

**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, 2013**

**Comprehensive Annual
Financial Report**

of the

Township of Randolph School District

Randolph, New Jersey

For the Fiscal Year Ended June 30, 2013

Prepared by

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
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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

Michael S. Neves
Business Administrator
Board Secretary

Ms. Jennifer Fano
Assistant Superintendent

November 27, 2013

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, 2013, 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 2012-13 fiscal year with an enrollment of 5,038 students, which is a decrease of 172 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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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 township tax ratable base continues on a flat to slight decline, this attribute is expected to remain relatively flat in the coming years. 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. Future Federal legislative implementation changes such as health care could pose a potential financial resource impact in that current health care packages provided by the District to its staff may be deemed in excess of federal standards resulting in possible penalties to be imposed. These factors will be reviewed closely as labor contracts are renewed and future budgets developed.

3) MAJOR INITIATIVES: During the 2012-2013 school year, the Randolph Township School District continued with 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. The District rolled out a comprehensive K-12 Bring Your Own Device (BYOD) initiative and built an infrastructure to enable its success. We partnered with the Township to build and activate a private fiber network that links 5 district sites in a system owned by the District and managed entirely by our technology department. The savings from this approach are substantial, and the increase in network speed and reliability benefit students and staff alike.

Professional development (PD) 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 PD in several curricular areas, to mirror training provided to instructional staff. The District is also contracting with a provider of PD 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 uses a model of PD that emphasizes a "push-in" model whenever possible, whereby PD providers deliver their assistance to teachers in our own classrooms with our own students, rather than a more traditional "pull-out" model that requires teachers to leave the district and be replaced by substitutes.

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.

The Honorable President and Members
of the Board of Education
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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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as fund balance restrictions, commitments and/or assignments at June 30, 2013.

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.

The Honorable President and Members
of the Board of Education
Township of Randolph School District
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November 27, 2013

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 Non-Profit Organizations*, and New Jersey OMB's Circular 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 and *Governmental Auditing Standards* are included in the single audit section of this report.

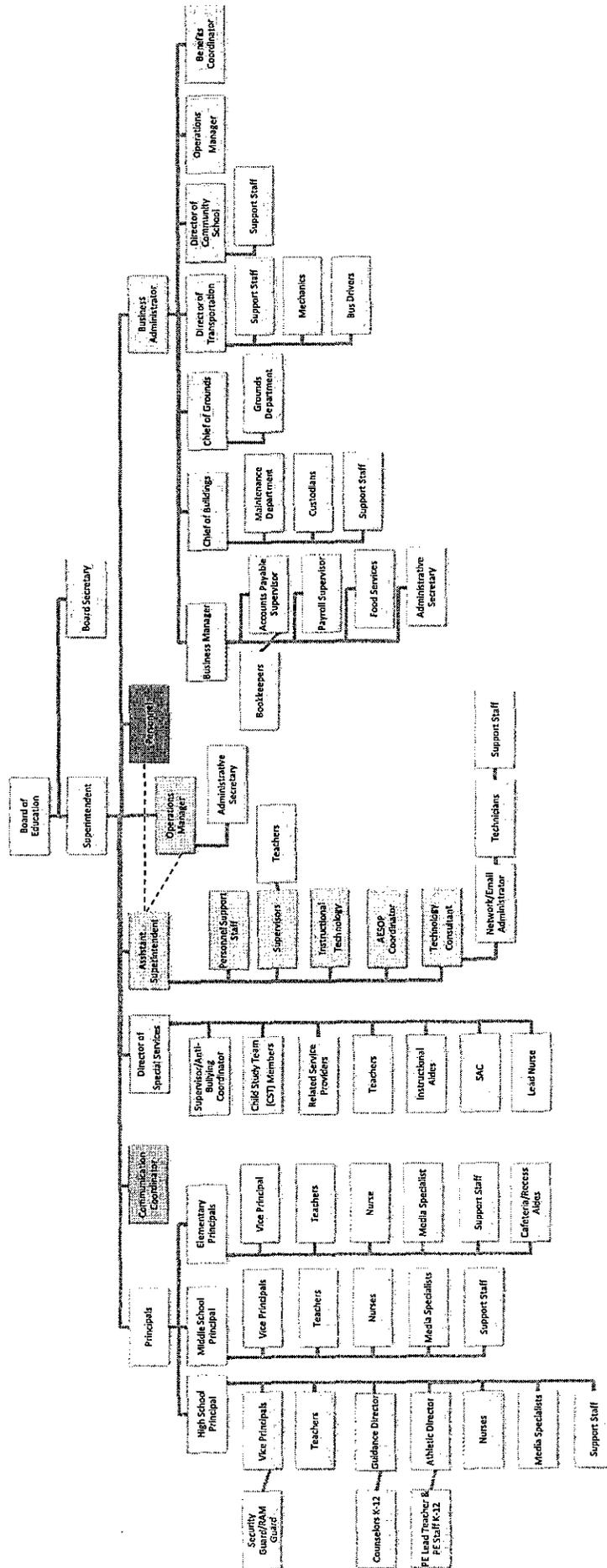
10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Randolph Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance 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, 2013**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Tammy MacKay, President	2015
Amy Sachs, Vice President	2013
Sheldon Epstein	2014
Alfredo Matos	2013
Charles Mooney	2014
Colleen Pascale	2015
David Rosenblatt	2014
MaryAnn Spagnuolo	2014
Anne Standridge	2015

<u>Other Officers</u>	<u>Title</u>
Dr. David Browne	Superintendent of Schools
Jennifer Fano	Assistant Superintendent of Schools
Michael S. Neves	Business Administrator/Board Secretary
Peter Weigly	Interim Business Administrator/Board Secretary (3/6/13-6/30/13)
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
200 Valley Road, Suite 300
Mount Arlington, NJ 07856
and
Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

Official Depository

The Provident Bank
1185 Sussex Turnpike
Randolph, NJ 07869

FINANCIAL SECTION



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

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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Randolph Township School District (the "District") in the County of Morris, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Randolph Township School District, in the County of Morris, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, and the 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the 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*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

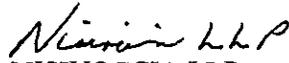
The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information such as the introductory and statistical sections 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2013 on our consideration of the 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

November 27, 2013
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, 2013. 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 refinanced \$11,047,000 of its 2005 School Bonds, resulting in a savings of nearly \$725,000 over the life of the issue.
- The District's financial status increased \$2,777,955 on a district-wide basis.
- Overall revenue was \$95.35 million.
- The net position of the District's business-type activities decreased by \$87,430 primarily due to a decrease in the community school.

Overview of the Financial Statements

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

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

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

Figure A-1
Organization of Financial Report

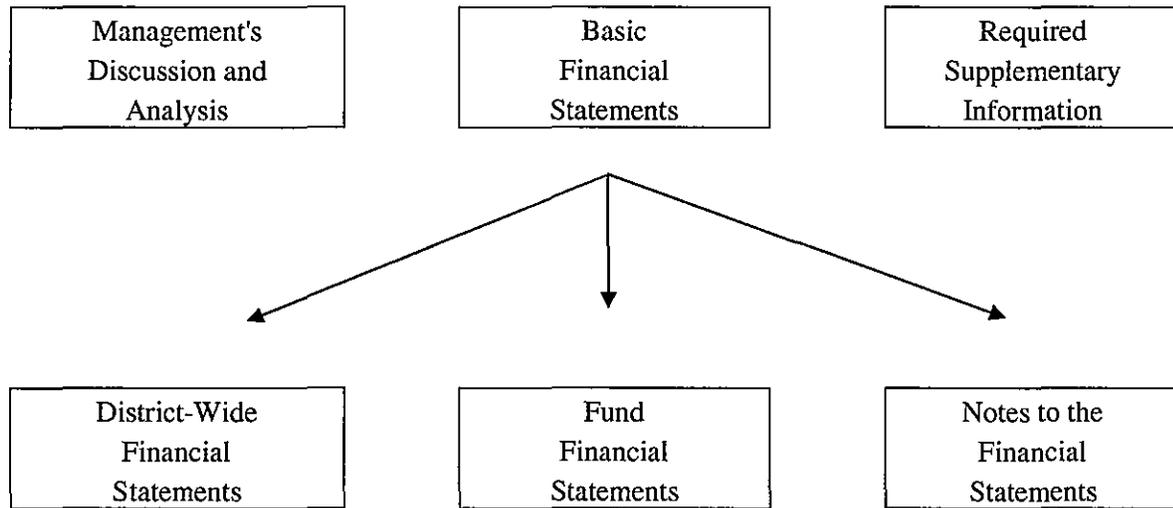


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and community school	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
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 position 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 position and how they have changed. Net position, 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 position 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 Position. The District's combined net position totaled \$21,309,192, 14.99% more than the prior year. Net position from governmental activities increased \$2,865,385 and the net position from business-type activities decreased \$87,430.

Figure A-3
Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2012/13	2011/12 *	2012/13	2011/12	2012/13	2011/12 *	2012/13
Current and Other Assets	\$ 10,310,615	\$ 16,739,605	\$ 181,126	\$ 279,606	\$ 10,491,741	\$ 17,019,211	-38.35%
Capital Assets	49,561,909	42,711,376	255,800	253,607	49,817,709	42,964,983	15.95%
Total Assets	<u>59,872,524</u>	<u>59,450,981</u>	<u>436,926</u>	<u>533,213</u>	<u>60,309,450</u>	<u>59,984,194</u>	0.54%
Deferred Outflows of Resources	<u>1,103,362</u>				<u>1,103,362</u>		100%
Long-Term Debt Outstanding	35,638,632	39,008,572	18,735	11,910	35,657,367	39,020,482	-8.62%
Other Liabilities	4,155,585	2,469,369	290,668	306,350	4,446,253	2,775,719	60.18%
Total Liabilities	<u>39,794,217</u>	<u>41,477,941</u>	<u>309,403</u>	<u>318,260</u>	<u>40,103,620</u>	<u>41,796,201</u>	-4.05%
Net Position/(Deficit):							
Net Investment in Capital Assets	14,806,909	4,602,376	255,800	253,607	15,062,709	4,855,983	210.19%
Restricted	5,180,874	11,569,771			5,180,874	11,569,771	-55.22%
Unrestricted	<u>1,193,886</u>	<u>2,144,137</u>	<u>(128,277)</u>	<u>(38,654)</u>	<u>1,065,609</u>	<u>2,105,483</u>	-49.39%
Total Net Position	<u>\$ 21,181,669</u>	<u>\$ 18,316,284</u>	<u>\$ 127,523</u>	<u>\$ 214,953</u>	<u>\$ 21,309,192</u>	<u>\$ 18,531,237</u>	14.99%

* Restated

Changes in Net Position. The District's combined net position increased \$2,777,955 or 14.99% from the prior year. (See Figure A-4). The District's improved financial position came from its governmental activities. Net investment in capital assets increased \$10,206,726 as a result of an increase in capital additions of \$8,974,022 and a decrease in debt outstanding of \$3,354,000 less depreciation of \$2,116,284 and deletions of \$5,012. Restricted net position decreased \$6,388,897 primarily due to capital project expenditures of \$6,764,767 offset by an increase in capital reserve of \$370,000. Unrestricted net position decreased by \$1,039,874 primarily as a result of bond premium from refunding. Net position from business-type activities decreased \$87,430.

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities	Business-Type Activities	Total School District	Governmental Activities	Business-Type Activities	Total School District	Percentage Change 2012/13
	2012/13	2012/13	2012/13	2011/12	2011/12	2011/12	
Revenue:							
Program Revenue:							
Charges for Services	\$ 146,116	\$ 2,280,999	\$ 2,427,115	\$ 157,684	\$ 2,546,672	\$ 2,704,356	-10.25%
Operating Grants and Contributions	23,065,711	197,754	23,263,465	21,681,395	217,911	21,899,306	6.23%
General Revenue:							
Property Taxes	69,594,928		69,594,928	68,311,104		68,311,104	1.88%
Other	59,973	816	60,789	366,571	1,600	368,171	-83.49%
Total Revenue	92,866,728	2,479,569	95,346,297	90,516,754	2,766,183	93,282,937	2.21%
Expenses:							
Instruction	51,450,418		51,450,418	50,683,119		50,683,119	1.51%
Pupil and Instruction Services	14,961,321		14,961,321	14,691,775		14,691,775	1.83%
Administrative and Business	8,680,686		8,680,686	8,274,782		8,274,782	4.91%
Maintenance and Operations	7,812,140		7,812,140	7,662,951		7,662,951	1.95%
Pupil Transportation	5,396,970		5,396,970	4,949,338		4,949,338	9.04%
Other	1,536,841	2,835,046	4,371,887	1,322,691	2,918,371	4,241,062	3.08%
Total Expenses	89,838,376	2,835,046	92,673,422	87,584,656	2,918,371	90,503,027	2.40%
Transfers & Other							
Special Items	(162,967)	268,047	105,080	(250,126)	391,660	141,534	-25.76%
Increase (Decrease) in							
Net Position	<u>\$ 2,865,385</u>	<u>\$ (87,430)</u>	<u>\$ 2,777,955</u>	<u>\$ 2,681,972</u>	<u>\$ 239,472</u>	<u>\$ 2,921,444</u>	-4.91%

Revenue Sources. The District's total revenue for the 2012/13 school year was \$95,346,297. (See Figure A-5). Property taxes and grants and contributions accounted for most of the District's revenue, with local taxes accounting for \$69,594,928 of the total, or 72.99 percent. Another 24.40 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 2013

	<u>Amount</u>	<u>Percentage</u>
Sources of Income:		
State Formula Aid	\$ 12,618,118	13.23%
Property Taxes	69,594,928	72.99%
Federal and State Categorical Grants	10,645,347	11.17%
Charges for Services	2,427,115	2.55%
Other	60,789	0.06%
	<u>\$ 95,346,297</u>	<u>100.00%</u>

The total cost of all programs and services was \$92,673,422. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (77.48 percent). (See Figure A-6). The District's administrative and business activities accounted for 9.37 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 \$7,812,140 (8.43 percent).

Figure A-6
Expenses for Fiscal Year 2013

	<u>Amount</u>	<u>Percentage</u>
Expense Category:		
Instruction	\$ 51,450,418	55.52%
Pupil and Instruction Services	14,961,321	16.14%
Administrative and Business	8,680,686	9.37%
Maintenance and Operations	7,812,140	8.43%
Transportation	5,396,970	5.82%
Other	4,371,887	4.72%
	<u>\$ 92,673,422</u>	<u>100.00%</u>

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	Total Cost of Services	Net Cost of Services	Net Cost of Services
	<u>2012/2013</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2011/2012</u>
Sources of Income:				
Instruction	\$ 51,450,418	\$ 50,683,119	\$32,730,039	\$32,666,325
Pupil and Instruction Services	14,961,321	14,691,775	12,642,318	12,402,857
Administrative and Business	8,680,686	8,274,782	7,935,719	7,720,620
Maintenance and Operations	7,812,140	7,662,951	7,348,744	7,253,825
Transportation	5,396,970	4,949,338	4,720,344	4,674,102
Other	1,536,841	1,322,691	1,249,385	1,027,848
	<u>\$ 89,838,376</u>	<u>\$ 87,584,656</u>	<u>\$ 66,626,549</u>	<u>\$ 65,745,577</u>

- The cost of all governmental activities this year was \$89.84 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$23.07 million).
- Most of the District’s costs were financed by District taxpayers (\$69.59 million).
- The remainder of the funding came from miscellaneous revenue, investment earnings, and charges for services (\$.60 million).

