

SCHOOL DISTRICT

OF

RUNNEMEDE

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Runnemedede Board of Education

Runnemedede, New Jersey

For the Fiscal Year Ended June 30, 2011

**COMPREHENSIVE ANNUAL
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Runnemede Board of Education

Runnemede, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by

Runnemede Board of Education

Finance Department

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OF THE RUNNEMEDE SCHOOL DISTRICT
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INTRODUCTORY SECTION

Runnemede Board of Education

Valerie Carmody
Interim Business Administrator/
Board Secretary

505 W. Third Avenue
Runnemede, NJ 08078
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October 28, 2011

Honorable President and
Members of the Board of Education
Runnemede School District
County of Camden, New Jersey 08078

Dear Board Members:

The Comprehensive Annual Financial Report of the Runnemede Public School District (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. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 as follows:

- The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, P.L. 98-502 and as amended by the Single Audit Act Amendments of 1996, P.L. 104-156 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Runnemede Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by Statement No. 14. All funds of the District are included in this report. The Runnemede Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include comprehensive regular curriculum with appropriate support services, as well as special education for learning disabled/handicapped students. The District completed the 2010-2011 fiscal year with a June enrollment of 851 students. This represents virtually the same enrollment as 2009-10. The following table details the changes in the student enrollment of the District over the last ten years.

<u>June 30 Enrollment</u>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-11	851	(.12)%
2009-10	852	.95%
2008-09	844	5.10%
2007-08	803	2.49%
2006-07	806	.12 %
2005-06	805	(3.48)%
2004-05	834	3.60 %
2003-04	805	(2.42)%
2002-03	825	(.96)%
2001-02	833	(4.36)%

2. ECONOMIC CONDITION AND OUTLOOK:

The adequacy formula was again insufficient for the Runnemedede School District because it was not fully funded. It fell short of meeting the needs of the growing "at risk" and total school populations. We estimated a significant shortfall when calculating the aid percentage that was commensurate with the formula and what we actually received. In addition, the district continued to recover from the loss of 2009-10 fund balance and reserves, which accounted for a sizeable amount of money that would have been earmarked for tax relief in the 2010-11 budget. While staffing levels remained consistent a newly negotiated collective bargaining agreement accounted for an average 2.8% increase for aligned staff and a 2% increase for non-aligned staff.

3. MAJOR INITIATIVES:

- A The District's consistent focus is successful academic achievement based on instructional improvement. Guided reading is implemented in K-5, providing an opportunity to differentiate instruction and meet the needs of individual learners. A standards based mathematics program has continued and provided excellent results. On-going professional development and accompanying materials have also been incorporated into the spending plan during the budget year. Language Arts, focusing on the writing component, was identified as an area of weakness in the state assessments and has been the center of professional development, teaching and material resource allocation. Inclusion of students with disabilities and interventions for "at risk" students have been important goals of resource allocation via blending grant funds and the local budget.

- B Technology continued to advance with the continuous upgrade of computer labs, the addition of two types of Interactive White Boards in all school buildings and updated software. A Technology Coordinator position that was added to the staff in 2008-09 continues to be maintained as a full time position. In addition to maintain the network, the Coordinator provides leadership and support for technology infrastructure and the educational program. The web based student information management system, Realtime, was enhanced in the 2010-11 school year to include the lesson planning module. Courses are now connected to teacher lesson plans in grades 4-8.
- C Runnemedede was unable to expand the Pre-School program in 2009-10 due to a reduction in state aid. A plan was submitted to the Department of Education in November 2008. In the budget development process we found out that the state was not going to fund the pre-school as expected. Our district was mandated to provide universal full day preschool for the district's four and five year olds. Without state funding, this was not possible. The ARRA Title I allocation for our district was insufficient to fund one teacher salary and certainly not adequate for the program. We await further guidance from the DOE and funding information before going forward with the submitted plan. In the interim, the district used IDEA funding to expand the Pre-school, opening one classroom, which provided 15 additional seats for four year olds and 15 seats for the three year olds in a half-day program. This program is inclusive of pre-school students with disabilities and typical students. In addition to IDEA funding, special education aid and parent tuition combine to create a braided funding source.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these 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, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

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, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9. OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Raymond Colavita, C.P.A., R.M.A. of the accounting firm of Nightlinger, Colavita and Volpa, P.A. was selected by the Board's Audit Committee. 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 of 1984, P.L. 98-502 and as amended by the Single Audit Act Amendments of 1996, P.L. 104-156, and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

B) Awards – The District has received one (1) safety award in recognition of the efforts and achievement of our Safety Program. These awards have been issued from the New Jersey School Boards Association Insurance Group.

10. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Runnemede School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public 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 our financial and accounting staff. We received the complete cooperation from Nightlinger, Colavita & Volpa, P.A. and appreciate the courtesies extended to us.

Respectfully submitted,

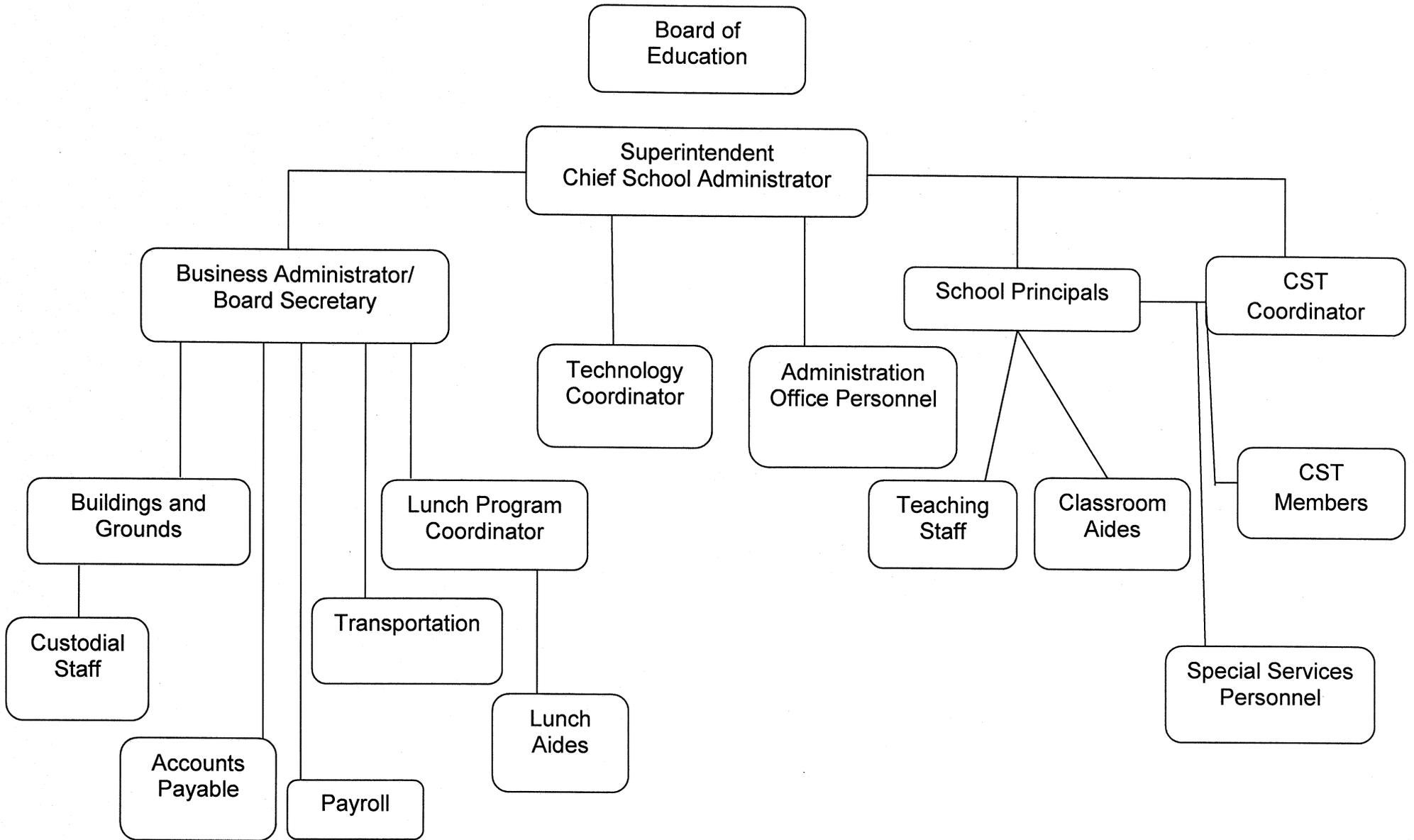


Nancy Ward, Superintendent



Valerie Carmody, Interim School Business
Administrator/Board Secretary

RUNNEMEDE BOARD OF EDUCATION



RUNNEMEDE BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2011

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Samantha Spaulding, President	2012
Naiomi Davidson, Vice President	2013
Colleen Kurth	2012
John Wark	2013
Maria Panzarella	2013
Angel Beebe	2014
Lynn Torrillo	2014
Patrick Smith	2014
Amy Farry	2012

OTHER OFFICIALS

Nancy Ward, Superintendent

Kelly Brazelton, Board Secretary/Business Administrator (From July 2010 to August 2010)

Shay Richardson, Acting Board Secretary/Business Administrator
(From September 2010 to November 2010)

Valarie Carmondy, Interim Board Secretary Business Administrator
(From December 2010 to June 2011)

Christie Ehret, Treasurer

Philip Stern, Esq., Solicitor

RUNNEMEDE BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ARCHITECT

Garrison Architects
1400 F Commerce Parkway
Mount Laurel, NJ 08054

AUDIT FIRM

Raymond Colavita, CPA, RMA, PSA
Nightlinger, Colavita and Volpa, PA
P.O. Box 799
Williamstown, NJ 08094

ATTORNEY

Adams, Stern, Gutierrez & Lattiboudere, LLC
744 Broad Street
Suite 1600
Newark, NJ 07102

OFFICIAL DEPOSITORY

PNC Bank
Glendora, NJ 08029

INSURANCE AGENCY

The Barclay Group
202 Broad Street, P.O. Box 244
Riverton, NJ 08077

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
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October 28, 2011

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Runnemede School District
County of Camden, New Jersey 08078

Dear Members of the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Runnemede School District in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Runnemede School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Runnemede 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 and 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Runnemede Board of Education in the County of Camden, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable thereof, for the 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 28, 2011 on our consideration of the Runnemede Board of Education's internal control over financial reporting and 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 Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 19 and 54 through 61 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. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Runnemede Board of Education's, basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedure 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 accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid, respectively and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

RUNNEMEDE SCHOOL DISTRICT
BOROUGH OF RUNNEMEDE

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

UNAUDITED

As management of the Runnemede Public School District, we offer readers of the financial statements this overall review of the School District's financial activities for the fiscal year ended June 30, 2011. While the intent of this discussion and analysis is to look at the School District's financial performance as a whole, readers should also review the notes to the financial statements in conjunction with other sections of the CAFR, in order to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- ❖ The assets of the School District exceeded its liabilities at the close of the fiscal year ended June 30, 2011 by \$3,119,235. This amount represents Net Assets, which increased by \$1,013,278 from the previous year-end.
- ❖ Total net assets of governmental activities totaled \$3,078,448 and Capital assets comprised 76.58% percent of all governmental activities assets or \$3,999,325.
- ❖ General revenues, net of adjustments, accounted for \$11,177,724 in revenue or 87.5% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, accounted for \$1,596,642 or 12.5% to total revenues of \$12,774,366.
- ❖ The School District had \$11,761,088 in program expenses. These expenses were offset by program specific charges for services, grants or contributions of \$1,596,642 as mentioned above in arriving at the net governmental activity expenses of the district. General revenues comprising federal and state aid of \$6,314,821, property taxes of \$4,751,585 and other miscellaneous revenues and adjustments of \$111,318 were adequate to provide for the programs maintained by the school.
- ❖ The General Fund had \$11,388,213 in revenues, \$11,448,242 in expenditures and other financing use reductions of \$229,855. The General Fund's balance decreased \$289,884 over 2010. This decrease was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of the Runnemede School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. There are three school buildings maintained by the district, which are the Bingham elementary school, the Downing elementary school, and the Voltz middle school.
- ❖ **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Governmental Funds (Continued)

The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same. The Food Service fund is the only enterprise fund maintained by the district.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole, which includes the Business-type Activities.

Table 1 provides a comparative summary of the School District's net assets for the years ended in 2011 and 2010.

Table 1
Net Assets

	2011	2010
Assets		
Current and Other Assets	\$ 936,169	\$ 1,488,863
Capital Assets, Net	3,063,156	2,343,069
Total Assets	3,999,325	3,831,932
Liabilities		
Long-term Liabilities	772,617	1,671,067
Other Liabilities	148,260	67,231
Total Liabilities	920,877	1,738,298
Net Assets		
Invested in Capital Assets, Net of Debt	2,981,524	1,843,069
Restricted	611,876	1,572,660
Unrestricted	(514,952)	(1,322,095)
Total Net Assets	\$ 3,078,448	\$ 2,093,634

Table 2 shows the changes in net assets from fiscal year's 2011 and 2010.

Table 2
Changes in Net Assets

	2011	2010
Revenues		
Programs Revenues		
Charges for Services	\$ 76,222	\$ 79,625
Operating grants and contributions	1,520,420	1,653,998
General Revenues		
Property Taxes	4,751,585	4,540,961
Grants and Entitlements	6,314,821	6,443,842
Other	111,318	102,435
Total Revenues	12,774,366	12,820,861
Program Expenses		
Instruction	4,892,762	5,410,797
Support Services		
Tuition	943,713	
Pupils and Instructional Staff	1,285,066	2,039,105
General Administration, School		
Administration, Business	986,742	1,017,121
Operations and Maintenance of Facilities	652,554	834,331
Pupil Transportation	294,088	394,595
Unallocated Employee Benefits	2,469,749	3,233,570
Interest on Debt	22,267	34,998
Enterprise Funds	206,088	228,624
Other	8,059	7,962
Total Expenses	11,761,088	13,201,103
Increase in Net Assets	\$ 1,013,278	\$ (380,242)

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Of the District's \$12,773,366 in total revenues for the fiscal year ended June 30, 2011, property taxes made up 37.2 % of the revenues raised for governmental activities. Federal, state and local grants accounted for another 49.4 % and other revenues, net of adjustments made up 13.4%. The total cost of all program and services was \$11,761,088 of which the net amount spent on governmental activities was \$10,148,694. Of this amount, Instruction comprised 41.6 %.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses exceeded revenues by \$15,752.
- ❖ To offset the food services deficit, the General Fund subsidized the food service operation by \$44,190. The fund ended the year with a net positive change of \$28,464. The district will continue to identify a means to bring the food service cost to the district under control.
- ❖ Charges for services in the food service fund represent \$76,222 of revenue. This represents amount paid by patrons for daily food services or 40% of the revenue in the food service fund.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$114,114, which represents 60% of the revenue.

Governmental Activities

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

Table 3

	<u>Total Cost of Service 2011</u>	<u>Net Cost of Service 2011</u>	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>
Instruction	\$ 4,892,762	\$ 4,488,158	\$ 5,410,797	\$ 4,884,141
Support Services				
Tuition	943,713	943,713		
Pupils and Instructional Staff	1,285,066	1,285,066	2,039,105	1,808,592
General Administration, School				
Administration, Business	986,742	781,563	1,017,121	1,017,121
Operation and Maintenance of Facilities	652,554	652,554	834,331	834,331
Pupil Transportation	294,088	294,088	394,595	394,595
Employee Benefits	2,469,749	1,673,226	3,233,570	2,436,268
Interest and Fiscal Charges	24,616	24,616	37,347	37,347
Other	5,710	5,710	5,613	5,613
Total Expenses	<u>\$ 11,555,000</u>	<u>\$ 10,148,694</u>	<u>\$ 12,972,479</u>	<u>\$ 11,418,008</u>

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

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

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Extracurricular activities includes expenses related to student activities provided by the School district which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

Other includes unallocated depreciation and amortization.

