SCHOOL DISTRICT
OF THE

TOWNSHIP OF RANDOLPH

Township of Randolph School District
Randolph, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

Comprehensive Annual Financial Report

of the

Township of Randolph School District

Randolph, New Jersey

For the Fiscal Year Ended June 30, 2012

Prepared by

Township of Randolph School District
Board of Education

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INTRODUCTORY SECTION

RANDOLPH TOWNSHIP SCHOOLS

25 School House Road, Randolph, NJ 07869 (973) 361-0808 Fax (973) 361-2405

Dr. David Browne
Superintendent of Schools

Ms. Jennifer Fano
Assistant Superintendent

Michael S. Neves
Business Administrator
Board Secretary

November 5, 2012

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

Dear Board Members:

The comprehensive annual financial report of the Township of Randolph School District (the "District") for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi- year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government 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.* Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels K through 12 for the students residing in Randolph Township. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2011-12 fiscal year with an enrollment of 5,210 students, which is a decrease of 84 students from the previous year's enrollment.

The Honorable President and Members
of the Board of Education
Township of Randolph School District
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November 5, 2012

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

Fiscal Year	Average Daily Enrollment Student Enrollment	Percent Change
2011-2012	5,210	-1.59%
2010-2011	5,294	-2.27%
2009-2010	5,417	-1.76%
2008-2009	5,514	-1.02%
2007-2008	5,571	0.40%
2006-2007	5,549	0.20%
2005-2006	5,538	-0.34%
2004-2005	5,557	1.18%
2003-2004	5,492	-0.47%
2002-2003	5,518	3.98%

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

3) MAJOR INITIATIVES: During the 2011-2012 school year, the Randolph Township School District finalized the comprehensive review and revision of district curricula, according to parameters set forth in the 5 year curriculum review cycle, approved each year by the Board of Education. Along with each new or newly revised curriculum, access to digital content and training of teachers to implement new curricular elements were provided.

The District added several new components to the program of educational technology available to students and staff members, including access to digital content that will begin to replace more traditional printed material. The District deepened its commitment to a Learning Management System that has enabled online coursework to be delivered to students. Middle School and High School computer labs were refurbished, and elementary computer labs were updated to enable their use in the delivery of newly developed curricula and digital content.

Professional development opportunities continue to be provided for all new curricula. Teachers were provided with opportunities to attend workshops in-district, out-of-district, and after school hours. The District administration was provided with professional development in several curricular areas, to mirror training provided to instructional staff. The District is also contracting with a provider of professional development and educational support material across the curriculum, with an emphasis on problem-based instruction that incorporates higher-order thinking skills and problem-based learning.

The District continues to improve the delivery of education and related services to students with unique special education needs. Resources have been provided for the purchase of materials and the kind of targeted professional development likely to provide advancement for students and improvement in a facet of the program identified as an area for growth. The District has also undertaken the task of revising the manner in which all instructional staff is observed and evaluated, according to requirements set forth by the NJDOE.

The District introduced new courses or revised curricula in a number of areas, accompanied by a series of curriculum writing sessions and staff development opportunities to ensure the effective delivery of revised course materials. Professional development opportunities are targeted to each of the four district board of education goals, especially the improvement of the observation and evaluation of certificated staff. A District Evaluation Advisory Committee, comprised of teachers, administrators, Board of Education members, and parents has been formed will meet during the 2012-2013 school year.

Randolph High School students continue to achieve at a rate commensurate with, and in many ways exceeding that of, their counterparts in Morris County. RHS has one of the highest percentages of students taking the AP examination, with a passing rate of more than 90%, among the highest in the entire State of NJ. New courses were added to the high school curriculum this year. In the middle school, elective cycle courses were being reviewed and have been modified to reflect a problem-based focus.

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

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

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and/or assignments at June 30, 2012.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

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

9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board of Education at its last organization meeting. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related Federal OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

The Honorable President and Members
of the Board of Education
Township of Randolph School District
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November 5, 2012

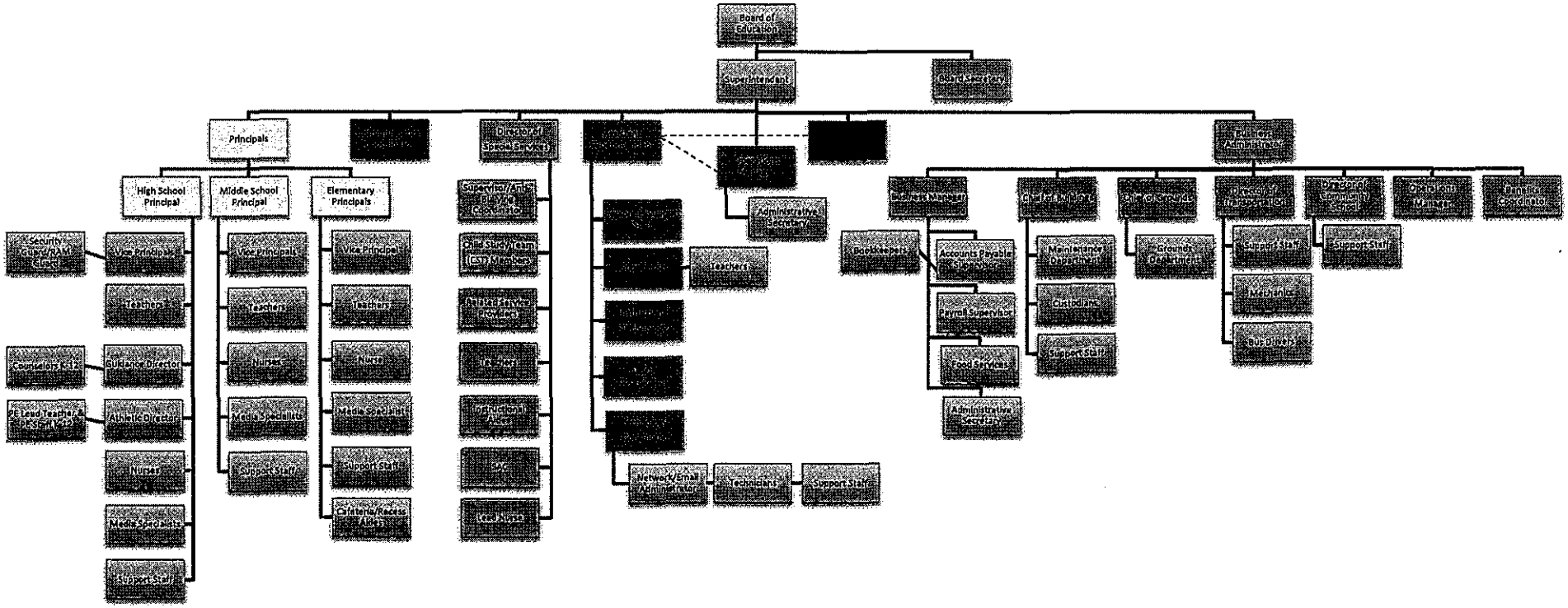
10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Randolph Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

Dr. David Browne
Dr. David Browne
Superintendent

Michael S. Neves
Michael S. Neves
Business Administrator

RANDOLPH TOWNSHIP SCHOOLS
ORGANIZATION
May 2012 Version 11



TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2012

Members of the Board of Education	Term Expires
Amy Sachs, President	2013
Tammy MacKay, Vice President	2012
Ethan Blynn	2013
Alfredo Matos	2013
Charles Mooney	2014
David Rosenblatt	2014
Harry Ruiz	2013
MaryAnn Spagnuolo	2014
Anne Standridge	2013

Other Officers	Title
Dr. David Browne	Superintendent of Schools
Jennifer Fano	Assistant Superintendent of Schools
Michael S. Neves	Business Administrator/Board Secretary
Michael Soccio	Treasurer of School Monies

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
Consultants and Advisors

Architect

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

Attorney

Schenck, Price, Smith & King LLP
220 Park Avenue
Florham Park, NJ 07932

Audit Firm

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

Official Depository

The Provident Bank
1185 Sussex Turnpike
Randolph, NJ 07869

FINANCIAL SECTION

NISIVOCCIA LLP
Certified Public Accountants & Advisors

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

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

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Randolph Township School District in the County of Morris as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements, as listed in the foregoing table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Randolph Township School District in the County of Morris as of June 30, 2012, and the respective changes in financial position and where applicable, cash flows, thereof, for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2012, on our consideration of the Board of Education of the Randolph Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report, and Budgetary Comparison Information in Exhibits C-1 through C-3 and I-3 be presented to supplement the basic financial statements. Such information, although not a 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Randolph Township School District's financial statements. The accompanying supplementary information schedules such as the combining and individual non-major fund financial statements and the Schedules of Expenditures of Federal and State Awards, 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, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the financial statements as a whole. The accompanying other information, such as the introductory and statistical sections, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

November 5, 2012
Mount Arlington, New Jersey

NISIVOCCIA LLP

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

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis
(Unaudited)

This section of Township of Randolph School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial status improved on a district-wide basis and on a fund basis.
- Overall revenue was $93.28 million.
- The net assets of the District's business-type activities increased by over $239,000 primarily due to the reduced spending of the community school and the District making a contribution to the food service fund.

Overview of the Financial Statements

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

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

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

Figure A-1
Organization of Financial Report

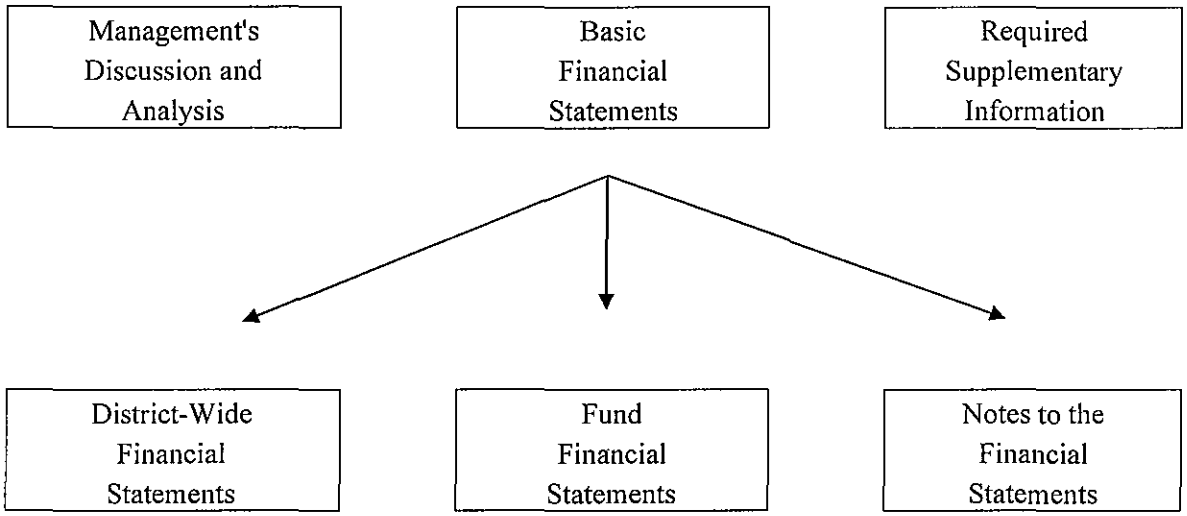

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and community school	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities
Required Financial Statements	• Statement of net assets • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balances	• Statement of net assets • Statement of revenue, expenses and changes in net assets • Statement of cash flows	• Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

Financial Analysis of the District as a Whole

Net Assets. The District's combined net assets totaled $18,772,970, 17.32% more than the prior year. Net assets from governmental activities increased $2,681,972 and the net assets from business-type activities increased $239,472.

Figure A-3
Condensed Statement of Net Assets

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2011/12	2010/11	2011/12	(Restated) 2010/11	2011/12	(Restated) 2010/11	2011/12
Current and Other Assets	$ 16,981,338	$ 4,448,088	$ 279,606	$ 184,807	$ 17,260,944	$ 4,632,895	272.57%
Capital Assets	42,711,376	42,831,486	253,607	256,143	42,964,983	43,087,629	-0.28%
Total Assets	59,692,714	47,279,574	533,213	440,950	60,225,927	47,720,524	26.21%
Long-Term Debt Outstanding	38,665,328	29,864,433	11,910	11,541	38,677,238	29,875,974	29.46%
Other Liabilities	2,469,369	1,539,096	306,350	303,928	2,775,719	1,843,024	50.61%
Total Liabilities	41,134,697	31,403,529	318,260	315,469	41,452,957	31,718,998	30.69%
Net Assets/(Deficit):							
Invested in Capital Assets, Net of Related Debt	4,602,376	13,509,486	253,607	256,143	4,855,983	13,765,629	-64.72%
Restricted	11,734,170	171,548			11,734,170	171,548	6740.17%
Unrestricted	2,221,471	2,195,011	(38,654)	(280,662)	2,182,817	1,914,349	-14.02%
Total Net Assets	$ 18,558,017	$ 15,876,045	$ 214,953	$ (24,519)	$ 18,772,970	$ 15,851,526	18.43%

Changes in Net Assets. The District's *combined* net assets increased $2,921,444 or 17.32% from the prior year. (See Figure A-4). The District's improved financial position came primarily from its governmental activities. Net assets invested in capital assets decreased $8,909,646 as a result of an increase in net debt outstanding of $8,787,000 and depreciation of $2,244,528 less $2,121,882 of capital additions. Restricted net assets increased $11,562,622 primarily due to the sale of bonds related to a referendum capital project of $11,667,900. Unrestricted net assets increased by $118,468. Net assets from business-type activities increased $239,472.

Figure A-4
Changes in Net Assets from Operating Results

	Governmental Activities 2011/12	Business-Type Activities 2011/12	Total School District 2011/12	Governmental Activities 2010/11	Business-Type Activities (Restated) 2010/11	Total School District (Restated) 2010/11	Percentage Change 2011/12
Revenue:							
Program Revenue:							
Charges for Services	$ 157,684	$ 2,546,672	$ 2,704,356	$ 23,314	$ 2,477,507	$ 2,500,821	8.14%
Operating Grants and Contributions	21,681,395	217,911	21,899,306	18,978,032	140,595	19,118,627	14.54%
Capital Grants and Contributions				1,522		1,522	-100.00%
General Revenue:							
Property Taxes	68,311,104		68,311,104	67,044,175		67,044,175	1.89%
Other	366,571	1,600	368,171	304,059	617	304,676	20.84%
Total Revenue	90,516,754	2,766,183	93,282,937	86,351,102	2,618,719	88,969,821	4.85%
Expenses:							
Instruction	50,683,119		50,683,119	46,046,755		46,046,755	10.07%
Pupil and Instruction Services	14,691,775		14,691,775	12,739,642		12,739,642	15.32%
Administrative and Business	8,274,782		8,274,782	8,004,259		8,004,259	3.38%
Maintenance and Operations	7,662,951		7,662,951	7,062,793		7,062,793	8.50%
Pupil Transportation	4,949,338		4,949,338	4,467,227		4,467,227	10.79%
Other	1,322,691	2,918,371	4,241,062	1,427,160	2,897,720	4,324,880	-1.94%
Total Expenses	87,584,656	2,918,371	90,503,027	79,747,836	2,897,720	82,645,556	9.51%
Transfers & Other Special Itens	(250,126)	391,660	141,534		375,896	375,896	-62.35%
Increase in Net Assets	$ 2,681,972	$ 239,472	$ 2,921,444	$ 6,603,266	$ 96,895	$ 6,700,161	-56.40%

Revenue Sources. The District's total revenue for the 2011/12 school year was $93,282,937. (See Figure A-5). Property taxes and grants and contributions accounted for most of the District's revenue, with local taxes accounting for $68,311,104 of the total, or 73.23 percent. Another 23.48 percent came from grants and contributions and the remainder from miscellaneous sources and charges for services. The Township of Randolph School District basically conducts its operations from the revenues it receives from its local taxpayers and state funding.

Figure A-5
Sources of Revenue for Fiscal Year 2012

	Amount	Percentage
Sources of Income:		
State Formula Aid	$ 11,750,456	12.60%
Property Taxes	68,311,104	73.23%
Federal and State Categorical Grants	10,148,850	10.88%
Charges for Services	2,704,356	2.90%
Other	368,171	0.39%
	$ 93,282,937	100.00%

The total cost of all programs and services was $90,503,027. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (77.70 percent). (See Figure A-6). The District's administrative and business activities accounted for 9.14 percent of total costs. The Township of Randolph School District operates 6 schools, an administration office, a child study team office, and a transportation building which results in maintenance costs of $7,662,951 (8.47 percent).

