843,024	3,291,764	-44.01%
Total Liabilities	<u>31,403,529</u>	<u>37,478,931</u>	<u>315,469</u>	<u>301,567</u>	<u>31,718,998</u>	<u>37,780,498</u>	-16.04%
Net Assets/(Deficit):							
Invested in Capital Assets, Net of Related Debt	13,509,486	10,958,139	256,143	131,075	13,765,629	11,089,214	24.14%
Restricted	2,331,829	404,663			2,331,829	404,663	476.24%
Unrestricted	<u>34,730</u>	<u>(2,090,023)</u>	<u>(130,662)</u>	<u>(252,489)</u>	<u>(95,932)</u>	<u>(2,342,512)</u>	95.90%
Total Net Assets	<u>\$ 15,876,045</u>	<u>\$ 9,272,779</u>	<u>\$ 125,481</u>	<u>\$ (121,414)</u>	<u>\$ 16,001,526</u>	<u>\$ 9,151,365</u>	74.85%

Changes in Net Assets. The District's combined net assets increased \$6,850,161 or 74.85% from the prior year. (See Figure A-4). The District's improved financial position came primarily from its governmental activities and capital additions. Net assets invested in capital assets increased \$2,676,415 mainly as a result of capital additions of \$925,050 and a decrease in net debt outstanding of \$4,071,317 less depreciation of \$2,319,796. Restricted net assets increased \$1,927,166 primarily due to an increase in reserve for encumbrances. Unrestricted net assets increased by \$2,246,580 as a result of reduced spending. Net assets from business-type activities increased \$246,895.

Figure A-4
Changes in Net Assets from Operating Results

	Governmental Activities	Business-Type Activities	Total School District	Governmental Activities	Business-Type Activities	Total School District	Percentage Change
	2010/11	2010/11	2010/11	2009/10	2009/10	2009/10	2010/11
Revenue:							
Program Revenue:							
Charges for Services	\$ 23,314	\$ 2,477,507	\$ 2,500,821	\$ 85,362	\$ 2,567,815	\$ 2,653,177	-5.74%
Operating Grants and Contributions	18,978,032	140,595	19,118,627	22,655,873	166,976	22,822,849	-16.23%
Capital Grants and Contributions	1,522		1,522	41,091		41,091	-96.30%
General Revenue:							
Property Taxes	67,044,175		67,044,175	63,021,404		63,021,404	6.38%
Other	304,059	617	304,676	238,367	1,962	240,329	26.77%
Total Revenue	86,351,102	2,618,719	88,969,821	86,042,097	2,736,753	88,778,850	0.22%
Expenses:							
Instruction	46,046,755		46,046,755	49,839,296		49,839,296	-7.61%
Pupil and Instruction Services	12,739,642		12,739,642	13,302,489		13,302,489	-4.23%
Administrative and Business	8,004,259		8,004,259	7,870,204		7,870,204	1.70%
Maintenance and Operations	7,062,793		7,062,793	7,283,583		7,283,583	-3.03%
Pupil Transportation	4,467,227		4,467,227	4,549,327		4,549,327	-1.80%
Other	1,427,160	2,897,720	4,324,880	1,551,330	2,966,980	4,518,310	-4.28%
Total Expenses	79,747,836	2,897,720	82,645,556	84,396,229	2,966,980	87,363,209	-5.40%
Transfers & Other							
Special Items		525,896	525,896	(100,000)	100,000		
Increase/(Decrease) in							
Net Assets	<u>\$ 6,603,266</u>	<u>\$ 246,895</u>	<u>\$ 6,850,161</u>	<u>\$ 1,545,868</u>	<u>\$ (130,227)</u>	<u>\$ 1,415,641</u>	383.89%

Revenue Sources. The District's total revenue for the 2010/11 school year was \$88,969,821. (See Figure A-5). Property taxes and grants and contributions accounted for most of the District's revenue, with local taxes accounting for \$67,044,175 of the total, or 75.36 percent. Another 21.49 percent came from grants and contributions and the remainder from miscellaneous sources and charges for services. The Township of Randolph School District basically conducts its operations from the revenues it receives from its local taxpayers and state funding.

Figure A-5
Sources of Revenue for Fiscal Year 2011

	<u>Amount</u>	<u>Percentage</u>
Sources of Income:		
State Formula Aid	\$ 10,900,487	12.25%
Property Taxes	67,044,175	75.36%
Federal and State Categorical Grants	8,219,662	9.24%
Charges for Services	2,500,821	2.81%
Other	304,676	0.34%
	<u>\$ 88,969,821</u>	<u>100.00%</u>

The total cost of all programs and services was \$82,645,556. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (76.54 percent). (See Figure A-6). The District's administrative and business activities accounted for 9.69 percent of total costs. The Township of Randolph School District operates 6 schools, an administration office, a child study team office, and a transportation building which results in maintenance costs of \$7,062,793 (8.55 percent).

Figure A-6
Expenses for Fiscal Year 2011

	<u>Amount</u>	<u>Percentage</u>
Expense Category:		
Instruction	\$ 46,046,755	55.72%
Pupil and Instruction Services	12,739,642	15.41%
Administrative and Business	8,004,259	9.69%
Maintenance and Operations	7,062,793	8.55%
Transportation	4,467,227	5.41%
Other	4,324,880	5.22%
	<u>\$ 82,645,556</u>	<u>100.00%</u>

Governmental Activities

As illustrated elsewhere in this document, the overall financial position of the District continues to improve, despite dramatic reductions in state aid. Through continued adherence to “best practices” (such as controlling costs and maximizing revenues) and judicious deployment of resources, the District has largely been able to overcome these revenue reductions and maintain, expand or improve existing programs while prudently adding new ones. However, despite the overall financial environment seeing some improvement of late, the future is still quite uncertain as to school funding and its potential impact on school district operations.

With that being the case, the District needs to continue to carefully and thoroughly evaluate all aspects of its ongoing programs and operations for efficiencies and to insure that any proposed new activities or program expansions are financially viable on a long-term basis prior to implementation. This effort will allow the District to continue to enhance the overall educational environment of its students while dealing with any financial adversities which arise.

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity’s net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District’s taxpayers by each of these functions:

Figure A-7
Net Cost of Governmental Activities

	Total Cost of Services <u>2010/2011</u>	Total Cost of Services <u>2009/2010</u>	Net Cost of Services <u>2010/2011</u>	Net Cost of Services <u>2009/2010</u>
Sources of Income:				
Instruction	\$ 46,046,755	\$ 49,839,296	\$30,701,278	\$32,054,854
Pupil and Instruction Services	12,739,642	13,302,489	10,658,478	11,514,838
Administrative and Business	8,004,259	7,870,204	7,542,653	7,428,776
Maintenance and Operations	7,062,793	7,283,583	6,720,172	6,926,707
Transportation	4,467,227	4,549,327	3,987,046	2,451,782
Other	1,427,160	1,551,330	1,135,341	1,236,946
	<u>\$ 79,747,836</u>	<u>\$ 84,396,229</u>	<u>\$ 60,744,968</u>	<u>\$ 61,613,903</u>

- The cost of all governmental activities this year was \$79.75 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$19.12 million).
- Most of the District’s costs were financed by District taxpayers (\$67.04 million).
- The remainder of the funding came from miscellaneous revenue, investment earnings, and charges for services (\$.30 million).

Business-Type Activities

Net assets from the District's business-type activity increased \$246,895. (Refer to Figure A-4). Factors contributing to these results included:

- Food service revenues and other financing sources (including a subsidy of \$375,896 and \$150,000 from the management company for the minimum guarantee and contributed capital, respectively) were greater than expenses by approximately \$168,400.
- Community School service revenues and investment earnings were greater than expenses by approximately \$78,500, accounting for all of the increase in the net assets of the Community School business-type activity.

Financial Analysis of the District's Funds

As mentioned previously, the District's financial position improved during the year. For the most part, the financial improvements were due to cost reductions, although there also was a slight increase in overall revenue. Governmental Activities and Business-Type Activities both made contributions to the improved finances of the District.

General Fund Budgetary Highlights

During the course of each school year, the District revises its annual operating budget as needed within permitted guidelines. During the year, budget amendments were made to budgetary line items in order to appropriate additional revenue and to account for changes in school-based needs for programs, supplies and equipment.

Capital Asset and Debt Administration

Figure A-8
Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10	
Land	\$ 3,465,955	\$ 3,465,955			\$ 3,465,955	\$ 3,465,955	0.00%
Buildings and Building Improvements	37,012,481	38,116,812			37,012,481	38,116,812	-2.90%
Machinery and Equipment	2,353,050	2,768,689	\$ 256,143	\$ 131,075	2,609,193	2,899,764	-10.02%
Total	\$ 42,831,486	\$ 44,351,456	\$ 256,143	\$ 131,075	\$ 43,087,629	\$ 44,482,531	-3.14%

Long-term Debt

At year-end, the District had \$29,322,000 in general obligation bonds outstanding which is shown net of deferred interest of \$392,277 – a reduction of \$2,705,965 from last year – as shown in Figure A-9. Capital Leases decreased by \$1,316,317 and other liabilities decreased by \$590,478 - as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-9
Outstanding Long-Term Debt

	Total School District		Total Percentage Change
	2010/2011	2009/2010	
General Obligation Bonds (Financed with Property Taxes)-Net of Refunding	\$ 28,929,723	\$ 31,635,688	-8.55%
Other Long-Term Liabilities	946,251	2,853,046	-66.83%
	<u>\$ 29,875,974</u>	<u>\$ 34,488,734</u>	-13.37%

Factors Bearing on the District's Future Revenue/Expense Changes

The most likely factors that will have a direct effect on future school district budgeting of both revenue and expenses will continue to be legislation and the overall economy. For example, legislators (as well as the courts) continue to debate about changes to the funding formula used to distribute State Aid. Changes in the formula could prove to either help or hurt the District financially. And while recent legislation increasing mandatory employee contributions towards the District's health benefit costs and capping the annual increase in the overall budget have helped to constrain the District's overall expenses, changes in the political powers that be could also result in revisions to these laws. As to the economy, the recent financial downturn has raised long-term concerns which effect how every household and organization looks at their finances. Of particular concern to the District is the recent period of decreasing real estate values. Due to it's substantial reliance on local property tax levies as its main source of revenue, decreased real estate values and tax bases can have a negative impact on future tax assessments and the ability to raise tax levies as needed. This concern will likely continue for the foreseeable future. It will probably be alleviated only when the economy stabilizes and begins an extended period of real growth, which, in turn, should have a positive effect on the housing market.

Other factors which will affect the District's finances going forward include the uncertainty of future increases to costs which the District does not have strict control over (such as health benefits, general insurance and utilities) as well as the degree to which overall costs exceed the allowable annual increase to the district's total budget (now set at 2.0% annually by law). In an ongoing effort to minimize the effect of these factors, the District continues to be focused on ways to improve it's revenue stream and control costs, as well as pursuing strategies where possible that can help mitigate some of the uncertainties that will certainly continue to exist.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 25 School House Road, Randolph, New Jersey 07869.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,803,947	\$ 360,470	\$ 2,164,417
Internal Balances	631,488	(631,488)	
Receivables from Other Governments	1,848,844	402,472	2,251,316
Prepaid Expenses		35,842	35,842
Inventory		17,511	17,511
Unamortized Bond			
Issuance Costs	163,809		163,809
Capital Assets, Net:			
Land	3,465,955		3,465,955
Depreciable Buildings and Building Improvements and Furniture, Machinery and Equipment	<u>39,365,531</u>	<u>256,143</u>	<u>39,621,674</u>
Total Assets	<u>47,279,574</u>	<u>440,950</u>	<u>47,720,524</u>
LIABILITIES			
Accrued Interest Payable	515,593		515,593
Unamortized Bond Premium	418,135		418,135
Accounts Payable - Vendors	555,621		555,621
Payable to Federal Government			
Payable to State Government	8,663		8,663
Deferred Revenue	41,084	303,928	345,012
Noncurrent Liabilities:			
Due Within One Year, net	2,935,620		2,935,620
Due Beyond One Year, net	<u>26,928,813</u>	<u>11,541</u>	<u>26,940,354</u>
Total Liabilities	<u>31,403,529</u>	<u>315,469</u>	<u>31,718,998</u>
NET ASSETS/(DEFICIT)			
Invested in Capital Assets, Net of Related Debt	13,509,486	256,143	13,765,629
Restricted for:			
Capital Projects	171,547		171,547
Debt Service	1		1
Other Purposes	2,160,281		2,160,281
Unrestricted	<u>34,730</u>	<u>(130,662)</u>	<u>(95,932)</u>
Total Net Assets	<u>\$ 15,876,045</u>	<u>\$ 125,481</u>	<u>\$ 16,001,526</u>

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction	\$ 46,046,755	\$ 23,314	\$ 15,322,163		\$ (30,701,278)		\$ (30,701,278)
Support Services:							
Tuition	3,323,275		1,373,220		(1,950,055)		(1,950,055)
Student & Instruction Related Services	9,416,367		707,944		(8,708,423)		(8,708,423)
General Administrative Services	2,172,630		81,592		(2,091,038)		(2,091,038)
School Administrative Services	3,754,154		288,931		(3,465,223)		(3,465,223)
Plant Operations and Maintenance	7,062,793		341,099	\$ 1,522	(6,720,172)		(6,720,172)
Pupil Transportation	4,467,227		480,181		(3,987,046)		(3,987,046)
Central Services	2,077,475		91,083		(1,986,392)		(1,986,392)
Interest on Long-Term Debt	1,315,793		291,819		(1,023,974)		(1,023,974)
Capital Outlay	80,615				(80,615)		(80,615)
Transfer of Funds to Charter Schools	30,752				(30,752)		(30,752)
Total Governmental Activities	79,747,836	23,314	18,978,032	1,522	(60,744,968)		(60,744,968)

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 1,537,117	\$ 1,038,877	\$ 140,595		\$ (357,645)	\$ (357,645)	
Community School	1,360,603	1,438,630			78,027	78,027	
Total Business-Type Activities	2,897,720	2,477,507	140,595		(279,618)	(279,618)	
Total Primary Government	\$ 82,645,556	\$ 2,500,821	\$ 19,118,627	\$ 1,522	\$ (60,744,968)	(279,618)	(61,024,586)
General Revenue:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					63,239,577	63,239,577	
Taxes Levied for Debt Service					3,804,598	3,804,598	
Investment Earnings					6,599	617	7,216
Miscellaneous Income					297,460	297,460	
Transfers & Other Special Items						525,896	525,896
Total General Revenue and Transfers					67,348,234	526,513	67,874,747
Change in Net Assets					6,603,266	246,895	6,850,161
Net Assets/(Deficit) - Beginning					9,272,779	(121,414)	9,151,365
Net Assets - Ending					\$ 15,876,045	\$ 125,481	\$ 16,001,526

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

FUND FINANCIAL STATEMENTS

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 1,803,946			\$ 1	\$ 1,803,947
Interfund Receivable:					
General Fund			\$ 128,934		128,934
Special Revenue Fund	352,256				352,256
Enterprise Funds - Food Service	633,539				633,539
Receivables From Other Governments:					
Federal		\$ 378,928			378,928
State	1,416,721	1,507	42,613		1,460,841
Local		9,075			9,075
Total Assets	\$ 4,206,462	\$ 389,510	\$ 171,547	\$ 1	\$ 4,767,520
 LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable - Vendors	\$ 554,114	\$ 1,507			\$ 555,621
Interfund Payable:					
General Fund		352,256			352,256
Capital Projects Fund	128,934				128,934
Enterprise Funds - Community School	2,051				2,051
Payable to State Government		8,663			8,663
Deferred Revenue	14,000	27,084			41,084
Total Liabilities	699,099	389,510			1,088,609

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances:					
Restricted for:					
Capital Projects Fund			\$ 7,148		\$ 7,148
Debt Service Fund				\$ 1	1
Committed:					
Capital Projects Fund			164,399		164,399
Assigned:					
Year End Encumbrances	\$ 2,160,281				2,160,281
Unassigned	1,347,082				1,347,082
Total Fund Balances	<u>3,507,363</u>		<u>171,547</u>	<u>1</u>	<u>3,678,911</u>
Total Liabilities and Fund Balances	<u>\$ 4,206,462</u>	<u>\$ 389,510</u>	<u>\$ 171,547</u>	<u>\$ 1</u>	