Business-Type Activities

Net position from the District's business-type activity decreased \$87,430. (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 \$162,967) were equal to expenses.
- Community School service revenues and investment earnings were less than expenses by \$87,430, accounting for all of the decrease in the net position 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.

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 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
	2012/13	2011/12	2012/13	2011/12	2011/12	2011/12	
Land	\$ 3,465,955	\$ 3,465,955			\$ 3,465,955	\$ 3,465,955	0.00%
Construction in Progress	6,803,086	629,377			6,803,086	629,377	980.92%
Buildings and Building Improvements	36,547,222	36,678,665			36,547,222	36,678,665	-0.36%
Furniture, Machinery and Equipment	2,745,646	1,937,379	\$ 255,800	\$ 253,607	3,001,446	2,190,986	36.99%
Total	\$ 49,561,909	\$ 42,711,376	\$ 255,800	\$ 253,607	\$ 49,817,709	\$ 42,964,983	15.95%

Long-term Debt

At year-end, the District had \$34,755,000 in general obligation bonds outstanding – a decrease of \$3,354,000 from last year – as shown in Figure A-9. The District refinanced \$11,047,000 of its 2005 School Bonds, resulting in a savings of nearly \$725,000 over the life of the bond. Other liabilities decreased by \$9,115 - 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
	2012/2013	2011/2012	
General Obligation Bonds (Financed with Property Taxes)	\$ 34,755,000	\$ 38,109,000	-8.80%
Other Long-Term Liabilities	902,367	911,482	-1.00%
	<u>\$ 35,657,367</u>	<u>\$ 39,020,482</u>	-8.62%

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 POSITION
JUNE 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,090,649	\$ 358,538	\$ 7,449,187
Internal Balances	387,304	(387,304)	
Receivables from Other Governments	1,937,662	180,875	2,118,537
Prepaid Expenses		8,965	8,965
Inventory		20,052	20,052
Restricted Assets:			
Capital Reserve Account - Cash	545,000		545,000
Emergency Reserve Account - Cash	350,000		350,000
Capital Assets:			
Land and Construction in Progress	10,269,041		10,269,041
Depreciable Buildings and Building Improvements and Furniture, Machinery and Equipment	39,292,868	255,800	39,548,668
Total Assets	59,872,524	436,926	60,309,450
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	1,103,362		1,103,362
LIABILITIES			
Accrued Interest Payable	711,084		711,084
Unamortized Bond Premium	1,861,056		1,861,056
Accounts Payable - Vendors	235,735		235,735
Accrued Liability for Health Benefit Claims	1,283,580		1,283,580
Payable to State Government	25,933		25,933
Unearned Revenue	38,197	290,668	328,865
Noncurrent Liabilities:			
Due Within One Year, net	2,939,254		2,939,254
Due Beyond One Year, net	32,699,378	18,735	32,718,113
Total Liabilities	39,794,217	309,403	40,103,620
NET POSITION/(DEFICIT)			
Net Investment in Capital Assets	14,806,909	255,800	15,062,709
Restricted for:			
Capital Projects	4,825,004		4,825,004
Debt Service	5,870		5,870
Other Purposes	350,000		350,000
Unrestricted	1,193,886	(128,277)	1,065,609
Total Net Position	\$ 21,181,669	\$ 127,523	\$ 21,309,192

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction	\$ 51,450,418	\$ 146,116	\$ 18,574,263	\$ (32,730,039)		\$ (32,730,039)
Support Services:						
Tuition	3,351,439		1,449,272	(1,902,167)		(1,902,167)
Student & Instruction Related Services	11,609,882		869,731	(10,740,151)		(10,740,151)
General Administrative Services	2,099,006		105,663	(1,993,343)		(1,993,343)
School Administrative Services	4,173,926		447,373	(3,726,553)		(3,726,553)
Plant Operations and Maintenance	7,812,140		463,396	(7,348,744)		(7,348,744)
Pupil Transportation	5,396,970		676,626	(4,720,344)		(4,720,344)
Central Services	2,407,754		191,931	(2,215,823)		(2,215,823)
Interest on Long-Term Debt	1,456,974		287,456	(1,169,518)		(1,169,518)
Transfer of Funds to Charter Schools	79,867			(79,867)		(79,867)
Total Governmental Activities	89,838,376	146,116	23,065,711	(66,626,549)		(66,626,549)

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:						
Food Service	\$ 1,435,661	\$ 969,860	\$ 197,754		\$ (268,047)	\$ (268,047)
Community School	1,399,385	1,311,139			(88,246)	(88,246)
Total Business-Type Activities	<u>2,835,046</u>	<u>2,280,999</u>	<u>197,754</u>		<u>(356,293)</u>	<u>(356,293)</u>
Total Primary Government	<u>\$ 92,673,422</u>	<u>\$ 2,427,115</u>	<u>\$ 23,263,465</u>	<u>\$ (66,626,549)</u>	<u>(356,293)</u>	<u>(66,982,842)</u>
General Revenue:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				65,794,455		65,794,455
Taxes Levied for Debt Service				3,800,473		3,800,473
Investment Earnings				25,764	816	26,580
Miscellaneous Income				171,608		171,608
Bond Issuance Cost				(137,399)		(137,399)
Transfers & Other Special Items				<u>(162,967)</u>	<u>268,047</u>	<u>105,080</u>
Total General Revenue and Transfers				<u>69,491,934</u>	<u>268,863</u>	<u>69,760,797</u>
Change in Net Position				2,865,385	(87,430)	2,777,955
Net Position - Beginning - Restated				<u>18,316,284</u>	<u>214,953</u>	<u>18,531,237</u>
Net Position - Ending				<u>\$ 21,181,669</u>	<u>\$ 127,523</u>	<u>\$ 21,309,192</u>

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

FUND FINANCIAL STATEMENTS

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 2,640,376		\$ 4,450,273		\$ 7,090,649
Interfund Receivable:					
Special Revenue Fund	495,002				495,002
Capital Projects Fund				\$ 5,870	5,870
Enterprise Funds - Food Service	395,466				395,466
Receivables From Other Governments:					
Federal	1,208	\$ 553,585			554,793
State	1,373,834				1,373,834
Local		9,035			9,035
Restricted Cash and Cash Equivalents	<u>895,000</u>				<u>895,000</u>
Total Assets	<u>\$ 5,800,886</u>	<u>\$ 562,620</u>	<u>\$ 4,450,273</u>	<u>\$ 5,870</u>	<u>\$ 10,819,649</u>
 LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable - Vendors	\$ 230,447	\$ 5,288			\$ 235,735
Accrued Liability for Health Benefit Claims	1,283,580				1,283,580
Interfund Payable:					
General Fund		495,002			495,002
Debt Service Fund			\$ 5,870		5,870
Enterprise Funds - Community School	8,162				8,162
Payable to State Government		25,933			25,933
Unearned Revenue	<u>1,800</u>	<u>36,397</u>			<u>38,197</u>
Total Liabilities	<u>1,523,989</u>	<u>562,620</u>	<u>5,870</u>		<u>2,092,479</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances:					
Restricted for:					
Capital Reserve Account	\$ 545,000				\$ 545,000
Emergency Reserve Account	350,000				350,000
Capital Projects Fund			\$ 4,280,004		4,280,004
Debt Service Fund				\$ 5,870	5,870
Committed:					
Capital Projects Fund			164,399		164,399
Assigned:					
Designated for Subsequent Year's Expenditures	832,059				832,059
Year End Encumbrances	1,377,206				1,377,206
Unassigned	1,172,632				1,172,632
Total Fund Balances	<u>4,276,897</u>		<u>4,444,403</u>	<u>5,870</u>	<u>8,727,170</u>
Total Liabilities and Fund Balances	<u>\$ 5,800,886</u>	<u>\$ 562,620</u>	<u>\$ 4,450,273</u>	<u>\$ 5,870</u>	

Amounts Reported for *Governmental Activities* in the Statement of Net Position (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 \$91,187,596 and the accumulated depreciation is \$41,625,687.	49,561,909
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.	(35,638,632)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(711,084)
Bond Issuance premiums are not reported as revenue in the governmental funds in the year of the bond sale. The premium is \$2,323,406 and accumulated amortization is \$462,350.	(1,861,056)
Deferred interest costs are not reported as expenditures in the governmental funds in the year of the expenditure. The deferred interest is \$1,518,759 and accumulated amortization is \$415,397.	<u>1,103,362</u>
Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 21,181,669</u>

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 65,794,455			\$ 3,800,473	\$ 69,594,928
Tuition Charges	146,116				146,116
Miscellaneous	191,502	\$ 58,993	\$ 5,870		256,365
Total - Local Sources	66,132,073	58,993	5,870	3,800,473	69,997,409
State Sources	21,420,315	131,582		287,456	21,839,353
Federal Sources	1,208	1,166,157			1,167,365
Total Revenue	87,553,596	1,356,732	5,870	4,087,929	93,004,127
EXPENDITURES					
Current:					
Regular Instruction	27,840,533	172,159			28,012,692
Special Education Instruction	5,361,460	937,467			6,298,927
Other Special Instruction	608,576				608,576
Other Instruction	1,347,313				1,347,313
Support Services and Undistributed Costs:					
Tuition	3,267,823				3,267,823
Student & Instruction Related Services	8,631,004	247,106			8,878,110
General Administrative Services	1,765,298				1,765,298
School Administrative Services	2,798,957				2,798,957
Plant Operations and Maintenance	6,293,030				6,293,030
Pupil Transportation	4,256,804				4,256,804
Central Services	756,454				756,454
Administrative Information Technology	705,934				705,934
Unallocated Benefits	21,254,637				21,254,637
Debt Service:					
Principal				2,732,000	2,732,000
Interest and Other Charges				1,355,929	1,355,929
Capital Outlay	2,158,686		6,764,767		8,923,453
Transfer of Funds to Charter Schools	79,867				79,867
Total Expenditures	87,126,376	1,356,732	6,764,767	4,087,929	99,335,804
Excess/(Deficiency) of Revenue over/(under) Expenditures	427,220		(6,758,897)		(6,331,677)
OTHER FINANCING SOURCES/(USES)					
School Refunding Bonds Issued				10,425,000	10,425,000
School Bonds Defeased				(11,047,000)	(11,047,000)
Bond Premiums				1,591,671	1,591,671
Bond Issuance Costs				(137,399)	(137,399)
Deferred Bond Interest				(832,272)	(832,272)
Transfers In				5,870	5,870
Transfers Out	(162,967)		(5,870)		(168,837)
Total Other Financing Sources/(Uses)	(162,967)		(5,870)	5,870	(162,967)
Net Change in Fund Balances	264,253		(6,764,767)	5,870	(6,494,644)
Fund Balance—July 1	4,012,644		11,209,170		15,221,814
Fund Balance—June 30	\$ 4,276,897	\$ - 0 -	\$ 4,444,403	\$ 5,870	\$ 8,727,170

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)		\$ (6,494,644)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and deletions differ from capital outlays in the period.		
	Depreciation expense	\$ (2,098,962)
	Deletions	(5,012)
	Capital outlays	<u>8,954,507</u>
		6,850,533
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 (+).		15,940
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		2,732,000
Debt issued for the advanced refunding less the amount of bonds defeased are not recorded in the governmental fund	School Refunding Bonds Issued	10,425,000
	School Bonds Defeased	(11,047,000)
	Bond Issuance Costs	(137,399)
	Bond Premium	1,591,671
	Deferred Bond Interest	<u>(832,272)</u>
		-0-
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.		(125,374)
The governmental funds report the effect of premiums and deferred interest when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		24,329
Bond issuance costs from the advanced refunding are not recorded in the Governmental Funds, whereas these amounts are expenses in the Statement of Activities.		<u>(137,399)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)		<u>\$ 2,865,385</u>

Exhibit B-4

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF JUNE 30, 2013

	Business-type Activities - Enterprise Funds	
	Community School	Nonmajor Fund
<u>ASSETS:</u>		
Current assets:		
Cash and cash equivalents	\$ 358,538	
Accounts receivable:		
State		\$ 1,623
Federal		32,801
Other		146,451
Interfund receivable	8,162	
Prepaid expenses	8,965	
Inventories		20,052
Total current assets	<u>375,665</u>	<u>200,927</u>
Non-current assets:		
Capital assets	55,538	608,164
Accumulated depreciation	(19,462)	(388,440)
Total non-current assets	<u>36,076</u>	<u>219,724</u>
Total assets	<u>411,741</u>	<u>420,651</u>
<u>LIABILITIES:</u>		
Current liabilities:		
Interfund payable		395,466
Unearned revenue	284,218	6,450
Long-term liabilities:		
Compensated absences payable		18,735
Total Liabilities	<u>284,218</u>	<u>420,651</u>
<u>NET POSITION/(DEFICIT):</u>		
Net Investment in capital assets	36,076	219,724
Unrestricted	91,447	(219,724)
Total net position	<u>\$ 127,523</u>	<u>\$ -0-</u>

THE ACCOMPANYING NOTES TO THE BASIC 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 POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds	
	Community School	Nonmajor Fund
Operating revenue		
Local sources:		
Daily sales - reimbursable programs		\$ 464,578
Daily sales - non-reimbursable programs		468,867
Special functions		36,415
Community School - regular program fees	\$ 1,205,464	
Community School - summer program fees	105,675	
Total operating revenue	<u>1,311,139</u>	<u>969,860</u>
Operating expenses:		
Cost of sales		430,446
Salaries	1,001,484	500,487
Employee benefits	162,202	362,718
Purchased professional/technical services	52,088	
Other purchased services	69,173	
Supplies and materials	88,447	9,929
Repairs		22,915
Miscellaneous	20,038	97,797
Depreciation	5,953	11,369
Total operating expenses	<u>1,399,385</u>	<u>1,435,661</u>
Operating loss	<u>(88,246)</u>	<u>(465,801)</u>
Non-operating revenue:		
State sources:		
State school lunch program		7,912
Federal sources:		
National school lunch program		154,375
Special milk program		109
Food distribution program		35,358
Local sources:		
Interest income	816	
Total non-operating revenue	<u>816</u>	<u>197,754</u>
Change in net position before operating transfers	(87,430)	(268,047)
Operating transfers in - food service contractor guarantee		105,080
Operating transfers - Board Contribution		162,967
Change in net position	(87,430)	
Net position - beginning of year	<u>214,953</u>	
Net position - end of year	<u>\$ 127,523</u>	<u>\$ -0-</u>

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

Exhibit B-6

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds	
	Community School	Nonmajor Fund
Cash flows from operating activities:		
Receipts from customers	\$ 1,333,032	\$ 960,900
Payments to employees	(1,163,686)	(856,380)
Payments to suppliers	(223,001)	(543,375)
Net cash used for operating activities	(53,655)	(438,855)
Cash flows from investing activities:		
Interest income	816	
Net cash provided by investing activities	816	
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(19,515)	
Net cash used for capital and related financing activities	(19,515)	
Cash flows from noncapital financing activities:		
Cash received from state and federal reimbursements		138,529
Cash received from operating transfers - Food Service Contractor		105,080
Cash received from General Fund-Interfund	(5,417)	195,246
Net cash provided by/(used for) noncapital financing activities	(5,417)	438,855
Net decrease in cash and cash equivalents	(77,771)	
Cash and cash equivalents, July 1	436,309	
Cash and cash equivalents, June 30	\$ 358,538	\$ -0-
Reconciliation of operating loss to net cash provided by/(used for) operating activities:		
Operating loss	\$ (88,246)	\$ (465,801)
Adjustment to reconcile operating loss to cash provided by (used for) operating activities:		
Depreciation	5,953	11,369
Federal food distribution program		35,358
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable		(8,960)
(Increase)/decrease in inventory		19,929
(Increase)/decrease in prepaid expenses	6,745	
Increase/(decrease) in accounts payable		(31,156)
Increase/(decrease) in deferred revenue	21,893	(6,419)
Increase/(decrease) in compensated absences payable		6,825
Net cash used for operating activities	\$ (53,655)	\$ (438,855)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$28,939 and utilized \$35,358 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2013.