Figure A-6
Expenses for Fiscal Year 2012

	Amount	Percentage
Expense Category:		
Instruction	$ 50,683,119	56.00%
Pupil and Instruction Services	14,691,775	16.23%
Administrative and Business	8,274,782	9.14%
Maintenance and Operations	7,662,951	8.47%
Transportation	4,949,338	5.47%
Other	4,241,062	4.69%
	$ 90,503,027	100.00%

Governmental Activities

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

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

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

Figure A-7
Net Cost of Governmental Activities

	Total Cost of Services 2011/2012	Total Cost of Services 2010/2011	Net Cost of Services 2011/2012	Net Cost of Services 2010/2011
Sources of Income:				
Instruction	$ 50,683,119	$ 46,046,755	$32,666,325	$30,701,278
Pupil and Instruction Services	14,691,775	12,739,642	12,402,857	10,658,478
Administrative and Business	8,274,782	8,004,259	7,720,620	7,542,653
Maintenance and Operations	7,662,951	7,062,793	7,253,825	6,720,172
Transportation	4,949,338	4,467,227	4,674,102	3,987,046
Other	1,322,691	1,427,160	1,027,848	1,135,341
	$ 87,584,656	$ 79,747,836	$65,745,577	$ 60,744,968

- The cost of all governmental activities this year was $87.58 million.
- The federal and state governments subsidized certain programs with grants and contributions ($21.68 million).
- Most of the District's costs were financed by District taxpayers ($68.31 million).
- The remainder of the funding came from miscellaneous revenue, investment earnings, and charges for services ($.37 million).

Business-Type Activities

Net assets from the District's business-type activity increased $239,472. (Refer to Figure A-4). Factors contributing to these results included:

- Food service revenues and other financing sources (including a transfer from the General Fund of $250,126) were greater than expenses by $150,501.
- Community School service revenues and investment earnings were greater than expenses by $88,971, accounting for all of the increase in the net assets of the Community School business-type activity.

Financial Analysis of the District's Funds

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

General Fund Budgetary Highlights

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

Capital Asset and Debt Administration

Figure A-8
Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	
Land	$ 3,465,955	$ 3,465,955			$ 3,465,955	$ 3,465,955	0.00%
Construction in Progress	629,377				629,377		100.00%
Buildings and Building Improvements	36,678,665	37,012,481			36,678,665	37,012,481	-0.90%
Furniture, Machinery and Equipment	1,937,379	2,353,050	$ 253,607	$ 256,143	2,190,986	2,609,193	-16.03%
Total	$ 42,711,376	$ 42,831,486	$ 253,607	$ 256,143	$ 42,964,983	$ 43,087,629	-0.28%

Long-term Debt

At year-end, the District had $38,109,000 in general obligation bonds outstanding which is shown net of deferred interest of $343,244 – an increase of $8,836,033 from last year – as shown in Figure A-9. The District issued $11,667,000 in general obligation bonds related to the referendum project passed by voters during 2011/12. Other liabilities decreased by $34,769 - as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-9
Outstanding Long-Term Debt

	Total School District		Total Percentage Change
	2011/2012	2010/2011	
General Obligation Bonds (Financed with Property Taxes) - Net	$ 37,765,756	$ 28,929,723	30.54%
Other Long-Term Liabilities	911,482	946,251	-3.67%
	$ 38,677,238	$ 29,875,974	29.46%

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

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

Other factors which will affect the District's finances going forward include the uncertainty of future increases to costs which the District does not have strict control over (such as health benefits, general insurance and utilities) as well as the degree to which overall costs exceed the allowable annual increase to the district's total budget (now set at 2.0% annually by law). The recent addition of solar panels at the high school, middle school and Ironia Elementary school along with updated efficient lighting systems in several buildings will help alleviate the pressure of rising energy costs. In an ongoing effort to minimize the effect of these factors, the District continues to be focused on ways to improve its revenue stream and control costs, as well as pursuing strategies where possible that can help mitigate some of the uncertainties that will certainly continue to exist.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 14,208,898	$ 436,309	$ 14,645,207
Internal Balances	360,442	(360,442)	
Receivables from Other Governments	1,645,265	148,048	1,793,313
Prepaid Expenses		15,710	15,710
Inventory		39,981	39,981
Restricted Assets:			
Capital Reserve Account - Cash	175,000		175,000
Emergency Reserve Account - Cash	350,000		350,000
Unamortized Bond Issuance Costs	241,733		241,733
Capital Assets:			
Land and Construction in Progress	4,095,332		4,095,332
Depreciable Buildings and Building Improvements and Furniture, Machinery and Equipment	38,616,044	253,607	38,869,651
Total Assets	59,692,714	533,213	60,225,927
LIABILITIES			
Accrued Interest Payable	585,710		585,710
Unamortized Bond Premium	365,868		365,868
Accounts Payable - Vendors	378,739	31,156	409,895
Accrued Liability for Health Benefit Claims	1,094,614		1,094,614
Payable to State Government	4,575		4,575
Deferred Revenue	39,863	275,194	315,057
Noncurrent Liabilities:			
Due Within One Year, net	2,785,837		2,785,837
Due Beyond One Year, net	35,879,491	11,910	35,891,401
Total Liabilities	41,134,697	318,260	41,452,957
NET ASSETS/(DEFICIT)			
Invested in Capital Assets, Net of Related Debt	4,602,376	253,607	4,855,983
Restricted for:			
Capital Projects	11,384,170		11,384,170
Other Purposes	350,000		350,000
Unrestricted	2,221,471	(38,654)	2,182,817
Total Net Assets	$ 18,558,017	$ 214,953	$ 18,772,970

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

		Program Revenue		Net (Expense) Revenue and Changes in Net Assets		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction	$ 50,683,119	$ 157,684	$ 17,859,110	$ (32,666,325)		$ (32,666,325)
Support Services:						
Tuition	2,936,686		1,456,768	(1,479,918)		(1,479,918)
Student & Instruction Related Services	11,755,089		832,150	(10,922,939)		(10,922,939)
General Administrative Services	2,133,859		97,900	(2,035,959)		(2,035,959)
School Administrative Services	3,950,690		346,880	(3,603,810)		(3,603,810)
Plant Operations and Maintenance	7,662,951		409,126	(7,253,825)		(7,253,825)
Pupil Transportation	4,949,338		275,236	(4,674,102)		(4,674,102)
Central Services	2,190,233		109,382	(2,080,851)		(2,080,851)
Interest on Long-Term Debt	1,210,539		294,843	(915,696)		(915,696)
Capital Outlay	46,882			(46,882)		(46,882)
Transfer of Funds to Charter Schools	65,270			(65,270)		(65,270)
Total Governmental Activities	87,584,656	157,684	21,681,395	(65,745,577)		(65,745,577)

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(Continued)

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Business-Type Activities:						
Food Service	$ 1,521,402	$ 1,061,742	$ 217,911		$ (241,749)	$ (241,749)
Community School	1,396,969	1,484,930			87,961	87,961
Total Business-Type Activities	2,918,371	2,546,672	217,911		(153,788)	(153,788)
Total Primary Government	$ 90,503,027	$ 2,704,356	$ 21,899,306	$ (65,745,577)	(153,788)	(65,899,365)
General Revenue:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				64,504,368		64,504,368
Taxes Levied for Debt Service				3,806,736		3,806,736
Investment Earnings				47,147	1,600	48,747
Miscellaneous Income				319,424		319,424
Transfers & Other Special Items				(250,126)	391,660	141,534
Total General Revenue and Transfers				68,427,549	393,260	68,820,809
Change in Net Assets				2,681,972	239,472	2,921,444
Net Assets/(Deficit) - Beginning - (As Restated)				15,876,045	(24,519)	15,851,526
Net Assets - Ending				$ 18,558,017	$ 214,953	$ 18,772,970

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

FUND FINANCIAL STATEMENTS

Exhibit B-1
Page 1 of 2

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	$ 3,042,341		$ 11,166,557		$ 14,208,898
Interfund Receivable:					
Special Revenue Fund	12,078				12,078
Enterprise Funds - Food Service	363,187				363,187
Receivables From Other Governments:					
Federal		$ 67,891			67,891
State	1,534,761		42,613		1,577,374
Restricted Cash and Cash Equivalents	525,000				525,000
Total Assets	$ 5,477,367	$ 67,891	$ 11,209,170	$ -0-	$ 16,754,428
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable - Vendors	$ 367,364	$ 11,375			$ 378,739
Accrued Liability for Health Benefit Claims	1,094,614				1,094,614
Interfund Payable:					
General Fund		12,078			12,078
Enterprise Funds - Community School	2,745				2,745
Payable to State Government		4,575			4,575
Deferred Revenue		39,863			39,863
Total Liabilities	1,464,723	67,891			1,532,614

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances:					
Restricted for:					
Capital Reserve Account	$ 175,000				$ 175,000
Emergency Reserve Account	350,000				350,000
Capital Projects Fund			$ 11,044,771		11,044,771
Committed:					
Capital Projects Fund			164,399		164,399
Assigned:					
Designated for Subsequent Year's Expenditures	739,866				739,866
Year End Encumbrances	1,507,063				1,507,063
Unassigned	1,240,715				1,240,715
Total Fund Balances	4,012,644		11,209,170		15,221,814
Total Liabilities and Fund Balances	$ 5,477,367	$ 67,891	$ 11,209,170	$ -0-	

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is $82,451,815 and the accumulated depreciation is $39,740,439.	42,711,376
Long-term liabilities, such as bonds payable, capital leases and accrued compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the Funds. Deferred Interest costs are not reported as expenditures in the governmental funds in the year of the expenditure, The deferred interest is $686,487 and accumulated amortization is $343,243.	(38,665,328)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(585,710)
Bond issuance costs are reported as expenditures in the governmental funds in the year of the expenditure. The cost is $426,818 and accumulated amortization is $185,085.	241,733
Bond Issuance premiums are not reported as revenue in the governmental funds in the year of the bond sale, The premium is $731,735 and accumulated amortization is $365,867.	(365,868)
Net Assets of Governmental Activities	$ 18,558,017

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

Exhibit B-2

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	$ 64,504,368			$ 3,806,736	$ 68,311,104
Tuition Charges	157,684				157,684
Miscellaneous	366,571	$ 31,980			398,551
Total - Local Sources	65,028,623	31,980		3,806,736	68,867,339
State Sources	19,070,525	112,519		294,843	19,477,887
Federal Sources	484,134	1,687,394			2,171,528
Total Revenue	84,583,282	1,831,893		4,101,579	90,516,754
EXPENDITURES					
Current:					
Regular Instruction	26,818,950	193,548			27,012,498
Special Education Instruction	4,808,995	1,439,428			6,248,423
Other Special Instruction	616,479				616,479
Other Instruction	1,547,740				1,547,740
Support Services and Undistributed Costs:					
Tuition	2,855,776				2,855,776
Student & Instruction Related Services	8,281,142	198,917			8,480,059
General Administrative Services	1,714,163				1,714,163
School Administrative Services	2,607,238				2,607,238
Plant Operations and Maintenance	6,020,953				6,020,953
Pupil Transportation	3,915,569				3,915,569
Central Services	666,142				666,142
Administrative Information Technology	617,493				617,493
Unallocated Benefits	21,773,619				21,773,619
Debt Service:					
Principal				2,880,000	2,880,000
Interest and Other Charges				1,221,580	1,221,580
Capital Outlay	1,518,346		$ 629,377		2,147,723
Transfer of Funds to Charter Schools	65,270				65,270
Total Expenditures	83,827,875	1,831,893	629,377	4,101,580	90,390,725
Excess/(Deficiency) of Revenue over/(under) Expenditures	755,407		(629,377)	(1)	126,029
OTHER FINANCING SOURCES/(USES)					
Serial Bond Proceeds			11,667,000		11,667,000
Transfers Out	(250,126)				(250,126)
Total Other Financing Sources/(Uses)	(250,126)		11,667,000		11,416,874
Net Change in Fund Balances	505,281		11,037,623	(1)	11,542,903
Fund Balance—July 1	3,507,363		171,547	1	3,678,911
Fund Balance—June 30	$ 4,012,644	$ - 0 -	$ 11,209,170	$ - 0 -	$ 15,221,814

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

Exhibit B-3

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)		$ 11,542,903
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
Depreciation expense	$ (2,218,030)	
Capital outlays	2,097,920	(120,110)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		35,138
Proceeds from debt issues are a financing source in the governmental funds, they are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Assets.		(11,667,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		2,880,000
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		(70,117)
The governmental funds report the effect of issuance costs, premiums and deferred interest when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		81,158
Change in Net Assets of Governmental Activities (Exhibit A-2)		$ 2,681,972

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

Exhibit B-4

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF JUNE 30, 2012

	Business-type Activities - Enterprise Funds	
	Community School	Nonmajor Fund
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 436,309	
Accounts receivable:		
State		$ 552
Federal		10,005
Other		137,491
Interfund receivable	2,745	
Prepaid expenses	15,710	
Inventories		39,981
Total current assets	454,764	188,029
Non-current assets:		
Capital assets	36,023	608,164
Accumulated depreciation	(13,509)	(377,071)
Total non-current assets	22,514	231,093
Total assets	477,278	419,122
LIABILITIES:		
Current liabilities:		
Accounts payable - Vendors		31,156
Interfund payable		363,187
Deferred revenue	262,325	12,869
Long-term liabilities:		
Compensated absences payable		11,910
Total Liabilities	262,325	419,122
NET ASSETS/(DEFICIT):		
Invested in capital assets net of related debt	22,514	231,093
Unrestricted	192,439	(231,093)
Total net assets	$ 214,953	$ -0-

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

Exhibit B-5

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Business-type Activities - Enterprise Funds	
	Community School	Nonmajor Fund
Operating revenue		
Local sources:		
Daily sales - reimbursable programs		$ 495,269
Daily sales - non-reimbursable programs		535,329
Special functions		31,144
Community School - regular program fees	$ 1,302,502	
Community School - summer program fees	182,428	
Total operating revenue	1,484,930	1,061,742
Operating expenses:		
Cost of sales		413,732
Salaries	978,199	523,198
Employee benefits	158,725	351,816
Purchased professional/technical services	46,769	
Other purchased services	82,642	30,000
Supplies and materials	101,943	39,944
Repairs		41,392
Miscellaneous	24,188	99,325
Depreciation	4,503	21,995
Total operating expenses	1,396,969	1,521,402
Operating income/(loss)	87,961	(459,660)
Non-operating revenue:		
State sources:		
State school lunch program		8,639
Federal sources:		
National school lunch program		156,775
Special milk program		2,451
Food distribution program		50,046
Local sources:		
Interest income	1,010	590
Total non-operating revenue	1,010	218,501
Change in net assets before operating transfers	88,971	(241,159)
Operating transfers in - food service contractor guarantee		117,572
Food service contractor capital improvement contribution		23,962
Operating transfers - Board Contribution		250,126
Change in net assets	88,971	150,501
Net assets/(Deficit) - beginning of year	125,982	(150,501)
Net assets/(Deficit) - end of year	$ 214,953	$ -0-

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

Exhibit B-6

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Business-type Activities - Enterprise Funds	
	Community School	Nonmajor Fund
Cash flows from operating activities:		
Receipts from customers	$ 1,447,857	$ 1,062,066
Payments to employees	(1,136,924)	(874,645)
Payments to suppliers	(235,410)	(557,322)
Net cash provided by/(used for) operating activities	75,523	(369,901)
Cash flows from investing activities:		
Interest income	1,010	590
Net cash provided by investing activities	1,010	590
Cash flows from noncapital financing activities:		
Cash received from state and federal reimbursements		183,560
Cash received from operating transfers - Food Service Contractor		205,977
Cash received from General Fund-Interfund	(694)	(20,226)
Net cash provided by/(used for) noncapital financing activities	(694)	369,311
Net increase in cash and cash equivalents	75,839	
Cash and cash equivalents, July 1	360,470	
Cash and cash equivalents, June 30	$ 436,309	$ -0-
Reconciliation of operating income/(loss) to net cash provided by/(used for) operating activities:		
Operating Income/(loss)	$ 87,961	$ (459,660)
Adjustment to reconcile operating Income/loss to cash provided by (used for) operating activities:		
Depreciation	4,503	21,995
Federal food distribution program		50,046
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable		324
(Increase)/decrease in inventory		(22,470)
(Increase)/decrease in prepaid expenses	20,132	
Increase/(decrease) in accounts payable		31,156
Increase/(decrease) in deferred revenue	(37,073)	8,339
Increase/(decrease) in compensated absences payable		369
Net cash provided by/(used for) operating activities	$ 75,523	$ (369,901)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received $58,385 and utilized $50,046 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2012.