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$80,416,830 and the accumulated depreciation is \$37,585,344.	42,831,486
Long-term liabilities, such as bonds payable, capital leases, accrued compensated absences and pension deferral, are not due and payable in the current period and therefore are not reported as liabilities in the Funds. Deferred interest costs are not reported as expenditures in the governmental funds in the year of the expenditure. The deferred interest is \$686,487 and accumulated amortization is \$294,210.	(29,864,433)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(515,593)
Bond issuance costs are reported as expenditures in the governmental funds in the year of the expenditure. The cost is \$323,332 and accumulated amortization is \$159,523.	163,809
Bond Issuance premiums are not reported as expenditures in the governmental funds in the year of the expenditure. The premium is \$731,735 and accumulated amortization is \$313,600.	<u>(418,135)</u>
Net Assets of Governmental Activities	<u>\$ 15,876,045</u>

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 63,239,577			\$ 3,804,598	\$ 67,044,175
Tuition Charges	23,314				23,314
Miscellaneous	304,059	\$ 105,189			409,248
Total - Local Sources	63,566,950	105,189		3,804,598	67,476,737
State Sources	17,096,497	106,758	\$ 1,522	291,819	17,496,596
Federal Sources		1,377,769			1,377,769
Total Revenue	<u>80,663,447</u>	<u>1,589,716</u>	<u>1,522</u>	<u>4,096,417</u>	<u>86,351,102</u>
EXPENDITURES					
Current:					
Regular Instruction	26,340,715	256,906			26,597,621
Special Education Instruction	4,709,197	1,046,829			5,756,026
Other Special Instruction	671,541				671,541
Other Instruction	1,541,783				1,541,783
Support Services and Undistributed Costs:					
Tuition	2,969,102	262,549			3,231,651
Student & Instruction Related Services	6,997,647				6,997,647
General Administrative Services	1,830,914				1,830,914
School Administrative Services	2,706,734				2,706,734
Plant Operations and Maintenance	5,701,673				5,701,673
Pupil Transportation	3,706,773				3,706,773
Central Services	675,635				675,635
Administrative Information Technology	623,052				623,052
Unallocated Benefits	17,540,874				17,540,874
Debt Service:					
Principal				2,755,000	2,755,000
Interest and Other Charges				1,341,416	1,341,416
Capital Outlay	1,498,339	23,432	3,805		1,525,576
Transfer of Funds to Charter Schools	30,752				30,752
Total Expenditures	<u>77,544,731</u>	<u>1,589,716</u>	<u>3,805</u>	<u>4,096,416</u>	<u>83,234,668</u>
Excess/(Deficiency) of Revenue over Expenditures	<u>3,118,716</u>		<u>(2,283)</u>	<u>1</u>	<u>3,116,434</u>
OTHER FINANCING SOURCES					
Capital Leases (Non-Budgeted)	323,507				323,507
Total Other Financing Sources	<u>323,507</u>				<u>323,507</u>
Net Change in Fund Balances	3,442,223		(2,283)	1	3,439,941
Fund Balance—July 1	65,140		173,830		238,970
Fund Balance—June 30	<u>\$ 3,507,363</u>	<u>\$ - 0 -</u>	<u>\$ 171,547</u>	<u>\$ 1</u>	<u>\$ 3,678,911</u>

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 3,439,941
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 depreciation and deletions exceeded capital outlays in the period.		
	Depreciation expense	\$ (2,294,864)
	Deletions	(156)
	Capital outlays	<u>775,050</u>
		(1,519,970)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		282,427
Repayment of capital lease 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.		1,639,824
Proceeds from capital lease issues are an other financing source in the governmental funds, but they are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Assets.		(323,507)
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.		2,755,000
Repayment of the deferred pension liability 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.		303,928
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		41,867
The governmental funds report the effect of issuance costs, premiums and deferred interest when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		<u>(16,244)</u>
		<u>\$ 6,603,266</u>

Exhibit B-4

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF JUNE 30, 2011

	Business-type Activities - Enterprise Funds	
	Community School	Nonmajor Fund
<u>ASSETS:</u>		
Current assets:		
Cash and cash equivalents	\$ 360,470	
Accounts receivable:		
State		\$ 1,711
Federal		24,541
Other		376,220
Interfund receivable	2,051	
Prepaid expenses	35,842	
Inventories		17,511
Total current assets	<u>398,363</u>	<u>419,983</u>
Non-current assets:		
Capital assets	36,023	584,202
Accumulated depreciation	(9,006)	(355,076)
Total non-current assets	<u>27,017</u>	<u>229,126</u>
Total assets	<u>425,380</u>	<u>649,109</u>
<u>LIABILITIES:</u>		
Current liabilities:		
Interfund payable		633,539
Deferred revenue	299,398	4,530
Long-term liabilities:		
Compensated absences payable		11,541
Total Liabilities	<u>299,398</u>	<u>649,610</u>
<u>NET ASSETS/(DEFICIT):</u>		
Invested in capital assets net of related debt	27,017	229,126
Unrestricted	98,965	(229,627)
Total net assets	<u>\$ 125,982</u>	<u>\$ (501)</u>

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds	
	Community School	Nonmajor Fund
Operating revenue		
Local sources:		
Daily sales - reimbursable programs		\$ 419,344
Daily sales - non-reimbursable programs		576,867
Special functions		42,666
Community School - regular program fees	\$ 1,401,289	
Community School - summer program fees	37,341	
Total operating revenue	<u>1,438,630</u>	<u>1,038,877</u>
Operating expenses:		
Cost of sales		414,305
Salaries	943,544	536,927
Employee benefits	156,495	337,154
Purchased professional/technical services	44,416	
Other purchased services	133,098	30,000
Supplies and materials	59,325	23,655
Repairs		24,046
Miscellaneous	19,222	150,601
Depreciation	4,503	20,429
Total operating expenses	<u>1,360,603</u>	<u>1,537,117</u>
Operating income/(loss)	<u>78,027</u>	<u>(498,240)</u>
Non-operating revenue:		
State sources:		
State school lunch program		7,579
Federal sources:		
National school lunch program		115,658
Special milk program		2,843
Food distribution program		14,515
Local sources:		
Interest income	470	147
Total non-operating revenue	<u>470</u>	<u>140,742</u>
Change in net assets before operating transfers	78,497	(357,498)
Operating transfers in - food service contractor guarantee		375,896
Food service contractor capital improvement contribution		150,000
Change in net assets	78,497	168,398
Net assets/(Deficit) - beginning of year	<u>47,485</u>	<u>(168,899)</u>
Net assets/(Deficit) - end of year	<u>\$ 125,982</u>	<u>\$ (501)</u>

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds	
	Community School	Nonmajor Fund
Cash flows from operating activities:		
Receipts from customers	\$ 1,454,347	\$ 1,042,527
Payments to employees	(1,100,039)	(878,204)
Payments to suppliers	(260,041)	(627,045)
Net cash provided by/(used for) operating activities	<u>94,267</u>	<u>(462,722)</u>
Cash flows from investing activities:		
Interest income	470	147
Net cash provided by investing activities	<u>470</u>	<u>147</u>
Cash flows from noncapital financing activities:		
Cash received from state and federal reimbursements		107,796
Cash received from General Fund-Interfund	3,419	354,779
Net cash provided by/(used) for noncapital financing activities	<u>3,419</u>	<u>462,575</u>
Net increase in cash and cash equivalents	98,156	
Cash and cash equivalents, July 1	<u>262,314</u>	
Cash and cash equivalents, June 30	<u>\$ 360,470</u>	<u>\$ -0-</u>
Reconciliation of operating income/(loss) to net cash provided by/(used) for operating activities:		
Operating Income/(loss)	\$ 78,027	\$ (498,240)
Adjustment to reconcile operating Income/loss to cash provided by (used for) operating activities:		
Depreciation	4,503	20,429
Federal food distribution program		14,515
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable		3,650
(Increase)/decrease in inventory		(1,339)
(Increase)/decrease in prepaid expenses	(3,903)	
Increase/(decrease) in accounts payable	(77)	
Increase/(decrease) in deferred revenue	15,717	2,386
Increase/(decrease) in compensated absences payable		(4,123)
Net cash provided by/(used) for operating activities	<u>\$ 94,267</u>	<u>\$ (462,722)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$16,900 and utilized \$14,515 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2011.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	<u>Agency</u>	<u>Private Purpose Scholarship Trust</u>
<u>ASSETS:</u>		
Cash and cash equivalents	\$ 312,629	\$ 40,457
Total assets	<u>312,629</u>	<u>40,457</u>
<u>LIABILITIES:</u>		
Payroll deductions and withholdings	86,231	
Due to student groups	<u>226,398</u>	
Total liabilities	<u>312,629</u>	
<u>NET ASSETS:</u>		
Reserved for scholarships		<u>40,457</u>
Total net assets	<u>\$ - 0 -</u>	<u>\$ 40,457</u>

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Private Purpose Scholarship Trust</u>
Additions:	
Contributions:	
Other	\$ 6,050
Investment earnings:	
Interest	108
Total additions	6,158
Deductions:	
Scholarships awarded	13,111
Change in net assets	(6,953)
Net assets—beginning of the year	47,410
Net assets—end of the year	\$ 40,457

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

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significances) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, a middle school, a high school and a community school located in the Township of Randolph. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

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

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

B. Basis of Presentation (Cont'd):

to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, 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.

The District reports the following governmental funds:

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

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

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

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

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Continued)

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

B. Basis of Presentation: (Cont'd)

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

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund, and Private Purpose Scholarship Fund.

C. Measurement Focus and Basis of Accounting

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

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

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

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

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

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

Reports for the District's Enterprise Funds are prepared following the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The 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/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants receivable. SDA grants are recognized on the budgetary basis in full when they are awarded but are recognized on the GAAP basis as they are expended and requested for reimbursement.

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 80,232,606	\$ 1,600,076
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue whereas the GAAP Basis does not.		(10,360)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	1,422,393	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(991,552)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 80,663,447</u>	<u>\$ 1,589,716</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Expenditures" from the Budgetary Comparison Schedule	\$ 77,544,731	\$ 1,600,076
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(10,360)</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 77,544,731</u>	<u>\$ 1,589,716</u>
Explanation of Differences between Budgetary Revenues and Expenditures and GAAP Revenue and Expenditures:		
Reconciliation of Capital Projects Fund:		
Per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis)	\$ -0-	
SDA Grant Revenue Not Recognized on GAAP Basis	<u>1,522</u>	
Per Governmental Funds (GAAP)	<u>\$ 1,522</u>	

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

E. Cash and Cash Equivalents and Investments:

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

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

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

F. Interfund Transactions

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

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

G. Allowance for Uncollectible Accounts

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

H. Encumbrances:

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenue at fiscal year end.

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

H. Encumbrances (Cont'd)

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

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

	<u>Estimated Useful Life</u>
Buildings	30 years
Site Improvements	20 years
Furniture and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

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

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Continued)

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

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net assets, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bonds issuance costs, as well as applicable bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond discounts, as well as bond issuance costs, as expenditures in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2011.

N. 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 various employee contracts/agreements. Upon termination, employees are paid for accrued vacation. These employee contracts/agreements permit 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 applicable District employee contract/agreement.

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.

O. Deferred Revenue:

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned.

P. Fund Balance Appropriated:

General Fund: Of the \$3,507,363 General Fund fund balance at June 30, 2011, \$2,160,281 is assigned fund balance for year - end encumbrances; and there is \$1,347,082 as unassigned fund balance which is \$991,552 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2012.

Capital Projects Fund: Of the \$171,547 Capital Projects Fund fund balance at June 30, 2011, \$7,148 is restricted and \$164,399 is committed.

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

P. Fund Balance Appropriated (Cont'd)

Debt Service Fund: The \$1 Debt Service Fund fund balance at June 30, 2011 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had no excess surplus.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$991,552 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, Districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Deficit Net Assets:

The District has a deficit in unrestricted net assets in the Food Service Fund of \$229,627 at June 30, 2011.

R. 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 School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School 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.

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the current fiscal year. The objective of this standard is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions (as detailed in Note 1B). This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

Fund balance restrictions have been established for the Capital Projects and Debt Service Funds.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2011.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2011.

T. Revenue - Exchange and Nonexchange Transactions:

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

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

T. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

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

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. These revenues are food service sales and community school fees. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

V. Management Estimates:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

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

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit, and

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (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, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (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 statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2011, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents	Total
Checking and Savings Accounts	\$ 2,517,503	\$ 2,517,503

During the period ended June 30, 2011, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2011, was \$2,517,503 and the bank balance was \$5,238,331. The District had \$28,303 with the State of New Jersey Cash Management Fund that was not insured or registered.

NOTE 4: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2011, the District transferred \$627,545 to the capital outlay accounts. The transfers were made for equipment and therefore did not require approval from the County Superintendent.

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2011 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 3,465,955			\$ 3,465,955
Total Capital Assets Not Being Depreciated	<u>3,465,955</u>			<u>3,465,955</u>
Capital Assets Being Depreciated:				
Buildings and Building Improvements	62,692,694	\$ 396,373		63,089,067
Machinery and Equipment	13,502,881	378,677	\$ (19,750)	13,861,808
Total Capital Assets Being Depreciated	<u>76,195,575</u>	<u>775,050</u>	<u>(19,750)</u>	<u>76,950,875</u>
Governmental Activities Capital Assets	<u>79,661,530</u>	<u>775,050</u>	<u>(19,750)</u>	<u>80,416,830</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(24,575,882)	(1,500,704)		(26,076,586)
Machinery and Equipment	(10,734,192)	(794,160)	19,594	(11,508,758)
	<u>(35,310,074)</u>	<u>(2,294,864)</u>	<u>19,594</u>	<u>(37,585,344)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 44,351,456</u>	<u>\$(1,519,814)</u>	<u>\$ (156)</u>	<u>\$ 42,831,486</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 470,225	\$ 150,000		\$ 620,225
Less Accumulated Depreciation	(339,150)	(24,932)		(364,082)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 131,075</u>	<u>\$ 125,068</u>	<u>\$ -0-</u>	<u>\$ 256,143</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 882,076
Special Education Instruction	156,104
Other Special Instruction	22,228
Other Instruction	52,398
Tuition	91,624
Student and Instruction Related Services	233,204
General Administrative Services	103,120
School Administrative Services	89,636
Central Services	445,709
Operations and Maintenance of Plant	194,834
Student Transportation	23,931
	<u>\$ 2,294,864</u>

The District had active construction projects totaling \$20,499,280 as of June 30, 2011.

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 6. OPERATING LEASES

The District has commitments to lease copying equipment, mail equipment and bus garage space under operating leases which expire in 2011 through 2016. Total operating lease payments made during the year ended June 30, 2011 were \$349,008. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 317,932
2013	196,008
2014	43,112
2015	23,207
2016	<u>11,604</u>
Total Future Minimum Lease Payments	<u>\$ 591,863</u>

NOTE 7. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2011, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2010</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2011</u>
Bonds Payable	\$32,077,000		\$ 2,755,000	\$ 29,322,000
Less: Deferred Amount on Refunding	(441,312)		(49,035)	(392,277)
Net Serial Bonds Payable	<u>31,635,688</u>		<u>2,705,965</u>	<u>28,929,723</u>
Compensated Absences Payable	1,232,801	\$ 238,318	524,868	946,251
Capital Leases Payable	1,316,317	323,507	1,639,824	
PERS Deferral	<u>303,928</u>		<u>303,928</u>	
	<u>\$34,488,734</u>	<u>\$ 561,825</u>	<u>\$ 5,174,585</u>	<u>\$ 29,875,974</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. \$2,880,000 of bonds payable at June 30, 2011 are considered a current liability in the district wide financial statements. Bonds payable at June 30, 2011 are as follows:

<u>Maturity</u> <u>Date</u>	<u>Interest Rate</u>	<u>Amount</u>
03/15/2012	6.30%	\$ 675,000
02/01/2025	3.75-4.00%	14,357,000
08/01/2019	4.00-5.00%	<u>14,290,000</u>
		<u>\$29,322,000</u>

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 7. GENERAL LONG-TERM DEBT (Cont'd)

A. Bonds Payable: (Cont'd)

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

Year Ending June 30,	Bonds		Total
	Principal	Interest	
2012	\$ 2,880,000	\$ 1,221,580	\$ 4,101,580
2013	2,430,000	1,088,993	3,518,993
2014	2,490,000	985,093	3,475,093
2015	2,560,000	870,280	3,430,280
2016	2,625,000	750,330	3,375,330
2017	2,705,000	627,230	3,332,230
2018	2,775,000	509,680	3,284,680
2019	2,845,000	398,080	3,243,080
2020	1,940,000	303,180	2,243,180
2021	1,120,000	242,880	1,362,880
2022	1,170,000	198,080	1,368,080
2023	1,215,000	151,280	1,366,280
2024	1,270,000	102,680	1,372,680
2025	1,297,000	51,880	1,348,880
	<u>\$29,322,000</u>	<u>\$ 7,501,246</u>	<u>\$36,823,246</u>

Bonds Payable will be liquidated by the Debt Service Fund.