The School District's Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$12,584,004 and expenditures of \$13,175,046. The net change in fund balance for the year was \$635,232, which included the transfer to the food service fund of \$44,190. The School District is able to meet current operating costs with no urgent need for additional funds.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects and permanent fund expenditures) for the fiscal year ended June 30, 2011, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) 2010</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 6,269,183	49.8%	\$ 71,385	1.1%
State Sources	5,824,349	46.3%	782,185	13.7%
Federal Sources	490,472	3.9%	(911,206)	-235.9%
Total	<u>\$ 12,584,004</u>	<u>100.0%</u>	<u>\$ (57,636)</u>	<u>-0.5%</u>

The increase in Local Sources is attributed to increases in the local tax levy of \$62,459 and miscellaneous revenue of \$16,114, offset by decrease in tuition income of \$2,664 and interest earned of \$4,524.

The increase in State Sources is attributed to higher general fund state aid of \$351,658, grants for special projects of \$449,427, offset by a decrease in state debt service aid of \$18,900

The decrease in Federal Sources is attributed to decreases in various grant awards of \$911,206.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2011.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2010</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 4,801,403	36.4%	\$ (519,567)	-10.6%
Undistributed Expenditures	7,263,232	55.1%	185,517	2.8%
Capital Outlay	834,286	6.3%	732,858	3662.1%
Debt Service:				
Principal	250,000	1.9%	5,000	2.2%
Interest	26,125	0.2%	(12,618)	-20.4%
Total	\$ 13,175,046	100.0%	\$ 391,190	3.3%

The decrease in Current – Instruction is attributed to decreases in regular instruction of \$433,302 and other instruction of \$178,749, offset by an increase in special education instruction of \$92,484.

The increase in Current – Undistributed Expenditures is attributed to increases in district tuition of \$164,904, student and instruction related expenses of \$24,770, and employee benefits of \$308,793, offset by a decrease in administrative costs of \$30,570, plant operations and maintenance of \$181,873 pupil transportation of \$100,507.

The increase of \$732,858 in capital outlay is attributed to increases in equipment purchases and state aided building improvements.

The slight decrease in debt service is attributed to debt payment requirement through out the year.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2011, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Some of the normal budgetary situations requiring attention during the year are:

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show an actual decrease in fund balance of \$328,456.

- ❖ Actual revenues were \$163,492 higher than expected (excluding On-Behalf pension and social security state aid of \$780,435), due primarily to local source revenue of \$91,506 and other categorical aid of 72,101, less special education Medicaid insurance of \$115.
- ❖ The actual expenditures were \$339,200 more than expected, which included the effects of state On-Behalf pension and social security aid of \$780,435.

Capital Assets

At the end of the fiscal year 2011, the School District had \$7,456,246 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2011 balances compared to 2010.

Table 4
Capital Assets (Net of Depreciation) at June 30

	<u>2011</u>	<u>2010</u>
Land	\$ 29,083	\$ 29,083
Construction in Progress	884,472	59,664
Site Improvements	38,897	47,070
Building and Improvements	1,965,574	2,050,739
Equipment	151,074	163,199
Totals	<u>\$ 3,069,100</u>	<u>\$ 2,349,755</u>

Overall capital assets increased \$719,345 from fiscal year 2010 to fiscal year 2011. Increases in capital assets of \$834,286 from additional equipment of \$9,478 and construction work-in-progress of \$824,808 were offset by depreciation expense of \$114,941.

Debt Administration

At June 30, 2011, the School District had \$772,617 as outstanding debt. Of this amount, \$522,617 is for compensated absences, and the balance of \$250,000 is for school construction bonds.

At June 30, 2011, the School District's overall legal debt margin was \$17,780,795 and the unvoted debt margin was \$17,530,795, or 98.6% of the total amount permitted by statute. The detail of the open debt issues is as follows:

	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Outstanding at June 30, 2011</u>
Construction of Additions and Renovations to Schools	3/20/97	\$ 2,950,000	\$ 250,000

For the Future

The Runnemede School District is presently in good financial condition. A major concern is the continued increases in mandated expenditures, with the increased reliance on local property taxes or state aid. Future finances are not without challenges as expenditures continue to grow and state funding is not keeping pace.

While the Runnemede School District budget has been successfully passed by the voters in the last two years, the continued flat funding from the state, along with ongoing rising costs to run our schools, presents ongoing challenges.

The Borough of Runnemede is primarily a residential community, with very few ratables and the burden is, therefore, focused on homeowners to absorb the cost through the tax levy.

Faced with the realities of increasing costs, diminishing state aid and sensitivity to taxpayer burden, the Administration and Board of Education is concerned about how future budgets will be financed and this will undoubtedly impact future budget development. Therefore, the Administration and Board of Education will do their best to find ways to decrease spending while continuing to provide the best possible education for our students.

In conclusion, the Runnemede School District has committed itself to responsible fiscal management and plans to continue to meet the challenges of the future. In addition, the School District's system for financial planning, budgeting, and internal financial controls are maintained in accordance with state statutes.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact, Joanne Augustine, Business Administrator/Board Secretary at Runnemede Board of Education, 505 West Third Avenue, Runnemede, New Jersey 08078.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>
	<u>Activities</u>		<u>Activities</u>		
ASSETS					
Cash and Cash Equivalents	\$ 90,111	\$	35,315	\$	125,426
Receivables, Net	817,640		118		817,758
Interfunds Receivable	26,069				26,069
Restricted Assets:					
Inventory			119		119
Unamortized Bond Issue Costs	2,349				2,349
Capital Assets, Net (Note 5):	3,063,156		5,944		3,069,100
	<hr/>		<hr/>		<hr/>
Total Assets	3,999,325		41,496		4,040,821
	<hr/>		<hr/>		<hr/>
LIABILITIES					
Accounts Payable	116,097		709		116,806
Accrued Interest Payable	3,822				3,822
Deferred Revenue	28,341				28,341
Non-current Liabilities (Note 6):					
Due Within One Year	324,962				324,962
Due Beyond One Year	447,655				447,655
	<hr/>		<hr/>		<hr/>
Total Liabilities	920,877		709		921,586
	<hr/>		<hr/>		<hr/>
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	2,813,156		5,944		2,819,100
Restricted for:					
General Fund	586,481				586,481
Capital Projects Fund	244,529				244,529
Unrestricted	(565,718)		34,843		(530,875)
	<hr/>		<hr/>		<hr/>
Total Net Assets	\$ 3,078,448	\$	40,787	\$	3,119,235
	<hr/>		<hr/>		<hr/>

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

**RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction:						
Regular	\$ 3,672,898	\$ -	\$ 404,604	\$ (3,268,294)	\$ -	\$ (3,268,294)
Special Education	978,108			(978,108)		(978,108)
Other Instruction	241,756			(241,756)		(241,756)
Support Services:						
Tuition	943,713			(943,713)		(943,713)
Student & Instruction Related Services	1,285,066		205,179	(1,079,887)		(1,079,887)
General and Business Administrative Services	398,148			(398,148)		(398,148)
School Administrative Services	327,567			(327,567)		(327,567)
Central Services	223,665			(223,665)		(223,665)
Admin Info Tech	37,362			(37,362)		(37,362)
Plant Operations and Maintenance	652,554			(652,554)		(652,554)
Pupil Transportation	294,088			(294,088)		(294,088)
Employee Benefits	2,469,749		796,523	(1,673,226)		(1,673,226)
Amortization of Debt Issue Costs	2,349			(2,349)		(2,349)
Interest on Long-term Debt	22,267			(22,267)		(22,267)
Unallocated Depreciation	5,710			(5,710)		(5,710)
Total Governmental Activities	11,555,000		1,406,306	(10,148,694)		(10,148,694)
Business-type Activities:						
Food Service	206,088	76,222	114,114		(15,752)	(15,752)
Total Business-type Activities	206,088	76,222	114,114		(15,752)	(15,752)
Total Primary Government	\$11,761,088	\$ 76,222	\$ 1,520,420	\$ (10,148,694)	\$ (15,752)	\$ (10,164,446)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 4,751,585	\$ -	\$ 4,751,585
Federal, State and Local Aid Not Restricted				6,314,821		6,314,821
Investment Earnings				1,517	26	1,543
Miscellaneous Income				109,775		109,775
Transfers - Food Service				(44,190)	44,190	
Total General Revenues, Special Items, Extraordinary Items and Transfers				11,133,508	44,216	11,177,724
Change in Net Assets				984,814	28,464	1,013,278
Net Assets—Beginning				2,093,634	12,323	2,105,957
Net Assets—Ending				\$ 3,078,448	\$ 40,787	\$ 3,119,235

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

RUNNEMEDE BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 112,929	\$	\$	\$ 112,929
State Aid Receivable	91,112		511,314	602,426
Federal Aid Receivable	5,366	150,406		155,772
Interfund Receivable	567,909			567,909
Other Receivables	34,938	24,504		59,442
Total assets	\$ 812,254	\$ 174,910	\$ 511,314	\$ 1,498,478
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 76,013	\$ 15,320	\$	\$ 91,333
Interfund Payable	22,818	106,687	435,153	564,658
Other Liabilities	202			202
Interfund Payable				
Due to State		24,562		24,562
Deferred Revenue		28,341		28,341
Total Liabilities	99,033	174,910	435,153	709,096
Fund Balances:				
Restricted For:				
Excess Surplus	75,173			75,173
Excess surplus - Designated for Subsequent Year's Expenditures	93,490			93,490
Capital Reserve Account	168,368			168,368
Committed To:				
Year-End Encumbrances	28,790		51,578	80,368
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	417,818			417,818
Unassigned, Reported In:				
General Fund Balance	(70,418)			(70,418)
Capital Projects Fund			24,583	24,583
Total Fund Balances	713,221		76,161	789,382
Total Liabilities and Fund Balances	\$ 812,254	\$ 174,910	\$ 511,314	

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

The Cost associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Assets. The total bond issue costs net of accumulated amortization at June 30, 2011 is \$2,349	2,349
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,443,890 and the accumulated depreciation is \$4,380,734 (See Note 5)	3,063,156
Long-term liabilities, representing accrued interest, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,822)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(772,617)
Net Assets of Governmental Activities	\$ 3,078,448

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

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF REVENUES, 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
REVENUES					
Local Sources:					
Local Tax Levy	\$ 6,157,891	\$ -	\$	\$	\$ 6,157,891
Tuition from Individuals	34,946				34,946
Interest Earned on Investments	680				680
Interest Earned on Capital Reserve Funds	837				837
Miscellaneous	68,293	6,536			74,829
Total - Local Sources	6,262,647	6,536			6,269,183
State Sources	5,097,847	156,582	479,460	90,460	5,824,349
Federal Sources	27,719	462,753			490,472
Total Revenues	11,388,213	625,871	479,460	90,460	12,584,004
EXPENDITURES					
Current:					
Regular Instruction	3,176,935	404,604			3,581,539
Special Education Instruction	978,108				978,108
Other Instruction	241,756				241,756
Support Services:					
Tuition	943,713				943,713
Student & Instruction Related Services	1,079,887	205,179			1,285,066
General Administrative Services	398,148				398,148
School Administrative Services	327,567				327,567
Central Services	212,245				212,245
Admin Info Tech	37,362				37,362
Plant Operations and Maintenance	646,844				646,844
Pupil Transportation	294,088				294,088
Employee Benefits	3,102,111	16,088			3,118,199
Capital Outlay	9,478		824,808		834,286
Debt Service:					
Interest and Other Charges				26,125	26,125
Principal				250,000	250,000
Total Expenditures	11,448,242	625,871	824,808	276,125	13,175,046
Excess (Deficiency) of Revenues Over Expenditures	(60,029)	-	(345,348)	(185,665)	(591,042)
OTHER FINANCING SOURCES (USES)					
Transfers out - Food Service	(44,190)				(44,190)
Capital Reserve - Transfer to Capital Projects	(185,665)			185,665	
Total Other Financing Sources and Uses	(229,855)			185,665	(44,190)
Net Change in Fund Balances	(289,884)		(345,348)		(635,232)
Fund Balance—July 1	1,003,105		421,509		1,424,614
Fund Balance—June 30	\$ 713,221	\$ -	\$ 76,161	\$ -	\$ 789,382

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

RUNNEMEDE BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, 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) \$ (635,232)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Depreciation expense	\$	(114,199)	
Capital outlays		834,286	
		720,087	720,087

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.

General Obligation Bonds			250,000
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In the statement of activities, interest on long-term debt is accrued regardless of when it is due. In the governmental funds, interest is reported when due.

3,858

Bond issued costs are expended in the governmental fund as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.

(2,349)

In the statement of activities, certain operating expenses, e.g. compensated absences 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).

648,450

Change in net assets of governmental activities (A-2) **\$ 984,814**

PROPRIETARY FUNDS

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current Assets:		
Cash	\$ 12,497	\$ 12,497
Accounts Receivable:	118	118
Interfund Receivable	22,818	22,818
Inventory	119	119
Total Current Assets	35,552	35,552
Fixed Assets:		
Equipment	12,356	12,356
Accumulated Depreciation	(6,412)	(6,412)
Total Fixed Assets	5,944	5,944
Total Assets	41,496	41,496
LIABILITIES:		
Current Liabilities:		
Accounts Payable	709	709
Total Current Liabilities	709	709
NET ASSETS:		
Invested in Capital Assets Net of Related Debt	5,944	5,944
Unrestricted	34,843	34,843
Total Net Assets	\$ 40,787	\$ 40,787

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

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs:	\$ 42,936	\$ 42,936
Daily Sales Non-reimbursable Programs	33,286	33,286
Total Operating Revenue:	76,222	76,222
Operating Expenses:		
Salaries	67,411	67,411
Employee Benefits	3,473	3,473
Management Fee	10,000	10,000
Supplies and Materials	9,066	9,066
Cost of Sales	91,769	91,769
Depreciation	742	742
Repairs and Other Expenses	23,627	23,627
Total Operating Expenses	206,088	206,088
Operating Income (Loss)	(129,866)	(129,866)
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,253	2,253
Federal Sources:		
National School Lunch Program	88,105	88,105
National School Breakfast Program	13,857	13,857
Food Distribution Program	9,899	9,899
Interest	26	26
Total Non-operating Revenues (Expenses)	114,140	114,140
Income (Loss) Before Contributions & Transfers	(15,726)	(15,726)
Transfers In (Out)	44,190	44,190
Change in Net Assets	28,464	28,464
Total Net Assets—Beginning	12,323	12,323
Total Net Assets—Ending	\$ 40,787	\$ 40,787