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

Exhibit B-7

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	Agency	Private Purpose Scholarship Trust	Flexible Spending Trust
ASSETS:			
Cash and cash equivalents	$ 700,503	$ 55,013	$ 2,906
Total assets	700,503	55,013	2,906
LIABILITIES:			
Payroll deductions and withholdings	421,902		
Due to student groups	278,601		
Total liabilities	700,503		
NET ASSETS:			
Held in Trust for:			
Restricted for scholarships		55,013	
Flexible spending claims			2,906
Total net assets	$ - 0 -	$ 55,013	$ 2,906

Exhibit B-8

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Private Purpose Scholarship Trust	Flexible Spending Trust	Totals
Additions:			
Contributions:			
Donations	$ 16,899		$ 16,899
Plan member/Employer		$ 14,600	14,600
Total Contributions	16,899	14,600	31,499
Investment earnings:			
Interest	157		157
Total Additions	17,056	14,600	31,656
Deductions:			
Scholarships awarded	2,500		2,500
Flexible Spending Claims		11,694	11,694
Total Deductions	2,500	11,694	14,194
Change in net assets	14,556	2,906	17,462
Net assets—beginning of the year	40,457	-0-	40,457
Net assets—end of the year	$ 55,013	$ 2,906	$ 57,919

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

B. Basis of Presentation (Cont'd):

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

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

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2012 was submitted to the County office and was voted upon at the school election on the fourth Wednesday in April, 2011. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	$ 84,782,232	$ 1,782,105
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue whereas the GAAP Basis does not.		49,788
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	991,552	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,190,502)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 84,583,282	$ 1,831,893
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Expenditures" from the Budgetary Comparison Schedule	$ 83,827,875	$ 1,782,105
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		49,788
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 83,827,875	$ 1,831,893

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

E. Cash and Cash Equivalents and Investments:

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

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

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

F. Interfund Transactions

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

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

G. Allowance for Uncollectible Accounts

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

H. Encumbrances:

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

H. Encumbrances (Cont'd)

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

K. Capital Assets:

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

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

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

L. Long Term Liabilities:

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

M . Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2012.

N. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's various employee contracts/agreements. Upon termination, employees are paid for accrued vacation. These employee contracts/agreements permit employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the applicable District employee contract/agreement.

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

O. Deferred Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the $4,012,644 General Fund fund balance at June 30, 2012, $2,246,929 is assigned fund balance of which $1,507,063 is for year-end encumbrances and $739,866 has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2013; $175,000 is restricted in the capital reserve account; $350,000 is restricted in the emergency reserve account; and there is $1,240,715 in unassigned fund balance which is $1,190,502 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2013.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

P. Fund Balance Appropriated (Cont'd)

Capital Projects Fund: Of the $11,209,170 Capital Projects Fund fund balance at June 30, 2012, $11,044,771 is restricted and $164,399 is committed.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2012 is $-0-.

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

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by $1,190,502 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, Districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Deficit Net Assets:

The District has a deficit in unrestricted net assets in the Food Service Fund of $231,093 at June 30, 2012.

This does not mean that the District is facing financial difficulties and is permitted practice by generally accepted accounting principles.

R. Net Assets:

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments

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

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

Fund balance restrictions have been established for a capital reserve, an emergency reserve and the Capital Projects Fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2012.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2012.

T. Revenue - Exchange and Nonexchange Transactions:

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

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

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

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

Investments: (Cont'd)

(5) Local government investment pools;

(6) Deposits with the State of New Jersey Cash Management Fund; or

(7) Agreements for the repurchase of fully collateralized securities if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than 30 days;

(d) the underlying securities are purchased through a public depository as defined in statute; and

(e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2012, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents	NJ Cash Management Fund	Capital Reserve Account	Emergency Reserve Account	Total
Checking and Savings Accounts	$ 15,375,313	$ 28,316	$ 175,000	$ 350,000	$ 15,928,629

During the period ended June 30, 2012, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2012, was $15,928,629 and the bank balance was $18,772,996. The District had $28,316 with the State of New Jersey Cash Management Fund that was not insured or registered.

NOTE 4: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2012, the District transferred $908,304 to the capital outlay accounts. The transfers were made for equipment and therefore did not require approval from the County Superintendent.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2012 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	$ 3,465,955			$ 3,465,955
Construction in Progress		$ 629,377		629,377
Total Capital Assets Not Being Depreciated	3,465,955	629,377		4,095,332
Capital Assets Being Depreciated:				
Buildings and Building Improvements	63,089,067	1,286,032		64,375,099
Machinery and Equipment	13,861,808	182,511	$ (62,935)	13,981,384
Total Capital Assets Being Depreciated	76,950,875	1,468,543	(62,935)	78,356,483
Governmental Activities Capital Assets	80,416,830	2,097,920	(62,935)	82,451,815
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(26,076,586)	(1,619,848)		(27,696,434)
Machinery and Equipment	(11,508,758)	(598,182)	62,935	(12,044,005)
	(37,585,344)	(2,218,030)	62,935	(39,740,439)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 42,831,486	$ (120,110)	$ -0-	$ 42,711,376
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	$ 620,225	$ 23,962		$ 644,187
Less Accumulated Depreciation	(364,082)	(26,498)		(390,580)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	$ 256,143	$ (2,536)	$ -0-	$ 253,607

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	$ 752,372
Special Education Instruction	134,300
Other Special Instruction	17,224
Other Instruction	43,257
Tuition	80,910
Student and Instruction Related Services	232,180
General Administrative Services	69,429
School Administrative Services	91,553
Central Services	512,383
Operations and Maintenance of Plant	172,931
Student Transportation	111,491
	$ 2,218,030

The District had active construction projects totaling $32,166,280 as of June 30, 2012.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 6. OPERATING LEASES

The District has commitments to lease copying equipment, mail equipment and bus garage space under operating leases which expire in 2013 through 2017. Total operating lease payments made during the year ended June 30, 2012 were $351,327. Future minimum lease payments are as follows:

Year	Amount
2013	$ 246,152
2014	72,870
2015	29,106
2016	19,436
2017	1,751
Total Future Minimum Lease Payments	$ 369,315

NOTE 7. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2012, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2011	Accrued	Retired	Balance 6/30/2012
Bonds Payable	$29,322,000	$11,667,000	$ 2,880,000	$38,109,000
Less: Deferred Amount on Refunding	(392,277)		(49,033)	(343,244)
Net Serial Bonds Payable	28,929,723	11,667,000	2,830,967	37,765,756
Compensated Absences Payable	946,251	154,606	189,375	911,482
	$29,875,974	$11,821,606	$ 3,020,342	$38,677,238

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. $2,732,000 of bonds payable at June 30, 2012 are considered a current liability in the district wide financial statements. Bonds payable at June 30, 2012 are as follows:

Maturity Date	Interest Rate	Amount
02/01/2025	3.75-4.00%	$13,582,000
08/01/2019	4.00-5.00%	12,860,000
02/01/2029	1.50-4.00%	11,667,000
		$38,109,000

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

A. Bonds Payable: (Cont'd)

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

Year Ending June 30,	Bonds Principal	Bonds Interest	Total
2013	$ 2,732,000	$ 1,355,929	$ 4,087,929
2014	2,825,000	1,264,874	4,089,874
2015	2,940,000	1,145,036	4,085,036
2016	3,050,000	1,017,486	4,067,486
2017	3,155,000	885,886	4,040,886
2018	3,250,000	759,336	4,009,336
2019	3,345,000	638,236	3,983,236
2020	2,640,000	533,336	3,173,336
2021	1,945,000	459,036	2,404,036
2022	1,995,000	397,737	2,392,737
2023	2,040,000	333,405	2,373,405
2024	2,095,000	266,243	2,361,243
2025	2,122,000	195,849	2,317,849
2026	975,000	124,375	1,099,375
2027	1,000,000	100,000	1,100,000
2028	1,000,000	70,000	1,070,000
2029	1,000,000	40,000	1,040,000
	$38,109,000	$ 9,586,764	$47,695,764

Bonds Payable will be liquidated by the Debt Service Fund.

B. Bonds Authorized But Not Issued:

As of June 30, 2012, the Board had $1,537 of bonds authorized but not issued.

C. Capital Leases Payable:

As of June 30, 2012, the District had no capital leases payable.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds at June 30, 2012 is $102,872 and is shown separately from the long-term liability balance of compensated absences of $796,700.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, a liability of $11,910 existed for compensated absences in the Food Service Fund.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

D. Compensated Absences Payable: (Cont'd)

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

NOTE 8. PENSION PLANS

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

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

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

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. Effective with the first payroll to be paid on or after October 1, 2011 the employee contributions for PERS and TPAF went from 5.5% to 6.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in the PERS and TPAF. Employee contributions are based on percentages of 5.50% for DCRP of employees, annual compensation, as defined.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

District Contributions to PERS amounted to $1,050,160, $1,058,982 and $786,938 for the fiscal years ended June 30, 2012, 2011 and 2010, respectively.

During the fiscal years ended June 30, 2012, 2011 and 2010 the State of New Jersey contributed $1,135,986, $-0- and $-0-, respectively, to the TPAF for pension benefits on-behalf of the District.

The employer and employee contributions to DCRP for the fiscal years ended June 30, 2012, 2011 and 2010 were $2,229, $-0- and $-0-, respectively.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through 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, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, 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 $144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to $2,283,630, $2,358,987 and $2,222,363 for 2012, 2011 and 2010, respectively.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 10. RISK MANAGEMENT

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

Property and Liability

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

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

The audit for the year ended June 30, 2012 was not available as of the date of this report.

Selected, summarized financial information for the PIP as of June 30, 2011 is as follows:

	Pooled Insurance Program of New Jersey
Total Assets	$ 20,051,565
Net Assets	$ 4,980,116
Total Revenue	$ 7,886,927
Total Expenses	$ 6,116,398
Change in Net Assets	$ 1,770,529
Net Assets Distribution to Participating Members	$ 1,184,665

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 10. RISK MANAGEMENT (Continued)

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

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

Health Benefits Insurance:

The District currently maintains medical and prescription health care insurance with Horizon Blue Cross Blue Shield ("Horizon"). The insurance plan is a traditionally funded, fully participating plan whereby the District participates in any margins or losses generated by claims experience. Under the minimum premium funding arrangement, the District holds reserves for its estimated liability for incurred but not reported claims which are calculated by Horizon's actuary.

The accrued liability for health benefits claims represents an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid as of June 30. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the District, various other industry statistics, including the effects of inflation and other societal or economic factors, and the District's self-insured retention level. Management believes that the liability for unpaid losses is adequate to cover the ultimate cost of unreported claims incurred but not yet paid. However, the ultimate cost may be more or less than the estimated liability. The unpaid losses are stated net of any recoveries from excess-loss insurance or reinsurance. The District has created loss reserves for any potential unreported losses which have taken place but in which the District has not received notices or reports of losses. Loss reserves, which have been estimated by the claims administrator, are as follows:

	Year Ended June 30, 2012
Premium Stabilization Reserve - Beginning of Year	$ -0-
Paid Premiums	7,872,883
Paid Claims	(6,925,621)
Administrative and Other Costs	(947,262)
Premium Stabilization Reserve - End of Year	$ -0-
Accrued Liability for Health Benefit Claims with Horizon - End of Year	$ 1,094,614

New Jersey Unemployment Compensation Insurance

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 11. ECONOMIC DEPENDENCY

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

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2012.

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 375,265	$ 2,745
Special Revenue Fund		12,078
Enterprise Fund	2,745	363,187
	$ 378,010	$ 378,010

The interfund between the General Fund and the Special Revenue Fund is the result of a cash deficit in the Special Revenue Fund due to the funding method for federally funded grants. The interfund between the General Fund and the Enterprise Fund is the result of a cash deficit in the Food Service Enterprise Fund. Also, the General Fund made disbursements throughout the year on behalf of the Food Service Enterprise Fund and the Community School Enterprise Fund.

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by Great American Plan Administrators, 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 plans offered by the District are as follows:

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 14. TAX CALENDAR

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

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

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2012, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
$ 1,507,063	$ 39,480	$ 5,205,857	$ 6,752,400

On the District's Governmental Funds Balance Sheet as of June 30, 2012, $-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is $39,480 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as a reduction in grants receivables or an increase in deferred revenue in the Special Revenue Fund.

Arbitrage

The District may have a liability for arbitrage payable to the federal government relative to its school bond issues. The amount of liability at June 30, 2012, if any, is unknown.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 16. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Randolph Township Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district 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. 6:23A-5.1(d)7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	$ -0-
Deposits:	
Transfer by Board Resolution	175,000
Ending balance, June 30, 2012	$ 175,000

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects exceeded the balance in the capital reserve account.

NOTE 17. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the Randolph Township Board of Education. The emergency reserve account is maintained in the general fund and its activity is included is included in the general fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of $250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The Department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1st and June 30th. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

The activity of the emergency reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	$ -0-
Deposits:	
Transfer by Board Resolution	350,000
Ending balance, June 30, 2012	$ 350,000

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 18. PRIOR PERIOD ADJUSTMENTS

The District made prior year adjustments in the District Wide Financial Statements and Proprietary Fund Statements to correct the amount of the minimum guarantee received from the District's food service management company for the fiscal year ended June 30, 2011. The financial statements for June 30, 2011 have been restated as follows:

	Balance 6/30/2011 as Previously Reported	Retroactive Adjustments	Balance 6/30/2011 as Restated
Statement of Net Assets:			
Business-type Activities:			
Current Assets:			
Other Receivables	$ 402,472	$ (150,000)	$ 252,472
Total Assets	440,950	(150,000)	290,950
Net Assets:			
Unrestricted/(Deficit)	(130,662)	(150,000)	(280,662)
Total Net Assets (Deficit) - Business-type Activities	125,481	(150,000)	(24,519)
Food Service Enterprise Fund			
Assets:			
Accounts Receivable:			
Other	$ 376,220	$ (150,000)	$ 226,220
Net Assets:			
Unrestricted/(Deficit)	(501)	(150,000)	(150,501)

BUDGETARY COMPARISON SCHEDULES

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	$ 64,504,368		$ 64,504,368	$ 64,504,368	
Tuition				157,684	$ 157,684
Interest on Investments				47,147	47,147
Miscellaneous	250,000		250,000	319,424	69,424
Total - Local Sources	64,754,368		64,754,368	65,028,623	274,255
State Sources:					
Equalization Aid	8,096,056		8,096,056	8,804,287	708,231
Categorical Special Education Aid	3,113,470		3,113,470	3,113,470	
Categorical Security Aid				31,649	31,649
Extraordinary Aid	105,000		105,000	1,257,851	1,152,851
Other State Aid - Non Public Transportation				19,004	19,004
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				1,135,986	1,135,986
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				2,283,630	2,283,630
TPAF Social Security (Reimbursed - Non-Budgeted)				2,623,598	2,623,598
Total State Sources	11,314,526		11,314,526	19,269,475	7,954,949
Federal Sources:					
Education Jobs Fund	469,428	$ 14,706	484,134	484,134	
Total - Federal Sources	469,428	14,706	484,134	484,134	
Total Revenues	76,538,322	14,706	76,553,028	84,782,232	8,229,204

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	$ 669,865	$ (129,820)	$ 540,045	$ 540,045	
Grades 1-5 - Salaries of Teachers	8,590,294	(315,991)	8,274,303	8,269,329	$ 4,974
Grades 6-8 - Salaries of Teachers	6,505,833	6,287	6,512,120	6,512,120	
Grades 9-12 - Salaries of Teachers	8,321,572	91,930	8,413,502	8,413,398	104
Regular Programs - Home Instruction:					
Salaries of Teachers	61,820	68,268	130,088	130,087	1
Purchased Professional-Educational Services	35,345	(22,563)	12,782	12,782	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	238,762	387,832	626,594	626,594	
Purchased Professional - Educational Services	86,000	(21,199)	64,801	64,801	
Purchased Technical Services	35,585	115,567	151,152	150,992	160
Other Purchased Services	325,319	(34,002)	291,317	291,317	
General Supplies	1,444,028	(63,765)	1,380,263	1,296,432	83,831
Textbooks	367,387	148,782	516,169	482,022	34,147
Other Objects	33,745	(4,714)	29,031	29,031	
Total Regular Programs - Instruction	26,715,555	226,612	26,942,167	26,818,950	123,217
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	885,781	(311,717)	574,064	574,064	
Other Salaries for Instruction	287,693	(187,985)	99,708	99,708	
General Supplies	13,818	421	14,239	14,239	
Total Learning and/or Language Disabilities	1,187,292	(499,281)	688,011	688,011	