B. Bonds Authorized But Not Issued:

As of June 30, 2011, the Board had \$637 of bonds authorized but not issued.

C. Capital Leases Payable:

The District entered into leases for textbooks, computers, buses and maintenance equipment totaling \$2,441,511 in prior years. The capital leases were liquidated as of June 30, 2011.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds at June 30, 2011 is \$104,655 and is shown separately from the long-term liability balance of compensated absences of \$830,055.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, a liability of \$11,541 existed for compensated absences in the Food Service Fund.

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

D. Compensated Absences Payable: (Cont'd)

Compensated Absences Payable will be liquidated by the General Fund with the exception of the compensated absences in the Proprietary Funds, which will be liquidated by the Food Service Fund.

E. PERS Payment Deferral:

In accordance with P.L. 200, c19(S-21), regular and county vocational school districts had the option of either paying the full amount of their 2008-09 PERS liability or an amount that reflected a 50 percent reduction (deferral) in the district's 2008-09 regular pension liability. Districts that elected to defer 50 percent of the district's 2009 regular pension liability must begin repaying the deferred amount starting in April of 2012, over 15 years. The amount to be paid will fluctuate based on pension system investment earnings on the unfunded liability. Please note that N.J.S.A. 43:15A-24b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43:15A-6n) and currently is 8.25 percent. An amortization schedule has not been made available from the Division of Pensions and Benefits at this time. At any time, districts may pay off the deferred amount and to do so, should request a pay off amount from the Division of Pensions and Benefits. The District liquidated the PERS payment deferral as of June 30, 2011.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) and the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). The TPAF and the PERS are sponsored and administered by the State of New Jersey. The TPAF 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 Board and the system's other non-contribution employers. The PERS is also considered a cost-sharing, multiple-employer plan. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join the TPAF or the PERS. However, if an employee is ineligible to enroll in the TPAF or the PERS, the employee may be eligible to enroll in the DCRP.

Employees who are members of TPAF or PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. The DCRP provides eligible members with a tax- sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. Employee contributions are based on percentages of 5.50% for TPAF, PERS and DCRP of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

District Contributions to PERS amounted to \$1,058,982, \$786,938 and \$379,485 for the fiscal years ended June 30, 2011, 2010 and 2009, respectively.

During the fiscal years ended June 30, 2011, 2010 and 2009 the State of New Jersey contributed \$-0-, \$-0- and \$-0-, respectively, to the TPAF for normal pension benefits on-behalf of the District.

The employer and employee contributions to DCRP for the fiscal years ended June 30, 2011, 2010 and 2009 were \$-0-, \$-0- and \$-0-, respectively.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 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 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one-half of 1% of the active State payroll each year.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS, TPAF and the Alternate Benefit Program who retired from a Board of Education or County College with 25 years of service. In fiscal year 2010, the State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members.

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$2,358,987, \$2,222,363 and \$2,243,488 for 2011, 2010 and 2009, respectively.

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Continued)

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Health Benefits are provided by Horizon Blue Cross Blue Shield.

Property and Liability

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found on Exhibit J-20 in the Statistical section of this Comprehensive Annual Financial Report. The Township of Randolph School District is a member of the Pooled Insurance Program of New Jersey ("PIP"). This PIP provides its members with Workers' Compensation Insurance. The PIP is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the PIP are elected.

As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the PIP were to be exhausted, members would become responsible for their respective shares of the PIP's liabilities. The PIP can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The audit for the year ended June 30, 2011 was not available as of the date of this report.

Selected, summarized financial information for the PIP as of June 30, 2010 is as follows:

	<u>Pooled Insurance Program of New Jersey</u>
Total Assets	\$ 18,213,888
Net Assets	\$ 4,394,252
Total Revenue	\$ 7,706,329
Total Expenses	\$ 7,261,105
Net Assets Distribution to Participating Members	\$ 1,075,284
Change in Net Assets	\$ (630,060)

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 10. RISK MANAGEMENT (Continued)

Financial statements for the PIP are available at the Administrator's Office.

Burton Agency
44 Bergen Street
PO Box 270
Westwood, NJ 07675
(201) 664-0310

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District remits employee withholdings and employer's share of New Jersey Unemployment Compensation Insurance taxes to the State each pay period. The State makes all unemployment payments to former employees, and the District has no further liability.

NOTE 11. ECONOMIC DEPENDENCY

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

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2011.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 985,795	\$ 130,985
Special Revenue Fund		352,256
Capital Projects Fund	128,934	
Enterprise Fund	2,051	633,539
	<u>\$1,116,780</u>	<u>\$1,116,780</u>

The interfund between the General Fund and the Special Revenue Fund is the result of a cash deficit in the Special Revenue Fund due to the funding method for federally funded grants. The interfund between the Capital Projects Fund and the General Fund is the result of a cash advancement to the Capital Projects Fund not yet returned. The interfund between the General Fund and the Enterprise Fund is the result of a cash deficit in the Food Service Enterprise Fund. Also, the General Fund made disbursements throughout the year on behalf of the Food Service Enterprise Fund and the Community School Enterprise Fund.

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by Great American Plan Administrators, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plans offered by the District are as follows:

Equitable	Lincoln Investment Planning
Lincoln Financial Advisors	Vanguard
American General Financial Group (Valic)	Thomas Seely Agency
Retirement Annuity Consultants	

The District also offers an Internal Revenue Code Section 457 plan to its employees through MetLife.

NOTE 14. TAX CALENDAR

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

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

The District is periodically involved in claims and pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial statements of the District.

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 15. CONTINGENT LIABILITIES (Continued)

Encumbrances

At June 30, 2011, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 2,160,281	\$ 89,268	\$ 2,249,549

On the District's Governmental Funds Balance Sheet as of June 30, 2011, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$89,268 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as a reduction in grants receivables or an increase in deferred revenue in the Special Revenue Fund.

Arbitrage

The District may have a liability for arbitrage payable to the federal government relative to its school bond issues. The amount of liability at June 30, 2011, if any, is unknown.

BUDGETARY COMPARISON SCHEDULES

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 63,239,577		\$ 63,239,577	\$ 63,239,577	
Tuition				23,314	\$ 23,314
Interest Earned on Capital Reserve Funds	25		25		(25)
Interest on Investments				6,599	6,599
Miscellaneous	250,000		250,000	297,460	47,460
Total - Local Sources	<u>63,489,602</u>		<u>63,489,602</u>	<u>63,566,950</u>	<u>77,348</u>
State Sources:					
Equalization Aid	8,804,287	\$ (1,448,111)	7,356,176	7,356,176	
Categorical Special Education Aid	1,665,359	1,448,111	3,113,470	3,113,470	
Extraordinary Aid	105,000		105,000	1,110,671	1,005,671
Other State Aid - Non Public Transportation				53,001	53,001
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				111,063	111,063
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				2,358,987	2,358,987
TPAF Social Security (Reimbursed - Non-Budgeted)				2,562,288	2,562,288
Total State Sources	<u>10,574,646</u>		<u>10,574,646</u>	<u>16,665,656</u>	<u>6,091,010</u>
Total Revenues	<u>74,064,248</u>		<u>74,064,248</u>	<u>80,232,606</u>	<u>6,168,358</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 713,766	\$ (91,046)	\$ 622,720	\$ 622,720	
Grades 1-5 - Salaries of Teachers	8,913,495	(732,768)	8,180,727	8,180,727	
Grades 6-8 - Salaries of Teachers	6,752,744	(611,812)	6,140,932	6,140,932	
Grades 9-12 - Salaries of Teachers	8,846,543	(719,470)	8,127,073	8,127,073	
Regular Programs - Home Instruction:					
Salaries of Teachers	61,820	(2,207)	59,613	59,613	
Purchased Professional-Educational Services	20,000	(5,416)	14,584	14,239	\$ 345
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction		582,951	582,951	582,951	
Purchased Professional - Educational Services	93,800	8,848	102,648	102,648	
Purchased Technical Services	20,820	17,432	38,252	37,000	1,252
Other Purchased Services	298,107	(19,212)	278,895	250,588	28,307
General Supplies	1,262,877	449,369	1,712,246	1,383,637	328,609
Textbooks	380,712	449,785	830,497	800,393	30,104
Other Objects	37,720	4,738	42,458	38,194	4,264
Total Regular Programs - Instruction	<u>27,402,404</u>	<u>(668,808)</u>	<u>26,733,596</u>	<u>26,340,715</u>	<u>392,881</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	1,026,001	(342,208)	683,793	683,793	
Other Salaries for Instruction	248,917	(24,661)	224,256	224,256	
General Supplies	12,700	7,020	19,720	12,458	7,262
Total Learning and/or Language Disabilities	<u>1,287,618</u>	<u>(359,849)</u>	<u>927,769</u>	<u>920,507</u>	<u>7,262</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Auditory Impairments:					
General Supplies	\$ 3,150	\$ (217)	\$ 2,933	\$ 2,933	
Total Auditory Impairments	<u>3,150</u>	<u>(217)</u>	<u>2,933</u>	<u>2,933</u>	
Multiple Disabilities:					
Salaries of Teachers	90,500	(90,500)			
General Supplies	5,350	1,300	6,650	4,581	\$ 2,069
Total Multiple Disabilities	<u>95,850</u>	<u>(89,200)</u>	<u>6,650</u>	<u>4,581</u>	<u>2,069</u>
Resource Room/Resource Center:					
Salaries of Teachers	2,686,502	208,856	2,895,358	2,895,358	
Other Salaries for Instruction	436,609	22,304	458,913	458,913	
General Supplies	20,400	2,315	22,715	19,679	3,036
Total Resource Room/Resource Center	<u>3,143,511</u>	<u>233,475</u>	<u>3,376,986</u>	<u>3,373,950</u>	<u>3,036</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	215,872	10,670	226,542	226,542	
Other Salaries for Instruction	128,495	49,293	177,788	177,788	
General Supplies		13,203	13,203	2,896	10,307
Total Preschool Disabilities - Full-Time	<u>344,367</u>	<u>73,166</u>	<u>417,533</u>	<u>407,226</u>	<u>10,307</u>
Total Special Education - Instruction	<u>4,874,496</u>	<u>(142,625)</u>	<u>4,731,871</u>	<u>4,709,197</u>	<u>22,674</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	469,342	(28,042)	441,300	435,474	5,826
General Supplies	2,500	(1,221)	1,279	974	305
Textbooks	3,000		3,000	892	2,108
Total Basic Skills/Remedial - Instruction	<u>474,842</u>	<u>(29,263)</u>	<u>445,579</u>	<u>437,340</u>	<u>8,239</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 235,619		\$ 235,619	\$ 230,164	\$ 5,455
Other Purchased Services	2,100		2,100	483	1,617
General Supplies	5,739		5,739	2,423	3,316
Textbooks	2,562	\$ (1,372)	1,190	1,131	59
Total Bilingual Education - Instruction	246,020	(1,372)	244,648	234,201	10,447
School-Spon. Cocurricular Actvts. - Instruction:					
Salaries	390,863	2,565	393,428	373,782	19,646
Supplies and Materials	41,370	(2,664)	38,706	27,853	10,853
Other Objects	38,000	(203)	37,797	31,117	6,680
Total School-Spon. Cocurricular Actvts. - Instruction	470,233	(302)	469,931	432,752	37,179
School-Spon. Athletics - Instruction:					
Salaries	913,354	9,403	922,757	904,214	18,543
Purchased Services	132,709	342	133,051	93,815	39,236
Supplies and Materials	67,198	(1,805)	65,393	65,182	211
Other Objects	53,760	(7,940)	45,820	45,820	
Total School-Spon. Athletics - Instruction	1,167,021		1,167,021	1,109,031	57,990
Total Instruction	34,635,016	(842,370)	33,792,646	33,263,236	529,410
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	348,516	(50,456)	298,060	282,537	15,523
Tuition to County Voc. School District - Regular	165,335	116,774	282,109	282,109	
Tuition to County Voc. School District - Special	14,460	1,446	15,906	15,906	
Tuition to CSSD & Regional Day Schools	128,540	(10,140)	118,400	118,400	
Tuition to Private Schools for the Handicapped - Within State	1,802,934	478,244	2,281,178	2,213,263	67,915
Tuition - State Facilities	30,750	26,137	56,887	56,887	
Total Undistributed Expenditures - Instruction	2,490,535	562,005	3,052,540	2,969,102	83,438