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

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Business-type Activities	
	Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 76,222	\$ 76,222
Payments to Employees	(67,411)	(67,411)
Payments for Employee Benefits	(3,473)	(3,473)
Payments to Suppliers	(142,247)	(142,247)
Net Cash Provided by (used for) Operating Activities	<u>(136,909)</u>	<u>(136,909)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	2,253	2,253
Federal Sources	101,962	101,962
Operating Subsidies and Transfers to Other Funds	44,190	44,190
Net Cash Provided by (used for) Non-capital Financing Activities	<u>148,405</u>	<u>148,405</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets		
Net Cash Provided by (used for) Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends	26	26
Net Cash Provided by (used for) Investing Activities	<u>26</u>	<u>26</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,522	11,522
Balances—Beginning of Year	975	975
Balances—End of Year	<u>\$ 12,497</u>	<u>\$ 12,497</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (129,866)	\$ (129,866)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities		
Depreciation and Net Amortization	742	
Food Distribution Program	9,899	9,899
(Increase)/Decrease in Accounts Receivable, Net	5,882	5,882
(Increase)/Decrease in Interfund Receivable	1,106	1,106
(Increase)/Decrease in Inventory	(119)	
Increase/(Decrease) in Accounts Payable	476	476
Increase/(Decrease) in Deferred Revenue	(2,529)	
Increase/(Decrease) in Compensated Absences	(22,500)	(22,500)
Total Adjustments	<u>(7,043)</u>	<u>(5,137)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (136,909)</u>	<u>\$ (135,003)</u>

Noncash Noncapital Financing Activities:

During the year, the district received \$9,899 of food commodities from the U. S. Department of Agriculture

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

FIDUCIARY FUNDS

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	Unemployment Compensation Insurance Trust	Agency Funds	
		Student Activity	Payroll
ASSETS			
Cash and Cash Equivalents	\$ 103,762	\$ 21,880	\$ 92,257
Total Assets	<u>103,762</u>	<u>21,880</u>	<u>92,257</u>
LIABILITIES			
Accounts Payable			
Payable to Student Groups		21,880	
Due to Current Fund			26,069
Payroll Deductions and Withholdings			66,188
Total Liabilities		<u>\$ 21,880</u>	<u>\$ 92,257</u>
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 103,762</u>		

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

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Unemployment Compensation Insurance Trust
ADDITIONS	
Contributions - Employee	\$ 11,417
Contributions - Employer	41,825
Interest Earnings	732
	<hr/>
Total Additions	53,974
	<hr/>
DEDUCTIONS	
Unemployment Claims	74,058
	<hr/>
Total Deductions	74,058
	<hr/>
Change in Net Assets	(20,084)
Net Assets—Beginning of the Year	123,846
	<hr/>
Net Assets—End of the Year	\$ 103,762
	<hr/> <hr/>

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

A. Description of Reporting Entity:

The Borough of Runnemede School District (School District) is a Type II school district located in the County of Camden, State of New Jersey and covers an area of approximately two square miles. As a Type II school district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for all of Runnemede's students in grades K through 8. Student in grades 9 through 12 attend the Black Horse Pike Regional High School District. The Runnemede School District has an approximate enrollment at June 30, 2011 of 832 students.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. 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 School District is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation:

The financial statements of the Board of Education (Board) of the Runnemede School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental funds, provided that they do not conflict with or contradict GASB pronouncements. The more significant of the Board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and was scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments).

In addition, the school district has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation (Cont'd)

The District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District-wide Statements - The Statement of Net Assets and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The Statement of Net Assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. Eliminations have been made to minimize the double counting of internal activities. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School 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. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

B. Fund Accounting:

The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (Cont'd)

GOVERNMENTAL FUNDS - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The General Fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non instructional equipment classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities states that General Fund resources may be used to directly finance capital outlays for longlived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by Proprietary Funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. The School District recorded three new NJSDA Projects during the year in the Capital Projects Fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

Permanent Fund - The Permanent Fund is used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the school district's programs, that is, for the benefit of the school district or its students. The school district does not maintain a Permanent Fund

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (Cont'd)

PROPRIETARY FUNDS - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

Enterprise Funds - These funds are used to account for operations:

- 1 That are financed in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or
- 2 Where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Food Service Fund - The School District's only enterprise funds is the Food Service Fund, which accounts for the financial transactions related to the food service operations of the School District.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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

Food Service Fund Equipment	12 Years
Light Trucks and Vehicles	4 Years

FIDUCIARY FUNDS - Fiduciary Fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (Cont'd)

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Unemployment Compensation Insurance fund is an Expendable Trust Fund.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

C. Measurement Focus:

District-wide Financial Statements - Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Assets, with the exception of the Fiduciary Funds.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the district-wide financial statements are prepared. Governmental Fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the district-wide statements and the statements for governmental funds.

Like the district-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Net Assets. The Statement of Changes in Fund Net Assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions:

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility 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 year when use is first permitted; matching requirements, in which the resources are provided to the School District on a reimbursement basis. The restricted formula aids (i.e. Demonstrably Effective Program Aid and Instructional Supplement Program Aid) are recorded in the special revenue fund in accordance with the Audit Program promulgated by the New Jersey Department of Education which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Basis of Accounting: (Cont'd)

Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each fiscal 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. 6:23-2.2(g) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-2.3. The Board did not make any material supplemental budgetary appropriations during the fiscal year.

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

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

The budget, as detailed on Exhibit C-1 and C-2, include all amendments to the adopted budget, if any.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Exhibit C-3 presents a reconciliation of the general fund and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the General fund Budgetary Comparison schedule and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows the modified accrual basis, with the exception of the recognition policy for the last state aid payment.

F. Encumbrance Accounting:

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

Open encumbrances in the special revenue fund, for which the School District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

G. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and 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 state at cost. All other investments would be stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions of which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts as follows:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Cash, Cash Equivalents and Investments: (Cont'd)

- c. Bonds of other obligations of the school district.

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2011 the District had no funds on deposit with the New Jersey Cash Management.

Deposits:

N.J.S.A. 17:9-41, et seq. establishes requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution 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.

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office on the state of New Jersey, the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

The school district has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

H. Tuition Receivable:

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

I. Tuition Payable:

Tuition charges for the fiscal years ended June 30, 2011, 2010 and 2009 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J. Inventories:

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used.

There was no Federal Commodity Inventory balance as of June 30, 2011, maintained at the Bellmawr School District that provides meals to the Runnemede School District.

K. Prepaid Expenses:

Prepaid expenses recorded on the district-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required. This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

L. 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 School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the Statement of Net Assets, except for the net residual amounts due between governmental and business-type activities, which are presented as Interfunds Receivable and/or Interfunds Payable.

M. Restricted Assets:

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. Restricted assets include bond proceeds to be used for capital construction and amounts set aside to create a reserve for future capital projects.

N. Deferred Charges:

On the District-wide financial statements, bond issue costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. In governmental funds, these costs are reported as expenditures when the related liability is incurred. Deferred revenue arises when assets are received or recognized before the appropriate revenue recognition criteria have been satisfied.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

O. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the District-wide Statement of Net Assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the district-wide Statement of Net Assets and the Proprietary Fund Statement of Net Assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are valued at their estimated fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

<u>Asset Class</u>	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
School Buildings	50 Years	N/A
Building Improvements	50 Years	N/A
Site Improvements	20 Years	N/A
Machinery and Equipment	5-20 Years	12 Years

P. Compensated Absences:

The School 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". Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

P. Compensated Absences: (Cont'd)

The entire compensated absence liability is reported on the district-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Q. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the district-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, contractually required pension contributions, special termination benefits and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

R. Deferred Revenue:

Deferred revenue arises when assets are received or recognized before the appropriate revenue recognition criteria have been satisfied. This includes expenditure encumbrances in special revenue fund.

S. 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 borrowings 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 applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

T. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, legally restricted appropriations, excess surplus and capital reserve program.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

U. Operating Revenues and Expenses:

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

V. Interfund Activity:

Transfers between governmental and business-type activities on the district-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are presented on the financial statements.

W. Management Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Accordingly, actual results may differ from those estimates.

X. Allocation of Indirect Expenses:

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

Y. Extraordinary and Special Items:

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Z. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

As of June 30, 2011, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and</u> <u>Equivalents</u>
Checking accounts	\$ 343,325
Investments	<u>0</u>
Total	<u>\$ 343,325</u>

Custodial Credit Risk

Custodial credit presents a risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41 et seq. that the School District deposit all public funds in public depositories protected from loss under the provisions of the GUDPA Act as described in Note 2.

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2011, the District's bank balance of \$546,652 was insured or collateralized as follows:

Insured by Depository Insurance	\$ 311,937
Collateralized under GUDPA	<u>234,715</u>
Total	<u>\$ 546,652</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Runnemede Board of Education by inclusion of \$100,000 on June 30, 2008 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning Balance, July 1, 2010	\$	353,196
Interest Earnings		837
		<hr/> 354,033
Less: Transfer to the Debt		
Service Fund - June 2011		(185,665)
Ending Balance, June 30, 2011	\$	<hr/> <hr/> 168,368

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects at June 30, 2011 is \$678,581. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Adjustments/ Retirements	Ending Balance
Governmental activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 29,083	\$ -	\$ -	\$ 29,083
Construction in Progress	59,664	824,808		884,472
Total Capital Assets not being Depreciated	<u>88,747</u>	<u>824,808</u>		<u>913,555</u>
Site Improvements	251,013			251,013
Building and Building Improvements	4,374,332			4,374,332
Equipment	1,895,512	9,478		1,904,990
Totals at Historical Cost	<u>6,520,857</u>	<u>9,478</u>		<u>6,530,335</u>
Less Accumulated Depreciation for :				
Site Improvements	(203,943)	(8,173)		(212,116)
Building and Improvements	(2,323,593)	(85,165)		(2,408,758)
Equipment	(1,738,999)	(20,861)		(1,759,860)
Total Accumulated Depreciation	<u>(4,266,535)</u>	<u>(114,199)</u>		<u>(4,380,734)</u>
Total Capital Assets being Depreciated,				
Net of Accumulated Depreciation	2,254,322	(104,721)		2,149,601
Government Activities Capital Assets, Net	<u>\$ 2,343,069</u>	<u>\$ 720,087</u>	<u>\$ -</u>	<u>\$ 3,063,156</u>
				To A-1
Business-type Activities - Equipment	\$ 12,356			\$ 12,356
Less Accumulated Depreciation	(5,670)	(742)		(6,412)
Business-type Activities Capital Assets, Net	<u>\$ 6,686</u>	<u>\$ (742)</u>	<u>\$ -</u>	<u>\$ 5,944</u>

Depreciation Expense in the amount of \$112,283 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$ 91,359
Plant Operations	5,710
Central Administration	11,420
Unallocated	5,710
	<u>\$ 114,199</u>

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 6. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2011 the following changes occurred in long-term obligations:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
Governmental Activities:						
Bonds Payable:						
General Obligation Debt	\$ 500,000	\$	\$ 250,000	\$ 250,000	\$ 250,000	\$
Total Bonds Payable	500,000		250,000	250,000	250,000	
Other Liabilities:						
Compensated Absences Payable	1,171,067		648,450	522,617	74,962	447,655
Total Other Liabilities	\$ 1,671,067	\$	\$ 898,450	\$ 772,617	\$ 324,962	\$ 447,655
Business-Type Activities:						
Compensated Absences Payable	\$ 22,500	\$	\$ 22,500	\$	\$	\$

A. Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are as follows:

1997 General Obligation Bonds dated March 15, 1997 in the amount of \$2,950,000 due in annual installments through March 15, 2012, bearing interest rate of 5.125% to 5.25%.

Principal and interest due on bonds outstanding is as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 250,000	\$ 13,125	\$ 263,125
	\$ 250,000	\$ 13,125	\$ 263,125

B. Bonds Authorized But Not Issued - As of June 30, 2010 None.

C. Capital Leases None.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 7. OPERATING LEASES

At June 30, 2011, the District had operating lease agreements for copiers, of which there were no operating lease obligations initiated in the year ended June 30, 2011. Future minimum lease payments are as follows:

Year ending June 30,	<u>Amount</u>
2012	\$ 21,739
2013	12,293
Total future minimum lease payments	<u>\$ 34,032</u>

NOTE 8. PENSION PLANS

Description of Plans – Substantially all of the School District’s employees participate in one of the following defined benefit pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits: the Teachers’ Pension and Annuity Fund (TPAF) and the Public Employees’ Retirement System (PERS). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publically available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.L. Box 295, Trenton, New Jersey, 08625-0295.

Teachers’ Pension and Annuity Fund – The Teachers’ Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66. The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of the annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution has been required over several preceding fiscal years.

Public Employees’ Retirement System – The Public Employees’ Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 8. PENSION PLANS (CONT'D)

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability.

Three-Year Trend Information for PERS

<u>Year of Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ 143,399	100 %	\$ 143,399
6/30/10	106,505	100	106,505
6/30/09	80,670	100	80,670

The District chose not to defer PERS Pension costs for the 2009-10 year.

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ 347,179	100 %	\$ 0
6/30/10	346,792	100	0
6/30/09	350,432	100	0

During the fiscal year ended June 30, 2011, the State of New Jersey contributed \$16,346 to the TPAF for Non-Contributory Insurance, \$347,179 for post-retirement medical benefits and no normal contribution on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$416,910 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 9. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on 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 P.L. 1994, c.62. Funding of post retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

NOTE 10. COMPENSATED ABSENCES

The School District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the school district and its employees, 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 School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions.

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to employees. As of June 30, 2011, a liability existed for compensated absences in the governmental fund in the amount \$522,617.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 11. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by an outside organization, approved by the School District, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The School District has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for these plans. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, are solely the property and rights of the participants and are not subject to claims of the School District's creditors. Accordingly, the plan assets are not reported as a part of these financial statements. The plan administrators are as follows:

Aetna	Lincoln Investment Planning	
Fidelity Investments	Vanguard	AXA Equitable

NOTE 12. CONTINGENCIES

The School District participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

The School District is dependent on the State of New Jersey for a substantial portion of its operating funds. Due to funding uncertainties at the State level, funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the School District's future operation is not yet determinable.

NOTE 13. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Property and Liability Insurance - The School District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Joint Insurance Pool- The School District is a member of the New Jersey School Boards Association Insurance Group, a public entity risk pool currently operating as a common risk management and insurance program. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if any. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 13. RISK MANAGEMENT (CONT'D)

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$ 42,557	\$ 11,417	\$ 74,058	\$ 103,762
2009-2010	385	12,592	17,103	123,846
2008-2009	1,002	31,006	21,960	127,972

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

<u>Fiscal Year</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 567,909	\$ 22,818
Special Revenue Fund		106,687
Payroll Agency		26,069
Capital Projects Fund		435,153
Food Service Fund	22,818	0
Total	<u>\$ 590,727</u>	<u>\$ 590,727</u>

NOTE 15. FUND BALANCE APPROPRIATED

General Fund - Of the \$713,221 General Fund balance at June 30, 2011, \$28,790 is reserved for encumbrances; \$168,368 has been reserved in the Capital Reserve Account; \$168,663 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$93,490 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2011); \$417,818 has been appropriated and also included as anticipated revenue for the year ending June 30, 2011; and there is a deficit in unreserved and undesignated fund balance of (\$70,418).

Debt Service Fund - There is no fund balance in the Debt Service Fund at June 30, 2011.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1,701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$168,663 of which \$75,173 must be budgeted in the 2012-13 budget.

NOTE 17. DEFICIT FUND BALANCES

The District has a deficit in Unrestricted fund balance of \$70,418 in the General Fund and no deficit in the Special Revenue Fund as of June 30, 2011 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 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 budgeted purposes only, in the current school budget year. The statute 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 as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the deficit in the General Fund balance does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's general fund deficit is less than the last state aid payment of \$392,519.