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Auditory Impairments:					
General Supplies	$ 2,950	$ (98)	$ 2,852	$ 2,852	
Total Auditory Impairments	2,950	(98)	2,852	2,852	
Multiple Disabilities:					
Salaries of Teachers	91,850	(91,850)			
General Supplies	3,650	(1,629)	2,021	2,021	
Total Multiple Disabilities	95,500	(93,479)	2,021	2,021	
Resource Room/Resource Center:					
Salaries of Teachers	2,634,626	469,818	3,104,444	3,104,444	
Other Salaries for Instruction	412,745	35,238	447,983	447,978	$ 5
General Supplies	21,066	(1,701)	19,365	19,365	
Total Resource Room/Resource Center	3,068,437	503,355	3,571,792	3,571,787	5
Preschool Disabilities - Full-Time:					
Salaries of Teachers	230,219	11,831	242,050	242,050	
Other Salaries for Instruction	147,067	141,428	288,495	288,495	
General Supplies	16,306	(2,527)	13,779	13,779	
Total Preschool Disabilities - Full-Time	393,592	150,732	544,324	544,324	
Total Special Education - Instruction	4,747,771	61,229	4,809,000	4,808,995	5
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	447,417	(75,214)	372,203	372,203	
General Supplies	3,000	(412)	2,588	2,314	274
Textbooks	3,000	(2,015)	985	985	
Total Basic Skills/Remedial - Instruction	453,417	(77,641)	375,776	375,502	274

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	$ 233,712	$ 1,398	$ 235,110	$ 235,110	
Other Purchased Services	1,000	(509)	491	488	$ 3
General Supplies	5,100	(2,142)	2,958	2,958	
Textbooks	2,919	(498)	2,421	2,421	
Total Bilingual Education - Instruction	242,731	(1,751)	240,980	240,977	3
School-Spon. Cocurricular Actvts. - Instruction:					
Salaries	356,832	(76)	356,756	356,206	550
Supplies and Materials	42,368	(8,975)	33,393	33,108	285
Other Objects	38,505	(15,351)	23,154	23,154	
Total School-Spon. Cocurricular Actvts. - Instruction	437,705	(24,402)	413,303	412,468	835
School-Spon. Athletics - Instruction:					
Salaries	907,815	2,991	910,806	910,806	
Purchased Services	162,122	(45,576)	116,546	109,239	7,307
Supplies and Materials	67,198	(3,443)	63,755	62,893	862
Other Objects	53,760	(1,426)	52,334	52,334	
Total School-Spon. Athletics - Instruction	1,190,895	(47,454)	1,143,441	1,135,272	8,169
Total Instruction	33,788,074	136,593	33,924,667	33,792,164	132,503
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	309,526	117,574	427,100	427,100	
Tuition to County Voc. School District - Regular	313,169	(43,327)	269,842	269,842	
Tuition to County Voc. School District - Special	31,812	(7,232)	24,580	24,580	
Tuition to CSSD & Regional Day Schools	130,060	17,110	147,170	147,170	
Tuition to Private Schools for the Handicapped - Within State	2,213,753	(220,249)	1,993,504	1,956,334	37,170
Tuition - State Facilities	30,750		30,750	30,750	
Total Undistributed Expenditures - Instruction	3,029,070	(136,124)	2,892,946	2,855,776	37,170

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Health Services:					
Salaries	$ 776,900	$ (27,995)	$ 748,905	$ 748,905	
Purchased Professional and Technical Services	18,695	(17,443)	1,252	1,252	
Other Purchased Services	725	(514)	211	211	
Supplies and Materials	18,615	10,089	28,704	27,846	$ 858
Other Objects	4,308	(4,308)			
Total Undistributed Expenditures - Health Services	819,243	(40,171)	779,072	778,214	858
Undist. Expend. - Speech, OT, PT, Related Services:					
Salaries	856,167	214,814	1,070,981	1,070,981	
Purchased Professional - Educational Services	479,568	26,046	505,614	498,848	6,766
Supplies and Materials	5,000	(2,225)	2,775	2,775	
Total Undist. Expend. - Speech, OT, PT, Related Services	1,340,735	238,635	1,579,370	1,572,604	6,766
Undist. Expend. - Other Supp. Serv. Students-Extraordinary:					
Salaries	451,912	153,045	604,957	604,957	
Purchased Professional - Educational Services	98,160	57,376	155,536	155,500	36
Total Undist. Expend. - Other Supp. Serv. Students-Extraordinary	550,072	210,421	760,493	760,457	36
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	1,103,312	127,971	1,231,283	1,231,283	
Salaries of Secretarial and Clerical Assistants	209,781	1,322	211,103	211,103	
Other Purchased Prof. and Tech. Services	16,350	(1,519)	14,831	14,646	185
Other Purchased Services	750	(743)	7	7	
Supplies and Materials	22,950	(11,283)	11,667	10,467	1,200
Other Objects	1,040	(687)	353	353	
Total Undist. Expend. - Guidance	1,354,183	115,061	1,469,244	1,467,859	1,385

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	$ 1,664,288	$ (3,237)	$ 1,661,051	$ 1,661,051	
Salaries of Secretarial and Clerical Assistants	150,417	2,600	153,017	153,017	
Purchased Professional - Educational Services	51,300	8,165	59,465	47,685	$ 11,780
Other Purchased Prof. and Tech. Services	1,669	(1,348)	321	321	
Miscellaneous Purchased Services (400-500 series)	7,000	(3,390)	3,610	2,903	707
Supplies and Materials	16,049	(2,905)	13,144	12,904	240
Other Objects		1,056	1,056	1,056	
Total Undist. Expend. - Child Study Team	1,890,723	941	1,891,664	1,878,937	12,727
Undist. Expend. - Improvement of Inst. Serv.:					
Salaries of Supervisor of Instruction	831,923	(32,770)	799,153	773,353	25,800
Salaries of Other Professional Staff	51,100	373	51,473	51,473	
Salaries of Secretarial and Clerical Assistants	63,852	8,148	72,000	72,000	
Purchased Professional - Educational Services	5,000	701	5,701	4,686	1,015
Other Purchased Services	3,850	(483)	3,367	1,698	1,669
Supplies and Materials	1,500	850	2,350	1,636	714
Other Objects	2,700	235	2,935	1,440	1,495
Total Undist. Expend. - Improvement of Inst. Serv.	959,925	(22,946)	936,979	906,286	30,693
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	566,016	7,889	573,905	573,905	
Supplies and Materials	109,992	(9,304)	100,688	99,955	733
Textbooks	4,991	(4,991)			
Other Objects	30,500	(26,781)	3,719	3,719	
Total Undist. Expend. - Edu. Media Serv./Sch. Library	711,499	(33,187)	678,312	677,579	733
Undist. Expend. - Instructional Staff Training Serv.:					
Salaries of Supervisors of Instruction	43,785	(4,311)	39,474	39,474	
Salaries of Other Professional Staff		15,297	15,297	15,297	
Other Salaries	5,000		5,000	715	4,285
Purchased Professional - Educational Services	337,012	(102,919)	234,093	176,471	57,622
Other Purchased Services (400-500 series)	35,200	(22,979)	12,221	7,249	4,972
Total Undist. Expend. - Instructional Staff Training Serv.	420,997	(114,912)	306,085	239,206	66,879

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. - General Admin.:					
Salaries	$ 759,009	$ (39,312)	$ 719,697	$ 719,696	$ 1
Legal Services	408,986	(233,763)	175,223	175,194	29
Audit Fees	97,550	49,950	147,500	84,250	63,250
Other Purchased Professional Services	63,801	165,409	229,210	162,901	66,309
Purchased Technical Services	30,000	(17,081)	12,919	12,910	9
Communications/Telephone	316,418	(77,285)	239,133	238,465	668
Other Purchased Services (400-500 series)	252,294	(46,164)	206,130	205,183	947
BOE Membership Dues and Fees	31,500	(4,657)	26,843	26,843	
General Supplies	46,647	23,185	69,832	68,071	1,761
Miscellaneous Expenditures	22,976	(2,124)	20,852	20,650	202
Total Undist. Expend. - Supp. Serv. - General Admin.	2,029,181	(181,842)	1,847,339	1,714,163	133,176
Undist. Expend. - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	1,769,279	(137,457)	1,631,822	1,631,822	
Salaries of Secretarial and Clerical Assistants	911,901	(10,496)	901,405	901,405	
Purchased Professional and Technical Services	30,969	(26,252)	4,717	4,717	
Other Purchased Services	7,674	(7,080)	594	594	
Supplies and Materials	38,437	20,231	58,668	53,040	5,628
Other Objects	18,849	(3,119)	15,730	15,660	70
Total Undist. Expend. - Support Serv. - School Admin.	2,777,109	(164,173)	2,612,936	2,607,238	5,698
Undist. Expend. - Central Services:					
Salaries	554,180	34,094	588,274	588,260	14
Purchased Techinical Services	25,317	3,409	28,726	28,726	
Misc. Purchased Services	41,786	(8,665)	33,121	33,022	99
Supplies and Materials	14,780	(5,010)	9,770	9,614	156
Miscellaneous Expenditures	15,015	(8,489)	6,526	6,520	6
Total Undist. Expend. - Central Services	651,078	15,339	666,417	666,142	275

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Admin. Info. Tech.					
Salaries	$ 342,394	$ 31,986	$ 374,380	$ 374,380	
Purchased Professional Services	303,990	(61,072)	242,918	242,918	
Other Purchased Services	800	(566)	234	195	$ 39
Supplies and Materials		23,356	23,356		23,356
Total Undist. Expend. - Admin. Info. Tech.	647,184	(6,296)	640,888	617,493	23,395
Undist. Expend. - Required Maintenance for Sch. Facilities:					
Salaries	471,955	54,630	526,585	526,546	39
Cleaning, Repair and Maintenance Services	414,596	121,819	536,415	450,441	85,974
General Supplies	129,200	4,393	133,593	129,171	4,422
Total Undist. Expend. - Required Maintenance for Sch. Facil.	1,015,751	180,842	1,196,593	1,106,158	90,435
Undist. Expend. - Custodial Services:					
Salaries	2,035,177	43,432	2,078,609	2,078,609	
Salaries of Non-Instructional Aides	150,572	39,312	189,884	189,221	663
Purchased Professional and Technical Services	24,000	(4,720)	19,280	19,280	
Cleaning, Repair and Maintenance Services	141,550	(27,797)	113,753	112,999	754
Rental of Land and Bldg. Other than Lease Purchase Agreement	85,644	4,410	90,054	90,050	4
Other Purchased Property Services	130,668	(9,890)	120,778	120,778	
Insurance	62,280		62,280	62,280	
General Supplies	185,800	(30,603)	155,197	154,974	223
Energy (Natural Gas)	517,159	(107,498)	409,661	407,351	2,310
Energy (Electricity)	977,786	(73,955)	903,831	824,487	79,344
Energy (Oil)	3,750	2,675	6,425	6,425	
Total Undist. Expend. - Custodial Services	4,314,386	(164,634)	4,149,752	4,066,454	83,298
Undist. Expend. - Care & Upkeep of Grounds:					
Salaries	476,973	(3,124)	473,849	473,849	
Cleaning, Repair, and Maintenance Services	171,462	28,851	200,313	199,644	669
General Supplies	75,550	(687)	74,863	72,779	2,084
Total Undist. Expend. - Care and Upkeep of Grounds	723,985	25,040	749,025	746,272	2,753
Undist. Expend. - Security:					
Salaries	97,713	4,356	102,069	102,069	
Total Undist. Expend. - Security	97,713	4,356	102,069	102,069	

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Transportation Services:					
Salaries for Pupil Transportation (Bet. Home & Sch) - Reg	$ 1,756,960	$ 9,818	$ 1,766,778	$ 1,766,778	
Salaries for Pupil Transportation (Other thanBet. Home & Sch)	349,002	(43,070)	305,932	305,843	$ 89
Other Purchased Professional and Technical Services	60,687	(225)	60,462	60,076	386
Cleaning, Repair and Maintenance Services	6,000	(3,929)	2,071	2,071	
Contract Services - (Bet. Home and School) - Joint Agreements	1,187,506	(36,443)	1,151,063	1,151,063	
Contract Services - (Regular Students) - ESCs & CTSAs	202,908	(52,679)	150,229	150,229	
Miscellaneous Purchased Services	58,593	(4,997)	53,596	53,434	162
General Supplies	382,342	107,469	489,811	413,526	76,285
Other Objects	13,589	(1,025)	12,564	12,549	15
Total Undist. Expend. - Student Transportation Services	4,017,587	(25,081)	3,992,506	3,915,569	76,937
Unallocated Benefits:					
Social Security Contributions	1,114,245	(24,831)	1,089,414	1,074,114	15,300
Other Retirement Contributions - PERS	1,263,882	(101,095)	1,162,787	1,162,787	
Unemployment Compensation	156,115	18,814	174,929	167,429	7,500
Workmen's Compensation	632,176	(192,876)	439,300	439,300	
Health Benefits	12,363,873	391,785	12,755,658	12,622,859	132,799
Tuition Reimbursement	195,000	(68,442)	126,558	126,558	
Other Employee Benefits	123,436	13,922	137,358	137,358	
Total Unallocated Benefits	15,848,727	37,277	15,886,004	15,730,405	155,599
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				1,135,986	(1,135,986)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				2,283,630	(2,283,630)
TPAF Social Security (Reimbursed - Non-Budgeted)				2,623,598	(2,623,598)
Total On-Behalf Contributions				6,043,214	(6,043,214)
Total Personal Services - Employee Benefits	15,848,727	37,277	15,886,004	21,773,619	(5,887,615)
Total Undistributed Expenditures	43,199,148	(61,454)	43,137,694	48,452,095	(5,314,401)
Total Current Expense	76,987,222	75,139	77,062,361	82,244,259	(5,181,898)

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Undistributed Expenditures - Instruction		$ 2,933	$ 2,933	$ 2,933	
Undistributed Expenditures - Support Services - Inst. Staff	$ 8,460	36,430	44,890	44,890	
Undistributed Expenditures - General Administration	78,924	288,150	367,074	86,354	$ 280,720
Undistributed Expenditures - Required Maint. Of Plant Serv.	91,968	17,143	109,111	102,328	6,783
Undistributed Expenditures - Student Trans. - Non-Inst. Equip	31,850	(24,000)	7,850	7,850	
School Buses - Regular	179,403	587,648	767,051		767,051
Total Equipment	390,605	908,304	1,298,909	244,355	1,054,554
Facilities Acquisition and Construction Services:					
Construction Services	1,277,734	(46,882)	1,230,852	1,227,109	3,743
Other Objects		46,882	46,882	46,882	
Total Facilities Acquisition and Construction Services	1,277,734		1,277,734	1,273,991	3,743
Total Capital Outlay	1,668,339	908,304	2,576,643	1,518,346	1,058,297
Transfer of Funds to Charter Schools	43,042	22,228	65,270	65,270	
Total Expenditures	78,698,603	1,005,671	79,704,274	83,827,875	(4,123,601)

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (2,160,281)	$ (990,965)	$ (3,151,246)	$ 954,357	$ 4,105,603
Other Financing Uses:					
Transfer to Food Service Enterprise Fund		(250,126)	(250,126)	(250,126)	
Total Other Financing Uses		(250,126)	(250,126)	(250,126)	
Excess/(Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	(2,160,281)	(1,241,091)	(3,401,372)	704,231	4,105,603
Fund Balance, July 1	4,498,915		4,498,915	4,498,915	
Fund Balance, June 30	$ 2,338,634	$ (1,241,091)	$ 1,097,543	$ 5,203,146	$ 4,105,603

Recapitulation:	
Restricted:	
Capital Reserve	$ 175,000
Emergency Reserve	350,000
Assigned:	
Year End Encumbrances	1,507,063
Designated for Subsequent Year's Expenditures	739,866
Unassigned	2,431,217
	5,203,146
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payments not recognized on GAAP basis	(1,190,502)
Fund Balance per Governmental Funds (GAAP)	$ 4,012,644