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

Exhibit B-7

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	<u>Agency</u>	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Spending Trust</u>
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 721,456	\$ 40,894	\$ 1,132
Total assets	<u>721,456</u>	<u>40,894</u>	<u>1,132</u>
<u>LIABILITIES:</u>			
Payroll deductions and withholdings	473,932		
Due to student groups	<u>247,524</u>		
Total liabilities	<u>721,456</u>		
<u>NET POSITION:</u>			
Held in Trust for:			
Scholarships		40,894	
Flexible spending claims			<u>1,132</u>
Total net position	<u>\$ - 0 -</u>	<u>\$ 40,894</u>	<u>\$ 1,132</u>

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

Exhibit B-8

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Spending Trust</u>	<u>Totals</u>
Additions:			
Contributions:			
Donations	\$ 11,900		\$ 11,900
Plan member/Employer		\$ 39,650	39,650
Total Contributions	<u>11,900</u>	<u>39,650</u>	<u>51,550</u>
Investment earnings:			
Interest	<u>75</u>		<u>75</u>
Total Additions	<u>11,975</u>	<u>39,650</u>	<u>51,625</u>
Deductions:			
Scholarships awarded	26,094		26,094
Flexible Spending Claims		41,424	41,424
Total Deductions	<u>26,094</u>	<u>41,424</u>	<u>67,518</u>
Change in net position	(14,119)	(1,774)	(15,893)
Net position—beginning of the year	<u>55,013</u>	<u>2,906</u>	<u>57,919</u>
Net position—end of the year	<u>\$ 40,894</u>	<u>\$ 1,132</u>	<u>\$ 42,026</u>

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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 and a resulting financial benefit or burden relationship, 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 position 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, 2013
(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, 2013
(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, Flexible Spending Trust 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, 2013
(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 position 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.

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, 2013 was submitted to the County office and was approved by a vote of the Board of Education. 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, 2013
(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	\$ 87,611,216	\$ 1,475,304
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.		(118,572)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	1,190,502	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,248,122)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 87,553,596	\$ 1,356,732
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Expenditures" from the Budgetary Comparison Schedule	\$ 87,126,376	\$ 1,475,304
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.		(118,572)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 87,126,376	\$ 1,356,732

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(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 position 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 yearend 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 unearned revenue at fiscal year end.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(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, 2013.

K. Capital Assets:

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

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

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, 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, 2013.

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 Position*, 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. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$4,276,897 General Fund fund balance at June 30, 2013, \$2,209,265 is assigned fund balance of which \$1,377,206 is for year-end encumbrances and \$832,059 has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2014; \$545,000 is restricted in the capital reserve account; \$350,000 is restricted in the emergency reserve account; and there is \$1,172,632 in unassigned fund balance which is \$1,248,122 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, 2014.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

P. Fund Balance Appropriated (Cont'd)

Capital Projects Fund: Of the \$4,444,403 Capital Projects Fund fund balance at June 30, 2013, \$4,280,004 is restricted and \$164,399 is committed.

Debt Service Fund: The restricted Debt Service Fund fund balance at June 30, 2013 is \$5,870.

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 \$1,248,122 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. Net Position:

The District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, during the current fiscal year. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

The District elected to early implement GASB No. 65, *Items Previously Reported as Assets and Liabilities*, during the current fiscal year. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows or inflows of resources, certain items that were previously reported as assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District did not have any deferred inflows of resources at June 30, 2013. The District had a deferred outflow of resources for the Deferred Amount on Refunding at June 30, 2013.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

Q. Net Position: (Cont'd)

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

R. Deficit Net Position:

The District has a deficit in unrestricted net position in the Food Service Fund of \$219,724 at June 30, 2013.

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

S. Fund Balance Restrictions, Commitments and Assignments

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, the Capital Projects Fund and the Debt Service 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, 2013.

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, 2013.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

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.

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, 2013

(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, 2013
 (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, 2013, 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	\$ 8,184,336	\$ 28,333	\$ 545,000	\$ 350,000	\$ 9,107,669

During the period ended June 30, 2013, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2013, was \$9,107,669 and the bank balance was \$13,416,629. The District had \$28,333 with the State of New Jersey Cash Management Fund that was not insured or registered.

NOTE 4: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2013, the District transferred \$919,773 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, 2013
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2013 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 3,465,955			\$ 3,465,955
Construction in Progress	629,377	\$ 6,173,709		6,803,086
Total Capital Assets Not Being Depreciated	<u>4,095,332</u>	<u>6,173,709</u>		<u>10,269,041</u>
Capital Assets Being Depreciated:				
Buildings and Building Improvements	64,375,099	1,363,869		65,738,968
Machinery and Equipment	13,981,384	1,416,929	\$ (218,726)	15,179,587
Total Capital Assets Being Depreciated	<u>78,356,483</u>	<u>2,780,798</u>	<u>(218,726)</u>	<u>80,918,555</u>
Governmental Activities Capital Assets	<u>82,451,815</u>	<u>8,954,507</u>	<u>(218,726)</u>	<u>91,187,596</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(27,696,434)	(1,495,312)		(29,191,746)
Machinery and Equipment	(12,044,005)	(603,650)	213,714	(12,433,941)
	<u>(39,740,439)</u>	<u>(2,098,962)</u>	<u>213,714</u>	<u>(41,625,687)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 42,711,376</u>	<u>\$ 6,855,545</u>	<u>\$ (5,012)</u>	<u>\$ 49,561,909</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 644,187	\$ 19,515		\$ 663,702
Less Accumulated Depreciation	(390,580)	(17,322)		(407,902)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 253,607</u>	<u>\$ 2,193</u>	<u>\$ -0-</u>	<u>\$ 255,800</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 727,224
Special Education Instruction	138,389
Other Special Instruction	15,701
Other Instruction	35,124
Tuition	83,616
Student and Instruction Related Services	212,099
General Administrative Services	55,175
School Administrative Services	91,750
Central Services	396,455
Operations and Maintenance of Plant	201,958
Student Transportation	141,471
	<u>\$ 2,098,962</u>

The District had active construction projects totaling \$32,157,059 as of June 30, 2013.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(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 2014 through 2017. Total operating lease payments made during the year ended June 30, 2013 were \$253,291. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ 113,017
2015	50,452
2016	32,744
2017	<u>4,859</u>
Total Future Minimum Lease Payments	<u>\$ 201,072</u>

NOTE 7. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2013, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2012</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2013</u>
Bonds Payable	\$38,109,000	\$ 10,425,000	\$ 13,779,000	\$ 34,755,000
Compensated Absences Payable	<u>911,482</u>	<u>151,361</u>	<u>160,476</u>	<u>902,367</u>
	<u>\$39,020,482</u>	<u>\$ 10,576,361</u>	<u>\$ 13,939,476</u>	<u>\$ 35,657,367</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated through the Debt Service Fund. The current portion of bonds payable is \$2,825,000 and the long-term portion is \$31,930,000.

On January 23, 2013 the District issued \$10,425,000 refunding bonds with interest rates ranging from 3.0%- 5.0% to refund \$11,047,000 of the \$17,812,000 school bonds dated February 1, 2005 with rates ranging from 3.75- 4.00%. The refunding bonds will mature on February 1, 2016 through February 1, 2025 and constitute an advanced refunding. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent who will pay the debt service requirements of the refunded bonds and will redeem the refunded bonds, at a redemption price equal to 100% of par, on February 1, 2015, which is the first optional redemption date. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the District's government-wide financial statements. As a result of the advance refunding, the District reduced its total debt service requirements by \$724,970, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt).

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

A. Bonds Payable: (Cont'd)

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

Year Ending June 30,	Bonds		Total
	Principal	Interest	
2014	\$ 2,825,000	\$ 1,229,321	\$ 4,054,321
2015	2,940,000	1,115,206	4,055,206
2016	3,015,000	987,656	4,002,656
2017	3,110,000	866,256	3,976,256
2018	3,195,000	750,606	3,945,606
2019-2023	11,600,000	2,394,000	13,994,000
2024-2028	7,070,000	749,106	7,819,106
2029	1,000,000	40,000	1,040,000
	<u>\$34,755,000</u>	<u>\$ 8,132,151</u>	<u>\$42,887,151</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2013, the Board had \$1,537 of bonds authorized but not issued.

C. Capital Leases Payable:

As of June 30, 2013, 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, 2013 is \$114,254 and is shown separately from the long-term liability balance of compensated absences of \$769,378.

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, 2013, a liability of \$18,735 existed for compensated absences in the Food Service Fund.

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.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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 July 1, 2012, the employee contributions for PERS and TPAF increased from 6.5% to 6.64% of employees' annual compensation, as defined. Subsequent increases are being phased in over 7 years effective each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in the PERS and TPAF.

The actuarially determined employer contribution for PERS and TPAF 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 of 5.5% of employees' annual compensation for DCRP are matched by a 3% employer contribution.

District Contributions to PERS amounted to \$1,012,923, \$1,050,160 and \$1,058,982 for the fiscal years ended June 30, 2013, 2012 and 2011, respectively.

During the fiscal years ended June 30, 2013, 2012 and 2011 the State of New Jersey contributed \$2,297,096, \$1,135,986 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, 2013, 2012 and 2011 were \$1,630, \$2,229 and \$-0-, respectively.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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, 2012, there were 97,661 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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$2,597,435, \$2,283,630 and \$2,358,987 for 2013, 2012 and 2011, respectively.

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.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 10. RISK MANAGEMENT (Continued)

The audit for the year ended June 30, 2013 was not available as of the date of this report.

Selected, summarized financial information for the PIP as of June 30, 2012 is as follows:

	<u>Pooled Insurance Program of New Jersey</u>
Total Assets	\$ 20,490,201
Net Position	\$ 4,907,675
Total Revenue	\$ 8,109,358
Total Expenses	\$ 7,088,647
Change in Net Position	\$ 1,020,711
Member Dividends	\$ 1,093,152

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:

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 10. RISK MANAGEMENT (Continued)

Health Benefits Insurance: (Continued)

	Year Ended June 30, 2013
Premium Stabilization Reserve - Beginning of Year	\$ -0-
Paid Premiums	8,583,667
Paid Claims	(7,056,515)
Administrative and Other Costs	(1,527,152)
Premium Stabilization Reserve - End of Year	\$ -0-
Accrued Liability for Health Benefit Claims with Horizon - End of Year	\$ 1,283,580

New Jersey Unemployment Compensation Insurance

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

NOTE 11. ECONOMIC DEPENDENCY

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

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2013.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 890,468	\$ 8,162
Special Revenue Fund		495,002
Capital Projects Fund		5,870
Debt Service Fund	5,870	
Enterprise Fund	8,162	395,466
	\$ 904,500	\$ 904,500

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.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by Great American Plan Administrators, 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 Investment Planning
Lincoln Financial Advisors	Vanguard
American General Financial Group (Valic)	Thomas Seely Agency
Retirement Annuity Consultants	

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

NOTE 14. TAX CALENDAR

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

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

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 15. CONTINGENT LIABILITIES (Continued)

Encumbrances

At June 30, 2013, there were encumbrances as detailed below in the governmental funds.

<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
\$ 1,377,206	\$ 158,051	\$ 3,912,492	\$ 5,447,749

On the District's Governmental Funds Balance Sheet as of June 30, 2013, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$158,051 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 unearned 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, 2013, if any, is unknown.

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, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance, July 1, 2012	\$ 175,000
Deposits:	
Transfer by Board Resolution - June 18, 2013	<u>370,000</u>
Ending balance, June 30, 2013	<u>\$ 545,000</u>

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects exceeded the balance in the capital reserve account.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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 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, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance, July 1, 2012	\$ 350,000
Ending balance, June 30, 2013	<u>\$ 350,000</u>

NOTE 18. PRIOR PERIOD ADJUSTMENTS

The District made a prior year adjustment in the District Wide Financial Statements to eliminate unamortized bond issuance costs reported in its Governmental activities as of June 30, 2012 as a result of early implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes standards of accounting and financial reporting for debt issuance costs. In accordance to GASB Statement No. 65, debt issuance costs, except any portion related to prepaid insurance costs, should be recognized as an expense in the period incurred

	<u>Balance 6/30/12</u> as Previously Reported	<u>Retroactive</u> <u>Adjustments</u>	<u>Balance 6/30/12</u> as Restated
<u>Statement of Net Position:</u>			
<u>Governmental Activities:</u>			
Assets:			
Unamortized Bond Issuance Costs	\$ 241,733	\$ (241,733)	\$ -0-
Total Assets	59,692,714	(241,733)	59,450,981
Net Position:			
Unrestricted	2,385,870	(241,733)	2,144,137
Total Net Position - Governmental Activities	18,558,017	(241,733)	18,316,284