NOTE 18. RECEIVABLES

Receivables at June 30, 2011 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds. Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

Receivables:	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
Federal	\$ 5,366	\$ 150,406	\$		\$ 155,772
State	91,112		511,314		602,426
Other Governmental Units	34,938				34,938
Other		20,504		118	20,622
Totals	\$ 131,416	\$ 170,910	\$ 511,314	\$ 118	\$ 813,758

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 19. LITIGATION

The District is not involved in any lawsuit incidental to its operations and the administration and legal council are not aware of any matters pending or threatened, which are likely to have a material adverse effect on the financial position of the District. There are, however, two matters received through direct written communication from the Solicitor as follows:

There is one matter arising several years ago involving a belief that there were questionable roof repair expenditures in prior years, "performed without the requisite conformity to the Public School Bidding Laws". No opinion was expressed as to the probable outcome of this matter, which has been referred to the New Jersey Department of Education. The other matter involves an Open Public Records Request.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 6,157,891	\$	\$ 6,157,891	\$ 6,157,891	\$
Tuition From Individuals	15,000		15,000	34,946	19,946
Interest on Investments				680	680
Interest Earned on Capital Reserve				837	837
Miscellaneous	11,000		11,000	68,293	57,293
Total - Local Sources	6,183,891		6,183,891	6,262,647	78,756
State Sources:					
Equalization Aid	4,121,968	(355,728)	3,766,240	3,766,240	
Special Education Aid	84,771	355,728	440,499	440,499	
Extraordinary Aid				68,273	68,273
Non-Public Transportation				3,828	3,828
On-behalf TPAF Non-Contributory Ins				16,346	16,346
On-behalf TPAF Post Retirement Medical Contribution				347,179	347,179
Reimbursement TPAF Social Security				416,910	416,910
Total - State Sources	4,206,739		4,206,739	5,059,275	852,536
Federal Sources:					
Special Education Medicaid Insurance	15,084		15,084	27,719	12,635
	15,084		15,084	27,719	12,635
TOTAL REVENUES	\$ 10,405,714	\$ -	\$ 10,405,714	\$ 11,349,641	\$ 943,927
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	\$ 260,724	\$ (19,000)	\$ 241,724	\$ 234,025	\$ 7,699
Grades 1-5	1,621,260	(153,525)	1,467,735	1,462,811	4,924
Grades 6-8	1,182,736	21,950	1,204,686	1,201,020	3,666
Home instruction:					
Salaries of Teachers	5,000	7,200	12,200	10,881	1,319
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction	179,026	(56,595)	122,431	121,598	833
Other Purchased Services	54,206	408	54,614	54,231	383
General Supplies	94,248	17,379	111,627	80,362	31,265
Textbooks	10,896	1,725	12,621	12,007	614
Total Regular Programs	3,408,096	(180,458)	3,227,638	3,176,935	50,703

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENSES: (Continued)					
Special Education					
Multiple Disabilities:					
Salaries of Teachers	\$ 75,554	\$ (71,752)	\$ 3,802	\$ 2,328	\$ 1,474
Other Salaries for Instruction	20,600	(19,927)	673		673
General Supplies	1,093	(1,093)			
Total Multiple Disabilities	97,247	(92,772)	4,475	2,328	2,147
Resource Room:					
Salaries of Teachers	644,558	109,430	753,988	752,037	1,951
Other Salaries for Instruction	151,228	(47,820)	103,408	103,058	350
General Supplies	1,713	1,651	3,364	3,312	52
Total Resource Room	797,499	63,261	860,760	858,407	2,353
Preschool Disabilities - Part Time:					
Salaries of Teachers	51,018	1,450	52,468	49,922	2,546
Other Salaries for Instruction	53,174	12,800	65,974	65,973	1
General Supplies	700	5	705	695	10
Other Objects		793	793	783	10
Total Preschool Disabilities	104,892	15,048	119,940	117,373	2,567
TOTAL SPECIAL EDUCATION	999,638	(14,463)	985,175	978,108	7,067
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	191,949	(9,180)	182,769	176,009	6,760
General Supplies	747		747	273	474
Total Basic Skills/Remedial-Instruction	192,696	(9,180)	183,516	176,282	7,234
Bilingual Education-Instruction					
Salaries of Teachers	18,274	150	18,424	18,418	6
Total Bilingual Education-Instruction	18,274	150	18,424	18,418	6
School Sponsored Co-curricular Activities:					
Salaries	9,874	14,301	24,175	20,794	3,381
Supplies and Materials	3,000		3,000	2,660	340
Total School Sponsored Co-curricular Activities	12,874	14,301	27,175	23,454	3,721
School Sponsored Athletics:					
Salaries	14,455	5,614	20,069	19,982	87
Supplies and Materials	1,000	(602)	398	7	391
Other Objects	2,927	602	3,529	3,508	21
Total School Sponsored Athletics	18,382	5,614	23,996	23,497	499
Other Instructional Programs:					
Before/After School Programs - Instruction:					
Salaries		500	500	105	395
Total Other Instructional Programs		500	500	105	395
Total Instruction	4,649,960	(183,536)	4,466,424	4,396,799	69,625

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENDITURES: (Continued)					
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular		\$ 12,830	\$ 12,830	\$ 12,827	\$ 3
Tuition - Other LEAs Within the State - Special	155,000	(232)	154,768	154,025	743
Tuition - Co Spec Serv and Regional Day Schools	532,737	(105,947)	426,790	394,338	32,452
Tuition to Private Schools for the Disabled					
Within State	350,577	58,902	409,479	382,523	26,956
Total Undistributed Expenditures - Instruction	1,038,314	(34,447)	1,003,867	943,713	60,154
Health Services:					
Salaries	156,789	900	157,689	152,462	5,227
Purch Prof/ Tech Services	1,500		1,500	1,149	351
Other Purchased Services	535	50	585	507	78
Supplies and Materials	2,154	50	2,204	1,822	382
Total Health Services	160,978	1,000	161,978	155,940	6,038
Other Support Services - Students - Related Services:					
Salaries	127,617	1,885	129,502	129,204	298
Supplies and Materials	791	128	919	909	10
Total Related Services	128,408	2,013	130,421	130,113	308
Other Support Services - Students - Related Services:					
Salaries		83,585	83,585	79,671	3,914
Purchased Prof Ed Services		8,850	8,850	2,948	5,902
Supplies and Materials	900		900	680	220
Total Related Services:	900	92,435	93,335	83,299	10,036
Guidance					
Salaries Other Professionals	138,792	3,000	141,792	141,685	107
Supplies and Materials	607	10	617	557	60
Total - Guidance	139,399	3,010	142,409	142,242	167
Child Study Team					
Salaries of Other Professional Staff	222,012	5,875	227,887	227,620	267
Salaries Secr. & Clerical Asst.	27,540	400	27,940	27,924	16
Purchased Professional - Educational Services	71,500	(3,400)	68,100	63,277	4,823
Misc Purch Serv	825	300	1,125	1,022	103
Supplies and Materials	2,000		2,000	1,959	41
Total	323,877	3,175	327,052	321,802	5,250
Improv. Instruction Services/Other Support					
Salary of Supervisor of Instruction	18,323	970	19,293	19,239	54
Salaries of Other Professional Staff	80,309	(1,258)	79,051	78,958	93
Purchased Professional and Educational Services	3,700	(1,000)	2,700		2,700
Total Improvement of Instruction	102,332	(1,288)	101,044	98,197	2,847
Educational Media Services/School Library:					
Salaries	48,960	(2,872)	46,088	43,569	2,519
Salaries of Technology Coordinators	66,400	2,940	69,340	68,748	592
Purchased Professional and Technical Services	6,328		6,328	4,197	2,131
Supplies and Materials	5,500	1,286	6,786	6,448	338
Total Educational Media Services/School Library:	127,188	1,354	128,542	122,962	5,580

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
CURRENT EXPENSES: (Continued)					
Undistributed Expenditures:					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 23,558	\$ 710	\$ 24,268	\$ 23,557	\$ 711
Purchased Professional and Educational Services	6,000		6,000	1,775	4,225
Total Inst. Staff Training Services	29,558	710	30,268	25,332	4,936
Support Services General Administration:					
Salaries	234,270	(27,240)	207,030	207,020	10
Legal Services	30,000	12,440	42,440	38,099	4,341
Audit Fees	20,000	(2,000)	18,000	17,595	405
Architectural/Engineering Services	15,000	(13,760)	1,240		1,240
Other Purchased Professional Services	10,000	78	10,078	5,622	4,456
Communication/Telephone	66,000	(6,363)	59,637	49,529	10,108
BOE Other Purchased Prof. Services	500		500		500
Other Purchased Services	65,500	2,863	68,363	67,231	1,132
General Supplies	2,000	759	2,759	2,665	94
Miscellaneous Expenditures	3,150	(200)	2,950	2,829	121
BOE Membership Dues and Fees	8,000	(300)	7,700	7,558	142
Total Support Services General Administration	454,420	(33,723)	420,697	398,148	22,549
Support Services School Administration:					
Salaries of Principals/Assistant Principals	213,544	(1,196)	212,348	212,346	2
Salaries of Secretarial and Clerical Assistants	95,343	15,232	110,575	110,574	1
Supplies and Materials	2,333	(358)	1,975	1,973	2
Other Objects	3,000	(326)	2,674	2,674	
Total Support Services School Administration	314,220	13,352	327,572	327,567	5
Central Services					
Salaries	171,471	17,923	189,394	188,481	913
Purchased Professional Services	5,654	9,825	15,479	15,479	
Purchased Technical Services	2,695		2,695	2,695	
Miscellaneous Purchased Services	1,000	(800)	200	75	125
Supplies and Materials	3,000	1,290	4,290	4,171	119
Other Objects	2,300	(950)	1,350	1,344	6
Total Central Services	186,120	27,288	213,408	212,245	1,163
Admin. Info. Technology					
Purchased Technical Services	32,950	(2,500)	30,450	29,987	463
Other Purchased Services	250	5,114	5,364	5,114	250
Supplies and Materials	5,200	(2,629)	2,571	2,261	310
Total Admin. Info. Technology	38,400	(15)	38,385	37,362	1,023
Required Maintenance for School Facilities:					
Salaries	64,076	(10,550)	53,526	50,000	3,526
Cleaning, Repair and Maintenance Services	14,000		14,000	12,004	1,996
General Supplies	14,450	(2,000)	12,450	1,691	10,759
Required Maintenance for School Facilities:	92,526	(12,550)	79,976	63,695	16,281

**RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Other Operation and Mtce of Plant- Custodial Srvs :					
Salaries	\$ 250,929	\$ (7,365)	\$ 243,564	\$ 240,186	\$ 3,378
Salaries of Non-Instructional Aides	46,705	7,475	54,180	52,989	1,191
Purchased Prof & Tech Services		2,500	2,500		2,500
Cleaning, Repair and Maintenance Services	3,600		3,600	2,823	777
Other Purchased Property Services	42,800	8,675	51,475	49,730	1,745
Insurance	6,500	(185)	6,315		6,315
Travel	2,500	(1,300)	1,200	720	480
Miscellaneous Purchased Services	2,200	(1,500)	700		700
General Supplies	33,850	2,036	35,886	32,306	3,580
Energy (Natural Gas)	76,000		76,000	57,260	18,740
Energy (Electricity)	152,000		152,000	128,249	23,751
Other Objects		185	185	185	
Other Operation and Maintenance of Plant:	617,084	10,521	627,605	564,448	63,157
Total Operation and Maintenance of Plant Services	709,610	(2,029)	707,581	628,143	79,438
Undistributed Expenditures - Care & Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	12,900	660	13,560	13,290	270
General Supplies	2,700	(660)	2,040	990	1,050
Total Care & Upkeep of Grounds:	15,600		15,600	14,280	1,320
Undistributed Expenditures - Security:					
Cleaning, Repair and Maintenance Services	7,710		7,710	4,421	3,289
General Supplies	1,450		1,450		1,450
Total Security	9,160		9,160	4,421	4,739
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC & CTSA Trans. Program	5,000		5,000	4,759	241
Contracted Services (Bet Home/School) - Vendor	90,000	585	90,585	89,529	1,056
Contracted Services (Not Bet Home/School) - Vendors	11,889	1,800	13,689	12,732	957
Contracted Services (Special Ed. Students) - ESC's & CTSA's	215,000	(5,200)	209,800	167,954	41,846
Contracted Services - Aid in Lieu of Payments - Nonpublic	40,000		40,000	19,114	20,886
Total Student Transportation Services	361,889	(2,815)	359,074	294,088	64,986
Unallocated Employee Benefits:					
Social Security Contributions	232,734	(95,000)	137,734	128,412	9,322
Other Retirement Contributions - Regular	122,000	21,500	143,500	138,429	5,071
Unemployment Compensation	41,825		41,825	41,825	
Workers Compensation	91,000	(10,700)	80,300	77,763	2,537
Health Benefits	1,508,491	121,700	1,630,191	1,548,166	82,025
Tuition Reimbursement	20,000		20,000	18,837	1,163
Other Employee Benefits	250,158	119,024	369,182	368,244	938
Total Unallocated Employee Benefits	2,266,208	156,524	2,422,732	2,321,676	101,056
On-behalf TPAF Non-Contributory Insurance				16,346	(16,346)
On-behalf TPAF Post Retirement Medical Contribution				347,179	(347,179)
Reimbursement TPAF Social Security				416,910	(416,910)
Total Personal Services - Employee Benefits	2,266,208	156,524	2,422,732	3,102,111	(679,379)
Total Undistributed Expenditures	6,406,581	226,544	6,633,125	7,041,965	(408,840)
TOTAL EXPENDITURES - CURRENT EXPENSE	11,056,541	43,008	11,099,549	11,438,764	(339,215)

**RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES: (Continued)					
CAPITAL OUTLAY:					
Increase in Capital Reserve	\$	\$	\$	\$	\$
Undistributed Expenditures:					
Support Services - Related & Extraordinary		2,500	2,500	2,485	15
Administrative Info Technology		6,993	6,993	6,993	0
Total Equipment		9,493	9,493	9,478	15
Facilities Acquisition and Construction Services:					
Total Facilities Acquisition and Construction Services					
TOTAL CAPITAL OUTLAY		9,493	9,493	9,478	15
TOTAL EXPENDITURES	11,056,541	52,501	11,109,042	11,448,242	(339,200)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(650,827)	(52,501)	(703,328)	(98,601)	604,727
Other financing sources (uses):					
Operating Transfer out - Food Service Deficit	(53,638)		(53,638)	(44,190)	9,448
Capital Reserve - Transfer to Debt Service Fund	(185,665)		(185,665)	(185,665)	
Total other financing sources	(239,303)		(239,303)	(229,855)	9,448
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(890,130)	(52,501)	(942,631)	(328,456)	614,175
Fund Balances, July 1	1,434,196		1,434,196	1,434,196	
Fund Balances, June 30	\$ 544,066	\$ (52,501)	\$ 491,565	\$ 1,105,740	\$ 614,175
RECAPITULATION:					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 93,490	
Excess Surplus				75,173	
Capital Reserve				168,368	
Committed Fund Balance:					
Year-End Encumbrances				28,790	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				417,818	
Unassigned Fund Balance					
				322,101	
				1,105,740	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis					(392,519)
Fund Balance per Governmental Funds (GAAP)				\$	713,221