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Health Services:					
Salaries	\$ 750,905	\$ 17,755	\$ 768,660	\$ 768,660	
Purchased Professional and Technical Services	18,695	(12,497)	6,198	3,806	\$ 2,392
Other Purchased Services	725		725	169	556
Supplies and Materials	23,850	1,227	25,077	21,931	3,146
Other Objects	4,408	(4,308)	100		100
Total Undistributed Expenditures - Health Services	<u>798,583</u>	<u>2,177</u>	<u>800,760</u>	<u>794,566</u>	<u>6,194</u>
Undist. Expend. - Speech, OT, PT, Related Services:					
Salaries	873,133	11,416	884,549	884,477	72
Purchased Professional - Educational Services	196,820	(4,164)	192,656	175,725	16,931
Supplies and Materials	3,000		3,000	197	2,803
Total Undist. Expend. - Speech, OT, PT, Related Services	<u>1,072,953</u>	<u>7,252</u>	<u>1,080,205</u>	<u>1,060,399</u>	<u>19,806</u>
Undist. Expend. - Other Supp. Serv. Students-Extraordinary:					
Salaries	464,070	(72,973)	391,097	391,097	
Purchased Professional - Educational Services	60,000	50,430	110,430	98,970	11,460
Total Undist. Expend. - Other Supp. Serv. Students-Extraordinary	<u>524,070</u>	<u>(22,543)</u>	<u>501,527</u>	<u>490,067</u>	<u>11,460</u>
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	1,184,671	(100,581)	1,084,090	1,084,090	
Salaries of Secretarial and Clerical Assistants	206,496		206,496	206,495	1
Other Purchased Prof. and Tech. Services	15,920		15,920	10,515	5,405
Other Purchased Services	850		850	7	843
Supplies and Materials	24,900	(4,205)	20,695	11,832	8,863
Other Objects	1,040		1,040		1,040
Total Undist. Expend. - Guidance	<u>1,433,877</u>	<u>(104,786)</u>	<u>1,329,091</u>	<u>1,312,939</u>	<u>16,152</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	\$ 1,592,243	\$ (187,294)	\$ 1,404,949	\$ 1,404,525	\$ 424
Salaries of Secretarial and Clerical Assistants	159,870	(5,526)	154,344	154,344	
Purchased Professional - Educational Services	51,241	3,164	54,405	45,020	9,385
Other Purchased Prof. and Tech. Services		2,000	2,000	1,499	501
Miscellaneous Purchased Services (400-500 series)	7,155	(1,225)	5,930	1,445	4,485
Supplies and Materials	15,000		15,000	8,163	6,837
Other Objects		225	225	225	
Total Undist. Expend. - Child Study Team	<u>1,825,509</u>	<u>(188,656)</u>	<u>1,636,853</u>	<u>1,615,221</u>	<u>21,632</u>
Undist. Expend. - Improvement of Inst. Serv.:					
Salaries of Supervisor of Instruction	966,750	(58,231)	908,519	908,519	
Salaries of Other Professional Staff	52,000	(32,635)	19,365	19,365	
Salaries of Secretarial and Clerical Assistants	62,916		62,916	62,916	
Purchased Professional - Educational Services	4,500	(1,711)	2,789	2,784	5
Other Purchased Services	6,050	(4,688)	1,362	391	971
Supplies and Materials	5,200	(1,669)	3,531	3,036	495
Other Objects	2,300	(1,266)	1,034	934	100
Total Undist. Expend. - Improvement of Inst. Serv.	<u>1,099,716</u>	<u>(100,200)</u>	<u>999,516</u>	<u>997,945</u>	<u>1,571</u>
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	604,967	(47,498)	557,469	557,469	
Supplies and Materials	122,300	(12,105)	110,195	94,241	15,954
Other Objects	31,000	(27,055)	3,945	3,640	305
Total Undist. Expend. - Edu. Media Serv./Sch. Library	<u>758,267</u>	<u>(86,658)</u>	<u>671,609</u>	<u>655,350</u>	<u>16,259</u>
Undist. Expend. - Instructional Staff Training Serv.:					
Salaries of Supervisors of Instruction	50,884	(4,562)	46,322	46,322	
Other Salaries		1,754	1,754	1,041	713
Purchased Professional - Educational Services	48,300	1,180	49,480	23,647	25,833
Other Purchased Services (400-500 series)	550	159	709	150	559
Total Undist. Expend. - Instructional Staff Training Serv.	<u>99,734</u>	<u>(1,469)</u>	<u>98,265</u>	<u>71,160</u>	<u>27,105</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. - General Admin.:					
Salaries	\$ 747,908		\$ 747,908	\$ 747,907	\$ 1
Legal Services	400,810	\$ 154,752	555,562	553,285	2,277
Audit Fees	50,000	1,550	51,550	31,000	20,550
Other Purchased Professional Services	25,000	31,522	56,522	42,722	13,800
Purchased Technical Services		26,050	26,050	17,861	8,189
Communications/Telephone	294,808	(113,266)	181,542	174,748	6,794
Other Purchased Services (400-500 series)	297,451	(89,016)	208,435	187,720	20,715
BOE Membership Dues and Fees	31,450		31,450	26,663	4,787
General Supplies	39,400	(395)	39,005	29,542	9,463
Miscellaneous Expenditures	22,850	(85)	22,765	19,466	3,299
Total Undist. Expend. - Supp. Serv. - General Admin.	<u>1,909,677</u>	<u>11,112</u>	<u>1,920,789</u>	<u>1,830,914</u>	<u>89,875</u>
Undist. Expend. - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	1,736,286	(11,764)	1,724,522	1,724,522	
Salaries of Secretarial and Clerical Assistants	949,390	(21,269)	928,121	923,942	4,179
Purchased Professional and Technical Services	42,500	(13,489)	29,011	20,802	8,209
Other Purchased Services	6,750	(4,317)	2,433	640	1,793
Supplies and Materials	27,550	6,647	34,197	28,973	5,224
Other Objects	15,500	(5,526)	9,974	7,855	2,119
Total Undist. Expend. - Support Serv. - School Admin.	<u>2,777,976</u>	<u>(49,718)</u>	<u>2,728,258</u>	<u>2,706,734</u>	<u>21,524</u>
Undist. Expend. - Central Services:					
Salaries	546,455	49,161	595,616	595,065	551
Purchased Technical Services	24,000	12,816	36,816	32,615	4,201
Misc. Purchased Services	41,331	(9,740)	31,591	29,322	2,269
Supplies and Materials	18,250	(5,169)	13,081	6,547	6,534
Interest on Lease Purchase Agreements	3,410		3,410	3,410	
Miscellaneous Expenditures	14,430	(4,241)	10,189	8,676	1,513
Total Undist. Expend. - Central Services	<u>647,876</u>	<u>42,827</u>	<u>690,703</u>	<u>675,635</u>	<u>15,068</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Admin. Info. Tech.					
Salaries	\$ 317,762		\$ 317,762	\$ 316,289	\$ 1,473
Purchased Professional Services	273,506	\$ 33,018	306,524	305,659	865
Other Purchased Services	500	751	1,251	1,104	147
Total Undist. Expend. - Admin. Info. Tech.	<u>591,768</u>	<u>33,769</u>	<u>625,537</u>	<u>623,052</u>	<u>2,485</u>
Undist. Expend. - Required Maintenance for Sch. Facilities:					
Salaries	457,229	19,524	476,753	476,753	
Cleaning, Repair and Maintenance Services	326,485	128,808	455,293	360,060	95,233
General Supplies	117,750	9,909	127,659	124,001	3,658
Total Undist. Expend. - Required Maintenance for Sch. Facil.	<u>901,464</u>	<u>158,241</u>	<u>1,059,705</u>	<u>960,814</u>	<u>98,891</u>
Undist. Expend. - Custodial Services:					
Salaries	1,983,346	(68,648)	1,914,698	1,914,698	
Salaries of Non-Instructional Aides	147,960	5,722	153,682	153,682	
Purchased Professional and Technical Services	16,900	(2,850)	14,050	14,050	
Cleaning, Repair and Maintenance Services	140,045	(43,144)	96,901	95,287	1,614
Rental of Land and Bldg. Other than Lease Purchase Agreement	82,312	(1,953)	80,359	80,359	
Other Purchased Property Services	143,087	(1,723)	141,364	141,364	
Insurance	59,885		59,885	59,885	
General Supplies	182,250	(47,960)	134,290	133,975	315
Energy (Natural Gas)	520,937	(47,444)	473,493	473,483	10
Energy (Electricity)	930,964	48,803	979,767	930,645	49,122
Energy (Oil)	2,750	1,849	4,599	4,599	
Total Undist. Expend. - Custodial Services	<u>4,210,436</u>	<u>(157,348)</u>	<u>4,053,088</u>	<u>4,002,027</u>	<u>51,061</u>
Undist. Expend. - Care & Upkeep of Grounds:					
Salaries	445,435	25,770	471,205	471,205	
Cleaning, Repair, and Maintenance Services	92,500	73,986	166,486	92,774	73,712
General Supplies	74,500	(9,028)	65,472	64,528	944
Total Undist. Expend. - Care and Upkeep of Grounds	<u>612,435</u>	<u>90,728</u>	<u>703,163</u>	<u>628,507</u>	<u>74,656</u>
Undist. Expend. - Security:					
Salaries	97,225	13,100	110,325	110,325	
Total Undist. Expend. - Security	<u>97,225</u>	<u>13,100</u>	<u>110,325</u>	<u>110,325</u>	

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Student Transportation Services:					
Salaries for Pupil Transportation (Bet. Home & Sch) - Reg	\$ 1,737,516	\$ (42,802)	\$ 1,694,714	\$ 1,694,203	\$ 511
Salaries for Pupil Transportation (Bet. Home & Sch) - Sp Ed	335,875	(73,054)	262,821	262,821	
Other Purchased Professional and Technical Services	33,821	20,631	54,452	25,783	28,669
Cleaning, Repair and Maintenance Services	7,550	(500)	7,050	5,514	1,536
Contract Services - (Bet. Home and School) - Joint Agreements	1,118,281	21,484	1,139,765	1,099,117	40,648
Contract Services - (Regular Students) - ESCs & CTSAs	200,200	(24,270)	175,930	175,375	555
Miscellaneous Purchased Services	58,088		58,088	56,613	1,475
Supplies and Materials	355,488	36,011	391,499	374,485	17,014
Miscellaneous Expenditures	10,215	3,550	13,765	12,862	903
Total Undist. Expend. - Student Transportation Services	<u>3,857,034</u>	<u>(58,950)</u>	<u>3,798,084</u>	<u>3,706,773</u>	<u>91,311</u>
Unallocated Benefits:					
Social Security Contributions	1,097,779	(119,796)	977,983	977,983	
Other Retirement Contributions - PERS	925,251	635,267	1,560,518	1,560,518	
Unemployment Compensation	148,681	8,393	157,074	157,074	
Workmen's Compensation	657,744	(210,665)	447,079	447,079	
Health Benefits	9,751,700	14,279	9,765,979	8,739,874	1,026,105
Tuition Reimbursement	175,000	(32,968)	142,032	142,032	
Other Employee Benefits	400,901	84,189	485,090	483,976	1,114
Total Unallocated Benefits	<u>13,157,056</u>	<u>378,699</u>	<u>13,535,755</u>	<u>12,508,536</u>	<u>1,027,219</u>
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				111,063	(111,063)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				2,358,987	(2,358,987)
TPAF Social Security (Reimbursed - Non-Budgeted)				2,562,288	(2,562,288)
Total On-Behalf Contributions				<u>5,032,338</u>	<u>(5,032,338)</u>
Total Personal Services - Employee Benefits	<u>13,157,056</u>	<u>378,699</u>	<u>13,535,755</u>	<u>17,540,874</u>	<u>(4,005,119)</u>
Total Undistributed Expenditures	<u>38,866,191</u>	<u>529,582</u>	<u>39,395,773</u>	<u>42,752,404</u>	<u>(3,356,631)</u>
Total Current Expense	<u>73,501,207</u>	<u>(312,788)</u>	<u>73,188,419</u>	<u>76,015,640</u>	<u>(2,827,221)</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Undistributed Expenditures - Support Services - Inst. Staff	\$ 8,600	\$ 81,401	\$ 90,001	\$ 90,001	
Undistributed Expenditures - General Administration	8,460	77,653	86,113	7,189	\$ 78,924
Undistributed Expenditures - Required Maint. Of Plant Serv.	84,721	210,265	294,986	294,986	
Undistributed Expenditures - Student Trans. - Non-Inst. Equip	25,000	(1,450)	23,550	15,700	7,850
School Buses - Regular	91,409	259,676	351,085	351,085	
Total Equipment	<u>218,190</u>	<u>627,545</u>	<u>845,735</u>	<u>758,961</u>	<u>86,774</u>
Facilities Acquisition and Construction Services:					
Construction Services	359,360		359,360	247,256	112,104
Lease Purchase Agreements-Principal	88,000		88,000	88,000	
Other Objects	80,615		80,615	80,615	
Total Facilities Acquisition and Construction Services	<u>527,975</u>		<u>527,975</u>	<u>415,871</u>	<u>112,104</u>
Assets Acquired Under Capital Leases (non-budgeted):					
Undistributed Expenditures:					
Required Maintenance for School Facilities				113,227	(113,227)
Student Transportation-School Buses				210,280	(210,280)
Assets Acquired Under Capital Leases (non-budgeted)				<u>323,507</u>	<u>(323,507)</u>
Total Capital Outlay	<u>746,165</u>	<u>627,545</u>	<u>1,373,710</u>	<u>1,498,339</u>	<u>(124,629)</u>
Transfer of Funds to Charter Schools	47,709	(4,757)	42,952	30,752	12,200
Total Expenditures	<u>74,295,081</u>	<u>310,000</u>	<u>74,605,081</u>	<u>77,544,731</u>	<u>(2,939,650)</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (230,833)	\$ (310,000)	\$ (540,833)	\$ 2,687,875	\$ 3,228,708
Other Financing Sources:					
Capital Leases (non-budgeted)				323,507	323,507
Total Other Financing Sources				<u>323,507</u>	<u>323,507</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(230,833)	(310,000)	(540,833)	3,011,382	3,552,215
Fund Balance, July 1	<u>1,487,533</u>		<u>1,487,533</u>	<u>1,487,533</u>	
Fund Balance, June 30	<u>\$ 1,256,700</u>	<u>\$ (310,000)</u>	<u>\$ 946,700</u>	<u>\$ 4,498,915</u>	<u>\$ 3,552,215</u>
Recapitulation:					
Assigned:					
Year End Encumbrances				\$ 2,160,281	
Unassigned				<u>2,338,634</u>	
				4,498,915	
Reconciliation to Governmental Fund Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				<u>(991,552)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,507,363</u>	

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
State Sources	\$ 124,408	\$ (8,987)	\$ 115,421	\$ 106,758	\$ (8,663)
Federal Sources	1,298,280	462,508	1,760,788	1,377,210	(383,578)
Local Sources	<u> </u>	<u>139,793</u>	<u>139,793</u>	<u>116,108</u>	<u>(23,685)</u>
Total Revenue	<u>1,422,688</u>	<u>593,314</u>	<u>2,016,002</u>	<u>1,600,076</u>	<u>(415,926)</u>
Expenditures:					
Instruction:					
Salaries of Teachers	238,845	(35,747)	203,098	168,763	34,335
Purchased Professional/ Technical Services		1,507	1,507	1,507	
Other Purchased Services	1,059,435	(233,774)	825,661	544,644	281,017
General Supplies		204,371	204,371	178,737	25,634
Textbooks	11,037	(601)	10,436	10,432	4
Other Objects	<u> </u>	<u>2,084</u>	<u>2,084</u>	<u>1,825</u>	<u>259</u>
Total Instruction	<u>1,309,317</u>	<u>(62,160)</u>	<u>1,247,157</u>	<u>905,908</u>	<u>341,249</u>
Support Services:					
Salaries of Other Professional Staff		144,146	144,146	141,063	3,083
Purchased Professional and Technical Services	113,371	311,501	424,872	385,671	39,201
Personal Services - Employee Benefits		39,154	39,154	29,290	9,864
Other Purchased Professional Services		13,726	13,726	9,624	4,102
Supplies and Materials	<u> </u>	<u>111,315</u>	<u>111,315</u>	<u>109,412</u>	<u>1,903</u>
Total Support Services	<u>113,371</u>	<u>619,842</u>	<u>733,213</u>	<u>675,060</u>	<u>58,153</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Non Instructional Equipment	<u> </u>	<u>35,632</u>	<u>35,632</u>	<u>23,432</u>	<u>12,200</u>
Total Facilities Acquisition and Construction Services	<u> </u>	<u>35,632</u>	<u>35,632</u>	<u>23,432</u>	<u>12,200</u>
Total Expenditures	<u>1,422,688</u>	<u>593,314</u>	<u>2,016,002</u>	<u>1,604,400</u>	<u>411,602</u>
Other Financing Sources:					
Cancellation of Prior Year Encumbrances	<u> </u>	<u> </u>	<u> </u>	<u>4,324</u>	<u>4,324</u>
Total Other Financing Sources	<u> </u>	<u> </u>	<u> </u>	<u>4,324</u>	<u>4,324</u>
Excess (Deficiency) of Revenue Over/ (Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 80,232,606	\$ 1,600,076
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		(10,360)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	1,422,393	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(991,552)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 80,663,447</u>	<u>\$ 1,589,716</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 77,544,731	\$ 1,600,076
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(10,360)</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 77,544,731</u>	<u>\$ 1,589,716</u>

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/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Title I		No Child Left Behind		Title IID
	2009-10		2010-11		
	2009-10	2010-11	2009-10	2010-11	
REVENUE:					
State Sources					
Federal Sources	\$ 72,365	\$ 59,608	\$ 17,823	\$ 102,737	\$ 159
Local Sources					
Total Revenue	72,365	59,608	17,823	102,737	159
EXPENDITURES:					
Instruction:					
Salaries of Teachers	46,125	28,032	14,165	49,543	
Other Purchased Services					
General Supplies	2,907	11,714		1,939	
Textbooks					
Other Objects					
Total Instruction	49,032	39,746	14,165	51,482	
Support Services:					
Salaries of Other Professional Staff	2,232	1,572			
Purchased Professional/Technical Services	6,875	7,500	591	30,675	
Personal Services - Employee Benefits	3,699	2,265	1,084	3,790	
Other Purchased Professional Services	357		1,983	5,043	39
Supplies and Materials	10,172	8,525		11,747	120
Total Support Services	23,335	19,862	3,658	51,255	159
Facilities Acquisition:					
Non Instructional Equipment					
Total Facilities Acquisition					
Total Expenditures	72,367	59,608	17,823	102,737	159
Other Financing Sources/(Uses):					
Cancellation of Prior Year Encumbrances	2				
Total Other Financing Sources/(Uses)	2				
Total Expenditures	\$ 72,365	\$ 59,608	\$ 17,823	\$ 102,737	\$ 159

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	No Child Left Behind				
	Title III		Title III Immigrant		Title IV
	2009-10	2010-11	2009-10	2010-11	2009-10
REVENUE:					
State Sources					
Federal Sources	\$ 6,645	\$ 16,621	\$ 6,150	\$ 43,339	\$ 8,144
Local Sources					
Total Revenue	6,645	16,621	6,150	43,339	8,144
EXPENDITURES:					
Instruction:					
Salaries of Teachers		3,233		5,685	820
Other Purchased Services					
General Supplies	5,915	5,252		2,609	1,554
Textbooks					
Other Objects	730	1,095			
Total Instruction	6,645	9,580		8,294	2,374
Support Services:					
Salaries of Other Professional Staff					
Purchased Professional/Technical Services			6,150	11,972	2,300
Personal Services - Employee Benefits		247		435	63
Other Purchased Professional Services		2,202			
Supplies and Materials		4,592		22,638	3,407
Total Support Services		7,041	6,150	35,045	5,770
Facilities Acquisition:					
Non Instructional Equipment					
Total Facilities Acquisition					
Total Expenditures	6,645	16,621	6,150	43,339	8,144
Other Financing Sources/(Uses):					
Cancellation of Prior Year Encumbrances					
Total Other Financing Sources/(Uses)					
Total Expenditures	\$ 6,645	\$ 16,621	\$ 6,150	\$ 43,339	\$ 8,144

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	IDEA Part B, Basic Regular			IDEA Part B, Preschool		
	2009-10	2010-11	ARRA	2009-10	2010-11	ARRA
REVENUE:						
State Sources						
Federal Sources	\$ 41,361	\$ 694,522	\$ 235,189	\$ 2,480	\$ 38,070	\$ 31,997
Local Sources						
Total Revenue	41,361	694,522	235,189	2,480	38,070	31,997
EXPENDITURES:						
Instruction:						
Salaries of Teachers			7,685			800
Other Purchased Services	29,961	493,983			20,000	
General Supplies		906	62,875	2,480		14,458
Textbooks						
Other Objects						
Total Instruction	29,961	494,889	70,560	2,480	20,000	15,258
Support Services:						
Salaries of Other Professional Staff		125,900			10,000	
Purchased Professional/Technical Services	12,180	58,145	140,786	591	6,600	6,400
Personal Services - Employee Benefits		15,588	588		1,470	61
Other Purchased Professional Services						
Supplies and Materials			24,335			10,278
Total Support Services	12,180	199,633	165,709	591	18,070	16,739
Facilities Acquisition:						
Non Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	42,141	694,522	236,269	3,071	38,070	31,997
Other Financing Sources/(Uses):						
Cancellation of Prior Year Encumbrances	780		1,080	591		
Total Other Financing Sources/Uses	780		1,080	591		
Total Expenditures	\$ 41,361	\$ 694,522	\$ 235,189	\$ 2,480	\$ 38,070	\$ 31,997