BUDGETARY COMPARISON SCHEDULES

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 65,794,455		\$ 65,794,455	\$ 65,794,455	
Tuition				146,116	\$ 146,116
Interest on Investments				25,764	25,764
Miscellaneous	215,000		215,000	165,738	(49,262)
Total - Local Sources	<u>66,009,455</u>		<u>66,009,455</u>	<u>66,132,073</u>	<u>122,618</u>
State Sources:					
Transportation Aid	322,155		322,155	322,155	
Equalization Aid	8,983,002		8,983,002	8,983,002	
Categorical Special Education Aid	3,266,486		3,266,486	3,266,486	
Categorical Security Aid	104,095		104,095	104,095	
Extraordinary Aid	350,000		350,000	1,202,166	852,166
Other State Aid - Non Public Transportation				39,943	39,943
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				2,297,096	2,297,096
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				2,597,435	2,597,435
TPAF Social Security (Reimbursed - Non-Budgeted)				2,665,557	2,665,557
Total State Sources	<u>13,025,738</u>		<u>13,025,738</u>	<u>21,477,935</u>	<u>8,452,197</u>
Federal Sources:					
Education Jobs Fund				1,208	1,208
Total - Federal Sources				<u>1,208</u>	<u>1,208</u>
Total Revenues	<u>79,035,193</u>		<u>79,035,193</u>	<u>87,611,216</u>	<u>8,576,023</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 639,131	\$ (273,011)	\$ 366,120	\$ 366,120	
Grades 1-5 - Salaries of Teachers	8,595,532	(396,979)	8,198,553	8,198,553	
Grades 6-8 - Salaries of Teachers	6,743,175	(243,950)	6,499,225	6,499,225	
Grades 9-12 - Salaries of Teachers	8,915,601	153,469	9,069,070	9,069,070	
Regular Programs - Home Instruction:					
Salaries of Teachers	62,230	19,820	82,050	82,050	
Purchased Professional-Educational Services	35,000	19,849	54,849	53,631	\$ 1,218
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	203,678	519,823	723,501	723,501	
Purchased Professional - Educational Services	389,733	(286,638)	103,095	101,701	1,394
Purchased Technical Services	43,700	(5,153)	38,547	19,354	19,193
Other Purchased Services	319,566	(76,373)	243,193	228,266	14,927
General Supplies	1,633,199	709,442	2,342,641	2,262,362	80,279
Textbooks	437,845	(184,212)	253,633	209,077	44,556
Other Objects	32,000	1,400	33,400	27,623	5,777
Total Regular Programs - Instruction	<u>28,050,390</u>	<u>(42,513)</u>	<u>28,007,877</u>	<u>27,840,533</u>	<u>167,344</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	1,302,200	(613,990)	688,210	686,670	1,540
Other Salaries for Instruction	357,025	(219,355)	137,670	130,282	7,388
General Supplies	11,500	(3,755)	7,745	7,019	726
Total Learning and/or Language Disabilities	<u>1,670,725</u>	<u>(837,100)</u>	<u>833,625</u>	<u>823,971</u>	<u>9,654</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Auditory Impairments:					
General Supplies	\$ 2,950	\$ 91	\$ 3,041	\$ 2,783	\$ 258
Total Auditory Impairments	<u>2,950</u>	<u>91</u>	<u>3,041</u>	<u>2,783</u>	<u>258</u>
Multiple Disabilities:					
Salaries of Teachers	52,770	(52,000)	770		770
Other Salaries for Instruction	69,370	(43,400)	25,970	23,260	2,710
General Supplies	3,650	(91)	3,559	2,446	1,113
Total Multiple Disabilities	<u>125,790</u>	<u>(95,491)</u>	<u>30,299</u>	<u>25,706</u>	<u>4,593</u>
Resource Room/Resource Center:					
Salaries of Teachers	2,674,710	821,207	3,495,917	3,495,917	
Other Salaries for Instruction	444,160	48,130	492,290	492,290	
General Supplies	22,000	20,752	42,752	34,379	8,373
Total Resource Room/Resource Center	<u>3,140,870</u>	<u>890,089</u>	<u>4,030,959</u>	<u>4,022,586</u>	<u>8,373</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	267,620	(24,990)	242,630	221,996	20,634
Other Salaries for Instruction	150,475	108,526	259,001	259,001	
General Supplies	5,274	2,726	8,000	5,417	2,583
Total Preschool Disabilities - Full-Time	<u>423,369</u>	<u>86,262</u>	<u>509,631</u>	<u>486,414</u>	<u>23,217</u>
Total Special Education - Instruction	<u>5,363,704</u>	<u>43,851</u>	<u>5,407,555</u>	<u>5,361,460</u>	<u>46,095</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	389,126	15,197	404,323	396,178	8,145
General Supplies	3,000	274	3,274	2,920	354
Textbooks	2,000		2,000		2,000
Total Basic Skills/Remedial - Instruction	<u>394,126</u>	<u>15,471</u>	<u>409,597</u>	<u>399,098</u>	<u>10,499</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 240,110	\$ (40,310)	\$ 199,800	\$ 199,800	
Other Purchased Services	1,400		1,400	314	\$ 1,086
General Supplies	11,220	1,796	13,016	7,633	5,383
Textbooks	4,700	(2,000)	2,700	1,731	969
Total Bilingual Education - Instruction	<u>257,430</u>	<u>(40,514)</u>	<u>216,916</u>	<u>209,478</u>	<u>7,438</u>
School-Spon. Cocurricular Actvts. - Instruction:					
Salaries	363,982	2,288	366,270	360,872	5,398
Supplies and Materials	36,570	(4,246)	32,324	30,276	2,048
Other Objects	30,325	1,947	32,272	30,611	1,661
Total School-Spon. Cocurricular Actvts. - Instruction	<u>430,877</u>	<u>(11)</u>	<u>430,866</u>	<u>421,759</u>	<u>9,107</u>
School-Spon. Athletics - Instruction:					
Salaries	774,730	19,567	794,297	793,880	417
Purchased Services	124,223	(57,810)	66,413	54,640	11,773
Supplies and Materials	69,117	6,196	75,313	62,584	12,729
Other Objects	53,760	(725)	53,035	14,450	38,585
Total School-Spon. Athletics - Instruction	<u>1,021,830</u>	<u>(32,772)</u>	<u>989,058</u>	<u>925,554</u>	<u>63,504</u>
Total Instruction	<u>35,518,357</u>	<u>(56,488)</u>	<u>35,461,869</u>	<u>35,157,882</u>	<u>303,987</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	415,148	38,992	454,140	439,277	14,863
Tuition to County Voc. School District - Regular	8,806	284,088	292,894	283,596	9,298
Tuition to County Voc. School District - Special	332,683	(302,599)	30,084	30,084	
Tuition to CSSD & Regional Day Schools	134,200	(71,480)	62,720	62,720	
Tuition to Private Schools for the Handicapped - Within State	2,475,141	298,163	2,773,304	2,452,146	321,158
Total Undistributed Expenditures - Instruction	<u>3,365,978</u>	<u>247,164</u>	<u>3,613,142</u>	<u>3,267,823</u>	<u>345,319</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Health Services:					
Salaries	\$ 740,243	\$ 130	\$ 740,373	\$ 737,407	\$ 2,966
Purchased Professional and Technical Services	2,500		2,500	1,208	1,292
Other Purchased Services	2,400		2,400	439	1,961
Supplies and Materials	30,063	(2,237)	27,826	25,721	2,105
Other Objects	4,308	(4,000)	308		308
Total Undistributed Expenditures - Health Services	<u>779,514</u>	<u>(6,107)</u>	<u>773,407</u>	<u>764,775</u>	<u>8,632</u>
Undist. Expend. - Speech, OT, PT, Related Services:					
Salaries	915,060	201,115	1,116,175	1,113,695	2,480
Purchased Professional - Educational Services	477,450	78,765	556,215	523,151	33,064
Supplies and Materials	5,000	(530)	4,470	3,990	480
Total Undist. Expend. - Speech, OT, PT, Related Services	<u>1,397,510</u>	<u>279,350</u>	<u>1,676,860</u>	<u>1,640,836</u>	<u>36,024</u>
Undist. Expend. - Other Supp. Serv. Students-Extraordinary:					
Salaries	500,366	198,344	698,710	695,946	2,764
Purchased Professional - Educational Services	96,536	162,320	258,856	250,185	8,671
Total Undist. Expend. - Other Supp. Serv. Students-Extraordinary	<u>596,902</u>	<u>360,664</u>	<u>957,566</u>	<u>946,131</u>	<u>11,435</u>
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	1,247,590	(203,300)	1,044,290	1,042,728	1,562
Salaries of Secretarial and Clerical Assistants	215,791	(44,281)	171,510	171,510	
Other Purchased Prof. and Tech. Services	16,105		16,105	13,017	3,088
Other Purchased Services	750		750	51	699
Supplies and Materials	24,400	(632)	23,768	13,256	10,512
Other Objects	1,040		1,040	325	715
Total Undist. Expend. - Guidance	<u>1,505,676</u>	<u>(248,213)</u>	<u>1,257,463</u>	<u>1,240,887</u>	<u>16,576</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	\$ 1,798,942	\$ (24,864)	\$ 1,774,078	\$ 1,761,711	\$ 12,367
Salaries of Secretarial and Clerical Assistants	160,417		160,417	160,417	
Purchased Professional - Educational Services	64,145	111,563	175,708	151,447	24,261
Other Purchased Prof. and Tech. Services	1,500	(1,000)	500	80	420
Miscellaneous Purchased Services (400-500 series)	7,000	(4,889)	2,111	1,591	520
Supplies and Materials	15,000	16,300	31,300	29,313	1,987
Other Objects		1,302	1,302	1,302	
Total Undist. Expend. - Child Study Team	<u>2,047,004</u>	<u>98,412</u>	<u>2,145,416</u>	<u>2,105,861</u>	<u>39,555</u>
Undist. Expend. - Improvement of Inst. Serv.:					
Salaries of Supervisor of Instruction	895,804	(3,754)	892,050	891,816	234
Salaries of Other Professional Staff	112,000	(24,142)	87,858	87,858	
Salaries of Secretarial and Clerical Assistants	73,440	3,560	77,000	77,000	
Purchased Professional - Educational Services	11,500	3,396	14,896	8,288	6,608
Other Purchased Services	6,268	(2,948)	3,320	531	2,789
Supplies and Materials	1,500	14,493	15,993	6,848	9,145
Other Objects	2,400	2,319	4,719	3,474	1,245
Total Undist. Expend. - Improvement of Inst. Serv.	<u>1,102,912</u>	<u>(7,076)</u>	<u>1,095,836</u>	<u>1,075,815</u>	<u>20,021</u>
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	488,535	(76,770)	411,765	411,765	
Supplies and Materials	105,148	(2,263)	102,885	93,419	9,466
Other Objects	4,000	(152)	3,848	3,848	
Total Undist. Expend. - Edu. Media Serv./Sch. Library	<u>597,683</u>	<u>(79,185)</u>	<u>518,498</u>	<u>509,032</u>	<u>9,466</u>
Undist. Expend. - Instructional Staff Training Serv.:					
Salaries of Supervisors of Instruction	41,884	4,735	46,619	46,607	12
Other Salaries		550	550	539	11
Purchased Professional - Educational Services	435,106	(47,192)	387,914	291,647	96,267
Other Purchased Services (400-500 series)	24,850	9,874	34,724	8,874	25,850
Total Undist. Expend. - Instructional Staff Training Serv.	<u>501,840</u>	<u>(32,033)</u>	<u>469,807</u>	<u>347,667</u>	<u>122,140</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Supp. Serv. - General Admin.:					
Salaries	\$ 678,439	\$ (29,386)	\$ 649,053	\$ 649,053	
Legal Services	254,116	(47,125)	206,991	200,494	\$ 6,497
Audit Fees	117,168		117,168	71,750	45,418
Other Purchased Professional Services	118,664	170,454	289,118	244,270	44,848
Purchased Technical Services	25,000	(1,890)	23,110	9,935	13,175
Communications/Telephone	274,287	(36,327)	237,960	232,882	5,078
Other Purchased Services (400-500 series)	243,787	54,455	298,242	290,834	7,408
BOE Membership Dues and Fees	26,700	2,642	29,342	27,866	1,476
General Supplies	44,342	(43,946)	396		396
Judgments Against the School District	125,000	(111,396)	13,604	11,551	2,053
Miscellaneous Expenditures	45,082	(18,382)	26,700	26,663	37
Total Undist. Expend. - Supp. Serv. - General Admin.	<u>1,952,585</u>	<u>(60,901)</u>	<u>1,891,684</u>	<u>1,765,298</u>	<u>126,386</u>
Undist. Expend. - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	1,831,753	(31,122)	1,800,631	1,800,631	
Salaries of Secretarial and Clerical Assistants	950,875	(4,206)	946,669	946,669	
Purchased Professional and Technical Services	20,000	(17,082)	2,918	1,295	1,623
Other Purchased Services	5,650	(186)	5,464	468	4,996
Supplies and Materials	65,030	(14,027)	51,003	33,582	17,421
Other Objects	21,250	(1,027)	20,223	16,312	3,911
Total Undist. Expend. - Support Serv. - School Admin.	<u>2,894,558</u>	<u>(67,650)</u>	<u>2,826,908</u>	<u>2,798,957</u>	<u>27,951</u>
Undist. Expend. - Central Services:					
Salaries	612,609	94,638	707,247	701,803	5,444
Purchased Technical Services	33,166	(18,159)	15,007	15,007	
Misc. Purchased Services	35,380	(6,738)	28,642	27,834	808
Supplies and Materials	11,977	(2,609)	9,368	7,319	2,049
Miscellaneous Expenditures	10,323	(3,000)	7,323	4,491	2,832
Total Undist. Expend. - Central Services	<u>703,455</u>	<u>64,132</u>	<u>767,587</u>	<u>756,454</u>	<u>11,133</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Admin. Info. Tech.					
Salaries	\$ 458,117	\$ 19,052	\$ 477,169	\$ 477,169	
Purchased Professional Services	206,900	8,588	215,488	197,574	\$ 17,914
Other Purchased Services		5,530	5,530	4,642	888
Supplies and Materials	23,356	4,945	28,301	26,549	1,752
Total Undist. Expend. - Admin. Info. Tech.	<u>688,373</u>	<u>38,115</u>	<u>726,488</u>	<u>705,934</u>	<u>20,554</u>
Undist. Expend. - Required Maintenance for Sch. Facilities:					
Salaries	495,759	26,363	522,122	520,835	1,287
Cleaning, Repair and Maintenance Services	485,279	535,411	1,020,690	820,435	200,255
General Supplies	135,049	62,024	197,073	158,532	38,541
Total Undist. Expend. - Required Maintenance for Sch. Facil.	<u>1,116,087</u>	<u>623,798</u>	<u>1,739,885</u>	<u>1,499,802</u>	<u>240,083</u>
Undist. Expend. - Custodial Services:					
Salaries	2,247,103	(132,450)	2,114,653	2,114,653	
Salaries of Non-Instructional Aides		180,523	180,523	180,523	
Purchased Professional and Technical Services	30,000	(9,296)	20,704	19,665	1,039
Cleaning, Repair and Maintenance Services	118,001	(10,591)	107,410	104,376	3,034
Rental of Land and Bldg. Other than Lease Purchase Agreement	77,750	(14,273)	63,477	63,477	
Other Purchased Property Services	143,836	37,930	181,766	181,221	545
Insurance	64,036	651	64,687	64,687	
General Supplies	171,806	3,462	175,268	172,077	3,191
Energy (Natural Gas)	519,551	(83,000)	436,551	433,865	2,686
Energy (Electricity)	999,210	(218,430)	780,780	681,656	99,124
Energy (Oil)	11,700	(1,472)	10,228	6,383	3,845
Total Undist. Expend. - Custodial Services	<u>4,382,993</u>	<u>(246,946)</u>	<u>4,136,047</u>	<u>4,022,583</u>	<u>113,464</u>
Undist. Expend. - Care & Upkeep of Grounds:					
Salaries	485,760	(12,361)	473,399	473,399	
Cleaning, Repair, and Maintenance Services	108,500	(9,648)	98,852	95,374	3,478
General Supplies	78,500	33,019	111,519	98,906	12,613
Total Undist. Expend. - Care and Upkeep of Grounds	<u>672,760</u>	<u>11,010</u>	<u>683,770</u>	<u>667,679</u>	<u>16,091</u>
Undist. Expend. - Security:					
Salaries	101,473	1,493	102,966	102,966	
Cleaning, Repair, and Maintenance Services	200,000	(199,998)	2		
Total Undist. Expend. - Security	<u>301,473</u>	<u>(198,505)</u>	<u>102,968</u>	<u>102,966</u>	