Exhibit C-2

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
State Sources	$ 80,663	$ 36,431	$ 117,094	$ 112,519	$ (4,575)
Federal Sources	1,408,628	260,926	1,669,554	1,629,837	(39,717)
Local Sources	84,177	(28,550)	55,627	39,749	(15,878)
Total Revenue	1,573,468	268,807	1,842,275	1,782,105	(60,170)
Expenditures:					
Instruction:					
Salaries of Teachers	1,573,468	(1,438,940)	134,528	133,908	620
Other Purchased Services		1,296,729	1,296,729	1,296,729	
General Supplies		88,748	88,748	78,961	9,787
Textbooks		10,366	10,366	10,362	4
Other Objects		4	4		4
Total Instruction	1,573,468	(43,093)	1,530,375	1,519,960	10,415
Support Services:					
Salaries of Other Professional Staff		7,244	7,244	3,504	3,740
Purchased Professional/ Educational Services		217,841	217,841	193,201	24,640
Personal Services - Employee Benefits		14,138	14,138	13,420	718
Other Purchased Professional Services		7,317	7,317	6,192	1,125
Supplies and Materials		41,160	41,160	40,463	697
Total Support Services		287,700	287,700	256,780	30,920
Facilities Acquisition:					
Non Instructional Equipment		24,200	24,200	22,000	2,200
Total Facilities Acquisition		24,200	24,200	22,000	2,200
Total Expenditures	1,573,468	268,807	1,842,275	1,798,740	43,535
Other Financing Sources:					
Cancellation of Prior Year Encumbrances				16,635	16,635
Total Other Financing Sources				16,635	16,635
Total Expenditures and Other Financing Sources	1,573,468	268,807	1,842,275	1,782,105	60,170
Excess (Deficiency) of Revenue and Other Financing Sources Over/ (Under) Expenditures	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-

Exhibit C-3
1 of 2

RANDOLPH TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

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	$ 84,782,232	$ 1,782,105
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		49,788
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	991,552	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,190,502)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 84,583,282	$ 1,831,893
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 83,827,875	$ 1,782,105
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		49,788
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 83,827,875	$ 1,831,893

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2012 was submitted to the County office and was voted upon at the school election on the fourth Wednesday in April 2011. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	No Child Left Behind				
	Title I		Title IIA		Title IID
	Carryover	2011-12	Carryover	2011-12	Carryover
REVENUE:					
State Sources					
Federal Sources	$ 39,862	$ 89,014	$ 7,501	$ 98,757	$ 245
Local Sources					
Total Revenue	39,862	89,014	7,501	98,757	245
EXPENDITURES:					
Instruction:					
Salaries of Teachers	10,594	64,386		36,600	
Other Purchased Services					
General Supplies	12,438	10,425		2,535	
Textbooks					
Other Objects					
Total Instruction	23,032	74,811		39,135	
Support Services:					
Salaries of Other Professional Staff	1,622	582			
Purchased Professional/Educational Services	1,000	6,009	500	41,520	
Purchased Technical Services					
Personal Services - Employee Benefits	934	7,612		2,800	
Other Purchased Professional Services				991	
Supplies and Materials	13,304		7,001	14,311	245
Total Support Services	16,860	14,203	7,501	59,622	245
Facilities Acquisition:					
Non Instructional Equipment					
Total Facilities Acquisition					
Total Expenditures	39,892	89,014	7,501	98,757	245
Other Financing Sources:					
Cancellation of Prior Year Encumbrances	30				
Total Other Financing Sources	30				
Total Expenditures	$ 39,862	$ 89,014	$ 7,501	$ 98,757	$ 245

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	No Child Left Behind Title III		IDEA Part B, Basic Regular		IDEA Part B, Preschool	
	Carryover	2011-12	2010-11	2011-12	2010-11	2011-12
REVENUE:						
State Sources						
Federal Sources	$ 864	$ 15,647	$ 322,061	$ 1,000,536	$ 9,291	$ 46,059
Local Sources						
Total Revenue	864	15,647	322,061	1,000,536	9,291	46,059
EXPENDITURES:						
Instruction:						
Salaries of Teachers		5,290		8,003		
Other Purchased Services			295,826	950,000	4,844	46,059
General Supplies	6	6,827	18,487	10,922	4,453	
Textbooks						
Other Objects						
Total Instruction	6	12,117	314,313	968,925	9,297	46,059
Support Services:						
Salaries of Other Professional Staff			1,300			
Purchased Professional/Technical Services			17,830	24,185		
Personal Services - Employee Benefits		405	1,057	612		
Other Purchased Professional Services		1,887		3,314		
Supplies and Materials	864	1,238		3,500		
Total Support Services	864	3,530	20,187	31,611		
Facilities Acquisition:						
Non Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	870	15,647	334,500	1,000,536	9,297	46,059
Other Financing Sources:						
Cancellation of Prior Year Encumbrances	6		12,439		6	
Total Other Financing Sources	6		12,439		6	
Total Expenditures	$ 864	$ 15,647	$ 322,061	$ 1,000,536	$ 9,291	$ 46,059

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Non-Public					
	Chapter 192			Chapter 193		
	Compensatory Education	ESL	Transportation	Examination/ Classification	Corrective Speech	Supplemental Instruction
REVENUE:						
State Sources	$ 9,890	$ 603	$ 21,332	$ 18,844	$ 17,535	$ 19,152
Federal Sources						
Local Sources						
Total Revenue	9,890	603	21,332	18,844	17,535	19,152
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Other Purchased Services						
General Supplies						
Textbooks						
Other Objects						
Total Instruction						
Support Services:						
Salaries of Other Professional Staff						
Purchased Professional/Educational Services	9,890	603	21,332	18,844	17,535	19,152
Purchased Technical Services						
Personal Services - Employee Benefits						
Other Purchased Professional Services						
Supplies and Materials						
Total Support Services	9,890	603	21,332	18,844	17,535	19,152
Facilities Acquisition:						
Non Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	9,890	603	21,332	18,844	17,535	19,152
Other Financing Sources:						
Cancellation of Prior Year Encumbrances						
Total Other Financing Sources						
Total Expenditures	$ 9,890	$ 603	$ 21,332	$ 18,844	$ 17,535	$ 19,152

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Non-Public Textbooks	Non-Public Nursing	Various Local Grants	Totals June 30, 2012
REVENUE:				
State Sources	$ 10,362	$ 14,801		$ 112,519
Federal Sources				1,629,837
Local Sources			$ 39,749	39,749
Total Revenue	10,362	14,801	39,749	1,782,105
EXPENDITURES:				
Instruction:				
Salaries of Teachers			9,035	133,908
Other Purchased Services				1,296,729
General Supplies			12,868	78,961
Textbooks	10,362			10,362
Total Instruction	10,362		21,903	1,519,960
Support Services:				
Salaries of Other Professional Staff				3,504
Purchased Professional/Technical Services		14,801		193,201
Personal Services - Employee Benefits				13,420
Other Purchased Professional Services				6,192
Supplies and Materials				40,463
Total Support Services		14,801		256,780
Facilities Acquisition:				
Non Instructional Equipment			22,000	22,000
Total Facilities Acquisition			22,000	22,000
Total Expenditures	10,362	14,801	43,903	1,798,740
Other Financing Sources:				
Cancellation of Prior Year Encumbrances			4,154	16,635
Total Other Financing Sources			4,154	16,635
Total Expenditures	$ 10,362	$ 14,801	$ 39,749	$ 1,782,105

CAPITAL PROJECTS FUND

Exhibit F-1

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Revenue and Other Financing Sources:		
Bond proceeds	$	11,667,000
Total revenue and other financing sources		11,667,000
Expenditures:		
Purchased professional and technical services		629,377
Total expenditures		629,377
Excess/(deficit) of revenue and other financing sources over/(under) expenditures		11,037,623
Fund balance - beginning of year		180,768
Fund balance - end of year	$	11,218,391
Recapitulation:		
Restricted	$	11,046,308
Committed		23,052
Temporary Deficit - Bonds Authorized but not Issued		(1,537)
		11,067,823
NJ Educational Facilities Construction and Financing Act -		
Retroactive Middle School Project		149,107
Retroactive Center Grove Elementary School Project		1,461
Total Fund Balance - Budgetary Basis		11,218,391
Reconciliation to Governmental Fund Statements (GAAP):		
SDA grant receivable not recognized on GAAP basis		(9,221)
Fund Balance per Governmental Funds (GAAP)	$	11,209,170

Exhibit F-1a

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCT ADDITIONS, RENOVATIONS AND ALTERATIONS AT RANDOLPH HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2012

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

Additional project information:	
Project Number	4330-050-04-1000
Grant Date	8/26/2004
Bond Authorization Date	12/14/2004
Bonds Authorized	$14,862,111
Bonds Issued	14,862,111
Original Authorized Cost	19,796,508
Revised Authorized Cost	20,369,695
Percentage Increase over Original Authorized Cost	3%
Percentage Completion	99%
Original target completion date	9/1/2007
Revised target completion date	6/30/2012

Exhibit F-1b

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
FERNBROOK ELEMENTARY SCHOOL - FIRE ALARM UPGRADE AND FLOOR REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2012

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

Additional project information:	
Project Number	4330-065-09-1003
Grant Date	7/26/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 45,475
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	95%
Original target completion date	6/30/2010
Revised target completion date	6/30/2012

Exhibit F-1c

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
IRONIA ELEMENTARY SCHOOL - LIGHTING AND CEILING REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2012

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

Additional project information:	
Project Number	4330-070-09-1002
Grant Date	7/26/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 18,078
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	34%
Original target completion date	6/30/2010
Revised target completion date	6/30/2012

Exhibit F-1d

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RANDOLPH MIDDLE SCHOOL - WINDOW REPAIRS
FOR THE YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Year	Totals	Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	$ 20,712		$ 20,712	$ 20,712
Transfer from capital outlay	31,068		31,068	31,068
Total revenue and other financing sources	51,780		51,780	51,780
Expenditures:				
Purchased professional and technical services	4,674		4,674	5,000
Facilities acquisition and construction services	12,700		12,700	15,000
Supplies and Materials	31,750		31,750	31,780
Total expenditures	49,124		49,124	51,780
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	$ 2,656	$ -0-	$ 2,656	$ -0-

Additional project information:	
Project Number	4330-075-09-1004
Grant Date	7/26/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 51,780
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	95%
Original target completion date	6/30/2010
Revised target completion date	6/30/2012

Exhibit F-1e

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RANDOLPH MIDDLE SCHOOL - REHABILITATION - BARRIER FREE UPGRADES TO TOILETS
FOR THE YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Year	Totals	Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	$ 5,701		$ 5,701	$ 5,701
Transfer from capital outlay	8,551		8,551	8,551
Total revenue and other financing sources	14,252		14,252	14,252
Expenditures:				
Facilities acquisition and construction services	5,661		5,661	7,500
Supplies and Materials	2,315		2,315	6,752
Total expenditures	7,976		7,976	14,252
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	$ 6,276	$ -0-	$ 6,276	$ -0-

Additional project information:	
Project Number	4330-050-09-1001
Grant Date	7/26/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 14,252
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	56%
Original target completion date	6/30/2010
Revised target completion date	6/30/2012

Exhibit F-1f

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
VARIOUS SCHOOL BUILDING IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Year	Totals	Authorized Cost
Revenue and Other Financing Sources:				
Bond proceeds		$ 11,667,000	$ 11,667,000	$ 11,667,900
Total revenue and other financing sources		11,667,000	11,667,000	11,667,900
Expenditures:				
Purchased professional and technical services		629,377	629,377	808,691
Construction services				10,859,209
Total expenditures		629,377	629,377	11,667,900
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	$ -0-	$ 11,037,623	$ 11,037,623	$ -0-

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	2/8/12
Bonds Authorized	$ 11,667,900
Bonds Issued	$ 11,667,000
Original Authorized Cost	$ 11,667,900
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	5%
Original target completion date	11/30/2013

PROPRIETARY FUNDS

Exhibit G-1

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012

	Community School	Food Service	Total Enterprise Funds
ASSETS:			
Current assets:			
Cash and cash equivalents	$ 436,309		$ 436,309
Accounts receivable:			
State		$ 552	552
Federal		10,005	10,005
Other		137,491	137,491
Interfund receivable	2,745		2,745
Prepaid Expenses	15,710		15,710
Inventories		39,981	39,981
Total current assets	454,764	188,029	642,793
Non-current assets:			
Machinery and Equipment	36,023	608,164	644,187
Accumulated depreciation	(13,509)	(377,071)	(390,580)
Total non-current assets	22,514	231,093	253,607
Total assets	477,278	419,122	896,400
LIABILITIES:			
Current liabilities:			
Accounts payable		31,156	31,156
Interfund payable		363,187	363,187
Deferred revenue	262,325	12,869	275,194
Long-term liabilities:			
Compensated absences payable		11,910	11,910
Total Liabilities	262,325	419,122	681,447
NET ASSETS:			
Invested in capital assets net of related debt	22,514	231,093	253,607
Unrestricted/(Deficit)	192,439	(231,093)	(38,654)
Total net assets	$ 214,953	$ -0-	$ 214,953

Exhibit G-2

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Community School	Food Service	Total Enterprise Funds
Operating revenue:			
Local sources:			
Daily sales - reimbursable programs:			
School lunch program		$ 495,269	$ 495,269
Daily sales - non-reimbursable programs		535,329	535,329
Special functions		31,144	31,144
Community School - regular programs	$ 1,302,502		1,302,502
Community School - summer programs	182,428		182,428
Total operating revenue	1,484,930	1,061,742	2,546,672
Operating expenses:			
Cost of sales		413,732	413,732
Salaries	978,199	523,198	1,501,397
Employee benefits	158,725	351,816	510,541
Purchased professional/technical services	46,769		46,769
Other purchased services	82,642	30,000	112,642
Supplies and materials	101,943	39,944	141,887
Repairs		41,392	41,392
Miscellaneous	24,188	99,325	123,513
Depreciation	4,503	21,995	26,498
Total operating expenses	1,396,969	1,521,402	2,918,371
Operating income/(loss)	87,961	(459,660)	(371,699)
Non-operating revenue:			
State sources:			
State school lunch program		8,639	8,639
Federal sources:			
National school lunch program		156,775	156,775
Special milk program		2,451	2,451
Food distribution program		50,046	50,046
Local sources:			
Interest income	1,010	590	1,600
Total non-operating revenue	1,010	218,501	219,511
Change in net assets before operating transfers and contributed capital	88,971	(241,159)	(152,188)
Operating transfers - Food Service Contractor Guarantee		117,572	117,572
Food Service Contractor Capital Improvement Contribution		23,962	23,962
Operating transfers - Board Contribution		250,126	250,126
Change in net assets	88,971	150,501	239,472
Net assets/(Deficit) - beginning of year - (As Restated)	125,982	(150,501)	(24,519)
Net assets - end of year	$ 214,953	$ -0-	$ 214,953

Exhibit G-3

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Community School	Food Service	Total Enterprise Funds
Cash flows from operating activities:			
Receipts from customers	$ 1,447,857	$ 1,062,066	$ 2,509,923
Payments to employees	(1,136,924)	(874,645)	(2,011,569)
Payments to suppliers	(235,410)	(557,322)	(792,732)
Net cash provided by/(used for) operating activities	75,523	(369,901)	(294,378)
Cash flows from investing activities:			
Interest income	1,010	590	1,600
Net cash provided by/(used for) investing activities	1,010	590	1,600
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements		183,560	183,560
Cash received from General Fund	(694)	(20,226)	(20,920)
Cash received from operating transfers - Food Service Contractor		205,977	205,977
Net cash provided by/(used for) noncapital financing activities	(694)	369,311	368,617
Net increase in cash and cash equivalents	75,839		75,839
Cash and cash equivalents, July 1	360,470		360,470
Cash and cash equivalents, June 30	$ 436,309	$ -0-	$ 436,309
Reconciliation of operating income/(loss) to net cash provided by/(used for) operating activities:			
Operating income/(loss)	$ 87,961	$ (459,660)	$ (371,699)
Adjustment to reconcile operating income/(loss) to cash provided by/(used for) operating activities:			
Depreciation	4,503	21,995	26,498
Federal food distribution program		50,046	50,046
Changes in assets and liabilities:			
(Increase)/decrease in accounts receivable		324	324
(Increase)/decrease in inventory		(22,470)	(22,470)
(Increase)/decrease in prepaid expenses	20,132		20,132
Increase/(decrease) in accounts payable		31,156	31,156
Increase/(decrease) in deferred revenue	(37,073)	8,339	(28,734)
Increase/(decrease) in compensated absences payable		369	369
Net cash provided by/(used for) operating activities	$ 75,523	$ (369,901)	$ (294,378)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received $58,385 and utilized $50,046 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2012.