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Non-Public					
	Chapter 192			Chapter 193		
	Compensatory Education	ESL	Transportation	Examination/ Classification	Corrective Speech	Supplemental Instruction
REVENUE:						
State Sources	\$ 3,684	\$ 598	\$ 19,932	\$ 24,079	\$ 15,803	\$ 18,552
Federal Sources						
Local Sources						
Total Revenue	3,684	598	19,932	24,079	15,803	18,552
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Other Purchased Services						
General Supplies						
Textbooks						
Other Objects						
Total Instruction						
Support Services:						
Salaries of Other Professional Staff						
Purchased Professional/Technical Services	3,684	598	19,932	24,079	15,803	18,552
Personal Services - Employee Benefits						
Other Purchased Professional Services						
Supplies and Materials						
Total Support Services	3,684	598	19,932	24,079	15,803	18,552
Facilities Acquisition:						
Non Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	3,684	598	19,932	24,079	15,803	18,552
Other Financing Sources/(Uses):						
Cancellation of Prior Year Encumbrances						
Total Other Financing Sources/(Uses)						
Total Expenditures	\$ 3,684	\$ 598	\$ 19,932	\$ 24,079	\$ 15,803	\$ 18,552

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Non-Public Home Instruction	Non-Public Textbooks	Non-Public Nursing	Various Local Grants	Totals June 30, 2011
REVENUE:					
State Sources	\$ 1,507	\$ 10,345	\$ 12,258		\$ 106,758
Federal Sources					1,377,210
Local Sources				\$ 116,108	116,108
Total Revenue	<u>1,507</u>	<u>10,345</u>	<u>12,258</u>	<u>116,108</u>	<u>1,600,076</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers				12,675	168,763
Purchased Professional/Technical Services	1,507				1,507
Other Purchased Services				700	544,644
General Supplies				66,128	178,737
Textbooks		10,345		87	10,432
Other Objects					1,825
Total Instruction	<u>1,507</u>	<u>10,345</u>		<u>79,590</u>	<u>905,908</u>
Support Services:					
Salaries of Other Professional Staff				1,359	141,063
Purchased Professional/Technical Services			12,258		385,671
Personal Services - Employee Benefits					29,290
Other Purchased Professional Services					9,624
Supplies and Materials				13,598	109,412
Total Support Services			<u>12,258</u>	<u>14,957</u>	<u>675,060</u>
Facilities Acquisition:					
Non Instructional Equipment				23,432	23,432
Total Facilities Acquisition				<u>23,432</u>	<u>23,432</u>
Total Expenditures	<u>1,507</u>	<u>10,345</u>	<u>12,258</u>	<u>117,979</u>	<u>1,604,400</u>
Other Financing Sources/(Uses):					
Cancellation of Prior Year Encumbrances				1,871	4,324
Total Other Financing Sources/(Uses)				<u>1,871</u>	<u>4,324</u>
Total Expenditures	<u>\$ 1,507</u>	<u>\$ 10,345</u>	<u>\$ 12,258</u>	<u>\$ 116,108</u>	<u>\$ 1,600,076</u>

CAPITAL PROJECTS FUND

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

Expenditures:		
Supplies and materials	\$	<u>3,805</u>
Total expenditures		<u>3,805</u>
Excess/(deficit) of revenue and other financing sources over/(under) expenditures		(3,805)
Fund balance - beginning of year		<u>184,573</u>
Fund balance - end of year	\$	<u><u>180,768</u></u>
Recapitulation:		
Restricted	\$	7,785
Committed		23,052
Temporary Deficit - Bonds Authorized but not Issued		<u>(637)</u>
		30,200
NJ Educational Facilities Construction and Financing Act - Retroactive Middle School Project		149,107
Retroactive Center Grove Elementary School Project		<u>1,461</u>
Total Fund Balance - Budgetary Basis		<u>180,768</u>
Reconciliation to Governmental Fund Statements (GAAP):		
SDA grant receivable not recognized on GAAP basis		(9,221)
Fund Balance per Governmental Funds (GAAP)	\$	<u><u>171,547</u></u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCT ADDITIONS, RENOVATIONS AND ALTERATIONS AT RANDOLPH HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 4,934,397		\$ 4,934,397	\$ 4,934,397
Bond proceeds and transfers	15,435,298	\$	15,435,298	15,435,298
Total revenue and other financing sources	<u>20,369,695</u>		<u>20,369,695</u>	<u>20,369,695</u>
Expenditures:				
Purchased professional and technical services	2,042,611		2,042,611	2,048,092
Construction services	18,060,675		18,060,675	18,062,342
Equipment	214,857		214,857	214,857
Miscellaneous costs	44,404		44,404	44,404
Total expenditures	<u>20,362,547</u>		<u>20,362,547</u>	<u>20,369,695</u>
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	<u>\$ 7,148</u>	<u>\$ -0-</u>	<u>\$ 7,148</u>	<u>\$ -0-</u>

Additional project information:

Project Number	4330-050-04-1000
Grant Date	8/26/2004
Bond Authorization Date	12/14/2004
Bonds Authorized	\$14,862,111
Bonds Issued	14,862,111
Original Authorized Cost	19,796,508
Revised Authorized Cost	20,369,695

Percentage Increase over Original Authorized Cost	3%
Percentage Completion	100%
Original target completion date	9/1/2007
Revised target completion date	6/30/2011

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
FERNBROOK ELEMENTARY SCHOOL - FIRE ALARM UPGRADE AND FLOOR REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 18,190		\$ 18,190	\$ 18,190
Transfer from capital outlay	27,285		27,285	27,285
Total revenue and other financing sources	45,475		45,475	45,475
Expenditures:				
Facilities acquisition and construction services	19,736		19,736	21,000
Supplies and Materials	23,629		23,629	24,475
Total expenditures	43,365		43,365	45,475
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	\$ 2,110	\$ -0-	\$ 2,110	\$ -0-

Additional project information:

Project Number	4330-065-09-1003
Grant Date	7/26/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 45,475
Revised Authorized Cost	45,475
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	95%
Original target completion date	6/30/2010
Revised target completion date	6/30/2011

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
IRONIA ELEMENTARY SCHOOL - LIGHTING AND CEILING REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 7,231		\$ 7,231	\$ 7,231
Transfer from capital outlay	10,847		10,847	10,847
Total revenue and other financing sources	18,078		18,078	18,078
Expenditures:				
Facilities acquisition and construction services	2,552		2,552	10,000
Supplies and Materials	3,516		3,516	8,078
Total expenditures	6,068		6,068	18,078
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	\$ 12,010	\$ -0-	\$ 12,010	\$ -0-

Additional project information:

Project Number	4330-070-09-1002
Grant Date	7/26/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 18,078
Revised Authorized Cost	18,078
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	34%
Original target completion date	6/30/2010
Revised target completion date	6/30/2011

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RANDOLPH MIDDLE SCHOOL - WINDOW REPAIRS
FOR THE YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 20,712		\$ 20,712	\$ 20,712
Transfer from capital outlay	31,068		31,068	31,068
	51,780		51,780	51,780
Total revenue and other financing sources				
Expenditures:				
Purchased professional and technical services	4,674		4,674	5,000
Facilities acquisition and construction services	12,700		12,700	15,000
Supplies and Materials	27,945	\$ 3,805	31,750	31,780
	45,319	3,805	49,124	51,780
Total expenditures				
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	\$ 6,461	\$ (3,805)	\$ 2,656	\$ -0-
Additional project information:				
Project Number	4330-075-09-1004			
Grant Date	7/26/09			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 51,780			
Revised Authorized Cost	51,780			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	95%			
Original target completion date	6/30/2010			
Revised target completion date	6/30/2011			

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RANDOLPH MIDDLE SCHOOL - REHABILITATION - BARRIER FREE UPGRADES TO TOILETS
FOR THE YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 5,701		\$ 5,701	\$ 5,701
Transfer from capital outlay	8,551		8,551	8,551
Total revenue and other financing sources	14,252		14,252	14,252
Expenditures:				
Facilities acquisition and construction services	5,661		5,661	7,500
Supplies and Materials	2,315		2,315	6,752
Total expenditures	7,976		7,976	14,252
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	<u>\$ 6,276</u>	<u>\$ -0-</u>	<u>\$ 6,276</u>	<u>\$ -0-</u>
Additional project information:				
Project Number	4330-050-09-1001			
Grant Date	7/26/09			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 14,252			
Revised Authorized Cost	14,252			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	56%			
Original target completion date	6/30/2010			
Revised target completion date	6/30/2011			

PROPRIETARY FUNDS

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

	<u>Community School</u>	<u>Food Service</u>	<u>Total Enterprise Funds</u>
<u>ASSETS:</u>			
Current assets:			
Cash and cash equivalents	\$ 360,470		\$ 360,470
Accounts receivable:			
State		\$ 1,711	1,711
Federal		24,541	24,541
Other		376,220	376,220
Interfund receivable	2,051		2,051
Prepaid Expenses	35,842		35,842
Inventories		17,511	17,511
Total current assets	<u>398,363</u>	<u>419,983</u>	<u>818,346</u>
Non-current assets:			
Machinery and Equipment	36,023	584,202	620,225
Accumulated depreciation	(9,006)	(355,076)	(364,082)
Total non-current assets	<u>27,017</u>	<u>229,126</u>	<u>256,143</u>
Total assets	<u>425,380</u>	<u>649,109</u>	<u>1,074,489</u>
<u>LIABILITIES:</u>			
Current liabilities:			
Interfund payable		633,539	633,539
Deferred revenue	299,398	4,530	303,928
Long-term liabilities:			
Compensated absences payable		11,541	11,541
Total Liabilities	<u>299,398</u>	<u>649,610</u>	<u>949,008</u>
<u>NET ASSETS:</u>			
Invested in capital assets net of related debt	27,017	229,126	256,143
Unrestricted/(Deficit)	98,965	(229,627)	(130,662)
Total net assets/(Deficit)	<u>\$ 125,982</u>	<u>\$ (501)</u>	<u>\$ 125,481</u>

Exhibit G-2

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Community School	Food Service	Total Enterprise Funds
Operating revenue:			
Local sources:			
Daily sales - reimbursable programs:			
School lunch program		\$ 419,344	\$ 419,344
Daily sales - non-reimbursable programs		576,867	576,867
Special functions		42,666	42,666
Community School - regular programs	\$ 1,401,289		1,401,289
Community School - summer programs	37,341		37,341
Total operating revenue	1,438,630	1,038,877	2,477,507
Operating expenses:			
Cost of sales		414,305	414,305
Salaries	943,544	536,927	1,480,471
Employee benefits	156,495	337,154	493,649
Purchased professional/technical services	44,416		44,416
Other purchased services	133,098	30,000	163,098
Supplies and materials	59,325	23,655	82,980
Repairs		24,046	24,046
Miscellaneous	19,222	150,601	169,823
Depreciation	4,503	20,429	24,932
Total operating expenses	1,360,603	1,537,117	2,897,720
Operating income/(loss)	78,027	(498,240)	(420,213)
Non-operating revenue:			
State sources:			
State school lunch program		7,579	7,579
Federal sources:			
National school lunch program		115,658	115,658
Special milk program		2,843	2,843
Food distribution program		14,515	14,515
Local sources:			
Interest income	470	147	617
Total non-operating revenue	470	140,742	141,212
Change in net assets before operating transfer and contributed capital	78,497	(357,498)	(279,001)
Operating transfers - Food Service Contractor Guarantee		375,896	375,896
Food Service Contractor Capital Improvement Contribution		150,000	150,000
Change in net assets	78,497	168,398	246,895
Net assets/(Deficit) - beginning of year	47,485	(168,899)	(121,414)
Net assets/(Deficit) - end of year	\$ 125,982	\$ (501)	\$ 125,481

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Community School	Food Service	Total Enterprise Funds
Cash flows from operating activities:			
Receipts from customers	\$ 1,454,347	\$ 1,042,527	\$ 2,496,874
Payments to employees	(1,100,039)	(878,204)	(1,978,243)
Payments to suppliers	(260,041)	(627,045)	(887,086)
Net cash provided by/(used for) operating activities	94,267	(462,722)	(368,455)
Cash flows from investing activities:			
Interest income	470	147	617
Net cash provided by investing activities	470	147	617
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements		107,796	107,796
Cash received from General Fund	3,419	354,779	358,198
Net cash provided by noncapital financing activities	3,419	462,575	465,994
Net increase in cash and cash equivalents	98,156		98,156
Cash and cash equivalents, July 1	262,314		262,314
Cash and cash equivalents, June 30	\$ 360,470	\$ -0-	\$ 360,470
Reconciliation of operating income/(loss) to net cash provided by/(used) for operating activities:			
Operating income/(loss)	\$ 78,027	\$ (498,240)	\$ (420,213)
Adjustment to reconcile operating income/(loss) to cash provided by/(used) for operating activities:			
Depreciation	4,503	20,429	24,932
Federal food distribution program		14,515	14,515
Changes in assets and liabilities:			
(Increase)/decrease in accounts receivable		3,650	3,650
(Increase)/decrease in inventory		(1,339)	(1,339)
(Increase)/decrease in prepaid expenses	(3,903)		(3,903)
Increase/(decrease) in accounts payables	(77)		(77)
Increase/(decrease) in deferred revenue	15,717	2,386	18,103
Increase/(decrease) in compensated absences payable		(4,123)	(4,123)
Net cash provided by/(used) for operating activities	\$ 94,267	\$ (462,722)	\$ (368,455)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$16,900 and utilized \$14,515 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2011.

FIDUCIARY FUNDS

RANDOLPH TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2011

	Agency			Private Purpose Scholarship Trust
	Student Activities	Payroll	Total Agency	
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 226,398	\$ 86,231	\$ 312,629	\$ 40,457
Total assets	226,398	86,231	312,629	40,457
<u>LIABILITIES:</u>				
Payroll deductions and withholdings		86,231	86,231	
Due to student groups	226,398		226,398	
Total liabilities	226,398	86,231	312,629	
<u>NET ASSETS:</u>				
Reserved for scholarships				40,457
Total net assets	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 40,457

Exhibit H-2

RANDOLPH TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGE IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Private Purpose Scholarship Trust</u>
Additions:	
Contributions:	
Other	\$ 6,050
Investment earnings:	
Interest	108
Total additions	6,158
Deductions:	
Scholarships awarded	13,111
Change in net assets	(6,953)
Net assets—beginning of the year	47,410
Net assets—end of the year	\$ 40,457

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 241,540	\$ 744,056	\$ 759,198	\$ 226,398
Total assets	<u>\$ 241,540</u>	<u>\$ 744,056</u>	<u>\$ 759,198</u>	<u>\$ 226,398</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to student groups	\$ 241,540	\$ 744,056	\$ 759,198	\$ 226,398
Total liabilities	<u>\$ 241,540</u>	<u>\$ 744,056</u>	<u>\$ 759,198</u>	<u>\$ 226,398</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
Elementary schools:				
Center Grove	\$ 3,497	\$ 30,980	\$ 31,259	\$ 3,218
Fernbrook	3,916	18,050	17,075	4,891
Ironia	1,820	25,419	26,564	675
Shongum	11,100	42,280	40,840	12,540
Total Elementary schools	<u>\$ 20,333</u>	<u>\$ 116,729</u>	<u>\$ 115,738</u>	<u>\$ 21,324</u>
Middle school:				
Randolph Middle School	<u>\$ 59,655</u>	<u>\$ 166,210</u>	<u>\$ 185,107</u>	<u>\$ 40,758</u>
High school:				
Randolph High School	<u>\$ 151,414</u>	<u>\$ 316,208</u>	<u>\$ 321,214</u>	<u>\$ 146,408</u>
Athletic Account:				
Athletics	<u>\$ 10,138</u>	<u>\$ 144,909</u>	<u>\$ 137,139</u>	<u>\$ 17,908</u>
Total All Schools	<u>\$ 241,540</u>	<u>\$ 744,056</u>	<u>\$ 759,198</u>	<u>\$ 226,398</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 383,759	\$ 53,822,767	\$ 54,120,295	\$ 86,231
Total assets	<u>\$ 350,799</u>	<u>\$ 53,822,767</u>	<u>\$ 54,120,295</u>	<u>\$ 86,231</u>
 <u>LIABILITIES:</u>				
Payroll deductions and withholdings	\$ 383,759	\$ 53,822,767	\$ 54,120,295	\$ 86,231
Total liabilities	<u>\$ 350,799</u>	<u>\$ 53,822,767</u>	<u>\$ 54,120,295</u>	<u>\$ 86,231</u>