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013
(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	\$ 1,789,926	\$ 58,600	\$ 1,848,526	\$ 1,847,478	\$ 1,048
Salaries for Pupil Transportation (Other than Bet. Home & Sch)	323,208	(28,218)	294,990	257,628	37,362
Other Purchased Professional and Technical Services	52,431	(8,037)	44,394	36,028	8,366
Cleaning, Repair and Maintenance Services	6,600	40,437	47,037	16,357	30,680
Contract Services - (Bet. Home and School) - Joint Agreements	1,141,545	305,986	1,447,531	1,427,737	19,794
Contract Services - (Regular Students) - ESCs & CTSA's	191,940	(60,000)	131,940	125,981	5,959
Miscellaneous Purchased Services	60,463	9,034	69,497	66,443	3,054
General Supplies	521,260	5,722	526,982	470,978	56,004
Other Objects	17,544	(7,548)	9,996	8,174	1,822
Total Undist. Expend. - Student Transportation Services	<u>4,104,917</u>	<u>315,976</u>	<u>4,420,893</u>	<u>4,256,804</u>	<u>164,089</u>
Unallocated Benefits:					
Social Security Contributions	1,141,754	(23,698)	1,118,056	1,118,056	
Other Retirement Contributions - PERS	1,226,277	(103,628)	1,122,649	1,119,959	2,690
Unemployment Compensation	169,926	8,920	178,846	175,416	3,430
Workmen's Compensation	618,532	(240,726)	377,806	363,439	14,367
Health Benefits	11,344,749	(378,869)	10,965,880	10,596,851	369,029
Tuition Reimbursement	195,000		195,000	158,901	36,099
Other Employee Benefits	148,436	16,331	164,767	161,927	2,840
Total Unallocated Benefits	<u>14,844,674</u>	<u>(721,670)</u>	<u>14,123,004</u>	<u>13,694,549</u>	<u>428,455</u>
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				2,297,096	(2,297,096)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				2,597,435	(2,597,435)
TPAF Social Security (Reimbursed - Non-Budgeted)				2,665,557	(2,665,557)
Total On-Behalf Contributions				<u>7,560,088</u>	<u>(7,560,088)</u>
Total Personal Services - Employee Benefits	<u>14,844,674</u>	<u>(721,670)</u>	<u>14,123,004</u>	<u>21,254,637</u>	<u>(7,131,633)</u>
Total Undistributed Expenditures	<u>43,556,893</u>	<u>370,336</u>	<u>43,927,229</u>	<u>49,729,941</u>	<u>(5,802,714)</u>
Total Current Expense	<u>79,075,250</u>	<u>313,848</u>	<u>79,389,098</u>	<u>84,887,823</u>	<u>(5,498,725)</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Instruction		\$ 190,748	\$ 190,748	\$ 168,079	\$ 22,669
Support Services - Related and Extra.		4,497	4,497		4,497
Support Services - Inst. Staff		99,695	99,695	65,846	33,849
General Administration	\$ 103,951	213,589	317,540	306,264	11,276
Required Maint. of Plant Serv.	64,783	92,738	157,521	107,759	49,762
School Buses - Regular	852,891	318,506	1,171,397	755,146	416,251
Total Equipment	<u>1,021,625</u>	<u>919,773</u>	<u>1,941,398</u>	<u>1,403,094</u>	<u>538,304</u>
Facilities Acquisition and Construction Services:					
Construction Services	1,065,000		1,065,000	691,252	373,748
Assessment for Debt Service on SDA Funding	64,340		64,340	64,340	
Total Facilities Acquisition and Construction Services	<u>1,129,340</u>		<u>1,129,340</u>	<u>755,592</u>	<u>373,748</u>
Total Capital Outlay	<u>2,150,965</u>	<u>919,773</u>	<u>3,070,738</u>	<u>2,158,686</u>	<u>912,052</u>
Transfer of Funds to Charter Schools	55,907	23,960	79,867	79,867	
Total Expenditures	<u>81,282,122</u>	<u>1,257,581</u>	<u>82,539,703</u>	<u>87,126,376</u>	<u>(4,586,673)</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	\$ (2,246,929)	\$ (1,257,581)	\$ (3,504,510)	\$ 484,840	\$ 3,989,350
Other Financing Uses:					
Transfer to Food Service Enterprise Fund				(162,967)	(162,967)
Total Other Financing Uses				(162,967)	(162,967)
Excess/(Deficiency) of Revenues					
Over (Under) Expenditures and Other Financing Uses	(2,246,929)	(1,257,581)	(3,504,510)	321,873	3,826,383
Fund Balance, July 1	5,203,146		5,203,146	5,203,146	
Fund Balance, June 30	<u>\$ 2,956,217</u>	<u>\$ (1,257,581)</u>	<u>\$ 1,698,636</u>	<u>\$ 5,525,019</u>	<u>\$ 3,826,383</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 545,000	
Emergency Reserve				350,000	
Assigned:					
Year End Encumbrances				1,377,206	
Designated for Subsequent Year's Expenditures				832,059	
Unassigned				<u>2,420,754</u>	
				5,525,019	
Reconciliation to Governmental Fund Statements (GAAP):					
Last State Aid Payments not recognized on GAAP basis				(1,248,122)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,276,897</u>	

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
State Sources	\$ 64,531	\$ 92,983	\$ 157,514	\$ 131,582	\$ (25,932)
Federal Sources	955,213	353,647	1,308,860	1,307,324	(1,536)
Local Sources	237,383	(165,037)	72,346	36,398	(35,948)
Total Revenue	1,257,127	281,593	1,538,720	1,475,304	(63,416)
Expenditures:					
Instruction:					
Salaries of Teachers	907,354	(792,328)	115,026	114,026	1,000
Other Purchased Services		1,025,178	1,025,178	1,025,178	
General Supplies	79,976	20,998	100,974	81,385	19,589
Textbooks	5,181	3,591	8,772	8,772	
Total Instruction	992,511	257,439	1,249,950	1,229,361	20,589
Support Services:					
Salaries of Other Professional Staff		3,666	3,666	3,666	
Purchased Professional/ Educational Services	247,103	(33,211)	213,892	186,427	27,465
Personal Services - Employee Benefits		11,500	11,500	11,498	2
Other Purchased Professional Services		28,729	28,729	28,727	2
Supplies and Materials	17,513	11,270	28,783	13,425	15,358
Total Support Services	264,616	21,954	286,570	243,743	42,827
Facilities Acquisition:					
Non Instructional Equipment		2,200	2,200	2,200	
Total Facilities Acquisition		2,200	2,200	2,200	
Total Expenditures	1,257,127	281,593	1,538,720	1,475,304	63,416
Total Expenditures	1,257,127	281,593	1,538,720	1,475,304	63,416
Excess (Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(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	\$ 87,611,216	\$ 1,475,304
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.		(118,572)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	1,190,502	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,248,122)	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 \$ 87,553,596	 \$ 1,356,732
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 87,126,376	\$ 1,475,304
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.		(118,572)
 Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	 \$ 87,126,376	 \$ 1,356,732

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, 2013 was submitted to the County office and was approved by a vote by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments and transfers must be 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 equally 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, 2013
(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, 2013

	No Child Left Behind			
	Title I		Title IIA	
	Carryover	2012-13	Carryover	2012-13
REVENUE:				
State Sources				
Federal Sources	\$ 4,025	\$ 106,383	\$ 186	\$ 92,231
Local Sources				
Total Revenue	4,025	106,383	186	92,231
EXPENDITURES:				
Instruction:				
Salaries of Teachers		66,671		29,550
Other Purchased Services				
General Supplies		18,342	186	
Textbooks				
Other Objects				
Total Instruction		85,013	186	29,550
Support Services:				
Salaries of Other Professional Staff	529			
Purchased Professional/Educational Services		6,222		30,300
Personal Services - Employee Benefits	40	8,500		2,210
Other Purchased Professional Services				27,489
Supplies and Materials	3,456	6,648		2,682
Total Support Services	4,025	21,370		62,681
Facilities Acquisition:				
Non Instructional Equipment				
Total Facilities Acquisition				
Total Expenditures	\$ 4,025	\$ 106,383	\$ 186	\$ 92,231

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>NCLB</u>				<u>IDEA Part B, Preschool 2012-13</u>
	<u>Title III</u>		<u>IDEA Part B, Basic Regular</u>		
	<u>2012-13</u>	<u>Carryover</u>	<u>Carryover</u>	<u>2012-13</u>	
REVENUE:					
State Sources					
Federal Sources	\$ 14,624	\$ 7	\$ 21,856	\$ 1,021,977	\$ 46,035
Local Sources					
Total Revenue	<u>14,624</u>	<u>7</u>	<u>21,856</u>	<u>1,021,977</u>	<u>46,035</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	8,495			1,275	
Other Purchased Services			10,461	968,682	46,035
General Supplies	5,160	7	11,395	20,132	
Textbooks					
Other Objects					
Total Instruction	<u>13,655</u>	<u>7</u>	<u>21,856</u>	<u>990,089</u>	<u>46,035</u>
Support Services:					
Salaries of Other Professional Staff					
Purchased Professional/Technical Services				30,232	
Personal Services - Employee Benefits	650			98	
Other Purchased Professional Services				1,238	
Supplies and Materials	319			320	
Total Support Services	<u>969</u>			<u>31,888</u>	
Facilities Acquisition:					
Non Instructional Equipment					
Total Facilities Acquisition					
Total Expenditures	<u>\$ 14,624</u>	<u>\$ 7</u>	<u>\$ 21,856</u>	<u>\$ 1,021,977</u>	<u>\$ 46,035</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Non-Public					
	Chapter 192			Chapter 193		
	Compensatory Education	ESL	Transportation	Examination/ Classification	Corrective Speech	Supplemental Instruction
REVENUE:						
State Sources	\$ 18,227	\$ 853	\$ 22,153	\$ 21,823	\$ 21,014	\$ 20,191
Federal Sources						
Local Sources						
Total Revenue	18,227	853	22,153	21,823	21,014	20,191
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	18,227	853	22,153	21,823	21,014	20,191
Personal Services - Employee Benefits						
Other Purchased Professional Services						
Supplies and Materials						
Total Support Services	18,227	853	22,153	21,823	21,014	20,191
Facilities Acquisition:						
Non Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	\$ 18,227	\$ 853	\$ 22,153	\$ 21,823	\$ 21,014	\$ 20,191

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Non-Public Technology</u>	<u>Non-Public Textbooks</u>	<u>Non-Public Nursing</u>	<u>Anti- Bullying</u>	<u>Various Local Grants</u>	<u>Totals June 30, 2013</u>
REVENUE:						
State Sources	\$ 3,238	\$ 8,772	\$ 12,174	\$ 3,137		\$ 131,582
Federal Sources						1,307,324
Local Sources					\$ 36,398	36,398
Total Revenue	<u>3,238</u>	<u>8,772</u>	<u>12,174</u>	<u>3,137</u>	<u>36,398</u>	<u>1,475,304</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers					8,035	114,026
Other Purchased Services						1,025,178
General Supplies					26,163	81,385
Textbooks		8,772				8,772
Total Instruction		<u>8,772</u>			<u>34,198</u>	<u>1,229,361</u>
Support Services:						
Salaries of Other Professional Staff				3,137		3,666
Purchased Professional/Technical Services	3,238		12,174			186,427
Personal Services - Employee Benefits						11,498
Other Purchased Professional Services						28,727
Supplies and Materials						13,425
Total Support Services	<u>3,238</u>		<u>12,174</u>	<u>3,137</u>		<u>243,743</u>
Facilities Acquisition:						
Non Instructional Equipment					2,200	2,200
Total Facilities Acquisition					<u>2,200</u>	<u>2,200</u>
Total Expenditures	<u>\$ 3,238</u>	<u>\$ 8,772</u>	<u>\$ 12,174</u>	<u>\$ 3,137</u>	<u>\$ 36,398</u>	<u>\$ 1,475,304</u>

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, 2013

Other Financing Sources:	
Accrued Interest on Bond Refunding	\$ 5,870
Total other financing sources	<u>5,870</u>
Expenditures and Other Financing Uses:	
Purchased professional and technical services	161,496
Construction Services	6,603,271
Cancellation of SDA Grant	9,221
Transfer out to Debt Service Fund	<u>5,870</u>
Total expenditures and other financing uses	<u>6,779,858</u>
Excess/(deficit) of other financing sources over/(under) expenditures and other financing uses	(6,773,988)
Fund balance - beginning of year	<u>11,218,391</u>
Fund balance - end of year	<u>\$ 4,444,403</u>
Recapitulation:	
Restricted	\$ 4,281,541
Committed	13,831
Temporary Deficit - Bonds Authorized but not Issued	<u>(1,537)</u>
	4,293,835
NJ Educational Facilities Construction and Financing Act - Retroactive Middle School Project	149,107
Retroactive Center Grove Elementary School Project	<u>1,461</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 4,444,403</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCT ADDITIONS, RENOVATIONS AND ALTERATIONS AT RANDOLPH HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2013

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

Additional project information:

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

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, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 18,190	\$ (844)	\$ 17,346	\$ 17,346
Transfer from capital outlay	27,285		27,285	27,285
Total revenue and other financing sources	45,475	(844)	44,631	44,631
Expenditures:				
Facilities acquisition and construction services	19,736		19,736	20,156
Supplies and Materials	23,629		23,629	24,475
Total expenditures	43,365		43,365	44,631
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	\$ 2,110	\$ (844)	\$ 1,266	\$ -0-

Additional project information:

Project Number	4330-065-09-1003
Grant Date	7/26/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 45,475
Revised Authorized Cost	44,631
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	97%
Original target completion date	6/30/2010
Revised target completion date	6/30/2012

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, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 7,231	\$ (4,804)	\$ 2,427	\$ 2,427
Transfer from capital outlay	10,847		10,847	10,847
Total revenue and other financing sources	<u>18,078</u>	<u>(4,804)</u>	<u>13,274</u>	<u>13,274</u>
Expenditures:				
Facilities acquisition and construction services	2,552		2,552	5,196
Supplies and Materials	3,516		3,516	8,078
Total expenditures	<u>6,068</u>		<u>6,068</u>	<u>13,274</u>
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	<u>\$ 12,010</u>	<u>\$ (4,804)</u>	<u>\$ 7,206</u>	<u>\$ -0-</u>

Additional project information:

Project Number	4330-070-09-1002
Grant Date	7/26/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 18,078
Revised Authorized Cost	13,274
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	46%
Original target completion date	6/30/2010
Revised target completion date	6/30/2012