FIDUCIARY FUNDS

Exhibit H-1

RANDOLPH TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2012

	Agency			Private Purpose Scholarship Trust	Flexible Spending Trust
	Student Activities	Payroll	Total Agency		
ASSETS:					
Cash and cash equivalents	$ 278,601	$ 421,902	$ 700,503	$ 55,013	$ 2,906
Total assets	278,601	421,902	700,503	55,013	2,906
LIABILITIES:					
Payroll deductions and withholdings		421,902	421,902		
Due to student groups	278,601		278,601		
Total liabilities	278,601	421,902	700,503		
NET ASSETS:					
Held in Trust for:					
Restricted for scholarships				55,013	
Flexible Spending Claims					2,906
Total net assets	$ - 0 -	$ - 0 -	$ - 0 -	$ 55,013	$ 2,906

Exhibit H-2

RANDOLPH TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGE IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Private Purpose Scholarship Trust	Flexible Spending Trust	Totals
Additions:			
Contributions:			
Donations	$ 16,899		$ 16,899
Plan member/Employer		$ 14,600	14,600
Total Contributions	16,899	14,600	31,499
Investment earnings:			
Interest	157		157
Total Additions	17,056	14,600	31,656
Deductions:			
Scholarships awarded	2,500		2,500
Flexible Spending Claims		11,694	11,694
Total Deductions	2,500	11,694	14,194
Change in net assets	14,556	2,906	17,462
Net assets—beginning of the year	40,457	-0-	40,457
Net assets—end of the year	$ 55,013	$ 2,906	$ 57,919

Exhibit H-3

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
ASSETS:				
Cash and cash equivalents	$ 226,398	$ 840,518	$ 788,315	$ 278,601
Total assets	$ 226,398	$ 840,518	$ 788,315	$ 278,601
LIABILITIES:				
Liabilities:				
Due to student groups	$ 226,398	$ 840,518	$ 788,315	$ 278,601
Total liabilities	$ 226,398	$ 840,518	$ 788,315	$ 278,601

Exhibit H-4

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursements	Balance June 30, 2012
Elementary schools:				
Center Grove	$ 3,218	$ 32,596	$ 33,111	$ 2,703
Fernbrook	4,891	24,433	24,403	4,921
Ironia	675	25,904	25,402	1,177
Shongum	12,540	66,665	68,668	10,537
Total Elementary schools	21,324	149,598	151,584	19,338
Middle school:				
Randolph Middle School	40,758	217,235	214,519	43,474
High school:				
Randolph High School	146,408	312,978	286,476	172,910
Athletic Account:				
Athletics	17,908	160,707	135,736	42,879
Total All Schools	$ 226,398	$ 840,518	$ 788,315	$ 278,601

Exhibit H-5

RANDOLPH TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
ASSETS:				
Cash and cash equivalents	$ 86,231	$ 55,866,896	$ 55,531,225	$ 421,902
Total assets	$ 350,799	$ 55,866,896	$ 55,531,225	$ 421,902
LIABILITIES:				
Payroll deductions and withholdings	$ 86,231	$ 55,866,896	$ 55,531,225	$ 421,902
Total liabilities	$ 350,799	$ 55,866,896	$ 55,531,225	$ 421,902

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2012 Date	Amount	Int. Rate	Balance July 1, 2011	Issued	Retired or Matured	Balance June 30, 2012
Various School Building Improvements	03/15/1992	$ 10,235,000				$ 675,000		$ 675,000	
Addition and Renovation to Randolph High School, Renovations to the Middle School and Elementary Schools	02/01/2005	17,812,000	02/01/2013	$ 810,000	3.75%	14,357,000		775,000	$ 13,582,000
			02/01/2014	845,000	3.75%				
			02/01/2015	880,000	4.00%				
			02/01/2016	915,000	4.00%				
			02/01/2017	955,000	4.00%				
			02/01/2018	995,000	4.00%				
			02/01/2019	1,035,000	4.00%				
			02/01/2020	1,075,000	4.00%				
			02/01/2021	1,120,000	4.00%				
			02/01/2022	1,170,000	4.00%				
			02/01/2023	1,215,000	4.00%				
			02/01/2024	1,270,000	4.00%				
			02/01/2025	1,297,000	4.00%				
Advance Refunding of School Bonds	03/01/2005	16,800,000	08/01/2012	1,620,000	4.00%	14,290,000		1,430,000	12,860,000
			08/01/2013	1,645,000	5.00%				
			08/01/2014	1,680,000	5.00%				
			08/01/2015	1,710,000	5.00%				
			08/01/2016	1,750,000	5.00%				
			08/01/2017	1,780,000	4.00%				
			08/01/2018	1,810,000	4.00%				
			08/01/2019	865,000	4.00%				

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2012 Date	Amount	Int. Rate	Balance July 1, 2011	Issued	Retired or Matured	Balance June 30, 2012
Various School Building Improvements	02/08/2012	$ 11,667,000	02/01/2013	$ 302,000	1.500%		$ 11,667,000		$ 11,667,000
			02/01/2014	335,000	1.500%				
			02/01/2015	380,000	2.000%				
			02/01/2016	425,000	2.000%				
			02/01/2017	450,000	2.000%				
			02/01/2018	475,000	2.000%				
			02/01/2019	500,000	2.000%				
			02/01/2020	700,000	2.000%				
			02/01/2021	825,000	2.000%				
			02/01/2022	825,000	2.125%				
			02/01/2023	825,000	2.250%				
			02/01/2024	825,000	2.375%				
			02/01/2025	825,000	2.375%				
			02/01/2026	975,000	2.500%				
			02/01/2027	1,000,000	3.000%				
			02/01/2028	1,000,000	3.000%				
			02/01/2029	1,000,000	4.000%				
						$ 29,322,000	$ 11,667,000	$ 2,880,000	$ 38,109,000

Exhibit I-2

RANDOLPH TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
YEAR ENDED JUNE 30, 2012

NOT APPLICABLE

Exhibit I-3

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	$ 3,806,737		$ 3,806,737	$ 3,806,736	$ (1)
State Sources:					
Debt Service Aid Type II	294,843		294,843	294,843	
Total Revenue	4,101,580		4,101,580	4,101,579	(1)
EXPENDITURES:					
Regular Debt Service:					
Interest	1,221,580		1,221,580	1,221,580	
Redemption of Principal	2,880,000		2,880,000	2,880,000	
Total Regular Debt Service	4,101,580		4,101,580	4,101,580	
Total Expenditures	4,101,580		4,101,580	4,101,580	
Excess/(Deficiency) of Revenue Over/(Under) Expenditures				(1)	(1)
Fund Balance, July 1	1	$ -0-	1	1	-0-
Fund Balance, June 30	$ 1	$ -0-	$ 1	$ -0-	$ (1)

STATISTICAL SECTION
(UNAUDITED)

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

Contents

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

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

Exhibit J-1

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

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	(Restated) 2011	2012
Governmental Activities/(Deficit):								
Invested in Capital Assets, Net of Related Debt	$ (1,014,196)	$ 4,514,256	$ 3,085,722	$ 7,783,521	$ 9,314,492	$ 10,958,139	$ 13,509,486	$ 4,602,376
Restricted	1,541,733	(3,127,046)	(1,526,812)	631,886	1,022,647	404,663	171,548	11,734,170
Unrestricted	(176,579)	(1,118,476)	(819,195)	(951,380)	(2,610,228)	(2,090,023)	2,195,011	2,221,471
Total Governmental Activities Net Assets	$ 350,958	$ 268,734	$ 739,715	$ 7,464,027	$ 7,726,911	$ 9,272,779	$ 15,876,045	$ 18,558,017
Business-Type Activities/(Deficit):								
Invested in Capital Assets, Net of Related Debt	$ 106,456	$ 87,255	$ 66,557	$ 66,084	$ 82,876	$ 131,075	$ 256,143	$ 253,607
Unrestricted	218,718	148,441	77,366	9,949	(74,063)	(252,489)	(280,662)	(38,654)
Total Business-Type Activities Net Assets	$ 325,174	$ 235,696	$ 143,923	$ 76,033	$ 8,813	$ (121,414)	$ (24,519)	$ 214,953
District-Wide/(Deficit):								
Invested in Capital Assets, Net of Related Debt	$ (907,740)	$ 4,601,511	$ 3,152,279	$ 7,849,605	$ 9,397,368	$ 11,089,214	$ 13,765,629	$ 4,855,983
Restricted	1,541,733	(3,127,046)	(1,526,812)	631,886	1,022,647	404,663	171,548	11,734,170
Unrestricted	42,139	(970,035)	(741,829)	(941,431)	(2,684,291)	(2,342,512)	1,914,349	2,182,817
Total District Net Assets	$ 676,132	$ 504,430	$ 883,638	$ 7,540,060	$ 7,735,724	$ 9,151,365	$ 15,851,526	$ 18,772,970

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

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:								
Governmental Activities:								
Instruction	$ 38,867,983	$ 41,544,426	$ 43,843,219	$ 44,662,293	$ 47,774,382	$ 49,839,296	$ 46,046,755	$ 50,683,119
Support Services:								
Tuition	2,410,939	1,825,946	2,165,330	2,171,968	2,611,349	2,558,779	3,323,275	2,936,686
Student and Instruction Related Services	8,849,787	9,288,157	9,898,659	10,212,710	10,133,597	10,743,710	9,416,367	11,755,089
General Administrative Services	2,074,580	2,267,697	2,190,612	2,219,913	2,219,544	2,500,200	2,172,630	2,133,859
School Administrative Services	3,101,873	3,314,495	3,736,985	4,106,108	3,930,306	3,724,553	3,754,154	3,950,690
Plant Operations and Maintenance	6,483,160	7,058,641	6,749,269	7,078,896	6,683,231	7,283,583	7,062,793	7,662,951
Pupil Transportation	3,639,557	3,749,108	4,248,334	4,257,130	4,290,482	4,549,327	4,467,227	4,949,338
Central Services	1,575,274	1,686,455	1,649,652	1,794,866	1,230,464	1,645,451	2,077,475	2,190,233
Capital Outlay	193,880			414,787	199,918	75,444	80,615	46,882
Charter Schools	70,655	122,269	95,621	67,052	46,907	48,347	30,752	65,270
Interest on Long-Term Debt	1,450,804	1,855,664	1,773,553	1,663,168	1,475,850	1,427,539	1,315,793	1,210,539
Unallocated Depreciation	28,649	30,064	31,586					
Total Governmental Activities Expenses	68,747,141	72,742,922	76,382,820	78,648,891	80,596,030	84,396,229	79,747,836	87,584,656
Business-Type Activities:								
Food Service	1,529,018	1,503,593	1,540,530	1,464,972	1,483,794	1,444,205	1,537,117	1,521,402
Community School	1,558,373	1,655,474	1,544,240	1,563,481	1,643,096	1,522,775	1,360,603	1,396,969
Total Business-Type Activities Expense	3,087,391	3,159,067	3,084,770	3,028,453	3,126,890	2,966,980	2,897,720	2,918,371
Total District Expenses	71,834,532	75,901,989	79,467,590	81,677,344	83,722,920	87,363,209	82,645,556	90,503,027
Program Revenues:								
Governmental Activities:								
Charges for Services:								
Tuition	7,758	26,416	15,829	23,022	43,055	85,362	23,314	157,684
Plant Operations and Maintenance	43,773							
Operating Grants and Contributions	16,392,947	17,137,880	19,634,054	20,122,333	19,588,071	22,655,873	18,978,032	21,681,395
Capital Grants and Contributions	182,016	218,111	140,904	6,325,089	404,810	41,091	1,522	
Total Governmental Activities Program Revenues	16,626,494	17,382,407	19,790,787	26,470,444	20,035,936	22,782,326	19,002,868	21,839,079
Business-Type Activities:								
Charges for Services:								
Food Service	1,220,338	1,276,041	1,224,439	1,177,843	1,143,844	1,048,230	1,038,877	1,061,742
Community School	1,417,309	1,639,480	1,582,307	1,594,334	1,580,070	1,519,585	1,438,630	1,484,930
Operating Grants and Contributions	149,506	141,831	145,954	169,725	150,737	166,976	140,595	217,911
Total Business-Type Activities Program Revenues	2,787,153	3,057,352	2,952,700	2,941,902	2,874,651	2,734,791	2,618,102	2,764,583
Total District Program Revenues	19,413,647	20,439,759	22,743,487	29,412,346	22,910,587	25,517,117	21,620,970	24,603,662

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

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue:								
Governmental Activities	$ (52,120,647)	$ (55,360,515)	$ (56,592,033)	$ (52,178,447)	$ (60,560,094)	$ (61,613,903)	$ (60,744,968)	$ (65,745,577)
Business-Type Activities	(300,238)	(101,715)	(132,070)	(86,551)	(252,239)	(232,189)	(279,618)	(153,788)
Total District-Wide Net Expense	(52,420,885)	(55,462,230)	(56,724,103)	(52,264,998)	(60,812,333)	(61,846,092)	(61,024,586)	(65,899,365)
General Revenues and Other Changes in Net Assets:								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	47,602,587	50,960,065	52,784,496	54,895,876	57,091,711	59,375,379	63,239,577	64,504,368
Taxes Levied for Debt Service	2,437,805	3,110,870	3,622,250	3,733,731	3,744,312	3,646,025	3,804,598	3,806,736
Investment Earnings	321,080	890,392	598,960	100,997	28,945	13,959	6,599	47,147
Miscellaneous Income	194,295	316,964	57,308	172,155	136,773	224,408	297,460	319,424
Transfers	(135,000)				(178,763)	(100,000)		(250,126)
Total Governmental Activities	50,420,767	55,278,291	57,063,014	58,902,759	60,822,978	63,159,771	67,348,234	68,427,549
Business-Type Activities:								
Investment Earnings	3,458	12,237	40,297	18,661	6,256	1,962	617	1,600
Transfers & Other Special Items	135,000				178,763	100,000	525,896	391,660
Total Business-Type Activities	138,458	12,237	40,297	18,661	185,019	101,962	526,513	393,260
Total District-Wide	50,559,225	55,290,528	57,103,311	58,921,420	61,007,997	63,261,733	67,874,747	68,820,809
Change in Net Assets:								
Governmental Activities	(1,699,880)	(82,224)	470,981	6,724,312	262,884	1,545,868	6,603,266	2,681,972
Business-Type Activities	(161,780)	(89,478)	(91,773)	(67,890)	(67,220)	(130,227)	246,895	239,472
Total District	$ (1,861,660)	$ (171,702)	$ 379,208	$ 6,656,422	$ 195,664	$ 1,415,641	$ 6,850,161	$ 2,921,444

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

Source: School District Financial Reports

Exhibit J-3

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

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:								
Restricted/Reserved	$ 1,408,178	$ 1,425,068	$ 826,251	$ 138,933	$ 95,194	$ 230,833		$ 525,000
Unreserved/(Deficit)	1,439,318	770,903	817,824	738,858	(270,427)	(165,693)		
Assigned							$ 2,160,281	2,246,929
Unassigned							1,347,082	1,240,715
Total General Fund	$ 2,847,496	$ 2,195,971	$ 1,644,075	$ 877,791	$ (175,233)	$ 65,140	$ 3,507,363	$ 4,012,644
All Other Governmental Funds:								
Restricted/Reserved for:								
Capital Projects Fund	$ 4,475,237	$ 17,221,842	$ 3,166,267	$ 53,875	$ 593,700		$ 7,148	$ 11,044,771
Debt Service Fund							1	
Committed for:								
Capital Projects Fund							164,399	164,399
Unreserved, Reported In:								
Capital Projects Fund/(Deficit)	13,849,751	(4,713,800)	(5,556,773)	401,229	227,187	$ 173,830		
Debt Service Fund	128,555	165,005	37,443	37,849	106,566			
Total All Other Governmental Funds	$ 18,453,543	$ 12,673,047	$ (2,353,063)	$ 492,953	$ 927,453	$ 173,830	$ 171,548	$ 11,209,170