LONG-TERM DEBT

RANDOLPH TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Int. Rate	Balance July 1, 2010	Retired or Matured	Balance June 30, 2011
			June 30, 2011					
			Date	Amount				
Various School Building Improvements	03/15/1992	\$ 10,235,000	03/15/2012	\$ 675,000	6.30%	\$ 1,335,000	\$ 660,000	\$ 675,000
Addition and Renovation to Randolph High School, Renovations to the Middle School and Elementary Schools	02/01/2005	17,812,000	02/01/2012	775,000	3.75%	15,102,000	745,000	14,357,000
			02/01/2013	810,000	3.75%			
			02/01/2014	845,000	3.75%			
			02/01/2015	880,000	4.00%			
			02/01/2016	915,000	4.00%			
			02/01/2017	955,000	4.00%			
			02/01/2018	995,000	4.00%			
			02/01/2019	1,035,000	4.00%			
			02/01/2020	1,075,000	4.00%			
			02/01/2021	1,120,000	4.00%			
			02/01/2022	1,170,000	4.00%			
			02/01/2023	1,215,000	4.00%			
			02/01/2024	1,270,000	4.00%			
02/01/2025	1,297,000	4.00%						

RANDOLPH TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Int. Rate	Balance July 1, 2010	Retired or Matured	Balance June 30, 2011
			Outstanding					
			Date	Amount				
Advance Refunding of School Bonds	03/01/2005	\$ 16,800,000	08/01/2011	\$ 1,430,000	4.00%	\$ 15,640,000	\$ 1,350,000	\$ 14,290,000
			08/01/2012	1,620,000	4.00%			
			08/01/2013	1,645,000	5.00%			
			08/01/2014	1,680,000	5.00%			
			08/01/2015	1,710,000	5.00%			
			08/01/2016	1,750,000	5.00%			
			08/01/2017	1,780,000	4.00%			
			08/01/2018	1,810,000	4.00%			
			08/01/2019	865,000	4.00%			
						<u>\$ 32,077,000</u>	<u>\$ 2,755,000</u>	<u>\$ 29,322,000</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
YEAR ENDED JUNE 30, 2011

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2010</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2011</u>
Computers	4.41%	\$ 193,172	\$ 40,460		\$ 40,460	
Maintenance Equipment	3.88%	137,778	56,099		56,099	
Musical Equipment	2.88%	100,415	60,217		60,217	
Computers	2.88%	219,133	131,409		131,409	
Grounds Maintenance Equipment and Athletic Field Furnishings	2.56%	180,880	108,482		108,482	
Computers and Textbooks	2.56%	504,616	302,640		302,640	
Computers Textbooks SmartBoards and LCDS	2.75%	572,440	451,658		451,658	
Buses and Phone System	2.75%	209,570	165,352		165,352	
Facilities Equipment and Buses	2.75%	323,507		\$ 323,507	323,507	
			<u>\$ 1,316,317</u>	<u>\$ 323,507</u>	<u>\$ 1,639,824</u>	<u>\$ -0-</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 3,804,598		\$ 3,804,598	\$ 3,804,598	
State Sources:					
Debt Service Aid Type II	291,819		291,819	291,819	
Total Revenue	<u>4,096,417</u>		<u>4,096,417</u>	<u>4,096,417</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,341,417		1,341,417	1,341,416	\$ 1
Redemption of Principal	2,755,000		2,755,000	2,755,000	
Total Regular Debt Service	<u>4,096,417</u>		<u>4,096,417</u>	<u>4,096,416</u>	<u>1</u>
Total Expenditures	<u>4,096,417</u>		<u>4,096,417</u>	<u>4,096,416</u>	<u>1</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures				1	1
Fund Balance, July 1	<u>-0-</u>	\$ -0-	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance, June 30	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1</u>	<u>\$ 1</u>

STATISTICAL SECTION

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2005.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Governmental Activities/(Deficit):							
Invested in Capital Assets, Net of Related Debt	\$ (1,014,196)	\$ 4,514,256	\$ 3,085,722	\$ 7,783,521	\$ 9,314,492	\$ 10,958,139	\$ 13,509,486
Restricted	1,541,733	(3,127,046)	(1,526,812)	631,886	1,022,647	404,663	2,331,829
Unrestricted	<u>(176,579)</u>	<u>(1,118,476)</u>	<u>(819,195)</u>	<u>(951,380)</u>	<u>(2,610,228)</u>	<u>(2,090,023)</u>	<u>34,730</u>
Total Governmental Activities Net Assets	<u>\$ 350,958</u>	<u>\$ 268,734</u>	<u>\$ 739,715</u>	<u>\$ 7,464,027</u>	<u>\$ 7,726,911</u>	<u>\$ 9,272,779</u>	<u>\$ 15,876,045</u>
Business-Type Activities/(Deficit):							
Invested in Capital Assets, Net of Related Debt	\$ 106,456	\$ 87,255	\$ 66,557	\$ 66,084	\$ 82,876	\$ 131,075	\$ 256,143
Unrestricted	218,718	148,441	77,366	9,949	(74,063)	(252,489)	(130,662)
Total Business-Type Activities Net Assets	<u>\$ 325,174</u>	<u>\$ 235,696</u>	<u>\$ 143,923</u>	<u>\$ 76,033</u>	<u>\$ 8,813</u>	<u>\$ (121,414)</u>	<u>\$ 125,481</u>
District-Wide/(Deficit):							
Invested in Capital Assets, Net of Related Debt	\$ (907,740)	\$ 4,601,511	\$ 3,152,279	\$ 7,849,605	\$ 9,397,368	\$ 11,089,214	\$ 13,765,629
Restricted	1,541,733	(3,127,046)	(1,526,812)	631,886	1,022,647	404,663	2,331,829
Unrestricted	<u>42,139</u>	<u>(970,035)</u>	<u>(741,829)</u>	<u>(941,431)</u>	<u>(2,684,291)</u>	<u>(2,342,512)</u>	<u>(95,932)</u>
Total District Net Assets	<u>\$ 676,132</u>	<u>\$ 504,430</u>	<u>\$ 883,638</u>	<u>\$ 7,540,060</u>	<u>\$ 7,735,724</u>	<u>\$ 9,151,365</u>	<u>\$ 16,001,526</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET ASSETS, LAST FOUR FISCAL YEARS
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Expenses:							
Governmental Activities:							
Instruction	\$ 38,867,983	\$ 41,544,426	\$ 43,843,219	\$ 44,662,293	\$ 47,774,382	\$ 49,839,296	\$ 46,046,755
Support Services:							
Tuition	2,410,939	1,825,946	2,165,330	2,171,968	2,611,349	2,558,779	3,323,275
Student and Instruction Related Services	8,849,787	9,288,157	9,898,659	10,212,710	10,133,597	10,743,710	9,416,367
General Administrative Services	2,074,580	2,267,697	2,190,612	2,219,913	2,219,544	2,500,200	2,172,630
School Administrative Services	3,101,873	3,314,495	3,736,985	4,106,108	3,930,306	3,724,553	3,754,154
Plant Operations and Maintenance	6,483,160	7,058,641	6,749,269	7,078,896	6,683,231	7,283,583	7,062,793
Pupil Transportation	3,639,557	3,749,108	4,248,334	4,257,130	4,290,482	4,549,327	4,467,227
Central Services	1,575,274	1,686,455	1,649,652	1,794,866	1,230,464	1,645,451	2,077,475
Capital Outlay	193,880			414,787	199,918	75,444	80,615
Charter Schools	70,655	122,269	95,621	67,052	46,907	48,347	30,752
Interest on Long-Term Debt	1,450,804	1,855,664	1,773,553	1,663,168	1,475,850	1,427,539	1,315,793
Unallocated Depreciation	28,649	30,064	31,586				
Total Governmental Activities Expenses	68,747,141	72,742,922	76,382,820	78,648,891	80,596,030	84,396,229	79,747,836
Business-Type Activities:							
Food Service	1,529,018	1,503,593	1,540,530	1,464,972	1,483,794	1,444,205	1,537,117
Community School	1,558,373	1,655,474	1,544,240	1,563,481	1,643,096	1,522,775	1,360,603
Total Business-Type Activities Expense	3,087,391	3,159,067	3,084,770	3,028,453	3,126,890	2,966,980	2,897,720
Total District Expenses	71,834,532	75,901,989	79,467,590	81,677,344	83,722,920	87,363,209	82,645,556
Program Revenues:							
Governmental Activities:							
Charges for Services:							
Tuition	7,758	26,416	15,829	23,022	43,055	85,362	23,314
Plant Operations and Maintenance	43,773						
Operating Grants and Contributions	16,392,947	17,137,880	19,634,054	20,122,333	19,588,071	22,655,873	18,978,032
Capital Grants and Contributions	182,016	218,111	140,904	6,325,089	404,810	41,091	1,522
Total Governmental Activities Program Revenues	16,626,494	17,382,407	19,790,787	26,470,444	20,035,936	22,782,326	19,002,868
Business-Type Activities:							
Charges for Services:							
Food Service	1,220,338	1,276,041	1,224,439	1,177,843	1,143,844	1,048,230	1,038,877
Community School	1,417,309	1,639,480	1,582,307	1,594,334	1,580,070	1,519,585	1,438,630
Operating Grants and Contributions	149,506	141,831	145,954	169,725	150,737	166,976	140,595
Total Business-Type Activities Program Revenues	2,787,153	3,057,352	2,952,700	2,941,902	2,874,651	2,734,791	2,618,102
Total District Program Revenues	19,413,647	20,439,759	22,743,487	29,412,346	22,910,587	25,517,117	21,620,970

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET ASSETS, LAST FOUR FISCAL YEARS
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(CONTINUED)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Net (Expense)/Revenue:							
Governmental Activities	\$ (52,120,647)	\$ (55,360,515)	\$ (56,592,033)	\$ (52,178,447)	\$ (60,560,094)	\$ (61,613,903)	\$ (60,744,968)
Business-Type Activities	(300,238)	(101,715)	(132,070)	(86,551)	(252,239)	(232,189)	(279,618)
Total District-Wide Net Expense	<u>(52,420,885)</u>	<u>(55,462,230)</u>	<u>(56,724,103)</u>	<u>(52,264,998)</u>	<u>(60,812,333)</u>	<u>(61,846,092)</u>	<u>(61,024,586)</u>
General Revenues and Other Changes in Net Assets:							
Governmental Activities:							
Property Taxes Levied for General Purposes, Net	47,602,587	50,960,065	52,784,496	54,895,876	57,091,711	59,375,379	63,239,577
Taxes Levied for Debt Service	2,437,805	3,110,870	3,622,250	3,733,731	3,744,312	3,646,025	3,804,598
Investment Earnings	321,080	890,392	598,960	100,997	28,945	13,959	6,599
Miscellaneous Income	194,295	316,964	57,308	172,155	136,773	224,408	297,460
Transfers	(135,000)				(178,763)	(100,000)	
Total Governmental Activities	<u>50,420,767</u>	<u>55,278,291</u>	<u>57,063,014</u>	<u>58,902,759</u>	<u>60,822,978</u>	<u>63,159,771</u>	<u>67,348,234</u>
Business-Type Activities:							
Investment Earnings	3,458	12,237	40,297	18,661	6,256	1,962	617
Transfers & Other Special Items	135,000				178,763	100,000	525,896
Total Business-Type Activities	<u>138,458</u>	<u>12,237</u>	<u>40,297</u>	<u>18,661</u>	<u>185,019</u>	<u>101,962</u>	<u>526,513</u>
Total District-Wide	<u>50,559,225</u>	<u>55,290,528</u>	<u>57,103,311</u>	<u>58,921,420</u>	<u>61,007,997</u>	<u>63,261,733</u>	<u>67,874,747</u>
Change in Net Assets:							
Governmental Activities	(1,699,880)	(82,224)	470,981	6,724,312	262,884	1,545,868	6,603,266
Business-Type Activities	(161,780)	(89,478)	(91,773)	(67,890)	(67,220)	(130,227)	246,895
Total District	<u>\$ (1,861,660)</u>	<u>\$ (171,702)</u>	<u>\$ 379,208</u>	<u>\$ 6,656,422</u>	<u>\$ 195,664</u>	<u>\$ 1,415,641</u>	<u>\$ 6,850,161</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

RANDOLPH TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
General Fund:							
Restricted/Reserved	\$ 1,408,178	\$ 1,425,068	\$ 826,251	\$ 138,933	\$ 95,194	\$ 230,833	
Unreserved/Deficit)	1,439,318	770,903	817,824	738,858	(270,427)	(165,693)	
Assigned							\$ 2,160,281
Unassigned							1,347,082
Total General Fund	<u>\$ 2,847,496</u>	<u>\$ 2,195,971</u>	<u>\$ 1,644,075</u>	<u>\$ 877,791</u>	<u>\$ (175,233)</u>	<u>\$ 65,140</u>	<u>\$ 3,507,363</u>
All Other Governmental Funds:							
Restricted/Reserved for:							
Capital Projects Fund	\$ 4,475,237	\$ 17,221,842	\$ 3,166,267	\$ 53,875	\$ 593,700		\$ 7,148
Debt Service Fund							1
Committed for:							
Capital Projects Fund							164,399
Unreserved, Reported In:							
Capital Projects Fund/(Deficit)	13,849,751	(4,713,800)	(5,556,773)	401,229	227,187	\$ 173,830	
Debt Service Fund	128,555	165,005	37,443	37,849	106,566		
Total All Other Governmental Funds	<u>\$ 18,453,543</u>	<u>\$ 12,673,047</u>	<u>\$ (2,353,063)</u>	<u>\$ 492,953</u>	<u>\$ 927,453</u>	<u>\$ 173,830</u>	<u>\$ 171,548</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Revenues:							
Tax Levy	\$ 50,040,392	\$ 54,070,935	\$ 56,406,746	\$ 58,629,607	\$ 60,836,023	\$ 63,021,404	\$ 67,044,175
Tuition Charges	7,758	26,416	15,829	23,022	43,055	85,362	23,314
Interest Earned on Capital Reserve Funds	2		25	17	29		
Miscellaneous	594,015	1,230,385	703,279	305,593	210,102	329,034	409,248
State Sources	15,545,881	16,229,889	18,464,721	25,277,985	18,713,866	18,829,116	17,496,596
Federal Sources	994,213	1,103,073	1,263,201	1,136,979	1,234,602	3,777,181	1,377,769
Total Revenue	67,182,261	72,660,698	76,853,801	85,373,203	81,037,677	86,042,097	86,351,102
Expenditures:							
Instruction:							
Regular Instruction	23,593,504	24,112,997	24,911,995	25,186,760	28,281,416	27,449,984	26,597,621
Special Education Instruction	3,848,480	4,796,491	4,934,660	4,946,791	5,531,215	6,510,113	5,756,026
Other Special Instruction	1,024,479	1,055,035	992,071	897,530	702,569	698,217	671,541
Other Instruction	1,325,191	1,292,568	1,408,648	1,481,680	1,631,390	1,586,346	1,541,783
Support Services:							
Tuition	2,370,754	1,783,777	2,121,027	2,126,973	2,529,036	2,496,680	3,231,651
Student and Instruction Related Services	6,829,733	7,268,594	7,331,340	7,475,165	7,683,133	7,721,997	6,997,647
General Administrative Services	1,824,467	1,923,949	1,854,438	1,836,357	1,846,915	2,073,012	1,830,914
School Administrative Services	2,319,370	2,486,440	2,697,116	2,943,809	2,941,527	2,652,850	2,706,734
Plant Operations and Maintenance	5,476,971	5,919,754	5,595,077	5,707,597	5,610,151	5,948,755	5,701,673
Pupil Transportation	3,060,199	3,107,839	3,287,891	3,399,933	3,430,930	3,668,382	3,706,773
Central Services	1,122,952	1,193,245	1,141,184	1,226,764	936,795	988,146	1,298,687
Unallocated Benefits	12,764,315	14,153,854	16,398,965	17,637,524	15,169,648	18,971,810	17,540,874
Charter Schools	70,655	122,269	95,621	67,052	46,907	48,347	30,752
Debt Service:							
Principal	1,420,000	1,585,000	2,235,000	2,330,000	2,455,000	2,615,000	2,755,000
Interest and Other Charges	1,332,885	1,816,645	1,795,323	1,686,730	1,504,083	1,451,975	1,341,416
Capital Outlay	1,402,871	6,474,262	16,730,049	4,889,544	2,181,767	2,355,743	1,525,576
Total Expenditures	69,786,826	79,092,719	93,530,405	83,840,209	82,482,482	87,237,357	83,234,668
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	(2,604,565)	(6,432,021)	(16,676,604)	1,532,994	(1,444,805)	(1,195,260)	3,116,434