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE 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>
REVENUES:					
Local Sources	\$	\$ 6,536	\$ 6,536	\$ 6,536	\$ -
Federal Sources	375,942	197,969	573,911	461,068	112,843
State Sources	135,663	20,919	156,582	156,582	
Total Revenues	<u>511,605</u>	<u>225,424</u>	<u>737,029</u>	<u>624,186</u>	<u>112,843</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers		142,680	142,680	134,729	7,951
Salaries - Other Instructional		8,942	8,942	3,888	5,054
Purchased Professional - Educational Services		73,121	73,121	63,618	9,503
Purchased Professional - Technical Services					
Other Purchased Services	127,861	19,112	146,973	146,424	549
Tuition					
General Supplies		100,164	100,164	45,316	54,848
Textbooks	7,802	2,827	10,629	10,629	
Total Instruction	<u>135,663</u>	<u>346,846</u>	<u>482,509</u>	<u>404,604</u>	<u>77,905</u>
Support Services					
Other Salaries		10,200	10,200		10,200
Employee Benefits		23,073	23,073	16,088	6,985
Purchased Professional & Technical Services - Other		1,674	1,674	1,674	
Purchased Professional Edu Services		59,997	59,997	51,920	8,077
Purchased Services					
Other Purchased Services	375,942	(242,572)	133,370	133,359	11
Travel		15,407	15,407	6,312	9,095
Supplies and Materials		10,799	10,799	10,229	570
Total Support Services	<u>375,942</u>	<u>(121,422)</u>	<u>254,520</u>	<u>219,582</u>	<u>34,938</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	<u>511,605</u>	<u>225,424</u>	<u>737,029</u>	<u>624,186</u>	<u>112,843</u>
Other Financing Sources (Uses)					
Total Outflows	<u>511,605</u>	<u>225,424</u>	<u>737,029</u>	<u>624,186</u>	<u>112,843</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

RUNNEMEDE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 11,349,641	[C-2]	\$ 624,186
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				4,680
Prior Year				
Current Year				(2,995)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.		431,091		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(392,519)		
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.				
	[B-2]	\$ 11,388,213	[B-2]	\$ 625,871
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 11,448,242	[C-2]	\$ 624,186
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				1,685
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Net transfers (outflows) to general fund				
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds				
	[B-2]	\$ 11,448,242	[B-2]	\$ 625,871

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

RUNNEMEDE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	NCLB					I.D.E.A. - Part B					Sub-Total Per E-1 (2)	Totals	
	Title I		Title II			Basic 2010-11	Carryover 2009-10	Preschool		Title IV 2009-10		2011	2010
	Part A	2010-11	Part A	2010-11	Part D			2009-10	2009-10				
REVENUES:													
Federal Sources	\$ 20,479	\$ 103,451	\$ 4,088	\$ 29,628	\$ 164	\$ 233,920	\$ 2,332	\$ 4,742	\$ 12,997	\$ 682	\$ 48,585	\$ 461,068	\$ 615,578
State Sources											156,582	156,582	154,761
Other											6,536	6,536	5,762
Total Revenues	20,479	103,451	4,088	29,628	164	233,920	2,332	4,742	12,997	682	211,703	624,186	776,101
EXPENDITURES:													
Instruction:													
Salaries of Teachers	14,052	71,337				47,100					2,240	134,729	117,923
Salaries - Other Instructional	2,900							988				3,888	2,400
Purchased Prof/Ed. Services						29,150					34,468	63,618	34,831
Purchased Prof/Tech Services													930
Other Purchased Services	575			1,673		129,593					14,583	146,424	208,233
Tuition													98,148
General Supplies	2,916	19,921	663	2,066		4,978	708	3,754	1,483	682	8,145	45,316	55,012
Textbooks											10,629	10,629	9,179
Total Instruction	20,443	91,258	663	3,739		210,821	708	4,742	1,483	682	70,065	404,604	526,656
Support Services:													
Other Salaries													4,373
Personal Services-Employee Benefits		9,193				6,895						16,088	21,926
Purchased Prof/Tech Services											1,674	1,674	21,060
Purch. Prof.Ed.Services	36	2,000	3,425	18,577	164	16,204			11,514			51,920	27,203
Purchased Services													13,142
Other Purchased Services											133,359	133,359	144,134
Travel		1,000		5,312								6,312	
General Supplies				2,000			1,624				6,605	10,229	17,607
Total Support Services	36	12,193	3,425	25,889	164	23,099	1,624		11,514		141,638	219,582	249,445
Facilities Acquisition/Construction:													
Construction Services													
Instructional Equipment													
Total Facilities Acquisition/Construction													
Total Expenditures	\$ 20,479	\$ 103,451	\$ 4,088	\$ 29,628	\$ 164	\$ 233,920	\$ 2,332	\$ 4,742	\$ 12,997	\$ 682	\$ 211,703	\$ 624,186	\$ 776,101

RUNNEMEDE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	Non-Public											
	<u>Textbook Aid</u>	<u>Nursing Aid</u>	<u>Auxiliary Service</u>	<u>Compensatory Education</u>	<u>Transportation</u>	<u>Corrective Speech</u>	<u>Supplemental Instructional Aid</u>	<u>NJSBAIG Safety Grant</u>	<u>ARRA Title I</u>	<u>ARRA IDEA 2009-10</u>	<u>ARRA IDEA Preschool</u>	<u>Totals 2011</u>
REVENUES:												
Federal Sources												
State Sources	\$ 10,629	\$ 12,594	\$ 20,890	\$ 66,982	\$ 6,262	\$ 23,939	\$ 15,286		\$ 2,995	\$ 42,278	\$ 3,312	\$ 48,585
Other								\$ 6,536				156,582
Total Revenues	<u>10,629</u>	<u>12,594</u>	<u>20,890</u>	<u>66,982</u>	<u>6,262</u>	<u>23,939</u>	<u>15,286</u>	<u>6,536</u>	<u>2,995</u>	<u>42,278</u>	<u>\$ 3,312</u>	<u>211,703</u>
EXPENDITURES:												
Instruction:												
Salaries of Teachers											2,240	2,240
Other Purchased Services		12,594										14,583
Purchased Prof/Ed. Services										1,989		14,583
Purchased Prof/Tech Services										34,468		34,468
General Supplies												
Textbooks	10,629								2,995	4,583	567	8,145
Total Instruction	<u>10,629</u>	<u>12,594</u>							<u>2,995</u>	<u>41,040</u>	<u>2,807</u>	<u>70,065</u>
Support Services:												
Other Salaries												
Purchased Services												
Personal Services-Employee Benefits												
Other Purchased Services			20,890	66,982	6,262	23,939	15,286					133,359
Purchased Prof/Tech Services										1,174	500	1,674
Purch. Prof. Ed. Services												
General Supplies								6,536		64	5	6,605
Total Support Services			<u>20,890</u>	<u>66,982</u>	<u>6,262</u>	<u>23,939</u>	<u>15,286</u>	<u>6,536</u>		<u>1,238</u>	<u>505</u>	<u>141,638</u>
Facilities Acquisition/Construction:												
Instructional Equipment												
Total Facilities Acquisition/Construction												
Total Expenditures	<u>\$ 10,629</u>	<u>\$ 12,594</u>	<u>\$ 20,890</u>	<u>\$ 66,982</u>	<u>\$ 6,262</u>	<u>\$ 23,939</u>	<u>\$ 15,286</u>	<u>\$ 6,536</u>	<u>\$ 2,995</u>	<u>\$ 42,278</u>	<u>\$ 3,312</u>	<u>\$ 211,703</u>

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

EXHIBIT F-1

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2011

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2010</u>
			<u>Prior Years</u>	<u>Current Year</u>	
School Security System, Telecommunications, Roof and Emergency Generator Upgrades:					
Bingham School	6/3/10	\$ 420,311	\$ 13,945	\$ 372,083	\$ 34,283
Downing School	6/3/10	318,625	17,033	289,148	12,444
Mary E. Volz School	6/3/10	225,000	28,686	163,577	32,737
		<u>\$ 963,936</u>	<u>\$ 59,664</u>	<u>\$ 824,808</u>	<u>\$ 79,464</u>
Designated Fund balance				\$	76,161
Unearned State Share					3,303
				\$	<u>79,464</u>

EXHIBIT F-2

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

Revenues and Other Financing Sources	
State Sources - SDA Grant	\$ 479,460
Transfer from Capital Outlay	
Transfer from Capital Reserve Funds	
Interest	
Total revenues	<u>479,460</u>
Expenditures and Other Financing Uses	
Architectural Costs	24,080
Construction Services	800,728
Total Expenditures	<u>824,808</u>
Transfer Interest to General Fund	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(345,348)</u>
Fund Balance - Beginning	<u>421,509</u>
Fund Balance - Ending	<u>\$ 76,161</u>

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES
PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
BINGHAM SCHOOL SECURITY SYSTEM, TELECOMMUNICATIONS, ROOF
AND EMERGENCY GENERATOR UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 7,445	\$ 216,947	\$ 224,392	\$ 224,392
Transfer from Capital Outlay	116,600		116,600	116,600
Transfer from Capital Reserve Funds	79,319		79,319	79,319
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	203,364	216,947	420,311	420,311
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures and Other Financing Uses				
Architectural Costs	13,847	23,155	37,002	59,368
Construction services	98	348,928	349,026	295
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	13,945	372,083	386,028	59,663
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	\$ 189,419	\$ (155,136)	\$ 34,283	\$ 420,311
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Additional project information:				
Project Number	4590-020-09-1002			
Grant Date/Letter of Notification	6/3/2010			
Bond Authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	\$420,311			
Additional Authorized Cost	\$0			
Revised Authorized Cost	\$420,311			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	0%			
Original Target Completion Date	11/12/2010			
Revised Target Completion Date	11/1/2011			

Note: The total project amount approved by the NJSDA is \$963,936, of which \$514,617 represents a grant.

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES
PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
DOWLING SCHOOL SECURITY SYSTEM, TELECOMMUNICATIONS, ROOF
AND EMERGENCY GENERATOR UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 9,094	\$ 161,010	\$ 170,104	\$ 170,104
Transfer from Capital Outlay	148,521		148,521	148,521
Transfer from Capital Reserve Funds				
Total revenues	<u>157,615</u>	<u>161,010</u>	<u>318,625</u>	<u>318,625</u>
Expenditures and Other Financing Uses				
Architectural Costs	16,935	10,816	27,751	81,870
Construction services	98	278,332	278,430	236,755
Total expenditures	<u>17,033</u>	<u>289,148</u>	<u>306,181</u>	<u>318,625</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 140,582</u>	<u>\$ (128,138)</u>	<u>\$ 12,444</u>	<u>\$ 318,625</u>

Additional project information:

Project Number	4590-020-09-1003
Grant Date/Letter of Notification	6/3/2010
Bond Authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$318,625
Additional Authorized Cost	\$0
Revised Authorized Cost	\$318,625
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	0%
Original Target Completion Date	11/12/2010
Revised Target Completion Date	11/1/2011

Note: The total project amount approved by the NJSDA is \$963,936, of which \$514,617 represents a grant.

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUE, EXPENDITURES
PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
MARY E. VOLZ SCHOOL SECURITY SYSTEM, TELECOMMUNICATIONS, ROOF
AND EMERGENCY GENERATOR UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 15,315	\$ 101,503	\$ 116,818	\$ 120,121
Transfer from Capital Outlay	104,879		104,879	104,879
Transfer from Capital Reserve Funds				
Total revenues	120,194	101,503	221,697	225,000
Expenditures and Other Financing Uses				
Architectural Costs	28,599	(9,891)	18,708	81,870
Construction services	98	173,468	173,566	143,130
Total expenditures	28,697	163,577	192,274	225,000
Excess (deficiency) of revenues over (under) expenditures	\$ 91,497	\$ (62,074)	\$ 29,423	\$ 225,000

Additional project information:

Project Number	4590-020-09-1004
Grant Date/Letter of Notification	6/3/2010
Bond Authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$225,000
Additional Authorized Cost	\$0
Revised Authorized Cost	\$225,000
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	0%
Original Target Completion Date	11/12/2010
Revised Target Completion Date	11/1/2011

Note: The total project amount approved by the NJSDA is \$963,936, of which \$514,617 represents a grant.

PROPRIETARY FUND DETAIL STATEMENTS

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

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

RUNNEMEDE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011 AND 2010

	Food Service Enterprise Fund	Totals	
		2011	2010
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 12,497	\$ 12,497	\$ 975
Interfund Receivable	22,818	22,818	23,924
Accounts Receivable:			
State			278
Federal			5,722
Other	118	118	
Inventory	119	119	
Total Current Assets	<u>35,552</u>	<u>35,552</u>	<u>30,899</u>
Fixed Assets:			
Equipment	12,356	12,356	12,356
Accumulated Depreciation	(6,412)	(6,412)	(5,670)
Total Fixed Assets	<u>5,944</u>	<u>5,944</u>	<u>6,686</u>
Total Assets	<u>41,496</u>	<u>41,496</u>	<u>37,585</u>
LIABILITIES;			
Current Liabilities:			
Accounts Payable	709	709	233
Deferred Revenue			2,529
Compensated Absences			22,500
Total Current Liabilities	<u>709</u>	<u>709</u>	<u>25,262</u>
NET ASSETS:			
Invested in Capital Assets Net of Related Debt	5,944	5,944	6,686
Unrestricted	34,843	34,843	5,637
Total Net Assets	<u>\$ 40,787</u>	<u>\$ 40,787</u>	<u>\$ 12,323</u>

RUNNEMEDE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2011 AND 2010

	Food Service Enterprise Fund	Totals	
		2011	2010
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 41,941	\$ 41,941	\$ 43,741
School Breakfast Program	995	995	1,938
Milk Program			3,350
Total Daily Sales - Reimbursable Programs	42,936	42,936	49,029
Daily Sales Non-Reimbursable Programs	33,286	33,286	30,596
Total Operating Revenue	76,222	76,222	79,625
OPERATING EXPENSES:			
Salaries	67,411	67,411	102,617
Employee Benefits	3,473	3,473	13,220
Supplies and Materials	9,066	9,066	1,632
Cost of Sales	91,769	91,769	110,268
Depreciation	742	742	742
Management Fee	10,000	10,000	
Repairs and Other Expenses	23,627	23,627	145
Total Operating Expenses	206,088	206,088	228,624
Operating Income (Loss)	(129,866)	(129,866)	(148,999)
Non-Operating Revenues:			
State Sources:			
State School Breakfast Program			979
State School Lunch Program	2,253	2,253	3,366
Federal Sources:			
School Breakfast Program	13,857	13,857	13,686
National School Lunch Program	88,105	88,105	73,329
Food Distribution Program	9,899	9,899	8,167
Interest	26	26	69
Total Non-Operating Revenues	114,140	114,140	99,596
Net Income before Operating Transfers	(15,726)	(15,726)	(49,403)
Operating Transfer In (Out)	44,190	44,190	46,962
Net Income	28,464	28,464	(2,441)
Net Assets - July 1	12,323	12,323	14,764
Net Assets - June 30	\$ 40,787	\$ 40,787	\$ 12,323

RUNNEMEDE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2011 AND 2010

	Food Service Enterprise Fund	Totals	
		2011	2010
Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ (129,866)	\$ (129,866)	\$ (148,999)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:			
Depreciation	742	742	742
Food Distribution Program	9,899	9,899	8,167
Change in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	5,882	5,882	(1,403)
(Increase)/Decrease in Interfund Receivable	1,106	1,106	
(Increase)/Decrease in Inventory	(119)	(119)	
Increase/(Decrease) in Accounts Payable	476	476	(6,435)
Increase/(Decrease) in Deferred Revenue	(2,529)	(2,529)	2,529
Increase/(Decrease) in Compensated Absences	(22,500)	(22,500)	5,370
Net Cash Used by Operating Activities	(136,909)	(136,909)	(140,029)
Cash Flows from Noncapital Financing Activities:			
Cash Received from State and Federal Reimbursements	104,215	104,215	91,360
Operating Transfer from General Fund	44,190	44,190	46,962
Net Cash Provided by Noncapital Financing Activities	148,405	148,405	138,322
Cash Flows from Capital & Related Financing Activities:			
Purchase of Capital Asset			(7,428)
Cash Flows from Investing Activities:			
Other Local Revenue	26	26	69
Net Decrease in Cash and Cash Equivalents	11,522	11,522	(9,066)
Cash and Cash Equivalents, July 1 (Overdraft)	975	975	10,041
Cash and Cash Equivalents, June 30 (Overdraft)	\$ 12,497	\$ 12,497	\$ 975