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

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:								
Tax Levy	$ 50,040,392	$ 54,070,935	$ 56,406,746	$ 58,629,607	$ 60,836,023	$ 63,021,404	$ 67,044,175	$ 68,311,104
Tuition Charges	7,758	26,416	15,829	23,022	43,055	85,362	23,314	157,684
Interest Earned on Capital Reserve Funds	2		25	17	29			
Miscellaneous	594,015	1,230,385	703,279	305,593	210,102	329,034	409,248	398,551
State Sources	15,545,881	16,229,889	18,464,721	25,277,985	18,713,866	18,829,116	17,496,596	19,477,887
Federal Sources	994,213	1,103,073	1,263,201	1,136,979	1,234,602	3,777,181	1,377,769	2,171,528
Total Revenue	67,182,261	72,660,698	76,853,801	85,373,203	81,037,677	86,042,097	86,351,102	90,516,754
Expenditures:								
Instruction:								
Regular Instruction	23,593,504	24,112,997	24,911,995	25,186,760	28,281,416	27,449,984	26,597,621	27,012,498
Special Education Instruction	3,848,480	4,796,491	4,934,660	4,946,791	5,531,215	6,510,113	5,756,026	6,248,423
Other Special Instruction	1,024,479	1,055,035	992,071	897,530	702,569	698,217	671,541	616,479
Other Instruction	1,325,191	1,292,568	1,408,648	1,481,680	1,631,390	1,586,346	1,541,783	1,547,740
Support Services:								
Tuition	2,370,754	1,783,777	2,121,027	2,126,973	2,529,036	2,496,680	3,231,651	2,855,776
Student and Instruction Related Services	6,829,733	7,268,594	7,331,340	7,475,165	7,683,133	7,721,997	6,997,647	8,480,059
General Administrative Services	1,824,467	1,923,949	1,854,438	1,836,357	1,846,915	2,073,012	1,830,914	1,714,163
School Administrative Services	2,319,370	2,486,440	2,697,116	2,943,809	2,941,527	2,652,850	2,706,734	2,607,238
Plant Operations and Maintenance	5,476,971	5,919,754	5,595,077	5,707,597	5,610,151	5,948,755	5,701,673	6,020,953
Pupil Transportation	3,060,199	3,107,839	3,287,891	3,399,933	3,430,930	3,668,382	3,706,773	3,915,569
Central Services & Administrative IT	1,122,952	1,193,245	1,141,184	1,226,764	936,795	988,146	1,298,687	1,283,635
Unallocated Benefits	12,764,315	14,153,854	16,398,965	17,637,524	15,169,648	18,971,810	17,540,874	21,773,619
Charter Schools	70,655	122,269	95,621	67,052	46,907	48,347	30,752	65,270
Debt Service:								
Principal	1,420,000	1,585,000	2,235,000	2,330,000	2,455,000	2,615,000	2,755,000	2,880,000
Interest and Other Charges	1,332,885	1,816,645	1,795,323	1,686,730	1,504,083	1,451,975	1,341,416	1,221,580
Capital Outlay	1,402,871	6,474,262	16,730,049	4,889,544	2,181,767	2,355,743	1,525,576	2,147,723
Total Expenditures	69,786,826	79,092,719	93,530,405	83,840,209	82,482,482	87,237,357	83,234,668	90,390,725
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,604,565)	(6,432,021)	(16,676,604)	1,532,994	(1,444,805)	(1,195,260)	3,116,434	126,029

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

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing Sources (Uses)								
Refunding Bonds Issued	$ 16,800,000							
Premium on Refunding Bonds	731,735							
Costs of Refunding Bond Issue	(203,289)							
Payments to Escrow Agent	(17,328,446)							
Bond Proceeds	17,812,000							$ 11,667,000
Capital Leases (Non-Budgeted)			$ 1,098,598	$ 546,738	$ 1,005,044	$ 782,010	$ 323,507	
Transfers In	177,094	$ 738,886	378,984	6,717		77,751		
Transfers Out	(312,094)	(738,886)	(378,984)	(6,717)	(178,763)	(177,751)		(250,126)
Total Other Financing Sources (Uses)	17,677,000		1,098,598	546,738	826,281	682,010	323,507	11,416,874
Net Change in Fund Balances	$ 15,072,435	$ (6,432,021)	$(15,578,006)	$ 2,079,732	$ (618,524)	$ (513,250)	$ 3,439,941	$ 11,542,903
Debt Service as a Percentage of Noncapital Expenditure:	4.19 %	4.91 %	5.54 %	5.36 %	5.19 %	5.03 %	5.28 %	4.87 %

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

Source: School District Financial Reports

Exhibit J-5

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

Fiscal Year Ending June 30,	Community School	Interest on Investments	Rentals	Athletic Participation Fees	Miscellaneous	Tuition	Total
2003	$ 1,136,652	$ 65,664	$ 63,113		$ 476,900	$ 6,525	$ 1,748,854
2004	1,226,095	417	71,764		172,949	10,575	1,481,800
2005	*	154,186	43,773		194,295	7,758	400,012
2006		151,506	58,885		258,079	26,416	494,886
2007		219,976	53,160		3,155	15,829	292,120
2008		98,874	87,573		84,582	23,022	294,051
2009		28,945	73,707		63,066	43,055	208,773
2010		13,959	68,944	$ 81,700	73,764	85,362	323,729
2011		6,599	61,752	132,050	103,658	23,314	327,373
2012		47,147	56,721	136,192	126,511	157,684	524,255

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

Source: School District Records

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

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities [a]	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2004	$ 39,722,800	$ 2,335,690,900	$ 8,438,200	$ 200,600	$ 219,606,600	$ 110,769,900	$ 102,620,400	$ 2,817,049,400	$ 5,401,464	$ 2,822,450,864	$ 193,331,200	1.76	$ 3,543,356,816
2005	38,824,700	2,358,838,300	9,263,400	205,200	227,225,500	113,492,200	102,620,400	2,850,469,700	4,814,438	2,855,284,138	193,995,300	1.82	3,903,172,481
2006	39,774,500	2,380,007,700	9,263,400	205,200	228,373,900	113,050,800	107,453,700	2,878,129,200	4,814,438	2,882,943,638	194,252,300	1.92	4,363,111,829
2007	35,793,800	2,400,450,300	5,550,800	185,300	238,233,900	114,961,900	105,816,400	2,900,992,400	3,761,823	2,904,754,223	194,458,300	1.98	4,861,407,324
2008	34,523,800	2,409,164,000	5,292,200	196,500	239,003,200	116,292,300	101,600,500	2,906,072,500	4,230,749	2,910,303,249	197,103,100	2.05	4,998,429,107
2009	33,401,100	2,423,455,200	5,298,600	196,500	237,509,600	115,139,900	79,140,500	2,894,141,400	4,285,157	2,898,426,557	197,132,900	2.12	4,948,783,802
2010	32,851,000	2,430,132,000	5,046,600	176,900	239,564,700	116,094,500	95,858,800	2,919,724,500	5,966,882	2,925,691,382	199,358,800	2.22	4,791,410,430
2011	35,249,000	2,423,641,500	5,046,600	176,900	238,822,100	116,094,500	95,894,000	2,914,924,600	6,225,463	2,921,150,063	200,090,100	2.31	4,585,087,652

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

[b] Tax rates are per $100

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

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

Source: Municipal Tax Assessor

Exhibit J-7

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

	Township of Randolph School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
Year Ended December 31,	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Township of Randolph	Morris County	
2002	$ 1.52	$ 0.09	$ 1.61	$ 0.42	$ 0.31	$ 2.34
2003	1.60	0.08	1.68	0.45	0.34	2.47
2004	1.67	0.09	1.76	0.47	0.35	2.58
2005	1.72	0.10	1.82	0.50	0.37	2.69
2006	1.79	0.12	1.92	0.53	0.38	2.83
2007	1.85	0.13	1.98	0.56	0.40	2.94
2008	1.92	0.13	2.05	0.59	0.40	3.04
2009	2.00	0.12	2.12	0.93	0.38	3.43
2010	2.09	0.13	2.22	0.63	0.37	3.22
2011	2.19	0.13	2.32	0.66	0.37	3.35

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

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

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

Source: Municipal Tax Collector and School Business Administrator

Exhibit J-8

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

Taxpayer	2012 Taxable Assessed Value	2012 % of Total District Net Assessed Value
Center Grove Associate	$ 46,880,000	1.61 %
Beta Realty	26,046,700	0.89 %
Pal-Pike	23,911,200	0.82 %
Carco Development	22,654,400	0.78 %
A&P Food Stores	12,289,900	0.42 %
Randolph Village	10,540,000	0.36 %
Canfield Mews	9,942,000	0.34 %
Heritage USA	8,657,300	0.30 %
Randolph CSC	7,600,000	0.26 %
Canfield Business Park	7,540,000	0.26 %
Total	$ 176,061,500	6.04 %

Taxpayer	2003 Taxable Assessed Value	2003 % of Total District Net Assessed Value
Center Grove Associate	$ 50,161,700	1.80 %
Beta Realty	31,157,000	1.12 %
Pal-Pike	28,143,000	1.01 %
Canfield Business Park	14,700,000	0.53 %
Canfield Mews	13,440,000	0.48 %
Randolph Village	13,000,000	0.47 %
A&P Food Stores	12,200,000	0.44 %
Hamilton Apts.	10,619,300	0.38 %
Quaker Village	7,700,000	0.28 %
Mal Brothers	7,616,300	0.27 %
Total	$ 188,737,300	6.76 %

Source: Municipal Tax Assessor

Exhibit J-9

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy[a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	$ 45,169,713	$ 45,169,713	100.00 %	-0-
2004	48,823,376	48,823,376	100.00 %	-0-
2005	50,040,392	50,040,392	100.00 %	-0-
2006	54,070,935	54,070,935	100.00 %	-0-
2007	56,406,746	56,406,746	100.00 %	-0-
2008	58,629,607	58,629,607	100.00 %	-0-
2009	60,836,023	60,836,023	100.00 %	-0-
2010	63,021,404	63,021,404	100.00 %	-0-
2011	67,044,175	67,044,175	100.00 %	-0-
2012	68,311,104	68,311,104	100.00 %	-0-

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

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

Exhibit J-10

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

	Governmental Activities				
Fiscal Year Ended June 30,	General Obligation Bonds	Capital Leases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2005	$ 43,297,000	$ 260,000	$ 43,557,000	2.73 %	$ 1,717
2006	41,712,000		41,712,000	2.44 %	1,656
2007	39,477,000	662,063	40,139,063	2.25 %	1,600
2008	37,147,000	743,178	37,890,178	2.04 %	1,511
2009	34,692,000	1,145,135	35,837,135	2.11 %	1,429
2010	32,077,000	1,316,317	33,393,317	1.86 %	1,297
2011	29,322,000		29,322,000	1.62 %	1,133
2012	38,109,000		38,109,000	2.11 %	1,473

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

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

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

Source: School District Financial Reports

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value[a] of Property	Per Capita [b]
2005	$ 43,297,000	$ -0-	$ 43,297,000	1.53 %	$ 1,707
2006	41,712,000	-0-	41,712,000	1.46 %	1,656
2007	39,477,000	-0-	39,477,000	1.37 %	1,573
2008	37,147,000	-0-	37,147,000	1.28 %	1,482
2009	34,692,000	-0-	34,692,000	1.19 %	1,383
2010	32,077,000	-0-	32,077,000	1.11 %	1,245
2011	29,322,000	-0-	29,322,000	1.00 %	1,133
2012	38,109,000	-0-	38,109,000	1.30 %	1,473

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

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

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

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

Source: School District Financial Reports

Exhibit J-12

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2011
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Township of Randolph	$ 19,805,905	100.00 %	$ 19,805,905
County of Morris General Obligation Debt	269,247,125	4.68 %	12,590,352
Subtotal, Overlapping Debt			32,396,257
Township of Randolph School District Direct Debt (b)			38,110,537
Total Direct and Overlapping Debt			$ 70,506,794

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

[b] The District has $1,537 of bonds authorized but not issued.

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

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

Exhibit J-13

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

Legal Debt Margin Calculation for Fiscal Year 2012

	Equalized Valuation Basis	
2011	$	4,430,649,947
2010		4,576,370,690
2009		4,765,562,388
	$	13,772,583,025
Average Equalized Valuation of Taxable Property	$	4,590,861,008
Debt Limit (4% of Average Equalization Value)	$	183,634,440 a
Net Bonded School Debt Issued and Unissued		38,110,537
Legal Debt Margin	$	145,523,903

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt Limit	$ 187,862,227	$ 196,038,410	$ 192,677,793	$ 185,577,384	$ 183,634,440
Total Net Debt Applicable to Limit	37,147,637	34,692,637	32,077,637	29,322,637	38,110,537
Legal Debt Margin	$ 150,714,590	$ 161,345,773	$ 160,600,156	$ 156,254,747	$ 145,523,903
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.77 %	17.70 %	16.65 %	15.80 %	20.75 %

	Fiscal Year				
	2003	2004	2005	2006	2007
Debt Limit	$ 112,397,610	$ 125,374,644	$ 139,290,003	$ 155,201,620	$ 172,781,042
Total Net Debt Applicable to Limit	28,135,000	26,790,000	43,297,000	41,712,000	39,477,637
Legal Debt Margin	$ 84,262,610	$ 98,584,644	$ 95,993,003	$ 113,489,620	$ 133,303,405
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	25.03 %	21.37 %	31.08 %	26.88 %	22.85 %

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

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

Exhibit J-14

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

Year	Population [a]	Morris County Per Capita Personal Income [b]	Personal Income [c]	Unemployment Rate [d]
2003	25,418	$ 56,804	$ 1,443,844,072	4.20 %
2004	25,430	60,780	1,545,635,400	3.40 %
2005	25,362	62,930	1,596,030,660	2.80 %
2006	25,193	67,918	1,711,058,174	3.00 %
2007	25,089	71,191	1,786,110,999	2.70 %
2008	25,070	74,025	1,855,806,750	3.60 %
2009	25,087	67,614	1,696,232,418	6.60%
2010	25,756	69,811	1,798,052,116	6.90%
2011	25,877	69,811 *	1,806,499,247	6.50%
2012	25,877 **	69,811 *	1,806,499,247	N/A

* - Latest Morris County per capita personal income available (2010) was used for calculation purposes.
** - Latest population data available (2011) was used for calculation purposes.
N/A - Information Unavailable

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

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

	2011			2002	
Employer	Employees	Total	Employer	Employees	Total
Novartis	6,200	N/A			
US Army Armament Research and Development	5,274	N/A			
Atlantic Health System	5,013	N/A			
United Parcel Service	2,332	N/A	Information is Not Available		
County of Morris	1,928	N/A			
ADP	1,924	N/A			
Saint Clare's	1,841	N/A			
AT&T	1,550	N/A			
Chilton Memorial	1,440	N/A			
BASF Corporation	1,400	N/A			
Total	28,902	N/A			

Note: Information is for Morris County

Source: Morris County Planning Board

Exhibit J-16

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012
Instruction:								
Regular	373	388	375	393	387	370	341	348
Special education	46	76	86	88	89	89	98	106
Support Services:								
Student & instruction related services	131	123	122	115	113	114	104	108
School administrative services	33	37	34	35	32	30	30	30
General and business administrative services	33	26	24	24	20	19	21	23
Plant operations and maintenance	54	57	57	56	56	53	64	58
Pupil transportation	46	45	45	45	46	47	45	45
Total	716	752	743	756	743	722	703	718

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

Source: District Personnel Records

RANDOLPH TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST EIGHT FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment [d]	Operating Expenditures [a]	Cost Per Pupil [b]	Percentage Change	Teaching Staff [c]	Pupil/Teacher Ratio Elementary	Pupil/Teacher Ratio Middle School	Pupil/Teacher Ratio High School	Average Daily Enrollment (ADE) [d]	Average Daily Attendance (ADA) [d]	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	5,557	$ 65,631,070	$ 11,811	5.28%	514	14.1	11.5	12.7	5,557	5,311	1.18%	95.57%
2006	5,538	69,216,812	12,499	5.83%	516	13.0	11.3	12.1	5,538	5,261	-0.34%	95.00%
2007	5,549	72,770,033	13,114	4.93%	514	11.9	11.1	11.5	5,549	5,297	0.20%	95.46%
2008	5,571	74,933,935	13,451	2.57%	513	10.5	10.9	11.4	5,571	5,299	0.40%	95.12%
2009	5,514	76,341,632	13,845	2.93%	539	9.9	10.1	10.9	5,514	5,238	-1.02%	94.99%
2010	5,417	80,814,639	14,919	7.75%	539	9.6	9.8	10.9	5,417	5,162	-1.76%	95.29%
2011	5,294	77,612,676	14,660	-1.73%	504	10.4	10.1	11.1	5,294	5,050	-2.27%	95.39%
2012	5,210	84,141,422	16,150	10.16%	504	10.3	10.2	11.1	5,210	4,979	-1.59%	95.57%

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

Note: Enrollment based on annual October district count.