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, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 20,712	\$ (1,063)	\$ 19,649	\$ 19,649
Transfer from capital outlay	31,068		31,068	31,068
	51,780	(1,063)	50,717	50,717
Total revenue and other financing sources				
Expenditures:				
Purchased professional and technical services	4,674		4,674	5,000
Facilities acquisition and construction services	12,700		12,700	13,937
Supplies and Materials	31,750		31,750	31,780
	49,124		49,124	50,717
Total expenditures				
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	\$ 2,656	\$ (1,063)	\$ 1,593	\$ -0-
Additional project information:				
Project Number	4330-075-09-1004			
Grant Date	7/26/09			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 51,780			
Revised Authorized Cost	50,717			
Percentage Increase over Original Authorized Cost	N/A			
Original target completion date	6/30/2010			
Revised target completion date	6/30/2012			
Percentage Completion	97%			

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, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 5,701	\$ (2,510)	\$ 3,191	\$ 3,191
Transfer from capital outlay	8,551		8,551	8,551
Total revenue and other financing sources	<u>14,252</u>	<u>(2,510)</u>	<u>11,742</u>	<u>11,742</u>
Expenditures:				
Facilities acquisition and construction services	5,661		5,661	7,500
Supplies and Materials	2,315		2,315	4,242
Total expenditures	<u>7,976</u>		<u>7,976</u>	<u>11,742</u>
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	<u>\$ 6,276</u>	<u>\$ (2,510)</u>	<u>\$ 3,766</u>	<u>\$ -0-</u>

Additional project information:

Project Number	4330-050-09-1001
Grant Date	7/26/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 14,252
Revised Authorized Cost	11,742
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	68%
Original target completion date	6/30/2010
Revised target completion date	6/30/2012

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, 2013

	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	\$ 161,496	790,873	808,691
Construction services		6,603,271	6,603,271	10,859,209
Total expenditures	629,377	6,764,767	7,394,144	11,667,900
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	\$ 11,037,623	\$ (6,764,767)	\$ 4,272,856	\$ -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		63%		
Original target completion date		11/30/2013		

PROPRIETARY FUNDS

Exhibit G-1

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

	Community School	Food Service	Total Enterprise Funds
<u>ASSETS:</u>			
Current assets:			
Cash and cash equivalents	\$ 358,538		\$ 358,538
Accounts receivable:			
State		\$ 1,623	1,623
Federal		32,801	32,801
Other		146,451	146,451
Interfund receivable	8,162		8,162
Prepaid Expenses	8,965		8,965
Inventories		20,052	20,052
Total current assets	<u>375,665</u>	<u>200,927</u>	<u>576,592</u>
Non-current assets:			
Machinery and Equipment	55,538	608,164	663,702
Accumulated depreciation	<u>(19,462)</u>	<u>(388,440)</u>	<u>(407,902)</u>
Total non-current assets	<u>36,076</u>	<u>219,724</u>	<u>255,800</u>
Total assets	<u>411,741</u>	<u>420,651</u>	<u>832,392</u>
<u>LIABILITIES:</u>			
Current liabilities:			
Interfund payable		395,466	395,466
Unearned revenue	284,218	6,450	290,668
Long-term liabilities:			
Compensated absences payable		18,735	18,735
Total Liabilities	<u>284,218</u>	<u>420,651</u>	<u>704,869</u>
<u>NET POSITION:</u>			
Net Investment in capital assets	36,076	219,724	255,800
Unrestricted/(Deficit)	<u>91,447</u>	<u>(219,724)</u>	<u>(128,277)</u>
Total net position	<u>\$ 127,523</u>	<u>\$ -0-</u>	<u>\$ 127,523</u>

Exhibit G-2

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Community School	Food Service	Total Enterprise Funds
Operating revenue:			
Local sources:			
Daily sales - reimbursable programs:			
School lunch program		\$ 464,578	\$ 464,578
Daily sales - non-reimbursable programs		468,867	468,867
Special functions		36,415	36,415
Community School - regular programs	\$ 1,205,464		1,205,464
Community School - summer programs	105,675		105,675
Total operating revenue	<u>1,311,139</u>	<u>969,860</u>	<u>2,280,999</u>
Operating expenses:			
Cost of sales		430,446	430,446
Salaries	1,001,484	500,487	1,501,971
Employee benefits	162,202	362,718	524,920
Purchased professional/technical services	52,088		52,088
Other purchased services	69,173		69,173
Supplies and materials	88,447	9,929	98,376
Repairs		22,915	22,915
Miscellaneous	20,038	97,797	117,835
Depreciation	5,953	11,369	17,322
Total operating expenses	<u>1,399,385</u>	<u>1,435,661</u>	<u>2,835,046</u>
Operating (loss)	<u>(88,246)</u>	<u>(465,801)</u>	<u>(554,047)</u>
Non-operating revenue:			
State sources:			
State school lunch program		7,912	7,912
Federal sources:			
National school lunch program		154,375	154,375
Special milk program		109	109
Food distribution program		35,358	35,358
Local sources:			
Interest income	816		816
Total non-operating revenue	<u>816</u>	<u>197,754</u>	<u>198,570</u>
Change in net position before operating transfers	<u>(87,430)</u>	<u>(268,047)</u>	<u>(355,477)</u>
Operating transfers - Food Service Contractor Guarantee		105,080	105,080
Operating transfers - Board Contribution		162,967	162,967
Change in net position	<u>(87,430)</u>		<u>(87,430)</u>
Net position - beginning of year	<u>214,953</u>		<u>214,953</u>
Net position - end of year	<u>\$ 127,523</u>	<u>\$ -0-</u>	<u>\$ 127,523</u>

Exhibit G-3

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Community School</u>	<u>Food Service</u>	<u>Total Enterprise Funds</u>
Cash flows from operating activities:			
Receipts from customers	\$ 1,333,032	\$ 960,900	\$ 2,293,932
Payments to employees	(1,163,686)	(856,380)	(2,020,066)
Payments to suppliers	(223,001)	(543,375)	(766,376)
Net cash used for operating activities	<u>(53,655)</u>	<u>(438,855)</u>	<u>(492,510)</u>
Cash flows from investing activities:			
Interest income	816		816
Net cash provided by investing activities	<u>816</u>		<u>816</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(19,515)		(19,515)
Net cash used for capital and related financing activities	<u>(19,515)</u>		<u>(19,515)</u>
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements		138,529	138,529
Cash received from General Fund	(5,417)	195,246	189,829
Cash received from operating transfers - Food Service Contractor		105,080	105,080
Net cash provided by/(used for) noncapital financing activities	<u>(5,417)</u>	<u>438,855</u>	<u>433,438</u>
Net decrease in cash and cash equivalents	<u>(77,771)</u>		<u>(77,771)</u>
Cash and cash equivalents, July 1	<u>436,309</u>		<u>436,309</u>
Cash and cash equivalents, June 30	<u>\$ 358,538</u>	<u>\$ -0-</u>	<u>\$ 358,538</u>
Reconciliation of operating loss to net cash used for operating activities:			
Operating loss	\$ (88,246)	\$ (465,801)	\$ (554,047)
Adjustment to reconcile operating loss to cash used for operating activities:			
Depreciation	5,953	11,369	17,322
Federal food distribution program		35,358	35,358
Changes in assets and liabilities:			
(Increase)/decrease in accounts receivable		(8,960)	(8,960)
(Increase)/decrease in inventory		19,929	19,929
(Increase)/decrease in prepaid expenses	6,745		6,745
Increase/(decrease) in accounts payable		(31,156)	(31,156)
Increase/(decrease) in unearned revenue	21,893	(6,419)	15,474
Increase/(decrease) in compensated absences payable		6,825	6,825
Net cash used for operating activities	<u>\$ (53,655)</u>	<u>\$ (438,855)</u>	<u>\$ (492,510)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$28,939 and utilized \$35,358 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2013.

FIDUCIARY FUNDS

RANDOLPH TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Student Activities</u>	<u>Agency Payroll</u>	<u>Total Agency</u>	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Spending Trust</u>
<u>ASSETS:</u>					
Cash and cash equivalents	\$ 247,524	\$ 473,932	\$ 721,456	\$ 40,894	\$ 1,132
Total assets	<u>247,524</u>	<u>473,932</u>	<u>721,456</u>	<u>40,894</u>	<u>1,132</u>
<u>LIABILITIES:</u>					
Payroll deductions and withholdings		473,932	473,932		
Due to student groups	<u>247,524</u>		<u>247,524</u>		
Total liabilities	<u>247,524</u>	<u>473,932</u>	<u>721,456</u>		
<u>NET POSITION:</u>					
Held in Trust for:					
Scholarships				40,894	
Flexible Spending Claims					<u>1,132</u>
Total net position	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 40,894</u>	<u>\$ 1,132</u>

Exhibit H-2

RANDOLPH TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGE IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Spending Trust</u>	<u>Totals</u>
Additions:			
Contributions:			
Donations	\$ 11,900		\$ 11,900
Plan member/Employer		\$ 39,650	39,650
Total Contributions	<u>11,900</u>	<u>39,650</u>	<u>51,550</u>
Investment earnings:			
Interest	<u>75</u>		<u>75</u>
Total Additions	<u>11,975</u>	<u>39,650</u>	<u>51,625</u>
Deductions:			
Scholarships awarded	26,094		26,094
Flexible Spending Claims		41,424	41,424
Total Deductions	<u>26,094</u>	<u>41,424</u>	<u>67,518</u>
Change in net position	(14,119)	(1,774)	(15,893)
Net position—beginning of the year	<u>55,013</u>	<u>2,906</u>	<u>57,919</u>
Net position—end of the year	<u>\$ 40,894</u>	<u>\$ 1,132</u>	<u>\$ 42,026</u>

Exhibit H-3

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 278,601	\$ 847,036	\$ 878,113	\$ 247,524
Total assets	<u>\$ 278,601</u>	<u>\$ 847,036</u>	<u>\$ 878,113</u>	<u>\$ 247,524</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to student groups	\$ 278,601	\$ 847,036	\$ 878,113	\$ 247,524
Total liabilities	<u>\$ 278,601</u>	<u>\$ 847,036</u>	<u>\$ 878,113</u>	<u>\$ 247,524</u>

Exhibit H-4

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
Elementary schools:				
Center Grove	\$ 2,703	\$ 27,279	\$ 26,647	\$ 3,335
Fernbrook	4,921	21,475	25,075	1,321
Ironia	1,177	28,664	26,646	3,195
Shongum	10,537	38,211	41,144	7,604
Total Elementary schools	<u>19,338</u>	<u>115,629</u>	<u>119,512</u>	<u>15,455</u>
Middle school:				
Randolph Middle School	43,474	218,059	217,598	43,935
High school:				
Randolph High School	172,910	411,976	407,816	177,070
Athletic Account:				
Athletics	42,879	101,372	133,187	11,064
Total All Schools	<u>\$ 278,601</u>	<u>\$ 847,036</u>	<u>\$ 878,113</u>	<u>\$ 247,524</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 421,902	\$ 58,243,120	\$ 58,191,090	\$ 473,932
Total assets	<u>\$ 350,799</u>	<u>\$ 58,243,120</u>	<u>\$ 58,191,090</u>	<u>\$ 473,932</u>
 <u>LIABILITIES:</u>				
Payroll deductions and withholdings	\$ 421,902	\$ 58,243,120	\$ 58,191,090	\$ 473,932
Total liabilities	<u>\$ 350,799</u>	<u>\$ 58,243,120</u>	<u>\$ 58,191,090</u>	<u>\$ 473,932</u>

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Int. Rate	Balance July 1, 2012	Issued	Defeased/ Matured	Balance June 30, 2013
			June 30, 2013						
			Date	Amount					
Addition and Renovation to Randolph High School, Renovations to the Middle School and Elementary Schools	02/01/2005	\$ 17,812,000	02/01/2014	\$ 845,000	3.75%	\$ 13,582,000		\$ 11,857,000	\$ 1,725,000
			02/01/2015	880,000	4.00%				
Advance Refunding of School Bonds	03/01/2005	16,800,000	08/01/2013	1,645,000	5.00%	12,860,000		1,620,000	11,240,000
			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%				
Various School Building Improvements	02/08/2012	11,667,000	02/01/2014	335,000	1.500%	11,667,000		302,000	11,365,000
			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%							

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2013		Int. Rate	Balance July 1, 2012	Issued	Defeased/ Matured	Balance June 30, 2013
			Date	Amount					
Advance Refunding of School Bonds	01/23/2013	\$ 10,425,000	02/01/2016	\$ 880,000	3.000%		\$ 10,425,000		\$ 10,425,000
			02/01/2017	910,000	3.000%				
			02/01/2018	940,000	3.000%				
			02/01/2019	965,000	4.000%				
			02/01/2020	1,005,000	4.000%				
			02/01/2021	1,045,000	4.000%				
			02/01/2022	1,090,000	5.000%				
			02/01/2023	1,145,000	5.000%				
			02/01/2024	1,210,000	4.000%				
			02/01/2025	1,235,000	4.000%				
						<u>\$ 38,109,000</u>	<u>\$ 10,425,000</u>	<u>\$ 13,779,000</u>	<u>\$ 34,755,000</u>
						Bonds Matured	\$ 2,732,000		
						Bonds Defeased	<u>11,047,000</u>		
							<u>\$ 13,779,000</u>		

RANDOLPH TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
YEAR ENDED JUNE 30, 2013

NOT APPLICABLE

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 3,800,473		\$ 3,800,473	\$ 3,800,473	
State Sources:					
Debt Service Aid Type II	287,456		287,456	287,456	
Total Revenue	<u>4,087,929</u>		<u>4,087,929</u>	<u>4,087,929</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,355,929		1,355,929	1,355,929	
Redemption of Principal	2,732,000		2,732,000	2,732,000	
Total Regular Debt Service	<u>4,087,929</u>		<u>4,087,929</u>	<u>4,087,929</u>	
Total Expenditures	<u>4,087,929</u>		<u>4,087,929</u>	<u>4,087,929</u>	
Excess/(Deficiency) of Revenue Over/(Under) Expenditures					
Other Financing Sources/(Uses):					
School Refunding Bonds Issued				10,425,000	\$ 10,425,000
School Bonds Defeased				(11,047,000)	(11,047,000)
Bond Premiums				1,591,671	1,591,671
Bond Issuance Costs				(137,399)	(137,399)
Deferred Bond Interest				(832,272)	(832,272)
Transfer in from Capital Projects Fund				5,870	5,870
Total Other Financing Sources/(Uses)				<u>5,870</u>	<u>5,870</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses					
				<u>5,870</u>	<u>5,870</u>
Fund Balance, July 1	<u>-0-</u>	<u>\$ -0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance, June 30	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 5,870</u>	<u>\$ 5,870</u>
Recapitulation:					
Restricted				<u>\$ 5,870</u>	

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

	<u>Exhibit</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.</p>	J-6 thru J-9
<p>Debt Capacity</p> <p>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.</p>	J-10 thru J-13
<p>Demographic and Economic Information</p> <p>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.</p>	J-14 thru J-15
<p>Operating Information</p> <p>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.</p>	J-16 thru J-20