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(CONTINUED)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Other Financing Sources (Uses)							
Refunding Bonds Issued	\$ 16,800,000						
Premium on Refunding Bonds	731,735						
Costs of Refunding Bond Issue	(203,289)						
Payments to Escrow Agent	(17,328,446)						
Bond Proceeds	17,812,000						
Capital Leases (Non-Budgeted)			\$ 1,098,598	\$ 546,738	\$ 1,005,044	\$ 782,010	\$ 323,507
Transfers In	177,094	\$ 738,886	378,984	6,717		77,751	
Transfers Out	(312,094)	(738,886)	(378,984)	(6,717)	(178,763)	(177,751)	
Total Other Financing Sources (Uses)	<u>17,677,000</u>	<u>(738,886)</u>	<u>1,098,598</u>	<u>546,738</u>	<u>826,281</u>	<u>682,010</u>	<u>323,507</u>
Net Change in Fund Balances	<u>\$ 15,072,435</u>	<u>\$ (6,432,021)</u>	<u>\$ (15,578,006)</u>	<u>\$ 2,079,732</u>	<u>\$ (618,524)</u>	<u>\$ (513,250)</u>	<u>\$ 3,439,941</u>
Debt Service as a Percentage of Noncapital Expenditure	4.19 %	4.91 %	5.54 %	5.36 %	5.19 %	5.03 %	5.28 %

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

RANDOLPH TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Community</u> <u>School</u>	<u>Interest on</u> <u>Investments</u>	<u>Rentals</u>	<u>Athletic</u> <u>Participation Fees</u>	<u>Miscellaneous</u>	<u>Tuition</u>	<u>Total</u>
2002	\$ 1,114,018	\$ 104,847	\$ 53,744		\$ 516,261	\$ 16,400	\$ 1,805,270
2003	1,136,652	65,664	63,113		476,900	6,525	1,748,854
2004	1,226,095	417	71,764		172,949	10,575	1,481,800
2005	*	154,186	43,773		194,295	7,758	400,012
2006		151,506	58,885		258,079	26,416	494,886
2007		219,976	53,160		3,155	15,829	292,120
2008		98,874	87,573		84,582	23,022	294,051
2009		28,945	73,707		63,066	43,055	208,773
2010		13,959	68,944	\$ 81,700	73,764	85,362	323,729
2011		6,599	61,752	132,050	103,658	23,314	327,373

* The Community School was transferred from the General Fund to an Enterprise Fund for the fiscal year ended June 30, 2005.

Source: School District Records

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST SEVEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2004	\$ 39,722,800	\$ 2,335,690,900	\$ 8,438,200	\$ 200,600	\$ 219,606,600	\$ 110,769,900	\$ 102,620,400	\$ 2,817,049,400	\$ 5,401,464	\$ 2,822,450,864	\$ 193,331,200	1.76	\$ 3,543,356,816
2005	38,824,700	2,358,838,300	9,263,400	205,200	227,225,500	113,492,200	102,620,400	2,850,469,700	4,814,438	2,855,284,138	193,995,300	1.82	3,903,172,481
2006	39,774,500	2,380,007,700	9,263,400	205,200	228,373,900	113,050,800	107,453,700	2,878,129,200	4,814,438	2,882,943,638	194,252,300	1.92	4,363,111,829
2007	35,793,800	2,400,450,300	5,550,800	185,300	238,233,900	114,961,900	105,816,400	2,900,992,400	3,761,823	2,904,754,223	194,458,300	1.98	4,861,407,324
2008	34,523,800	2,409,164,000	5,292,200	196,500	239,003,200	116,292,300	101,600,500	2,906,072,500	4,230,749	2,910,303,249	197,103,100	2.05	4,998,429,107
2009	33,401,100	2,423,455,200	5,298,600	196,500	237,509,600	115,139,900	79,140,500	2,894,141,400	4,285,157	2,898,426,557	197,132,900	2.12	4,948,783,802
2010	32,851,000	2,430,132,000	5,046,600	176,900	239,564,700	116,094,500	95,858,800	2,919,724,500	5,966,882	2,925,691,382	199,358,800	2.22	4,791,410,430

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

^b Tax rates are per \$100

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

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: Municipal Tax Assessor

RANDOLPH TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(RATE PER \$100 OF ASSESSED VALUE)
UNAUDITED

Year Ended December 31,	Township of Randolph School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Randolph	Morris County	
2001	\$ 1.45	\$ 0.09	\$ 1.54	\$ 0.42	\$ 0.29	\$ 2.25
2002	1.52	0.09	1.61	0.42	0.31	2.34
2003	1.60	0.08	1.68	0.45	0.34	2.47
2004	1.67	0.09	1.76	0.47	0.35	2.58
2005	1.72	0.10	1.82	0.50	0.37	2.69
2006	1.79	0.12	1.92	0.53	0.38	2.83
2007	1.85	0.13	1.98	0.56	0.40	2.94
2008	1.92	0.13	2.05	0.59	0.40	3.04
2009	2.00	0.12	2.12	0.93	0.38	3.43
2010	2.09	0.13	2.22	0.63	0.37	3.22

^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.

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

Source: Municipal Tax Collector and School Business Administrator

RANDOLPH TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

<u>Taxpayer</u>	<u>2011</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Center Grove Associate	\$ 46,880,000	1.60 %
Beta Realty	26,046,700	0.89 %
Pal-Pike	23,911,200	0.82 %
Carco Development	22,654,400	0.78 %
A&P Food Stores	12,289,900	0.42 %
Randolph Village	10,540,000	0.36 %
Canfield Mews	9,942,000	0.34 %
Hamilton Apartments	9,000,000	0.31 %
Heritage USA	8,657,300	0.30 %
Randolph CSC	7,600,000	0.26 %
Total	<u>\$ 177,521,500</u>	<u>6.08 %</u>

<u>Taxpayer</u>	<u>2002</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Center Grove Associate	\$ 50,161,700	1.84 %
Pal-Pike	28,143,000	1.03 %
Canfield Mews	13,807,900	0.51 %
Randolph Village	13,000,000	0.48 %
Beta Realty	12,598,800	0.46 %
Hamilton Apartments	10,619,300	0.39 %
Progressive Property	8,800,000	0.32 %
A&P Food Stores	7,785,700	0.29 %
Quaker Village	7,700,000	0.28 %
Mal Brothers	7,616,300	0.28 %
Total	<u>\$ 160,232,700</u>	<u>5.89 %</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 42,736,901	\$ 42,736,901	100.00 %	-0-
2003	45,169,713	45,169,713	100.00 %	-0-
2004	48,823,376	48,823,376	100.00 %	-0-
2005	50,040,392	50,040,392	100.00 %	-0-
2006	54,070,935	54,070,935	100.00 %	-0-
2007	56,406,746	56,406,746	100.00 %	-0-
2008	58,629,607	58,629,607	100.00 %	-0-
2009	60,836,023	60,836,023	100.00 %	-0-
2010	63,021,404	63,021,404	100.00 %	-0-
2011	67,044,175	67,044,175	100.00 %	-0-

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

Source: Township of Randolph records including the Certificate and Report of School Taxes (A4F form).

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST SEVEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2005	\$ 43,297,000	\$ 260,000	\$ 43,557,000	2.71 %	\$ 1,717
2006	41,712,000		41,712,000	2.42 %	1,656
2007	39,477,000	662,063	40,139,063	2.24 %	1,600
2008	37,147,000	743,178	37,890,178	2.11 %	1,511
2009	34,692,000	1,145,135	35,837,135	2.09 %	1,429
2010	32,077,000	1,316,317	33,393,317	1.95 %	1,331
2011	29,322,000		29,322,000	1.71 %	1,169

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

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

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST SEVEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 43,297,000	\$ -0-	\$ 43,297,000	1.53 %	\$ 1,707
2006	41,712,000	-0-	41,712,000	1.46 %	1,656
2007	39,477,000	-0-	39,477,000	1.37 %	1,573
2008	37,147,000	-0-	37,147,000	1.28 %	1,482
2009	34,692,000	-0-	34,692,000	1.19 %	1,383
2010	32,077,000	-0-	32,077,000	1.11 %	1,279
2011	29,322,000	-0-	29,322,000	1.00 %	1,169

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

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

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

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2011
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Randolph	\$ 18,925,582	100.00 %	\$ 18,925,582
County of Morris General Obligation Debt	249,234,104	4.68 %	<u>11,669,684</u>
Subtotal, Overlapping Debt			30,595,266
Township of Randolph School District Direct Debt (b)			<u>29,322,637</u>
Total Direct and Overlapping Debt			<u>\$ 59,917,903</u>

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

^b The District has \$637 of bonds authorized but not issued.

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 Randolph Township. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized Valuation Basis
2010	\$ 4,576,370,690
2009	4,765,562,388
2008	4,919,709,666
	\$ 14,261,642,744
Average Equalized Valuation of Taxable Property	\$ 4,753,880,915
Debt Limit (4% of Average Equalization Value)	\$ 190,155,237 ^a
Net Bonded School Debt Issued and Unissued	29,322,637
Legal Debt Margin	\$ 160,832,600

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt Limit	\$ 172,781,042	\$ 187,862,227	\$ 196,038,410	\$ 192,677,793	\$ 190,155,237
Total Net Debt Applicable to Limit	39,477,637	37,147,637	34,692,637	32,077,637	29,322,637
Legal Debt Margin	\$ 133,303,405	\$ 150,714,590	\$ 161,345,773	\$ 160,600,156	\$ 160,832,600
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	22.85 %	19.77 %	17.70 %	16.65 %	15.42 %

	Fiscal Year				
	2002	2003	2004	2005	2006
Debt Limit	\$ 100,218,374	\$ 112,397,610	\$ 125,374,644	\$ 139,290,003	\$ 155,201,620
Total Net Debt Applicable to Limit	29,410,000	28,135,000	26,790,000	43,297,000	41,712,000
Legal Debt Margin	\$ 70,808,374	\$ 84,262,610	\$ 98,584,644	\$ 95,993,003	\$ 113,489,620
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	29.35 %	25.03 %	21.37 %	31.08 %	26.88 %

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Morris County Per Capita Personal Income ^b	Personal Income ^c	Unemployment Rate ^d
2002	25,373	\$ 56,535	\$ 1,434,462,555	4.20 %
2003	25,418	57,018	1,449,283,524	4.20 %
2004	25,430	61,101	1,553,798,430	3.40 %
2005	25,362	63,297	1,605,338,514	2.80 %
2006	25,193	68,364	1,722,294,252	3.00 %
2007	25,089	71,300	1,788,845,700	2.70 %
2008	25,070	71,527	1,793,181,890	3.60 %
2009	25,087	68,251	1,712,212,837	6.60%
2010	25,087 **	68,251 *	1,712,212,837	6.90%
2011	25,087 **	68,251 *	1,712,212,837	N/A

* - Latest Morris County per capita personal income available (2009) was used for calculation purposes.

** - Latest population data available (2009) was used for calculation purposes.

N/A - Information Unavailable

Source: ^a Population information provided by the NJ Dept of Labor and Workforce Development
^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
^c Personal income has been estimated based upon the municipal population and per capita personal income presented
^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

RANDOLPH TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS IN THE COUNTY OF MORRIS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2010		Employer	2001	
	Employees	Total		Employees	Total
Novartis	4,990	N/A			
Atlantic Health System	4,933				
US Army Armament Research and Development	4,442	N/A			
United Parcel Service	2,332	N/A			Information is Not Available
County of Morris	1,959	N/A			
ADP	1,924	N/A			
AT&T	1,550	N/A			
Saint Clare's	1,531	N/A			
BASF Corporation	1,400	N/A			
Avis Budget Group, Inc	1,378	N/A			
Total	26,439	N/A			

Note: Information is for Morris County

Source: Morris County Planning Board

RANDOLPH TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST SEVEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction:							
Regular	373	388	375	393	387	370	341
Special education	46	76	86	88	89	89	98
Support Services:							
Student & instruction related services	131	123	122	115	113	114	104
School administrative services	33	37	34	35	32	30	30
General and business administrative services	33	26	24	24	20	19	21
Plant operations and maintenance	54	57	57	56	56	53	64
Pupil transportation	46	45	45	45	46	47	45
Total	<u>716</u>	<u>752</u>	<u>743</u>	<u>756</u>	<u>743</u>	<u>722</u>	<u>703</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: District Personnel Records

RANDOLPH TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST SEVEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment ^d	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2005	5,557	\$ 65,631,070	\$ 11,811	5.28%	514	14.1	11.5	12.7	5,557	5,311	1.18%	95.57%
2006	5,538	69,216,812	12,499	5.83%	516	13.0	11.3	12.1	5,538	5,261	-0.34%	95.00%
2007	5,549	72,770,033	13,114	4.93%	514	11.9	11.1	11.5	5,549	5,297	0.20%	95.46%
2008	5,571	74,933,935	13,451	2.57%	513	10.5	10.9	11.4	5,571	5,299	0.40%	95.12%
2009	5,514	76,341,632	13,845	2.93%	539	9.9	10.1	10.9	5,514	5,238	-1.02%	94.99%
2010	5,417	80,814,639	14,919	7.75%	539	9.6	9.8	10.9	5,417	5,162	-1.76%	95.29%
2011	5,294	77,612,676	14,660	-1.73%	504	10.4	10.1	11.1	5,294	5,050	-2.27%	95.39%

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

^b The Cost per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This Cost per Pupil may be different from other Cost per Pupil calculations.

^c Teaching staff includes only full-time equivalents of certificated staff.

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

Note: Enrollment based on annual October district count.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006

Source: School District records

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST SEVEN FISCAL YEARS
UNAUDITED

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>District Buildings</u>							
Center Grove School							
Square Feet	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capacity (students)	608	608	608	608	608	608	608
Enrollment	645	628	595	546	560	515	494
Fernbrook School							
Square Feet	75,569	75,569	75,569	75,569	75,569	75,569	75,569
Capacity (students)	567	567	567	567	567	567	567
Enrollment	653	625	631	631	627	611	641
Ironia School							
Square Feet	63,764	63,764	63,764	63,764	63,764	63,764	63,764
Capacity (students)	643	643	643	643	643	643	643
Enrollment	639	624	626	632	637	629	602
Shongum School							
Square Feet	69,283	69,283	69,283	69,283	69,283	69,283	69,283
Capacity (students)	567	567	567	567	567	567	567
Enrollment	642	651	647	668	634	652	676
Middle School							
Square Feet	170,243	170,243	170,243	170,243	170,243	170,243	170,243
Capacity (students)	893	893	893	893	893	893	893
Enrollment	1,389	1,353	1,341	1,317	1,297	1,275	1,227
High School							
Square Feet	220,337	220,337	220,337	276,337	276,337	276,337	276,337
Capacity (students)	950	950	950	1,877	1,877	1,877	1,877
Enrollment	1,589	1,659	1,709	1,777	1,765	1,721	1,677
Number of Schools at June 30, 2011							
Elementary = 4							
Middle School = 1							
High School = 1							
Other =							

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Facilities Office

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities
Account # 11-000-261-xxx

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Center Grove</u> <u>School</u>	<u>Fernbrook</u> <u>School</u>	<u>Ironia</u> <u>School</u>	<u>Shongum</u> <u>School</u>	<u>Middle</u> <u>School</u>	<u>High</u> <u>School</u>	<u>Total</u>
2002	\$ 113,572	\$ 143,042	\$ 120,697	\$ 131,144	\$ 322,247	\$ 417,069	\$ 1,247,771
2003	85,067	107,140	90,403	98,228	241,368	312,389	934,595
2004	138,056	94,949	84,499	83,123	209,962	296,383	906,972
2005	162,996	132,648	111,070	115,344	221,287	264,753	1,008,098
2006	98,953	124,629	105,160	114,262	280,767	363,383	1,087,154
2007	107,634	111,358	103,955	101,864	187,990	294,517	907,318
2008	97,411	96,265	90,751	94,083	191,113	297,708	867,331
2009	79,776	97,020	81,373	86,770	183,882	271,162	799,983
2010	96,560	100,793	85,770	92,893	189,792	287,862	853,670
2011	120,047	103,257	92,620	98,525	217,646	328,719	960,814

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

Source: School District records.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2011
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Graphic Arts Mutual:		
Property - Blanket Building and Contents (90%)	\$ 143,435,195	\$ 5,000
Comprehensive Boiler and Machinery	50,000,000	1,000
Business Interruption/Extra Expense	5,000,000	5,000
Comprehensive General Liability - Per Occurrence	1,000,000	None
School Board Legal Liability - Per Occurrence	1,000,000	7,500
Employee Benefits Liability - Per Occurrence	1,000,000	1,000
Comprehensive Crime Coverage	100,000	None
Computers and Scheduled Equipment - Graphic Arts Mutual		
Data Processing Equipment	2,500,000	5,000
Miscellaneous School Equipment	500,000	1,000
Umbrella Liability Policy - Utica Mutual		
Umbrella Policy	10,000,000	10,000
Excess Liability - Fireman's Fund Insurance Co.	50,000,000	10,000
Public Official Bond - Utica		
Treasurer of School Monies	400,000	None
Business Administrator	400,000	None
Comprehensive Automobile Liability - Graphic Arts Mutual	1,000,000	
Comprehensive Deductible		1,000
Collision Deductible		1,000

Source: School District records.