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

Source: School District records

Exhibit J-18

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

District Buildings	2005	2006	2007	2008	2009	2010	2011	2012
Center Grove School								
Square Feet	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capacity (students)	608	608	608	608	608	608	608	608
Enrollment	645	628	595	546	560	515	494	502
Fernbrook School								
Square Feet	75,569	75,569	75,569	75,569	75,569	75,569	75,569	75,569
Capacity (students)	567	567	567	567	567	567	567	567
Enrollment	653	625	631	631	627	611	641	581
Ironia School								
Square Feet	63,764	63,764	63,764	63,764	63,764	63,764	63,764	63,764
Capacity (students)	643	643	643	643	643	643	643	643
Enrollment	639	624	626	632	637	629	602	529
Shongum School								
Square Feet	69,283	69,283	69,283	69,283	69,283	69,283	69,283	69,283
Capacity (students)	567	567	567	567	567	567	567	567
Enrollment	642	651	647	668	634	652	676	655
Middle School								
Square Feet	170,243	170,243	170,243	170,243	170,243	170,243	170,243	170,243
Capacity (students)	893	893	893	893	893	893	893	893
Enrollment	1,389	1,353	1,341	1,317	1,297	1,275	1,227	1,263
High School								
Square Feet	220,337	220,337	220,337	276,337	276,337	276,337	276,337	276,337
Capacity (students)	950	950	950	1,877	1,877	1,877	1,877	1,877
Enrollment	1,589	1,659	1,709	1,777	1,765	1,721	1,677	1,635

Number of Schools at June 30, 2012
Elementary = 4
Middle School = 1
High School = 1

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

Source: School District Facilities Office

Exhibit J-19

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

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

Fiscal Year Ended June 30,	Center Grove School	Fernbrook School	Ironia School	Shongum School	Middle School	High School	Total
2003	$ 85,067	$ 107,140	$ 90,403	$ 98,228	$ 241,368	$ 312,389	$ 934,595
2004	138,056	94,949	84,499	83,123	209,962	296,383	906,972
2005	162,996	132,648	111,070	115,344	221,287	264,753	1,008,098
2006	98,953	124,629	105,160	114,262	280,767	363,383	1,087,154
2007	107,634	111,358	103,955	101,864	187,990	294,517	907,318
2008	97,411	96,265	90,751	94,083	191,113	297,708	867,331
2009	79,776	97,020	81,373	86,770	183,882	271,162	799,983
2010	96,560	100,793	85,770	92,893	189,792	287,862	853,670
2011	120,047	103,257	92,620	98,525	217,646	328,719	960,814
2012	172,412	122,322	87,492	97,443	221,727	404,762	1,106,158

Source: School District records.

Exhibit J-20

RANDOLPH TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2012
UNAUDITED

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

Source: School District records.

SINGLE AUDIT SECTION

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Randolph Township School District, in the County of Morris (the "Board") as of, and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department").

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

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

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

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

Compliance and Other Matters

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

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

November 5, 2012
Mount Arlington, New Jersey

NISIVOCCIA LLP

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

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

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

Compliance

We have audited the compliance of the Board of Education of the Randolph Township School District in the County of Morris (the "Board") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the Board's major federal and state programs for the fiscal year ended June 30, 2012. The Board's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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, 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

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

Internal Control Over Compliance

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

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

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

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

November 5, 2012
Mount Arlington, New Jersey

NISIVOCCIA LLP

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011 Deferred Revenue/ (Accounts Receivable)	Balance at June 30, 2011 Due to Grantor	Carryover Amount	Cash Received	Budgetary Expendi-tures	Repayment of Prior Years' Balances	Cancellation of Prior Years' Accounts Payable/ Encumbrances	Balance at June 30, 2012 Budgetary Deferred Revenue	Balance at June 30, 2012 Budgetary Accounts Receivable
U.S. Department of Agriculture:													
Passed-through State Department of Education:													
Child Nutrition Cluster:													
Federal Food Distribution Program	10.555	N/A	7/1/11-6/30/12	$ 58,385				$ 58,385	$ (45,516)			$ 12,869	
Federal Food Distribution Program	10.555	N/A	7/1/10-6/30/11	16,900	$ 4,530				(4,530)				
National School Lunch Program	10.555	N/A	7/1/11-6/30/12	156,775				146,919	(156,775)				$ (9,856)
National School Lunch Program	10.555	N/A	7/1/10-6/30/11	115,658	(23,981)			23,981					
Special Milk Program	10.556	N/A	7/1/11-6/30/12	2,451				2,302	(2,451)				(149)
Special Milk Program	10.556	N/A	7/1/10-6/30/11	2,843	(560)			560					
Total Child Nutrition Cluster					(20,011)			232,147	(209,272)			12,869	(10,005)
Total U.S. Department of Agriculture					(20,011)			232,147	(209,272)			12,869	(10,005)
U.S. Department of Education:													
Passed-through State Department of Education:													
General Fund:													
Education Jobs Fund	84.410A	N/A	8/1/10-9/30/12	484,134				484,134	(484,134)				
Total General Fund								484,134	(484,134)				
U.S. Department of Education:													
Passed-through State Department of Education:													
Special Revenue Fund:													
NCLB Consolidated:													
Title I, Carryover	84.010	NCLB-0820-11	9/1/10-8/31/12	99,471	(54,963)			94,151	(39,892)		$ 30		(674)
Title I	84.010	NCLB-0820-12	9/1/11-8/31/12	93,039				36,456	(89,014)				(52,558)
Total Title I					(54,963)			130,607	(128,906)		30		(53,232)
Title IIA, Carryover	84.367	NCLB-0820-11	9/1/10-8/31/12	110,237	(43,154)			50,655	(7,501)				
Title IIA	84.367	NCLB-0820-12	9/1/11-8/31/12	98,944				92,278	(98,757)				(6,479)
Total Title IIA					(43,154)			142,933	(106,258)				(6,479)
Title IID	84.318	NCLB-0820-11	9/1/10-8/31/12	403	(65)			310	(245)				
Total Title IID					(65)			310	(245)				
Title III, Carryover	84.365	NCLB-0820-11	9/1/10-8/31/12	17,978	(13,260)			14,118	(870)		6		(6)
Title III	84.365	NCLB-0820-12	9/1/11-8/31/12	15,654				6,906	(15,647)				(8,741)
Total Title III					(13,260)			21,024	(16,517)		6		(8,747)
Title III Immigrant	84.365	NCLB-0820-11	9/1/10-8/31/11	44,006	(24,952)			24,952					
Total Title III Immigrant					(24,952)			24,952					
Special Education Cluster:													
I.D.E.A. Part B, Basic Regular, Carryover	84.027	FT-0820-10	9/1/09-8/31/11	1,028,552	(258)			258					
I.D.E.A. Part B, Basic Regular, Carryover	84.027	FT-0820-11	9/1/10-8/31/12	1,016,583	(131,257)			453,318	(334,500)		12,439		
I.D.E.A. Part B, Basic Regular	84.027	FT-0820-12	9/1/11-8/31/12	1,022,391				984,664	(1,000,536)				(15,872)
I.D.E.A. Part B, Basic Regular, ARRA	84.391	ARRA-0820-10	7/1/09-8/31/11	1,184,026	(138,158)			138,158					
I.D.E.A. Part B, Preschool, Carryover	84.173	PS-0820-11	9/1/10-8/31/12	47,361	(24,234)			33,525	(9,297)		6		
I.D.E.A. Part B, Preschool	84.173	PS-0820-12	9/1/11-8/31/12	46,059				46,059	(46,059)				
I.D.E.A. Part B, Preschool, ARRA	84.392	ARRA-0820-10	7/1/09-8/31/11	42,833	(22,624)			22,624					
Total Special Education Cluster					(316,531)			1,678,606	(1,390,392)		12,445		(15,872)
Total Special Revenue Fund					(452,925)			1,998,432	(1,642,318)		12,481		(84,330)
Total U.S. Department of Education					(452,925)			2,482,566	(2,126,452)		12,481		(84,330)
Total Federal Awards					$ (472,936)	$ -0-	$ -0-	$ 2,714,713	$ (2,335,724)	$ -0-	$ 12,481	$ 12,869	$ (94,335)

N/A - Not Available/Applicable

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2011 Deferred Revenue/ (Accounts Receivable)	Balance June 30, 2011 Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2012 Deferred Revenue	Balance June 30, 2012 GAAP Accounts Receivable	Balance June 30, 2012 Due to Grantor	Memo Budgetary Receivable	Memo Cumulative Total Expenditures
State Department of Education:														
General Fund:														
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	$ 7,356,176	$ (696,684)			$ 696,684							$ 7,356,176
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	8,804,287				7,927,129	$ (8,804,287)					$ 877,158	8,804,287
Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	3,113,470	(294,868)			294,868							3,113,470
Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	3,113,470				2,803,279	(3,113,470)					310,191	3,113,470
Security Aid	12-495-034-5120-084	7/1/11-6/30/12	31,649				28,496	(31,649)					3,153	31,649
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	1,110,671	(1,110,671)			1,110,671							1,110,671
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	1,257,851					(1,257,851)			$ (1,257,851)		1,257,851	1,257,851
Other State Aid - Non Public Transportation	11-495-034-5120-014	7/1/10-6/30/11	53,001	(53,001)			53,001							53,001
Other State Aid - Non Public Transportation	12-495-034-5120-014	7/1/11-6/30/12	19,004					(19,004)			(19,004)		19,004	19,004
				(2,155,224)			12,914,128	(13,226,261)			(1,276,855)		2,467,357	24,859,579
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	7/1/10-6/30/11	2,562,288	(253,049)			253,049							2,562,288
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	2,623,598				2,365,692	(2,623,598)			(257,906)		257,906	2,623,598
Subtotal - General Fund				(2,408,273)			15,532,869	(15,849,859)			(1,534,761)		2,725,263	30,045,465
Special Revenue Fund:														
NJ Nonpublic Aid:														
Textbook Aid	12-100-034-5120-064	7/1/11-6/30/12	10,362				10,362	(10,362)						10,362
Auxiliary Services:														
English as a Second Language	12-100-034-5120-067	7/1/11-6/30/12	862				862	(603)				$ 259		603
English as a Second Language	11-100-034-5120-067	7/1/10-6/30/11	854		$ 256				$ 256					598
Transportation	12-100-034-5120-067	7/1/11-6/30/12	21,332				21,332	(21,332)						21,332
Compensatory Education	12-100-034-5120-067	7/1/11-6/30/12	9,975				9,975	(9,890)				85		9,890
Compensatory Education	11-100-034-5120-067	7/1/10-6/30/11	5,526		1,842				1,842					3,684
Home Instruction	11-100-034-5120-067	7/1/10-6/30/11	1,507	(1,507)			1,507							1,507
Handicapped Services:														
Examination & Classification	12-100-034-5120-066	7/1/11-6/30/12	20,768				20,768	(18,844)				1,924		18,844
Examination & Classification	11-100-034-5120-066	7/1/10-6/30/11	28,699		4,620				4,620					24,079
Corrective Speech	12-100-034-5120-066	7/1/11-6/30/12	19,351				19,351	(17,535)				1,816		17,535
Supplemental Instruction	12-100-034-5120-066	7/1/11-6/30/12	19,643				19,643	(19,152)				491		19,152
Supplemental Instruction	11-100-034-5120-066	7/1/10-6/30/11	20,497		1,945				1,945					18,552
Nursing Services	12-100-034-5120-070	7/1/11-6/30/12	14,801				14,801	(14,801)						14,801
Anti-Bullying Bill of Rights	N/A	7/1/11-6/30/12	3,137				3,137			$ 3,137				
Subtotal - Special Revenue Fund				(1,507)	8,663		121,738	(112,519)	8,663	3,137		4,575		160,939

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2011 Deferred Revenue/ (Accounts Receivable)	Balance June 30, 2011 Due to Grantor	Carryover Amount	Cash Received	Budgetary Expendi-tures	Repayment of Prior Years' Balances	Balance June 30, 2012 Deferred Revenue	Balance June 30, 2012 GAAP Accounts Receivable	Balance June 30, 2012 Due to Grantor	Memo Budgetary Receivable	Memo Cumulative Total Expenditures
Capital Projects Fund:														
NJ School Development Authority:														
Fernbrook Elementary School	4330-065-09-1003	7/1/09-6/30/12	$ 18,190	$ (17,346)							$ (17,346)		$ 18,190	$ 17,346
Ironia Elementary School	4330-070-09-1002	7/1/09-6/30/12	7,231	(2,427)							(2,427)		7,231	2,427
Randolph Middle School	4330-075-09-1004	7/1/09-6/30/12	20,712	(19,649)							(19,649)		20,712	19,649
Randolph High School	4330-050-09-1001	7/1/09-6/30/12	5,701	(3,191)							(3,191)		5,701	3,191
Subtotal - Capital Projects Fund				(42,613)							(42,613)		51,834	42,613
Debt Service Fund:														
Debt Service Aid II	12-100-034-5120-125	7/1/11-6/30/12	294,843				$ 294,843	$ (294,843)						294,843
Subtotal - Debt Service Fund							294,843	(294,843)						294,843
Enterprise Fund:														
State School Lunch Program	11-100-010-3350-023	7/1/10-6/30/11	7,579	(1,711)			1,711							7,579
State School Lunch Program	12-100-010-3350-023	7/1/11-6/30/12	8,639				8,087	(8,639)			(552)		552	8,639
Subtotal - Enterprise Fund				(1,711)			9,798	(8,639)			(552)		552	16,218
Total State Awards				$ (2,454,104)	$ 8,663	$ -0-	$ 15,959,248	$ (16,265,860)	$ 8,663	$ 3,137	$ (1,577,926)	$ 4,575	$ 2,777,649	$ 30,560,078

N/A - Not Available/Applicable

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Randolph Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2012. The information in these schedules is presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net assets or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $(198,950) for the general fund and $49,788 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund and special revenue fund. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Pension Contributions and Post Retirement Contributions revenue of $1,135,986 and $2,283,630 respectively.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

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

	Federal	State	Total
General Fund	$ 484,134	$ 19,070,525	$19,554,659
Special Revenue Fund	1,687,394	112,519	1,799,913
Debt Service Fund		294,843	294,843
Food Service Fund	209,272	8,639	217,911
Total Financial Assistance	$ 2,380,800	$19,486,526	$21,867,326

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2012. Revenues and expenditures reported under the Food Distribution Program represent current year values received and current year distributions respectively.

NOTE 6. NJ SCHOOLS CONSTRUCTION CORPORATION (SDA) GRANT

The District was awarded grants in the amount of $51,834 in connection with various capital projects to the elementary schools, middle school and high school during prior years. Eligible grant expenditures are reported as funds are drawn down. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on the budgetary basis in the year it was awarded and realized the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. During the fiscal year, the District expended $-0- and has $42,613 in grants receivable on the GAAP basis as of June 30, 2012.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Summary of Auditors' Results:

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

	C.F.D.A./ Grant Number	Grant Period	Award Amount	Budgetary Expenditures
General Fund State Aid:				
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	$ 8,804,287	$ 8,804,287
Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	3,113,470	3,113,470
Security Aid	12-495-034-5120-084	7/1/11-6/30/12	31,649	31,649
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	2,623,598	2,623,598
Federal:				
Special Education Cluster:				
IDEA Part B	84.027	9/1/11-8/31/12	$ 1,022,391	$ 1,000,536
IDEA Part B, Carryover	84.027	9/1/10-8/31/12	1,016,583	334,500
IDEA Part B Preschool	84.173	9/1/11-8/31/12	46,059	46,059
IDEA Part B Preschool, Carryover	84.173	9/1/10-8/31/12	47,361	9,297
Education Jobs Fund	84.410A	8/1/10-9/30/12	484,134	484,134

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

Summary of Auditors' Results (Cont'd)

- The threshold for distinguishing Type A and Type B programs was $300,000 for federal programs and $487,976 for state programs.

- The single audit thresholds identified in Federal OMB Circular A-133 and New Jersey OMB's Circular 04-04 were $500,000.

- The District qualified as a "low-risk" auditee under the provisions of section 530 of the Federal Circular.

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

Status of Prior Year Findings:

There were no prior year findings.