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

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

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	(Restated) 2012	2013
Governmental Activities/(Deficit):									
Net Investment in Capital Assets	\$ (1,014,196)	\$ 4,514,256	\$ 3,085,722	\$ 7,783,521	\$ 9,314,492	\$ 10,958,139	\$ 13,509,486	\$ 4,602,376	\$ 14,806,909
Restricted	1,541,733	(3,127,046)	(1,526,812)	631,886	1,022,647	404,663	171,548	11,569,771	5,180,874
Unrestricted	<u>(176,579)</u>	<u>(1,118,476)</u>	<u>(819,195)</u>	<u>(951,380)</u>	<u>(2,610,228)</u>	<u>(2,090,023)</u>	<u>2,195,011</u>	<u>2,144,137</u>	<u>1,193,886</u>
Total Governmental Activities Net Position	<u>\$ 350,958</u>	<u>\$ 268,734</u>	<u>\$ 739,715</u>	<u>\$ 7,464,027</u>	<u>\$ 7,726,911</u>	<u>\$ 9,272,779</u>	<u>\$ 15,876,045</u>	<u>\$ 18,316,284</u>	<u>\$ 21,181,669</u>
Business-Type Activities/(Deficit):									
Net Investment in Capital Assets	\$ 106,456	\$ 87,255	\$ 66,557	\$ 66,084	\$ 82,876	\$ 131,075	\$ 256,143	\$ 253,607	\$ 255,800
Unrestricted	<u>218,718</u>	<u>148,441</u>	<u>77,366</u>	<u>9,949</u>	<u>(74,063)</u>	<u>(252,489)</u>	<u>(280,662)</u>	<u>(38,654)</u>	<u>(128,277)</u>
Total Business-Type Activities Net Position	<u>\$ 325,174</u>	<u>\$ 235,696</u>	<u>\$ 143,923</u>	<u>\$ 76,033</u>	<u>\$ 8,813</u>	<u>\$ (121,414)</u>	<u>\$ (24,519)</u>	<u>\$ 214,953</u>	<u>\$ 127,523</u>
District-Wide/(Deficit):									
Net Investment in Capital Assets	\$ (907,740)	\$ 4,601,511	\$ 3,152,279	\$ 7,849,605	\$ 9,397,368	\$ 11,089,214	\$ 13,765,629	\$ 4,855,983	\$ 15,062,709
Restricted	1,541,733	(3,127,046)	(1,526,812)	631,886	1,022,647	404,663	171,548	11,569,771	5,180,874
Unrestricted	<u>42,139</u>	<u>(970,035)</u>	<u>(741,829)</u>	<u>(941,431)</u>	<u>(2,684,291)</u>	<u>(2,342,512)</u>	<u>1,914,349</u>	<u>2,105,483</u>	<u>1,065,609</u>
Total District Net Position	<u>\$ 676,132</u>	<u>\$ 504,430</u>	<u>\$ 883,638</u>	<u>\$ 7,540,060</u>	<u>\$ 7,735,724</u>	<u>\$ 9,151,365</u>	<u>\$ 15,851,526</u>	<u>\$ 18,531,237</u>	<u>\$ 21,309,192</u>

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

Source: School District Financial Reports

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST NINE FISCAL YEARS
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	\$ 51,450,418
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	3,351,439
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	11,609,882
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	2,099,006
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	4,173,926
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	7,812,140
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	5,396,970
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	2,407,754
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	79,867
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	1,456,974
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	89,838,376
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	1,435,661
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	1,399,385
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	2,835,046
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	92,673,422
Program Revenues:									
Governmental Activities:									
Charges for Services:									
Tuition	7,758	26,416	15,829	23,022	43,055	85,362	23,314	157,684	146,116
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	23,065,711
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	23,211,827
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	969,860
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	1,311,139
Operating Grants and Contributions	149,506	141,831	145,954	169,725	150,737	166,976	140,595	217,911	197,754
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	2,478,753
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	25,690,580

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST NINE FISCAL YEARS
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(CONTINUED)

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
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)	\$ (66,626,549)
Business-Type Activities	(300,238)	(101,715)	(132,070)	(86,551)	(252,239)	(232,189)	(279,618)	(153,788)	(356,293)
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)	(66,982,842)
General Revenues and Other Changes in Net Position:									
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	65,794,455
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	3,800,473
Investment Earnings	321,080	890,392	598,960	100,997	28,945	13,959	6,599	47,147	25,764
Miscellaneous Income	194,295	316,964	57,308	172,155	136,773	224,408	297,460	319,424	34,209
Transfers	(135,000)				(178,763)	(100,000)		(250,126)	(162,967)
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	69,491,934
Business-Type Activities:									
Investment Earnings	3,458	12,237	40,297	18,661	6,256	1,962	617	1,600	816
Transfers & Other Special Items	135,000				178,763	100,000	525,896	391,660	268,047
Total Business-Type Activities	138,458	12,237	40,297	18,661	185,019	101,962	526,513	393,260	268,863
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	69,760,797
Change in Net Position:									
Governmental Activities	(1,699,880)	(82,224)	470,981	6,724,312	262,884	1,545,868	6,603,266	2,681,972	2,865,385
Business-Type Activities	(161,780)	(89,478)	(91,773)	(67,890)	(67,220)	(130,227)	246,895	239,472	(87,430)
Total District	\$ (1,861,660)	\$ (171,702)	\$ 379,208	\$ 6,656,422	\$ 195,664	\$ 1,415,641	\$ 6,850,161	\$ 2,921,444	\$ 2,777,955

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

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:									
Restricted/Reserved	\$ 1,408,178	\$ 1,425,068	\$ 826,251	\$ 138,933	\$ 95,194	\$ 230,833		\$ 525,000	\$ 895,000
Unreserved/(Deficit)	1,439,318	770,903	817,824	738,858	(270,427)	(165,693)			
Assigned							\$ 2,160,281	2,246,929	2,209,265
Unassigned							1,347,082	1,240,715	1,172,632
Total General Fund	\$ 2,847,496	\$ 2,195,971	\$ 1,644,075	\$ 877,791	\$ (175,233)	\$ 65,140	\$ 3,507,363	\$ 4,012,644	\$ 4,276,897
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	\$ 4,280,004
Debt Service Fund							1		5,870
Committed for:									
Capital Projects Fund							164,399	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	\$ 4,450,273

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 NINE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	\$ 69,594,928
Tuition Charges	7,758	26,416	15,829	23,022	43,055	85,362	23,314	157,684	146,116
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	256,365
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	21,839,353
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	1,167,365
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	93,004,127
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	28,012,692
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	6,298,927
Other Special Instruction	1,024,479	1,055,035	992,071	897,530	702,569	698,217	671,541	616,479	608,576
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	1,347,313
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	3,267,823
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	8,878,110
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	1,765,298
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	2,798,957
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	6,293,030
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	4,256,804
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	1,462,388
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	21,254,637
Charter Schools	70,655	122,269	95,621	67,052	46,907	48,347	30,752	65,270	79,867
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	2,732,000
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	1,355,929
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	8,923,453
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	99,335,804
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	(6,331,677)

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

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other Financing Sources (Uses)									
Refunding Bonds Issued	\$ 16,800,000								\$ 10,425,000
School Bonds Defeased									(11,047,000)
Premium on Refunding Bonds	731,735								1,591,671
Costs of Refunding Bond Issue	(203,289)								(137,399)
Deferred Bond Interest									(832,272)
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			5,870
Transfers Out	(312,094)	(738,886)	(378,984)	(6,717)	(178,763)	(177,751)		(250,126)	(168,837)
Total Other Financing Sources (Uses)	<u>17,677,000</u>		<u>1,098,598</u>	<u>546,738</u>	<u>826,281</u>	<u>682,010</u>	<u>323,507</u>	<u>11,416,874</u>	<u>(162,967)</u>
Net Change in Fund Balances	<u>\$ 15,072,435</u>	<u>\$ (6,432,021)</u>	<u>\$ (15,578,006)</u>	<u>\$ 2,079,732</u>	<u>\$ (618,524)</u>	<u>\$ (513,250)</u>	<u>\$ 3,439,941</u>	<u>\$ 11,542,903</u>	<u>\$ (6,494,644)</u>
Debt Service as a Percentage of Noncapital Expenditure	4.19 %	4.91 %	5.54 %	5.36 %	5.19 %	5.03 %	5.28 %	4.87 %	4.74 %

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

Source: School District Financial Reports

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

Fiscal Year Ending June 30,	Community School	Interest on Investments	Rentals	Athletic Participation Fees	Miscellaneous	Tuition	Total
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
2013		25,764	28,230		137,508	146,116	337,618

* 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 NINE 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
2012	36,267,600	2,417,902,900	5,072,500	176,900	238,095,600	115,600,100	94,295,000	2,907,410,600	5,143,748	2,912,554,348	201,392,000	2.37	4,433,621,393

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

^b Tax rates are per \$100

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

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

Source: Municipal Tax Assessor

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

Year Ended December 31,	Township of Randolph School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Randolph	Morris County	
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
2012	2.24	0.13	2.37	0.68	0.37	3.42

^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

<u>Taxpayer</u>	2013	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Center Grove Associate	\$ 46,880,000	1.61 %
Beta Realty	26,046,700	0.90 %
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	<u>\$ 176,061,500</u>	<u>6.06 %</u>

<u>Taxpayer</u>	2004	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Center Grove Associate	\$ 50,161,700	1.78 %
Beta Realty	32,898,000	1.17 %
Pal-Pike	28,143,000	1.00 %
Canfield Business Park	14,700,000	0.52 %
Canfield Mews	13,440,000	0.48 %
Randolph Village	13,000,000	0.46 %
A&P Food Stores	12,200,000	0.43 %
Hamilton Apts.	10,619,300	0.38 %
Quaker Village	10,120,000	0.36 %
Mal Brothers	8,000,000	0.28 %
Total	<u>\$ 193,282,000</u>	<u>6.86 %</u>

Source: Municipal Tax Assessor

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied for</u> <u>the Fiscal Year</u>	<u>Collected within the Fiscal Year</u> <u>of the Levy^a</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of</u> <u>Levy</u>	
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-
2013	69,594,928	69,594,928	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 NINE FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2005	\$ 43,297,000	\$ 260,000	\$ 43,557,000	2.73 %	\$ 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	1.58 %	1,133
2012	38,109,000		38,109,000	2.05 %	1,471
2013	34,755,000		34,755,000	1.87 %	1,341

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

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

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

Source: School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 43,297,000	\$ -0-	\$ 43,297,000	1.53 %	\$ 1,707
2006	41,712,000	-0-	41,712,000	1.46 %	1,656
2007	39,477,000	-0-	39,477,000	1.37 %	1,573
2008	37,147,000	-0-	37,147,000	1.28 %	1,482
2009	34,692,000	-0-	34,692,000	1.19 %	1,383
2010	32,077,000	-0-	32,077,000	1.11 %	1,245
2011	29,322,000	-0-	29,322,000	1.00 %	1,133
2012	38,109,000	-0-	38,109,000	1.30 %	1,471
2013	34,755,000	-0-	34,755,000	1.19 %	1,341

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

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

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

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

Source: School District Financial Reports

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2012
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Randolph	\$ 18,311,161	100.00 %	\$ 18,311,161
County of Morris General Obligation Debt	258,802,126	4.67 %	<u>12,078,658</u>
Subtotal, Overlapping Debt			30,389,819
Township of Randolph School District Direct Debt (b)			<u>34,756,537</u>
Total Direct and Overlapping Debt			<u>\$ 65,146,356</u>

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

^b The District has \$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.

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

Legal Debt Margin Calculation for Fiscal Year 2013

	Equalized Valuation Basis
2012	\$ 4,269,952,416
2011	4,430,649,947
2010	4,576,370,690
	\$ 13,276,973,053
Average Equalized Valuation of Taxable Property	\$ 4,425,657,684
Debt Limit (4% of Average Equalization Value)	\$ 177,026,307 ^a
Net Bonded School Debt Issued and Unissued	34,756,537
Legal Debt Margin	\$ 142,269,770

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt Limit	\$ 196,038,410	\$ 192,677,793	\$ 185,577,384	\$ 183,634,440	\$ 177,026,307
Total Net Debt Applicable to Limit	34,692,637	32,077,637	29,322,637	38,110,537	34,756,537
Legal Debt Margin	\$ 161,345,773	\$ 160,600,156	\$ 156,254,747	\$ 145,523,903	\$ 142,269,770
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.70 %	16.65 %	15.80 %	20.75 %	19.63 %

	Fiscal Year				
	2004	2005	2006	2007	2008
Debt Limit	\$ 125,374,644	\$ 139,290,003	\$ 155,201,620	\$ 172,781,042	\$ 187,862,227
Total Net Debt Applicable to Limit	26,790,000	43,297,000	41,712,000	39,477,637	37,147,637
Legal Debt Margin	\$ 98,584,644	\$ 95,993,003	\$ 113,489,620	\$ 133,303,405	\$ 150,714,590
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	21.37 %	31.08 %	26.88 %	22.85 %	19.77 %

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

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

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

Year	Population ^a	Morris County Per Capita Personal Income ^b	Personal Income ^c	Unemployment Rate ^d
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	71,730	1,856,157,210	6.50%
2012	25,913	71,730 *	1,858,739,490	6.80%
2013	25,913 **	71,730 *	1,858,739,490	N/A

* - Latest Morris County per capita personal income available (2011) was used for calculation purposes.

** - Latest population data available (2012) was used for calculation purposes.

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

<u>Employer</u>	<u>2012</u>		<u>Employer</u>	<u>2004</u>	
	<u>Employees</u>	<u>Total</u>		<u>Employees</u>	<u>Total</u>
Novartis	6,200	2.42%			
US Army Armament Research and Development	5,841	2.28%			
Atlantic Health System	5,576	2.18%			
Automatic Data Processing Inc	1,947	0.76%			Information is Not Available
County of Morris	1,838	0.72%			
Saint Clare's	1,662	0.65%			
Wyndham Worldwide Corp.	1,546	0.60%			
BASF Corporation	1,500	0.59%			
Accenture	1,498	0.59%			
Chilton Memorial	1,440	0.56%			
Total	29,048	11.35%			
Total County Employment	255,907				

Note: Information is for Morris County

Source: Morris County Planning Board

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

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction:									
Regular	373	388	375	393	387	370	341	348	357
Special education	46	76	86	88	89	89	98	106	112
Support Services:									
Student & instruction related services	131	123	122	115	113	114	104	108	101
School administrative services	33	37	34	35	32	30	30	30	32
General and business administrative services	33	26	24	24	20	19	21	23	26
Plant operations and maintenance	54	57	57	56	56	53	64	58	53
Pupil transportation	46	45	45	45	46	47	45	45	46
Total	<u>716</u>	<u>752</u>	<u>743</u>	<u>756</u>	<u>743</u>	<u>722</u>	<u>703</u>	<u>718</u>	<u>727</u>

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

Source: District Personnel Records

RANDOLPH TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST NINE FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment ^d	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2005	5,557	\$ 65,631,070	\$ 11,811	5.28%	514	14.1	11.5	12.7	5,557	5,311	1.18%	95.57%
2006	5,538	69,216,812	12,499	5.83%	516	13.0	11.3	12.1	5,538	5,261	-0.34%	95.00%
2007	5,549	72,770,033	13,114	4.93%	514	11.9	11.1	11.5	5,549	5,297	0.20%	95.46%
2008	5,571	74,933,935	13,451	2.57%	513	10.5	10.9	11.4	5,571	5,299	0.40%	95.12%
2009	5,514	76,341,632	13,845	2.93%	539	9.9	10.1	10.9	5,514	5,238	-1.02%	94.99%
2010	5,417	80,814,639	14,919	7.75%	539	9.6	9.8	10.9	5,417	5,162	-1.76%	95.29%
2011	5,294	77,612,676	14,660	-1.73%	504	10.4	10.1	11.1	5,294	5,050	-2.27%	95.39%
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%
2013	5,038	86,324,422	17,135	6.10%	501	10.5	9.8	9.7	5,038	4,811	-3.30%	95.49%

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

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

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

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

Note: Enrollment based on annual October district count.