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

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

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

RUNNEMEDE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	<u>Expendable</u> <u>Trust</u>		<u>Agency</u>		
	<u>Unemployment</u> <u>Compensation</u>	<u>Student</u> <u>Activity</u>	<u>Payroll</u>	<u>2011</u>	<u>Total</u> <u>2010</u>
ASSETS:					
Cash and Cash Equivalents	\$ 103,762	\$ 21,880	\$ 92,257	\$ 217,899	\$ 151,128
Total Assets	<u>\$ 103,762</u>	<u>\$ 21,880</u>	<u>\$ 92,257</u>	<u>\$ 217,899</u>	<u>\$ 151,128</u>
 LIABILITIES AND FUND BALANCES:					
Liabilities:					
Payroll Deductions and Withholdings	\$	\$	\$ 66,188	\$ 66,188	\$ 1,629
Accounts Payable					6,442
Due to Current Fund			26,069	26,069	
Due to Student Groups		21,880		21,880	19,211
Total Liabilities		<u>21,880</u>	<u>92,257</u>	<u>114,137</u>	<u>27,282</u>
Fund Balances:					
Reserved:					
Unemployment Compensation	103,762			103,762	123,846
	<u>103,762</u>			<u>103,762</u>	<u>123,846</u>
Total Liabilities and Fund Balance	<u>\$ 103,762</u>	<u>\$ 21,880</u>	<u>\$ 92,257</u>	<u>\$ 217,899</u>	<u>\$ 151,128</u>

RUNNEMEDE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011 AND 2010

	<u>Expendable Trust</u>		
	<u>Unemployment</u>	<u>Total</u>	<u>Total</u>
	<u>Funds</u>	<u>2011</u>	<u>2010</u>
ADDITIONS:			
Employee Deductions	\$ 11,417	\$ 11,417	\$ 12,592
Employer Contribution	41,825	41,825	
Interest on Investments	732	732	385
Total Additions	<u>53,974</u>	<u>53,974</u>	<u>12,977</u>
DEDUCTIONS:			
Unemployment Compensation			
Insurance Claims	74,058	74,058	17,103
Total Deductions	<u>74,058</u>	<u>74,058</u>	<u>17,103</u>
Change in Net Assets	(20,084)	(20,084)	(4,126)
Net Assets - Beginning of the Year	<u>123,846</u>	<u>123,846</u>	<u>127,972</u>
Net Assets - End of the Year	<u>\$ 103,762</u>	<u>\$ 103,762</u>	<u>\$ 123,846</u>

RUNNEMEDE BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1,</u> <u>2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>6/30/11</u>	<u>Balance</u> <u>June 30,</u> <u>2011</u>
ELEMENTARY SCHOOLS					
Bingham School	\$ 5,720	\$ 5,540	\$ 4,376	\$	\$ 6,884
Downing School	7,319	5,626	4,422		8,523
Volz School	6,172	25,827	25,526		6,473
TOTAL ALL SCHOOLS	\$ 19,211	\$ 36,993	\$ 34,324	\$	\$ 21,880

RUNNEMEDE BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>7/1/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/11</u>
ASSETS:				
Cash and Cash Equivalents	\$ 8,071	\$ 7,480,260	\$ 7,396,074	\$ 92,257
Total Assets	<u>\$ 8,071</u>	<u>\$ 7,480,260</u>	<u>\$ 7,396,074</u>	<u>\$ 92,257</u>
LIABILITIES:				
Net Payroll	\$	\$ 4,357,544	\$ 4,357,544	\$
Accounts Payable	6,442		6,442	
Due to Current Fund		26,069		26,069
Payroll Deductions and Withholdings	1,629	3,096,647	3,032,088	66,188
Total Liabilities	<u>\$ 8,071</u>	<u>\$ 7,480,260</u>	<u>\$ 7,396,074</u>	<u>\$ 92,257</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

RUNNEMEDE BOARD OF EDUCATION
GENERAL LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2011

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2010</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2011</u>
			<u>Date</u>	<u>Amount</u>					
Renovations and Improvements to Various School Buildings	3/20/97	\$2,950,000	3/15/12	\$250,000	5.25%	\$ 500,000		\$ 250,000	\$ 250,000
Totals						<u>\$ 500,000</u>	<u></u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>

RUNNEMEDE BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
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 Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Transfer from Capital Reserve	\$ 185,665	\$	\$ 185,665	\$ 185,665	\$
State Sources:					
Debt Service Aid Type II	90,460		90,460	90,460	
TOTAL REVENUES	<u>276,125</u>		<u>276,125</u>	<u>276,125</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	26,125		26,125	26,125	
Redemption of Principal	250,000		250,000	250,000	
Total Regular Debt Service	<u>276,125</u>		<u>276,125</u>	<u>276,125</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources (Uses) Operating Transfers In					
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Sources					
Fund balance, July 1					
Fund balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

STATISTICAL SECTION

RUNNEMEDE SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	\$ 1,189,708	\$ 1,542,991	\$ 1,535,575	\$ 1,297,439	\$ 1,439,446	\$ 1,710,424	\$ 1,843,069	\$ 2,813,156
Restricted	262,399	536,372	806,315	937,143	1,454,639	1,575,712	1,572,660	831,010
Unrestricted	(443,177)	(546,324)	(519,489)	(404,700)	(733,844)	(814,701)	(1,322,095)	(565,718)
Total Governmental Activities Net Assets	\$ 1,008,930	\$ 1,533,039	\$ 1,822,401	\$ 1,829,882	\$ 2,160,241	\$ 2,471,435	\$ 2,093,634	\$ 3,078,448
Business-Type Activities								
Invested in Capital Assets, Net of Related Debt	\$ 246	\$ 90	\$	\$	\$	\$	\$ 6,686	\$ 5,944
Restricted								
Unrestricted	28,367	28,157	31,766	25,066	15,167	14,764	5,637	34,843
Total Business-Type Activities Net Assets	\$ 28,613	\$ 28,247	\$ 31,766	\$ 25,066	\$ 15,167	\$ 14,764	\$ 12,323	\$ 40,787
District-Wide								
Invested in Capital Assets, Net of Related Debt	\$ 1,189,954	\$ 1,543,081	\$ 1,535,575	\$ 1,297,439	\$ 1,439,446	\$ 1,710,424	\$ 1,849,755	\$ 2,819,100
Restricted	262,399	536,372	806,315	937,143	1,454,639	1,575,712	1,572,660	831,010
Unrestricted	(414,810)	(518,167)	(487,723)	(379,634)	(718,677)	(799,937)	(1,316,458)	(530,875)
Total District-Wide Net Assets	\$ 1,037,543	\$ 1,561,286	\$ 1,854,167	\$ 1,854,948	\$ 2,175,408	\$ 2,486,199	\$ 2,105,957	\$ 3,119,235

Source: CAFR Schedule A-1

**RUNNEMEDE SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(Accrual Basis of Accounting)**

	For Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:								
Governmental activities								
Instruction								
Regular	\$ 5,133,442	\$ 5,132,269	\$ 4,059,377	\$ 4,213,381	\$ 24,645	\$ 3,819,802	\$ 4,104,668	\$ 3,672,898
Special Education	802,292	920,145	709,146	854,996	760,881	942,011	885,624	978,108
Other Instruction	71,085	107,503	88,802	89,831	59,976	258,381	420,505	241,756
Support Services								
Tuition	622,129	519,087	702,360	573,951	441,169	661,784	778,809	943,713
Student and Instruction Related Services	1,215,519	1,366,821	1,067,298	978,878	1,166,284	1,122,611	1,260,296	1,285,066
General and Business Administrative Services	525,312	444,713	463,833	477,783	508,027	609,082	663,529	659,175
School Administrative Services	386,755	572,621	315,027	327,882	337,578	360,545	353,592	327,567
Plant Operations and Maintenance	1,079,374	927,703	880,176	906,891	932,759	791,949	834,331	652,554
Pupil Transportation	308,515	332,104	381,241	380,987	364,979	447,094	394,595	294,088
Unallocated Employee Benefits	225,304		2,355,814	2,849,491	2,930,512	2,515,630	3,233,570	2,469,749
Amortization of Debt Issue Costs						2,349	2,349	2,349
Interest on Long-Term Debt	104,343	122,637	80,512	69,494	57,962	44,941	34,998	22,267
Unallocated-Depreciation	12,435	12,435	12,094	8,774	7,725	5,405	5,613	5,710
Total Governmental Activities Expenses	10,486,505	10,458,038	11,115,680	11,732,339	7,592,497	11,581,584	12,972,479	11,555,000
Business-Type Activities								
Food Service	120,687	140,657	135,977	146,534	157,688	230,333	228,624	206,088
Total Business-Type Activities Expense	120,687	140,657	135,977	146,534	157,688	230,333	228,624	206,088
Total District Expenses	\$ 10,607,192	\$ 10,598,695	\$ 11,251,657	\$ 11,878,873	\$ 7,750,185	\$ 11,811,917	\$ 13,201,103	\$ 11,761,088
Program Revenues								
Governmental Activities								
Operating Grants and Contributions	\$ 1,421,704	\$ 1,595,032	\$ 1,700,358	\$ 2,043,957	\$ 2,104,015	\$ 1,251,335	\$ 1,554,471	\$ 1,406,306
Total Governmental Activities Program Revenues	1,421,704	1,595,032	1,700,358	2,043,957	2,104,015	1,251,335	1,554,471	1,406,306
Business-Type Activities								
Charges for Services								
Food Service	49,158	55,281	56,512	52,926	55,831	62,437	79,625	76,222
Operating Grants and Contributions	47,120	61,487	57,506	60,643	63,349	84,031	99,527	114,114
Total Business-Type Activities Program Revenues	96,278	116,768	114,018	113,569	119,180	146,468	179,152	190,336
Total District Program Revenues	\$ 1,517,982	\$ 1,711,800	\$ 1,814,376	\$ 2,157,526	\$ 2,223,195	\$ 1,397,803	\$ 1,733,623	\$ 1,596,642
Net (Expense)/Revenue								
Governmental Activities	\$ (9,064,801)	\$ (8,863,006)	\$ (9,415,322)	\$ (9,688,382)	\$ (5,488,482)	\$ (10,330,249)	\$ (11,418,008)	\$ (10,148,694)
Business-Type Activities	(24,409)	(23,889)	(21,959)	(32,965)	(38,508)	(83,865)	(49,472)	(15,752)
Total District-Wide Net Expense	\$ (9,089,210)	\$ (8,886,895)	\$ (9,437,281)	\$ (9,721,347)	\$ (5,526,990)	\$ (10,414,114)	\$ (11,467,480)	\$ (10,164,446)
General Revenues and Other Changes in Net Assets								
Governmental Activities								
Property Taxes Levied for General Purposes, net	\$ 5,315,036	\$ 5,445,213	\$ 5,740,196	\$ 5,980,814	\$ 6,045,047	\$ 5,932,936	\$ 4,366,578	\$ 4,751,585
Taxes Levied for Debt Service	180,898	184,132	180,748	183,353	176,266	169,178	174,383	
Unrestricted Grants and Contributions	3,607,271	3,746,807	3,765,728	3,801,965	3,992,069	4,547,600	6,443,842	6,314,821
Investment Earnings	25,431	34,486				17,356	5,229	1,517
Miscellaneous Income			66,004	89,772	82,666	48,033	97,137	109,775
Other Adjustments			(22,514)	(334,667)		9,610		
Transfers	(22,302)	(23,523)	(25,478)	(25,374)	(27,660)	(83,270)	(46,962)	(44,190)
Total Governmental Activities	9,106,334	9,387,115	9,704,684	9,695,863	10,268,388	10,641,443	11,040,207	11,133,508
Business-Type Activities								
Investment Earnings				891	949	192	69	26
Other Adjustments								
Transfers	22,302	23,523	25,478	25,374	27,660	83,270	46,962	44,190
Total Business-Type Activities	22,302	23,523	25,478	26,265	28,609	83,462	47,031	44,216
Total District-Wide	\$ 9,128,636	\$ 9,410,638	\$ 9,730,162	\$ 9,722,128	\$ 10,296,997	\$ 10,724,905	\$ 11,087,238	\$ 11,177,724
Change in Net Assets								
Governmental Activities	\$ 41,533	\$ 524,109	\$ 289,362	\$ 7,481	\$ 4,779,906	\$ 311,194	\$ (377,801)	\$ 984,814
Business-Type Activities	(2,107)	(366)	3,519	(6,700)	(9,899)	(403)	(2,441)	28,464
Total District-Wide	\$ 39,426	\$ 523,743	\$ 292,881	\$ 781	\$ 4,770,007	\$ 310,791	\$ (380,242)	\$ 1,013,278

Source: CAFR Schedule A-2

RUNNEMEDE SCHOOL DISTRICT
FUND BALANCES-GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(Modified Accrual Basis of Accounting)

	For Fiscal Year Ending June 30,							
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund								
Reserved	\$ 145,487	\$ 292,716	\$ 353,315	\$ 583,828	849,650	\$ 385,401	\$ 499,187	\$ 365,821
Unreserved	243,033	317,249	468,562	452,191	679,881	1,228,391	503,918	347,400
Total General Fund	<u>\$ 388,520</u>	<u>\$ 609,965</u>	<u>\$ 821,877</u>	<u>\$ 1,036,019</u>	<u>\$ 1,529,531</u>	<u>\$ 1,613,792</u>	<u>\$ 1,003,105</u>	<u>\$ 713,221</u>
All Other Governmental Funds								
Reserved	\$	\$	\$	\$	\$	\$	\$	\$ 51,578
Unreserved, Reported in:								
Special Revenue Fund	(4,261)	(4,260)	(4,260)	(4,261)	(9,161)			
Capital Projects Fund							421,509	24,583
Debt Service Fund								
Total All Other Governmental Funds	<u>\$ (4,261)</u>	<u>\$ (4,260)</u>	<u>\$ (4,260)</u>	<u>\$ (4,261)</u>	<u>\$ (9,161)</u>	<u>\$</u>	<u>\$ 421,509</u>	<u>\$ 76,161</u>