SINGLE AUDIT SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Honorable President and Members
 of the Board of Education
 Randolph Township School District
 County of Morris, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Randolph Township School District, in the County of Morris (the "Board") as of and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated October 7, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey (the "Department"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting 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 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, as defined above.

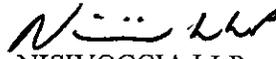
The Honorable President and Members
of the Board of Education
Randolph Township School District
Page 2

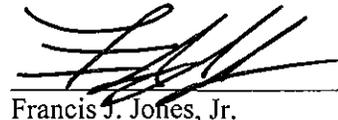
Compliance and Other Matters

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

This report is intended solely for the information and use of management, the members of the Board of Education, and to meet the requirements for filing with the New Jersey State Department of Education, and other state and federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

October 7, 2011
Mount Arlington, New Jersey


NISIVOCCIA LLP



Francis J. Jones, Jr.
Licensed Public School Accountant #1154
Certified Public Accountant



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04

The Honorable President and Members
 of the Board of Education
 Randolph Township School District
 County of Morris, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Randolph Township School District in the County of Morris (the "Board") 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 Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the Board's major federal and state programs for the fiscal year ended June 30, 2011. The Board's major federal and state programs are identified in the summary of auditors' 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 the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; audit requirements prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey (the "Department"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*; and Federal Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards, Federal OMB Circular A-133, and New Jersey's OMB Circular NJOMB 04-04 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 Board'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 of the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011.

The Honorable President and Members
of the Board of Education
Randolph Township School District
Page 2

Internal Control Over Compliance

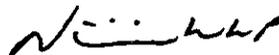
The management of the Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Board's internal control 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 the *New Jersey State Aid/ Grant Compliance Supplement*, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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, the members of the Board of Education, and to meet the requirements for filing with the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

October 7, 2011
Mount Arlington, New Jersey


NISIVOCCIA LLP


Francis J. Jones, Jr.
Licensed Public School Accountant #1154
Certified Public Accountant

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grant/Pass Through Grantor/Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010		Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenses	Repayment of Prior Year's Balances	Cancellation of Prior Year's Accounts Payable/Encumbrances	Balance at June 30, 2011	
					Deferred Revenues/ (Reserves/ Receivable)	Unexpended							Budgetary Deferred Revenue	Unexpended
U.S. Department of Agriculture:														
Passed-through State Department of Education:														
Child Nutrition Cluster:														
Federal Food Distribution Program	10.555	N/A	7/1/09-6/30/10	\$ 43,746	\$ 2,145			\$ 16,900	\$ (2,145)				\$ 4,530	
Federal Food Distribution Program	10.555	N/A	7/1/10-6/30/11	16,500					(12,370)					
National School Lunch Program	10.555	N/A	7/1/09-6/30/10	106,898	(7,148)			91,677	(115,638)					\$ (23,981)
National School Lunch Program	10.555	N/A	7/1/10-6/30/11	115,638				259						
Special Milk Program	10.556	N/A	7/1/09-6/30/10	3,895	(239)			2,283	(2,843)					(560)
Special Milk Program	10.556	N/A	7/1/10-6/30/11	2,843	(5,202)			118,267	(133,016)					(24,541)
Total Child Nutrition Cluster					(5,262)			118,267	(133,016)					(24,541)
Total U.S. Department of Agriculture														
U.S. Department of Education:														
Passed-through State Department of Education:														
Special Revenue Fund:														
NCLB Consolidated:														
Title I, Carryover	84.010	NCLB-0820-10	9/1/09-8/31/11	115,339	(7,655)			90,020	(72,367)		\$ 2			(54,963)
Title I	84.010	NCLB-0820-11	9/1/10-8/31/11	99,471				4,645	(59,609)					(54,963)
Total Title I									(131,975)					
Title IIA, Carryover	84.367	NCLB-0820-09	9/1/08-8/31/10	107,137	(6,964)			6,964	(17,823)		2,068			(43,154)
Title IIA, Carryover	84.367	NCLB-0820-10	9/1/09-8/31/11	109,337	(25,401)			41,136	(102,137)					(43,154)
Title IIA	84.367	NCLB-0820-11	9/1/10-8/31/11	110,237				59,583	(130,560)					(43,154)
Total Title IIA					(31,365)			107,703	(232,256)					
Title IID	84.318	NCLB-0820-10	9/1/09-8/31/10	932	(31)			31	(159)					(65)
Title IID	84.318	NCLB-0820-11	9/1/10-8/31/11	403	(31)			125	(139)					(65)
Total Title IID									(298)					(130)
Title III, Carryover	84.365	NCLB-0820-10	9/1/09-8/31/11	13,650	(5,256)			11,901	(6,645)					(13,260)
Title III	84.365	NCLB-0820-11	9/1/10-8/31/11	17,978				3,361	(16,621)					(13,260)
Total Title III					(5,256)			15,262	(23,266)					
Title III Immigrant, Carryover	84.365	NCLB-0820-10	9/1/09-8/31/11	74,263	(5,410)			11,560	(6,150)					(24,932)
Title III Immigrant	84.365	NCLB-0820-11	9/1/10-8/31/11	44,066				18,387	(43,339)					(24,932)
Total Title III Immigrant					(5,410)			29,947	(49,489)					
Title IV, Carryover	84.186	NCLB-0820-10	9/1/09-8/31/11	8,852	(568)			8,712	(8,144)					
Title IV					(568)									
Total Title IV					(568)			8,712	(8,144)					
Special Education Cluster:														
I, D.E.A. Part B, Basic Regular	84.027	FT-0820-09	9/1/08-8/31/10	1,014,729	(16,378)			16,378						(238)
I, D.E.A. Part B, Basic Regular, Carryover	84.027	FT-0820-10	9/1/09-8/31/11	1,028,552	(106,019)			147,122	(42,141)					(13,257)
I, D.E.A. Part B, Basic Regular	84.027	FT-0820-11	9/1/10-8/31/11	1,016,583				563,265	(694,522)					(138,198)
I, D.E.A. Part B, Basic Regular, ARRA	84.391	ARRA-0820-10	7/1/09-8/31/11	1,184,026	(653,302)			360,333	(236,269)					
I, D.E.A. Part B, Preschool, Carryover	84.173	PS-0820-08	9/1/07-8/31/09	46,708										
I, D.E.A. Part B, Preschool	84.173	PS-0820-09	9/1/08-8/31/10	44,706	(1,284)			1,284	(3,071)					(24,234)
I, D.E.A. Part B, Preschool, Carryover	84.173	PS-0820-10	9/1/09-8/31/11	45,366	(12,685)			15,165	(38,070)					(22,624)
I, D.E.A. Part B, Preschool	84.173	PS-0820-11	9/1/10-8/31/11	47,361				13,836	(31,997)					
Total Special Education Cluster	84.392	ARRA-0820-10	7/1/09-8/31/11	42,833	(1,294)			10,667	(10,146,070)					(316,531)
Total Special Education Cluster					(462,247)			1,384,464	(1,379,663)					(452,925)
Total U.S. Department of Education					(62,347)			1,384,464	(1,379,663)					(452,925)
Total Federal Awards					(667,509)			1,502,731	(1,512,679)					(474,466)

N/A - Not Available/Applicable

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2010		Caryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2011			Memo	
				Deferred Revenue/ (Accounts Receivable)	Due to Grantor					Deferred Revenue	GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:														
General Fund:														
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	\$ 7,356,176				\$ 6,659,492	\$ (7,356,176)					\$ 696,684	\$ 7,356,176
Equalization Aid	10-495-034-5120-078	7/1/09-6/30/10	7,100,618	\$ (802,267)			802,267							7,100,618
Transportation Aid	11-495-034-5120-014	7/1/09-6/30/10	1,891,224	(213,681)			213,681							1,891,224
Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	3,113,470				2,818,602	(3,113,470)					294,868	3,113,470
Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	3,169,353	(358,091)			358,091							3,169,353
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	427,968	(48,354)			48,354							427,968
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	1,110,671					(1,110,671)			\$ (1,110,671)		1,110,671	1,110,671
Extraordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	894,722	(894,722)			894,722							894,722
Other State Aid - Non Public Transportation	11-495-034-5120-014	7/1/10-6/30/11	53,001					(53,001)			(53,001)		53,001	53,001
Other State Aid - Non Public Transportation	10-495-034-5120-014	7/1/09-6/30/10	46,510	(46,510)			46,510							46,510
				(2,363,625)			11,841,719	(11,633,318)			(1,163,672)		2,155,224	25,163,713
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	7/1/10-6/30/11	2,562,288				2,309,239	(2,562,288)			(253,049)		253,049	2,562,288
Subtotal - General Fund				(2,363,625)			14,150,958	(14,195,606)			(1,416,721)		2,408,273	27,726,001
Special Revenue Fund:														
NJ Nonpublic Aid:														
Textbook Aid	11-100-034-5120-064	7/1/10-6/30/11	10,345				10,345	(10,345)						10,345
Auxiliary Services:														
English as a Second Language	10-100-034-5120-067	7/1/09-6/30/10	10,765		\$ 9,786				\$ 9,786					979
English as a Second Language	11-100-034-5120-067	7/1/10-6/30/11	854				854	(598)			\$ 256			598
Transportation	11-100-034-5120-067	7/1/10-6/30/11	19,932				19,932	(19,932)						19,932
Compensatory Education	11-100-034-5120-067	7/1/10-6/30/11	5,526				5,526	(3,684)				1,842		3,684
Home Instruction	11-100-034-5120-067	7/1/10-6/30/11	1,507					(1,507)			(1,507)		1,507	1,507
Handicapped Services:														
Examination & Classification	10-100-034-5120-066	7/1/09-6/30/10	28,692		10,230				10,230					18,462
Examination & Classification	11-100-034-5120-066	7/1/10-6/30/11	28,699				28,699	(24,079)				4,620		24,079
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	16,857		3,317				3,317					13,540
Corrective Speech	11-100-034-5120-066	7/1/10-6/30/11	15,803				15,803	(15,803)						15,803
Supplemental Instruction	10-100-034-5120-066	7/1/09-6/30/10	31,061		14,735				14,735					16,326
Supplemental Instruction	11-100-034-5120-066	7/1/10-6/30/11	20,497				20,497	(18,552)				1,945		18,552
Nursing Services	11-100-034-5120-070	7/1/10-6/30/11	12,258				12,258	(12,258)						12,258
Subtotal - Special Revenue Fund					38,068		113,914	(106,758)	38,068		(1,507)		8,663	156,065

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2010		Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2011			Memo	
				Deferred Revenue/ (Accounts Receivable)	Due to Grantor					Deferred Revenue	GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Capital Projects Fund:														
NJ School Development Authority:														
Fernbrook Elementary School	4330-065-09-1003	7/1/09-6/30/11	\$ 18,190	\$ (17,346)							\$ (17,346)		\$ 18,190	\$ 17,346
Ironia Elementary School	4330-070-09-1002	7/1/09-6/30/11	7,231	(2,427)							(2,427)		7,231	2,427
Randolph Middle School	4330-075-09-1004	7/1/09-6/30/11	20,712	(18,127)				\$ (1,522)			(19,649)		20,712	19,649
Randolph High School	4330-050-09-1001	7/1/09-6/30/11	5,701	(3,191)							(3,191)		5,701	3,191
Subtotal - Capital Projects Fund				(41,091)				(1,522)			(42,613)		51,834	42,613
Debt Service Fund:														
Debt Service Aid II														
	11-100-034-5120-125	7/1/10-6/30/11	291,819				\$ 291,819	(291,819)						291,819
Subtotal - Debt Service Fund							291,819	(291,819)						
Enterprise Fund:														
State School Lunch Program														
	11-100-010-3350-023	7/1/10-6/30/11	7,579				5,868	(7,579)			(1,711)		1,711	7,579
State School Lunch Program														
	10-100-010-3350-023	7/1/09-6/30/10	8,456	(561)			561							8,456
Subtotal - Enterprise Fund				(561)			6,429	(7,579)			(1,711)		1,711	16,035
Total State Awards				\$ (2,405,277)	\$ 38,068	\$ -0-	\$ 14,563,120	\$ (14,603,284)	\$ 38,068	\$ -0-	\$ (1,462,552)	\$ 8,663	\$ 2,463,325	\$ 27,940,714

N/A - Not Available/Applicable

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Randolph Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2011. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net assets or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

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 schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant 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 June state aid payments in the current budget year, which is mandated pursuant to P.L.2003, C.97.(A3521). For GAAP purposes, these payments are not recognized until the subsequent budget year due to the state deferral and recording of the June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. The capital projects fund recognizes grant revenue in total in the year of the award on the budgetary basis while on a GAAP basis grant revenue is realized based when the expenditures are submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$430,841 for the general fund, \$(10,360) for the special revenue fund and \$1,522 for the capital projects fund. See Exhibits C-3 and F-1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund, special revenue fund and capital projects fund. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Non-Contributory Insurance and Post Retirement Contributions revenue of \$111,063 and \$2,358,987 respectively.

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 17,096,497	\$17,096,497
Special Revenue Fund	\$ 1,377,769	106,758	1,484,527
Capital Projects Fund		1,522	1,522
Debt Service Fund		291,819	291,819
Food Service Fund	133,016	7,579	140,595
Total Financial Assistance	<u>\$ 1,510,785</u>	<u>\$17,504,175</u>	<u>\$19,014,960</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

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2011. Revenues and expenditures reported under the Food Distribution Program represent current year values received and current year distributions respectively.

NOTE 6. NJ SCHOOLS CONSTRUCTION CORPORATION (SDA) GRANT

The District received grants in the amount of \$51,834 in connection with various capital projects to the elementary schools, middle school and high school during the year. Eligible grant expenditures are reported as funds are drawn down. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on the budgetary basis in the year it was awarded and realized the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. During the fiscal year, the District expended \$1,522 and has \$42,613 in grants receivable on the GAAP basis as of June 30, 2011.

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Summary of Auditors' Results:

- An unqualified report was issued on the District's financial statements.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District.
- The audit did not disclose any noncompliance which is material in relation to the financial statements of the District.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District's major programs.
- An unqualified report was issued on the District's compliance for major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* and Federal OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*.
- The District's major federal and state programs for the current fiscal year consisted of the following awards:

	<u>C.F.D.A./</u> <u>Grant Number</u>	<u>Grant Period</u>	<u>Award</u> <u>Amount</u>	<u>Budgetary</u> <u>Expenditures</u>
<u>General Fund State Aid:</u>				
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	\$ 7,356,176	\$ 7,356,176
Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	3,113,470	3,113,470
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	7/1/10-6/30/11	2,562,288	2,562,288
	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award</u> <u>Amount</u>	<u>Budgetary</u> <u>Expenditures</u>
<u>Federal:</u>				
<u>Special Education Cluster:</u>				
IDEA Part B	84.027	9/1/10-8/31/11	\$ 1,016,583	\$ 694,522
IDEA Part B, Carryover	84.027	9/1/09-8/31/11	1,028,552	42,141
ARRA - IDEA Part B	84.391	7/1/09-8/31/11	1,184,026	236,269
IDEA Part B Preschool	84.173	9/1/10-8/31/11	47,361	38,070
IDEA Part B Preschool, Carryover	84.173	9/1/09-8/31/11	45,366	3,071
ARRA - IDEA Part B Preschool	84.392	7/1/09-8/31/11	42,833	31,997

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

Summary of Auditors' Results (Cont'd)

- The threshold for distinguishing Type A and Type B programs was \$300,000 for federal programs and \$438,099 for state programs.
- The single audit thresholds identified in Federal OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04 were \$500,000.
- The District qualified as a "low-risk" auditee under the provisions of section 530 of the Circular.

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

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

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in section 510(a) of the federal Circular.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular and New Jersey's OMB Circular NJOMB 04-04.

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

Status of Prior Year Findings:

There were no prior year findings.