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

Source: School District records

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>District Buildings</u>									
Center Grove School									
Square Feet	60,000	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	608
Enrollment	645	628	595	546	560	515	494	502	501
Fernbrook School									
Square Feet	75,569	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	567
Enrollment	653	625	631	631	627	611	641	581	576
Ironia School									
Square Feet	63,764	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	643
Enrollment	639	624	626	632	637	629	602	529	496
Shongum School									
Square Feet	69,283	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	567
Enrollment	642	651	647	668	634	652	676	655	624
Middle School									
Square Feet	170,243	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	893
Enrollment	1,389	1,353	1,341	1,317	1,297	1,275	1,227	1,263	1,222
High School									
Square Feet	220,337	220,337	220,337	276,337	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	1,877
Enrollment	1,589	1,659	1,709	1,777	1,765	1,721	1,677	1,635	1,639

Number of Schools at June 30, 2013

- 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

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

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Center Grove</u> <u>School</u>	<u>Fernbrook</u> <u>School</u>	<u>Ironia</u> <u>School</u>	<u>Shongum</u> <u>School</u>	<u>Middle</u> <u>School</u>	<u>High</u> <u>School</u>	<u>Total</u>
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
2013	128,042	232,294	114,382	133,452	252,899	638,733	1,499,802

Source: School District records.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2013
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Graphic Arts Mutual:		
Property - Blanket Building and Contents	\$ 152,412,313	\$ 5,000
Comprehensive Boiler and Machinery	50,000,000	1,000
Business Interruption/Extra Expense	5,000,000	5,000
Comprehensive General Liability - Per Occurrence	1,000,000	None
School Board Legal Liability - Per Occurrence	1,000,000	7,500
Employee Benefits Liability - Per Occurrence	1,000,000	1,000
Comprehensive Crime Coverage	100,000	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
Pooled Insurance Program of New Jersey:		
Workers' Compensation	First 350,000	of each claim
Public Official Bonds - Utica		
Treasurer of School Monies	400,000	None
Business Administrator	400,000	None
Business Manager	400,000	None
Comprehensive Automobile Liability - Graphic Arts Mutual	1,000,000	
Comprehensive Deductible		1,000
Collision Deductible		1,000

Source: School District records.

SINGLE AUDIT SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07860
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-380-8555 Fax

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*

Independent Auditors' Report

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

We have audited, in accordance with the 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"), 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 "District") as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 27, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

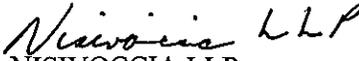
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 27, 2013
Mount Arlington, New Jersey


NISIVOCCIA LLP



Francis J. Jones, Jr.

Licensed Public School Accountant #1154
Certified Public Accountant



Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07350
973-329-1826 | 973-328-6607 Fax
Lawrence Business Center
11 Lawrence Road
Newton, NJ 07360
973-383-6689 | 973-320-8755 Fax

Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by OMB Circular A-133
and New Jersey OMB's Circular 04-04

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Randolph Township School District's (the "District's") compliance with the types of compliance requirements described in the *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 District's major federal and state programs for the fiscal year ended June 30, 2013. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance 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, 2013.

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

Report on Internal Control Over Compliance

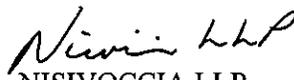
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of OMB Circular A-133 or NJOMB 04-04. Accordingly, this report is not suitable for any other purpose.

November 27, 2013
Mount Arlington, New Jersey


NISIVOCIA 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, 2013

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, 2012					Budgetary Expendi- tures	Repayment of Prior Years' Balances	Cancellation of Prior Years' Accounts Payable/ Encumbrances	Balance at June 30, 2013	
					Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Unearned Revenue				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	7/1/12-6/30/13	\$ 28,939				\$ 28,939	\$ (22,489)			\$ 6,450		
Federal Food Distribution Program	10.555	N/A	7/1/11-6/30/12	58,385	\$ 12,869				(12,869)					
National School Lunch Program	10.555	N/A	7/1/12-6/30/13	154,375				121,574	(154,375)				\$ (32,801)	
National School Lunch Program	10.555	N/A	7/1/11-6/30/12	156,775	(9,356)			9,856						
Special Milk Program	10.555	N/A	7/1/12-6/30/13	109				109	(109)					
Special Milk Program	10.555	N/A	7/1/11-6/30/12	2,451	(149)			149						
Total Child Nutrition Cluster					2,864			160,627	(189,842)			6,450	(32,801)	
Total U.S. Department of Agriculture					2,864			160,627	(189,842)			6,450	(32,801)	
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	1,208					(1,208)				(1,208)	
Total General Fund									(1,208)				(1,208)	
U.S. Department of Education:														
Passed-through State Department of Education:														
Special Revenue Fund:														
NCLB Consolidated:														
Title I, Carryover	84.010	NCLB-0820-12	9/1/11-8/31/12	93,713	(53,232)			57,257	(4,025)					
Title I	84.010	NCLB-0820-13	9/1/12-8/31/13	106,383				62,576	(106,383)				(43,807)	
Total Title I					(53,232)			119,833	(110,408)				(43,807)	
Title IIA, Carryover	84.367	NCLB-0820-12	9/1/11-8/31/12	98,944	(6,479)			5,665	(186)					
Title IIA	84.367	NCLB-0820-13	9/1/12-8/31/13	92,231				44,472	(92,231)				(47,759)	
Total Title IIA					(6,479)			51,137	(92,417)				(47,759)	
Title III, Carryover	84.365	NCLB-0820-12	9/1/11-8/31/12	16,152	(8,747)			8,754	(7)					
Title III	84.365	NCLB-0820-13	9/1/12-8/31/13	14,624				7,462	(14,624)				(7,162)	
Total Title III					(8,747)			16,216	(14,631)				(7,162)	
Special Education Cluster:														
I.D.E.A. Part B, Basic Regular, Carryover	84.027	FT-0820-12	9/1/11-8/31/12	1,184,026	(15,872)			37,728	(21,856)					
I.D.E.A. Part B, Basic Regular	84.027	FT-0820-13	9/1/12-8/31/13	1,021,977				412,269	(1,021,977)				(609,708)	
I.D.E.A. Part B, Preschool	84.173	PS-0820-13	9/1/12-8/31/13	46,035				43,279	(46,035)				(2,756)	
Total Special Education Cluster					(15,872)			493,276	(1,089,868)				(612,464)	
Total Special Revenue Fund					(84,330)			680,462	(1,307,324)				(711,192)	
Total U.S. Department of Education					(84,330)			680,462	(1,308,532)				(712,400)	
Total Federal Awards					\$ (81,466)	\$ -0-	\$ -0-	\$ 841,089	\$ (1,498,374)	\$ -0-	\$ -0-	\$ 6,450	\$ (745,201)	

N/A - Not Available/Applicable

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2012		Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2013			Memo	
				Unearned Revenue/ (Accounts Receivable)	Due to Grantor					Unearned Revenue	GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:														
General Fund:														
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	\$ 8,804,287	\$ (877,158)			\$ 877,158							\$ 8,804,287
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	8,983,002				8,098,487	\$ (8,983,002)					\$ 884,515	8,983,002
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	322,155				290,434	(322,155)					31,721	322,155
Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	3,113,470	(310,191)			310,191							3,113,470
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	3,266,486				2,944,850	(3,266,486)					321,636	3,266,486
Security Aid	12-495-034-5120-084	7/1/11-6/30/12	31,649	(3,153)			3,153							31,649
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	104,095				93,845	(104,095)					10,250	104,095
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
Extraordinary Aid	13-100-034-5120-473	7/1/12-6/30/13	1,202,166					(1,202,166)			\$ (1,202,166)		1,202,166	1,202,166
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
Other State Aid - Non Public Transportation	13-495-034-5120-014	7/1/12-6/30/13	39,943					(39,943)			(39,943)		39,943	39,943
				(2,467,357)			13,894,973	(13,917,847)			(1,242,109)		2,490,231	27,144,108
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	2,623,598	(257,906)			257,906							2,623,598
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	7/1/12-6/30/13	2,665,557				2,533,832	(2,665,557)			(131,725)		131,725	2,665,557
Subtotal - General Fund				(2,725,263)			16,686,711	(16,583,404)			(1,373,834)		2,621,956	32,433,263
Special Revenue Fund:														
NJ Nonpublic Aid:														
Textbook Aid	13-100-034-5120-064	7/1/12-6/30/13	8,772				8,772	(8,772)						8,772
Technology Initiative Aid	13-100-034-5120-373	7/1/12-6/30/13	3,238				3,238	(3,238)						3,238
Auxiliary Services:														
English as a Second Language	13-100-034-5120-067	7/1/12-6/30/13	1,365				1,365	(853)				\$ 512		853
English as a Second Language	12-100-034-5120-067	7/1/11-6/30/12	862		\$ 259				\$ 259					603
Transportation	13-100-034-5120-067	7/1/12-6/30/13	22,153				22,153	(22,153)						22,153
Compensatory Education	13-100-034-5120-067	7/1/12-6/30/13	30,099				30,099	(18,227)				11,872		18,227
Compensatory Education	12-100-034-5120-067	7/1/11-6/30/12	9,975		85							85		9,890
Handicapped Services:														
Examination & Classification	13-100-034-5120-066	7/1/12-6/30/13	28,820				28,820	(21,823)				6,997		21,823
Examination & Classification	12-100-034-5120-066	7/1/11-6/30/12	20,768		1,924				1,924					18,844
Corrective Speech	13-100-034-5120-066	7/1/12-6/30/13	26,248				26,248	(21,014)				5,234		21,014
Corrective Speech	12-100-034-5120-066	7/1/11-6/30/12	19,351		1,816				1,816					17,535
Supplemental Instruction	13-100-034-5120-066	7/1/12-6/30/13	21,509				21,509	(20,191)				1,318		20,191
Supplemental Instruction	12-100-034-5120-066	7/1/11-6/30/12	19,643		491				491					19,152
Nursing Services	13-100-034-5120-070	7/1/12-6/30/13	12,174				12,174	(12,174)						12,174
Anti-Bullying Bill of Rights	N/A	7/1/11-6/30/13	3,137	3,137				(3,137)						3,137
Subtotal - Special Revenue Fund				3,137	4,575		154,378	(131,582)	4,575			25,933		197,606

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2012		Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2013			Memo	
				Unearned Revenue/ (Accounts Receivable)	Due to Grantor					Unearned Revenue	GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Capital Projects Fund:														
NJ School Development Authority:														
Fernbrook Elementary School	4330-065-09-1003	7/1/09-6/30/12	\$ 18,190	\$ (17,346)			\$ 17,346							\$ 17,346
Ironia Elementary School	4330-070-09-1002	7/1/09-6/30/12	7,231	(2,427)			2,427							2,427
Randolph Middle School	4330-075-09-1004	7/1/09-6/30/12	20,712	(19,649)			19,649							19,649
Randolph High School	4330-050-09-1001	7/1/09-6/30/12	5,701	(3,191)			3,191							3,191
Subtotal - Capital Projects Fund				(42,613)			42,613							42,613
Debt Service Fund:														
Debt Service Aid II	13-100-034-5120-125	7/1/12-6/30/13	287,456				287,456	\$ (287,456)						287,456
Subtotal - Debt Service Fund							287,456	(287,456)						287,456
Enterprise Fund:														
State School Lunch Program	12-100-010-3350-023	7/1/11-6/30/12	8,639	(552)			552							8,639
State School Lunch Program	13-100-010-3350-023	7/1/12-6/30/13	7,912				6,289	(7,912)		\$ (1,623)		\$ 1,623		7,912
Subtotal - Enterprise Fund				(552)			6,841	(7,912)		(1,623)		1,623		16,551
Total State Awards				\$ (2,765,291)	\$ 4,575	\$ -0-	\$ 17,177,999	\$ (17,010,354)	\$ 4,575	\$ -0-	\$ (1,375,457)	\$ 25,933	\$ 2,623,579	\$ 32,977,489

N/A - Not Available/Applicable

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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, 2013. 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 position 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 \$(57,620) for the general fund and \$(118,572) 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 \$2,297,096 and \$2,597,435 respectively.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 1,208	\$ 21,420,315	\$21,421,523
Special Revenue Fund	1,166,157	131,582	1,297,739
Debt Service Fund		287,456	287,456
Food Service Fund	189,842	7,912	197,754
Total Financial Assistance	<u>\$ 1,357,207</u>	<u>\$21,847,265</u>	<u>\$23,204,472</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2013. 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 collected \$42,613 in grants receivable on the GAAP basis as of June 30, 2013.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey OMB's Circular 04-04*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all 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 Non-Profit Organizations*.
- The District's major federal and state programs for the current fiscal year consisted of the following awards:

<u>State:</u>	<u>C.F.D.A. Number/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
General Fund State Aid:				
Equalization Aid	13-495-034-5120-078	7/1/2012-6/30/13	\$ 8,983,002	\$ 8,983,002
Special Education Aid	13-495-034-5120-089	7/1/2012-6/30/13	3,266,486	3,266,486
Security Aid	13-495-034-5120-084	7/1/2012-6/30/13	104,095	104,095
Extraordinary Aid	13-100-034-5120-473	7/1/2012-6/30/13	1,202,166	1,202,166
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	7/1/2012-6/30/13	2,665,557	2,665,557
 <u>Federal:</u>				
Special Education Cluster:				
IDEA Part B, Basic Regular	84.027	9/1/12-8/31/13	\$ 1,021,977	\$ 1,021,977
IDEA Part B, Basic Regular Carryover	84.027	9/1/11-8/31/13	1,184,026	21,856
IDEA Part B Preschool	84.173	9/1/12-8/31/13	46,035	46,035

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

Summary of Auditors' Results (Cont'd)

- The threshold for distinguishing Type A and Type B programs was \$300,000 for federal programs and \$510,311 for state programs.
- The single audit threshold identified in Federal OMB Circular A-133 and New Jersey OMB's Circular 04-04 was \$500,000.
- The District was determined to be 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, 2013

Status of Prior Year Findings:

There were no prior year findings.