Source: CAFR Schedule B-1

RUNNEMEDE SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Tax Levy	\$ 4,467,900	\$ 5,022,400	\$ 5,495,934	\$ 5,629,345	\$ 5,920,944	\$ 6,164,167	\$ 6,221,313	\$ 6,092,953	\$ 6,095,432	\$ 6,157,891
Tuition	7,480	28,597	16,599	12,884	12,500			21,198	37,610	34,946
Interest Earnings								17,356	5,229	1,517
Miscellaneous	34,485	18,243	8,832	21,602	53,504	89,772	82,666	26,835	59,527	74,829
State Sources	4,127,349	4,260,585	4,620,363	4,916,278	5,052,611	5,409,396	5,709,778	5,463,350	5,042,164	5,824,349
Federal Sources	363,255	380,750	408,611	425,559	413,475	436,525	386,306	400,333	1,401,678	490,472
Other Sources										
Total Revenues	9,000,469	9,710,575	10,550,339	11,005,668	11,453,034	12,099,860	12,400,063	12,022,025	12,641,640	12,584,004
Expenditures										
Instruction										
Regular Instruction	3,470,629	3,666,432	3,654,464	3,765,302	3,987,083	4,140,588	4,085,426	3,733,316	4,014,841	3,581,539
Special Education Instruction	599,944	559,894	580,540	676,228	709,146	854,996	760,881	942,011	885,624	978,108
Other instruction	73,541	72,302	55,609	89,859	88,802	89,831	59,976	258,381	420,505	241,756
Support Services										
Tuition	813,841	786,100	622,129	519,087	702,360	573,951	441,169	661,784	778,809	943,713
Student and Instruction Related Services	797,873	782,733	941,206	1,056,480	1,067,298	978,878	1,166,284	1,178,198	1,260,296	1,285,066
School Administrative Services	404,827	358,057	375,032	326,561	315,027	327,882	337,578	360,545	353,592	364,929
General Administrative Services	436,842	447,869	451,409	436,151	444,343	464,936	497,276	598,271	652,300	610,393
Plant Operations and Maintenance	581,181	646,751	946,403	785,439	860,431	900,468	931,892	786,544	828,717	646,844
Pupil Transportation	341,581	322,456	308,515	332,104	381,241	380,987	364,979	447,094	394,595	294,088
Business and Other Support Services	1,444,445	1,818,298	2,050,633	2,123,883	2,355,814	2,849,491	2,930,512	2,561,940	2,809,406	3,118,199
Capital Outlay	99,534	18,449	350,000	350,000	10,000		20,012	42,975	101,428	834,286
Debt Service										
Principal	170,000	180,000	190,000	205,000	210,000	225,000	225,000	225,000	245,000	250,000
Interest and Other Charges	122,280	113,568	104,343	94,605	84,099	73,337	61,806	50,274	38,743	26,125
Total Expenditures	9,356,518	9,772,909	10,630,283	10,760,699	11,215,644	11,860,345	11,882,791	11,846,333	12,783,856	13,175,046
Excess (Deficiency) of Revenues Over (Under) Expenditures	(356,049)	(62,334)	(79,944)	244,969	237,390	239,515	517,272	175,692	(142,216)	(591,042)
Other Financing Sources (Uses)										
Other adjustments										
Transfers, net	(24,000)	(20,775)	(22,302)	(23,523)	(25,478)	(25,374)	(27,660)	(83,270)	(46,962)	(44,190)
Total Other Financing Sources (Uses)	(24,000)	(20,775)	(22,302)	(23,523)	(25,478)	(25,374)	(27,660)	(83,270)	(46,962)	(44,190)
Net Change in Fund Balances	\$ (380,049)	\$ (83,109)	\$ (102,246)	\$ 221,446	\$ 211,912	\$ 214,141	\$ 489,612	\$ 92,422	\$ (189,178)	\$ (635,232)
Debt Service as a Percentage of Noncapital Expenditures	3.2%	3.0%	2.9%	2.9%	2.6%	2.5%	2.4%	2.3%	2.2%	2.2%

Source: CAFR Schedule B-2

RUNNEMEDE SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Homeless</u> <u>Reimbursement</u>	<u>Transfer</u> <u>from</u> <u>Payroll</u>	<u>Miscellaneous</u>	<u>Total</u>
2011	\$ 1,517	\$ 34,946	\$ 52,352			\$ 15,941	\$ 104,756
2010	5,229	37,610	34,882			24,645	102,366
2009	17,356	21,198	12,722			4,113	55,389
2008	60,542	8,800	5,648		2,510	5,166	82,666
2007	60,677		991		28,104		89,772
2006	30,604	12,500	1,228	21,485		187	66,004
2005	16,969	12,884	4,633				34,486
2004	7,694	16,599	1,138				25,431
2003	28,596	6,914	10,722			608	46,840
2002	25,389	7,480	9,096				41,965

Source: District Records

RUNNEMEDE SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2011	\$ 2,856,100	\$ 257,348,900	\$ 45,272,700	\$ 12,060,100	\$ 17,052,700	\$ 334,590,500	\$ 933,735	\$ 335,524,235	1.895	\$ 591,488,940 ^c
2010	2,897,400	257,268,300	45,786,500	12,300,100	18,027,700	336,280,000	970,055	337,250,055	1.817	591,488,940
2009	2,979,200	257,477,700	45,139,100	12,300,100	18,297,700	336,193,800	945,824	337,139,624	1.808	588,376,307
2008	2,952,100	257,174,700	45,644,500	12,749,700	18,297,700	336,818,700	1,048,363	337,867,063	1.823	591,141,251
2007	3,211,700	255,372,400	45,678,400	13,049,700	18,297,700	335,609,900	1,121,421	336,731,321	1.839	534,990,012
2006	2,840,200	254,680,800	44,427,900	13,249,700	18,297,700	333,496,300	1,229,499	334,725,799	1.806	473,892,732
2005	2,930,400	253,501,100	44,497,800	13,249,700	18,297,700	332,476,700	1,575,993	334,052,693	1.729	406,546,202
2004	3,063,800	250,016,300	44,568,800	13,249,700	18,297,700	329,196,300	1,717,421	330,913,721	1.681	372,486,519
2003	2,947,100	249,031,000	45,484,900	13,644,300	18,297,700	329,405,000	1,893,139	331,298,139	1.588	349,621,386
2002	3,064,000	247,527,700	45,525,600	13,644,300	18,297,700	328,059,300	1,865,559	329,924,859	1.439	322,956,075

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation.

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

b Tax rates are per \$100

c Estimate

RUNNEMEDE SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)

Year Ended June 30,	Runnemede School District			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Runnemede	Regional School	Camden County	Total
2011	\$ 1.895	\$ 0.000	\$ 1.895	\$ 1.497	\$ 0.835	\$ 1.124	\$ 5.351
2010	1.765	0.052	1.817	1.379	0.835	1.073	5.104
2009	1.758	0.050	1.808	1.347	0.838	1.054	5.047
2008	1.769	0.054	1.823	1.248	0.866	1.041	4.978
2007	1.785	0.054	1.839	1.109	0.876	1.046	4.870
2006	1.752	0.054	1.806	0.999	0.866	1.071	4.742
2005	1.674	0.055	1.729	0.935	0.884	0.943	4.491
2004	1.626	0.055	1.681	0.907	0.806	0.911	4.305
2003	1.534	0.054	1.588	0.762	0.693	0.952	3.995
2002	1.385	0.054	1.439	0.713	0.622	0.886	3.660

Source: District Records and Municipal Tax Collector

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 pre-budget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

RUNNEMEDE SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Presidential Associates	\$ 6,000,000	1.78%	\$ 6,000,000	1.84%
Hartford Plaza	5,092,300	1.51%		
The Meadows at Runnemedede	4,400,000	1.31%		
Runnemedede Lodging Investors	3,250,000	0.96%		
Sinatra Corporation	2,450,000	0.73%		
East Coast Enterprises	2,125,100	0.63%		
DPE 165 Runn. Assoc. LLC	2,091,600	0.62%		
DPE 160 Runn. Assoc. LLC	1,805,500	0.53%		
D&P 155 Runn. Assoc. L.P.	1,614,200	0.48%		
DPE 190 Runn. Assoc. AIRB EXP	1,540,000	0.46%		
D&P Industrial			5,111,600	1.57%
Grande Associates			4,800,000	1.47%
Runnemedede Hotel Assoc.			3,780,000	1.16%
Runnemedede Plaza Assoc.			3,237,400	0.99%
Subtle & Moffitt Co			2,035,500	0.62%
Runnemedede Association			1,571,500	0.49%
United Softee Realty			1,250,000	0.38%
Oak Ridge Apartments			1,240,000	0.38%
Comfort Inn			1,000,000	0.31%
Total	\$ 30,368,700	9.01%	\$ 30,026,000	9.21%

Source: District CAFR & Municipal Tax Assessor

RUNNEMEDE SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2011	\$ 6,157,981	\$ 6,157,981	100.00%	\$
2010	6,095,432	6,095,432	100.00%	
2009	6,092,953	6,092,953	100.00%	
2008	6,221,313	6,221,313	100.00%	
2007	6,164,167	6,164,167	100.00%	
2006	5,920,944	5,920,944	100.00%	
2005	5,629,345	5,629,345	100.00%	
2004	5,495,934	5,495,934	100.00%	
2003	5,022,400	5,022,400	100.00%	
2002	4,467,900	4,467,900	100.00%	

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

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

RUNNEMEDE SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2011	\$ 250,000	\$	\$	\$	\$ 250,000	0.07%	\$ 30
2010	500,000				500,000 *	0.14%	60
2009	745,000				745,000 *	0.21%	89
2008	970,000				970,000	0.28%	115
2007	1,195,000				1,195,000	0.35%	141
2006	1,420,000				1,420,000	0.44%	168
2005	1,630,000				1,630,000	0.53%	192
2004	1,835,000				1,835,000	0.62%	217
2003	2,025,000				2,025,000	0.71%	238
2002	2,205,000				2,205,000	0.80%	259

* Estimate

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

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

- a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b Includes Early Retirement Incentive Plan (ERIP) refunding

RUNNEMEDE SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation, Bonds	Deductions			
2011	\$ 250,000	\$	\$ 250,000	0.04%	\$ 30
2010	500,000		500,000	0.15%	60 *
2009	745,000		745,000	0.22%	89 *
2008	970,000		970,000	0.29%	115
2007	1,195,000		1,195,000	0.35%	141
2006	1,420,000		1,420,000	0.42%	168
2005	1,630,000		1,630,000	0.49%	192
2004	1,835,000		1,835,000	0.55%	217
2003	2,025,000		2,025,000	0.61%	238
2002	2,205,000		2,205,000	0.67%	259

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

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

b Population data can be found in Exhibit NJ J-13.

* Estimated

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

RUNNEMEDE SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2011

<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			
Borough of Runnemede	\$ 5,217,500	100.000%	\$ 5,217,500
Camden County General Obligation Debt	156,835,508	1.645%	2,580,450
Black Horse Pike Regional High School District	27,002,000	9.6439%	2,604,046
Other debt			
Subtotal, Overlapping Debt			<u>10,401,995</u>
Runnemede School District Direct Debt			250,000
Total Direct and Overlapping Debt			<u><u>\$ 10,651,995</u></u>

Sources: Camden County Board of Taxation

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

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

RUNNEMEDE SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2009

	Equalized Valuation Basis	
	2010	\$ 579,493,366
	2009	587,854,170
	2008	610,732,004
	[A]	\$ 1,778,079,540
Average Equalized Valuation of Taxable Property	[A/3]	\$ 592,693,180
Debt Limit (3% of Average Equalization Value)	[B]	\$ 17,780,795 ^a
Net Bonded School Debt	[C]	250,000
Legal Debt Margin	[B-C]	\$ 17,530,795

Fiscal Year Ending June 30,

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 9,256,782	\$ 9,628,591	\$ 10,278,009	\$ 11,127,903	\$ 12,376,696	\$ 13,969,422	\$ 15,834,779	\$ 17,248,752	\$ 17,842,928	\$ 17,780,795
Total Net Debt Applicable to Limit	2,205,000	2,025,000	1,835,000	1,630,000	1,420,000	1,195,000	970,000	745,000	500,000	250,000
Legal Debt Margin	\$ 7,051,782	\$ 7,603,591	\$ 8,443,009	\$ 9,497,903	\$ 10,956,696	\$ 12,774,422	\$ 14,864,779	\$ 16,503,752	\$ 17,342,928	\$ 17,530,795
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24%	21%	18%	15%	11%	9%	6%	4%	3%	1%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

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

RUNNEMEDE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
*2011	8,411	\$ 363,004,183	\$ 43,158	N/A
*2010	8,399	357,129,344	42,520	12.8%
2009	8,408	347,099,056	41,282	12.2%
2008	8,421	348,090,456	41,336	7.9%
2007	8,450	338,439,400	40,052	6.0%
2006	8,457	325,459,188	38,484	6.5%
2005	8,485	306,546,080	36,128	6.0%
2004	8,471	295,011,046	34,826	4.5%
2003	8,491	285,951,407	33,677	5.0%
2002	8,510	276,396,290	32,479	4.8%

Source:

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

^b Personal income

^c Per Capita

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

* Estimate

RUNNEMEDE SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2011</u>		<u>2002</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Not Available				
	<u>-</u>	<u>0.00%</u>	<u>-</u>	<u>0.00%</u>

Source:

This schedule should include the ten largest employers, unless fewer are required to reach 50 percent of total employment.

RUNNEMEDE SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction										
Regular	73	72	71	71	71	72	72	69	68	67
Special Education	11	13	12	12	12	12	12	12	12	20
Support Services:										
Tuition										
Student & Instruction Related Services	4	4	4	4	4	4	4	4	4	15
General Administrative Services	5	5	5	5	5	5	5	4	4	2
School Administrative Services	6	6	5	5	5	5	5	5	5	7
Business Administrative Services	2	2	2	2	2	2	2	3	3	3
Plant Operations and Maintenance	10	10	10	10	10	10	10	12	12	12
Food Service	1	1	1	1	1	1	1	1	1	-
Total	<u>112</u>	<u>113</u>	<u>110</u>	<u>110</u>	<u>110</u>	<u>111</u>	<u>111</u>	<u>110</u>	<u>109</u>	<u>126</u>

Source: District Personnel Records

RUNNEMEDE SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio</u>		<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
						<u>Elementary</u>	<u>Middle</u>				
2011	832	\$ 12,340,760	\$ 14,833	1.9%	87	1:11	1:07	831.0	779.0	0.37%	93.74%
2010	852	12,398,685	14,552	3.9%	80	1:13	1:08	827.9	777.5	1.16%	93.91%
2009	823	11,528,084	14,007	-2.8%	80	1:13	1:08	818.4	776.3	3.59%	94.86%
2008	803	11,575,973	14,416	0.5%	95	1:13	1:10	790.0	734.0	0.00%	92.91%
2007	806	11,562,008	14,345	5.8%	92	1:13	1:10	790.0	745.0	0.77%	94.30%
2006	805	10,911,545	13,555	11.8%	91	1:13	1:10	784.0	744.0	-3.69%	94.90%
2005	834	10,111,094	12,124	-1.9%	92	1:13	1:10	814.0	773.0	3.04%	94.96%
2004	808	9,985,940	12,359	7.8%	92	1:13	1:10	790.0	752.0	-1.13%	95.19%
2003	825	9,460,892	11,468	2.5%	92	1:14	1:10	799.0	758.0	-0.87%	94.87%
2002	801	8,964,704	11,192	12.0%	92	1:14	1:10	806.0	761.0	-4.05%	94.42%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

RUNNEMEDE SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>District Building</u>										
<u>Elementary</u>										
Bingham Elementary (1929)										
Square Feet	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050
Capacity (Students)	191	191	191	191	191	191	191	191	191	191
Enrollment	183	190	190	190	178	178	177	177	182	205
Downing Elementary (1930)										
Square Feet	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315
Capacity (Students)	162	162	162	162	162	162	162	162	162	162
Enrollment	130	126	126	143	155	155	157	157	178	168
<u>Middle School</u>										
Voltz Middle School (1956)										
Square Feet	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268
Capacity (Students)	468	468	468	468	468	468	468	468	468	468
Enrollment	475	455	458	447	450	450	456	456	468	458
<u>Other</u>										
Garage										
Square Feet	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132

Number of Schools at June 30, 2011

Elementary = 2

Middle = 1

High School = 0

Other = 1

Source: District records, ASSA

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

RUNNEMEDE SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

School Facilities	Gross Square Footage	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Bingham School	25,050	\$ 14,318	\$ 26,359	\$ 218	\$ 4,785	\$ 54,178	\$ 13,462	\$ 13,299	\$ 13,718	\$ 35,023	\$ 27,400
Downing School	23,315	12,378	46,168	35	2,693	16,378	20,766	14,282	31,521	32,852	27,229
Voltz School	70,268	36,999	29,531	14,527	115,151	66,243	46,426	104,418	251,490	72,785	59,539
Total School Facilities		63,695	102,058	14,780	122,629	136,799	80,654	131,999	296,729	140,660	114,168
Other Facilities	2,132										
Grand Total		\$ 63,695	\$ 102,058	\$ 14,780	\$ 122,629	\$ 136,799	\$ 80,654	\$ 131,999	\$ 296,729	\$ 140,660	\$ 114,168

RUNNEMEDE SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
NJ School Boards Association			
Insurance Group			
	Building and Contents (All Locations)		
	Blanket Real & Personal Property	\$ 23,881,580	\$ 5,000
	Blanket Expense	50,000,000	5,000
	Blanket Valuable Papers	10,000,000	5,000
	EDP	250,000	1,000
	General Liability	6,000,000	
	Automobile Liability	6,000,000	1,000
	Boiler and Machinery	100,000,000	5,000
	Worker's Compensation	Statutory	
	Educator's Legal Liability	1,000,000	5,000
	Crime Coverage	25,000	500
	Catastrophic Student Accident Coverage		
	Accident Medical Expense Benefit	5,000,000	
	Catastrophic Cash Benefit	1,000,000	
Western Surety Insurance			
	Surety Bonds		
	Treasurer	100,000	500
	Board Secretary	10,000	500

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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October 28, 2011

**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
Runnemede School District
County of Camden, New Jersey 08078

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 Runnemede School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Board of Education of the Runnemede School District's basic financial statements and have issued our report thereon dated October 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Runnemede Board of Education'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 an opinion on the effectiveness of the Runnemede Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Runnemede Board of Education'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of 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. However, we did identify one deficiency in internal control over financial reporting that we consider to be material weaknesses, which is described in the accompanying schedule of findings and questioned cost as Finding 2011-3, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Runnemede Board of Education'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.

However, we noted certain immaterial matters involving internal control that we have reported to the Runnemede Board of Education in a separate report entitled, *Auditor's Management Report on Administrative Findings, Compliance and Performance* dated October 28, 2011.

This report is intended solely for the information and use of the audit committee, management, the Runnemede Board of Education, 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. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

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October 28, 2011

**INDEPENDENT AUDITOR'S 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 OMB CIRCULAR 04-04**

The Honorable President and
Members of the Board of Education
Runnemede School District
County of Camden, New Jersey 08078

Compliance

We have audited the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, compliance 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 Runnemede School District's major federal and state programs for the year ended June 30, 2011. The Runnemede Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Runnemede Board of Education's management. Our responsibility is to express an opinion on the Runnemede Board of Education'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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and New Jersey OMB's Circular 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Runnemede Board of Education'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 Runnemede Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

Management of the Board of Education of the Runnemede School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Runnemede Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Runnemede Board of Education's internal control over compliance.

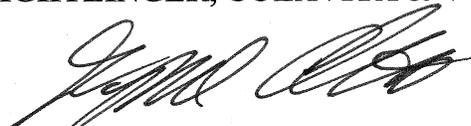
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or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

Our consideration of the 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 the audit committee, management, the Runnemede Board of Education, the New Jersey State Department of Education, other 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. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2010	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2011		
				From	To						(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education													
General Fund													
Medicaid Assistance Program	93.778	N/A	29,200	7/1/09	6/30/10	\$ (10,007)		\$ 10,007					
Medicaid Assistance Program	93.778	N/A	27,719	7/1/10	6/30/11			22,353	\$ (27,719)		\$ (5,366)		
Total General Fund						(10,007)		32,360	(27,719)		(5,366)		
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
School Breakfast Program	10.553	N/A	13,686	7/1/09	6/30/10	(1,129)		1,129					
School Breakfast Program	10.553	N/A	13,857	7/1/10	6/30/11			13,857	(13,857)				
Food Distribution Program	10.550	N/A	10,696	7/1/09	6/30/10	2,529			(2,529)				
Food Distribution Program	10.550	N/A	9,899	7/1/10	6/30/11			9,899	(9,899)				
National School Lunch Program	10.555	N/A	73,329	7/1/09	6/30/10	(4,593)		4,593					
National School Lunch Program	10.555	N/A	88,105	7/1/10	6/30/11			88,105	(88,105)				
Total Enterprise Fund						(3,193)		117,583	(114,390)				
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
Title I	84.010	NCLB0950-09	96,061	9/1/08	8/31/09	(3,428)		4,254			\$ 826		
Title I	84.010	NCLB0950-10	137,409	9/1/09	8/31/10	(4,592)		11,659	(20,479)		(13,412)		
Title I	84.010	NCLB0950-11	149,536	9/1/10	8/31/11			77,938	(103,451)		(25,513)		
ARRA- Title I, Part A	84.389	ARRA095011	43,330	9/1/09	8/31/11			10,826	(2,995)			7,831	
ARRA- IDEA Basic	84.391	ARRA095010	224,840	9/1/09	8/31/10	(10,178)			(42,278)		(52,456)		
ARRA- IDEA PS	84.392	ARRA095010	8,110	9/1/09	8/31/10	(244)		3,266	(3,312)		(290)		
Title II A	84.367A	NCLB0950-10	52,645	9/1/09	8/31/10	(11,700)		11,700					
Title II A	84.367A	NCLB0950-10	52,645	9/1/09	8/31/10			663	(4,088)		(3,425)		
Title II A	84.367A	NCLB0950-11	52,675	9/1/10	8/31/11			28,777	(29,628)		(851)		
Title II D	84.318x	NCLB0950-10	2,172	9/1/09	8/31/10	(1,618)		1,618					
Title II D	84.318x	NCLB0950-11	568	9/1/10	8/31/11			164	(164)				
Title IV	84.186	NCLB0950-11	1,463	9/1/10	8/31/11			682	(682)				
I.D.E.A. Part B, Pre-school	84.173	FT0950-11	16,709	9/1/10	8/31/11		\$ 439	10,548	(12,997)		(2,010)		
I.D.E.A. Part B, Pre-school	84.173	FT0950-10	17,806	9/1/09	8/31/10		(439)	5,181	(4,742)				
I.D.E.A. Part B, Pre-school	84.173	FT0950-10	17,806	9/1/09	8/31/10	(2,238)		2,238					
I.D.E.A. Part B Basic	84.027	FT0950-11	248,690	9/1/10	8/31/11			181,569	(233,920)		(52,351)		
I.D.E.A. Part B Basic	84.027	FT0950-10	245,765	9/1/09	8/31/10	(89,367)		99,361	(2,332)			7,662	
I.D.E.A. Part B Basic	84.027	FT0950-09	236,372	9/1/08	8/31/09	(98)					(98)		
Total Special Revenue Fund						(123,463)		450,444	(461,068)		(150,406)	16,319	
Total Federal Financial Assistance						\$ (136,663)	\$ -	\$ 600,387	\$ (603,177)		\$ (155,772)	\$ 16,319	\$ -

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2010		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment Repayment of Prior Year Balances	Balance at June 30, 2011			MEMO		
			From	To	(Accounts Receivable)	Due To Grantor					(Accounts Receivable)	Deferred Revenue	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:																
Equalization Aid	11-495-034-5120-078	\$ 3,766,240	7/1/10	6/30/11				\$ 3,417,770	\$ (3,766,240)							
Special Education Aid	11-495-034-5120-089	440,499	7/1/10	6/30/11				396,450	(440,499)				\$ (348,470)	\$ 3,766,240		
Extraordinary Aid	10-495-034-5120-044	47,214	7/1/09	6/30/10	\$ (47,214)			47,214					(44,049)	440,499		
Extraordinary Aid	10-495-034-5120-044	68,273	7/1/09	6/30/10					(68,273)		\$ (68,273)					
Non-public Transportation Aid	10-495-034-5120-014	3,101	7/1/09	6/30/10	(3,101)			3,101							68,273	
Non-public Transportation Aid	11-495-034-5120-014	3,828	7/1/10	6/30/11					(3,828)		(3,828)					
On-behalf TPAF Non-Contributory Ins	11-495-034-5095-007	16,346	7/1/10	6/30/11				16,346	(16,346)						3,828	
On-behalf TPAF Post Retirement Contrib	11-495-034-5095-006	347,179	7/1/10	6/30/11				347,179	(347,179)						16,346	
Reimb. TPAF Social Security Contrib	10-495-034-5095-002	428,584	7/1/09	6/30/10	(19,938)			19,938							347,179	
Reimb. TPAF Social Security Contrib	11-495-034-5095-002	416,910	7/1/10	6/30/11				397,899	(416,910)		(19,011)				416,910	
Total General Fund					(70,253)			4,645,897	(5,059,275)		(\$91,112)		(392,519)	5,059,275		
Special Revenue Fund:																
N.J. Nonpublic Aid:																
Textbook Aid	09-100-034-5120-064	10,396	7/1/08	6/30/09		\$ 58							\$ 58			
Textbook Aid	11-100-034-5120-064	10,629	7/1/10	6/30/11				10,629	(10,629)						10,629	
Nursing Aid	11-100-034-5120-070	12,594	7/1/10	6/30/11				12,594	(12,594)						12,594	
Auxiliary Services:																
Compensatory Education Aid	10-100-034-5120-067	76,776	7/1/09	6/30/10	(10,070)	10,070		10,070	(10,070)							
Compensatory Education Aid	11-100-034-5120-067	66,982	7/1/10	6/30/11				66,982	(66,982)		(9,626)		9,626		66,982	
Transportation Aid	10-100-034-5120-068	8,751	7/1/09	6/30/10	(6,225)	6,225		6,225	(6,225)		(3,215)		3,215		6,262	
Transportation Aid	11-100-034-5120-068	6,262	7/1/10	6/30/11				6,262	(6,262)							
English as a Second Language	10-100-034-5120-067	1,370	7/1/09	6/30/10	(1,370)	1,370		1,370	(1,370)							
Home Instruction Aid	10-100-034-5120-067	2,398	7/1/09	6/30/10	(2,398)			2,398								
Handicapped Services:																
Supplemental Instruction Aid	10-100-034-5120-066	17,521	7/1/09	6/30/10	(1,705)	1,705		1,705	(1,705)							
Supplemental Instruction Aid	11-100-034-5120-066	15,286	7/1/10	6/30/11				15,286	(15,286)		(6,014)		6,014		15,286	
Examination & Classification Aid	10-100-034-5120-066	24,122	7/1/09	6/30/10	(1,802)	1,802		1,802	(1,802)							
Examination & Classification Aid	11-100-034-5120-066	20,890	7/1/10	6/30/11				20,890	(20,890)		(2,590)		2,590		20,890	
Corrective Speech	10-100-034-5120-066	25,287	7/1/09	6/30/10	(356)	356		356	(356)							
Corrective Speech	11-100-034-5120-066	23,939	7/1/10	6/30/11				23,939	(23,939)		(3,059)		3,059		23,939	
Total Special Revenue Fund					(23,926)	21,586		180,508	(156,582)	(21,528)	(24,504)		24,562	156,582		
Capital Projects Fund: Fund:																
NJSDA	4590-030-09-1002	224,392	7/1/09	Closing	(7,445)				(216,947)		(224,392)				224,392	
NJSDA	4590-030-09-1003	170,104	7/1/09	Closing	(9,094)				(161,010)		(170,104)				170,104	
NJSDA	4590-030-09-1004	120,121	7/1/09	Closing	(15,315)				(101,503)		(116,818)				116,818	
					(31,854)				(479,460)		(511,314)				511,314	
Debt Service Fund:																
Debt Service Aid-Type II																
	11-495-034-5120-017	90,460	7/1/10	6/30/11				90,460	(90,460)						90,460	
State Department of Agriculture:																
Enterprise Fund:																
School Breakfast Prog.	10-101-010-3350-021	979	7/1/09	6/30/10	(72)			72								
School Lunch Prog.	11-101-010-3350-023	2,253	7/1/10	6/30/11				2,253	(2,253)						2,253	
School Lunch Prog.	10-101-010-3350-023	3,366	7/1/09	6/30/10	(206)			206								
Total Enterprise Fund					(278)			2,531	(2,253)					2,253		
Total State Financial Assistance					\$ (126,311)	\$ 21,586		\$ 4,919,396	\$ (5,788,030)	\$ (21,528)	\$ (626,930)	\$ 24,562	\$ (392,519)	\$ 5,819,884		

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2011

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more 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 revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$38,572 for the general fund and \$1,685 for the special revenue fund. See Note A (Notes to Required Supplemental Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE

JUNE 30, 2011

(Continued)

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 27,719	\$ 5,097,847	\$ 5,125,566
Special Revenue Fund	462,754	156,582	619,336
Capital Projects		479,460	479,460
Debt Service		90,460	90,460
Food Service Fund	111,861	2,253	114,114
Total Awards & Financial Assistance	<u>\$ 602,334</u>	<u>\$ 5,826,602</u>	<u>\$ 6,428,936</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: FEDERAL AND STATE LOANS OUTSTANDING

The Runnemede School District had no outstanding loans as of June 30, 2011.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

NOTE 8: ADJUSTMENTS

Schedule B reflects adjustments and repayments to the State of New Jersey for Non Public Aid based on refunds received from the outside consulting vendor.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified Opinion

Internal control over financial reporting:

- 1) Material weakness (es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- 1) Material weakness (es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes X no

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA-Basic
84.173	IDEA Preschool
84.391	ARRA-IDEA Basic
84.392	ARRA-IDEA Preschool
84.010	Title I
84.389	ARRA-Title I

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes _____ no

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(continued)

Section II - Financial Statement Findings

Finding: 2011-3

Criteria or specific requirement:

Generally Accepted Accounting Principles for New Jersey School Districts requires that districts maintain a fixed asset accounting system that includes asset descriptions, historical cost, funding source, estimated useful lives, depreciation expense and accumulated depreciation.

Condition:

While the district maintains fixed asset records, the updated report, prepared by an outside appraisal company, was not available for examination in a timely manner and accordingly, the current year amounts were determined and adjusted as part of the audit, based on the previous outside appraisal report.

Context:

Fixed asset reporting is required by GASB 34 and included in the District-wide Financial Statements.

Effect:

Material misstatement of the financial statements would have resulted, pertaining to historical cost and accumulated depreciation on the statement of net assets and depreciation expense on the statement of activities, if the adjustments were not made as part of the audit.

Cause:

Inadvertent delay in submission of information.

Recommendation:

Additions and deletions of fixed assets made during the year should be communicated to the outside appraisal company in a more timely manner, in order to acquire an updated fixed asset report for inclusion of information in the Comprehensive Annual Financial Report.

Management's response:

The finding will be addressed in the corrective action plan, as required by the New Jersey Department of Education.

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(continued)

Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs

FEDERAL AWARDS

Finding: NONE

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

STATE AWARDS

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

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

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a) (b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR - YEAR FINDINGS

FEDERAL AWARDS - NONE

STATE AWARDS - NONE