

RANDOLPH TOWNSHIP SCHOOL DISTRICT
COUNTY OF MORRIS
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2012

RANDOLPH TOWNSHIP SCHOOL DISTRICT
COUNTY OF MORRIS
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2012
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November 5, 2012

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Township of Randolph School District in the County of Morris for the year ended June 30, 2012, and have issued our report thereon dated November 5, 2012.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents. This letter does not affect our report dated November 5, 2012, on the financial statements of the Board.

We will review the status of our suggestions, comments and recommendations during our next audit engagement. We have already discussed the suggestions, comments and recommendations with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the suggestions or recommendations.

This report is intended solely for the information and use of the Township of Randolph School District's Board of Education, management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.


NISIVOCCIA LLP



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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2012

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Michael Soccio	Treasurer of School Monies	\$ 400,000
Michael Neves	Business Administrator	\$ 400,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account

The net salaries of employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account. Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator and the Chief School Administrator.

Payrolls were delivered to the treasurer of school moneys with a warrant made to his order for the full amount of each payroll.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrator) to the New Jersey Department of Treasury was filed by the March 15th due date.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2012
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have one comment of exception noted below.

Finding:

The Board Secretary's and Treasurer's reports for June 2012 were not submitted to the County Superintendent by the required deadline. The report was due by August 1, 2012 and was received on August 3, 2012. The reports were received only a couple days after the deadline; therefore, a formal recommendation is not deemed necessary.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II, Title III and Title IV of the No Child Left Behind Act.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR.

This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2012
 (Continued)

Other Special Federal and/or State Projects (Cont'd)

T.P.A.F. Reimbursement

Our audit procedures included a test of the bi-weekly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made"

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law"

Effective July 1, 2010, the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$26,000 and with a qualified purchasing agent the threshold may be up to \$36,000. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$17,500.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney's opinion should be sought before a commitment is made.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2012
(Continued)

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. General compliance was noted.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test basis. Food Service accounting records maintained by the District's central administration office were reconciled with the records maintained by the food service contractor.

The number of meals claimed for reimbursement was verified against sales records and meal count records. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted and certified in a timely manner.

Applications for free and reduced meals and free milk were reviewed for completeness and accuracy. The number of free and reduced meals and milk claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced meal policy is uniformly administered throughout the school system. The required verification procedures for free applications were completed and available for review.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status of the School Food Service Fund. Net cash resources did not exceed three months average expenditures.

Cash receipts and bank records were reviewed for timely deposit.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2012
(Continued)

School Food Service (Cont'd)

The District utilizes a food service management company (FMSC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. The FMSC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met.

Time sheets and payroll records were reviewed on a test basis. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled "Enterprise Funds", Section G of the CAFR.

Finding:

A Type 2 Service Organization Controls Report in accordance with Statements on Standards for Attestation Engagements #16 *Reporting on Controls at a Service Organization* was not obtained by the food service management company as required by the New Jersey Department of Agriculture. A Type 2 report includes a description of the service organization's controls tested and the auditor's opinion related to the controls and the testing of those controls. The food service management company has contracted with an auditing firm to obtain the report for the period of July 1, 2012 through December 31, 2012. As the District contracted with the food service management company prior to the state's requirement for a Type 2 Service Organization Controls Report, and the food service management company has taken steps to comply with the requirement, we do not feel it is necessary to make a formal recommendation at this time. However, we suggest that the District monitor the food service management contractor's efforts to comply with the requirement to obtain a Type 2 Service Organization Controls Report.

Student Body Activities

In planning and performing our audit of the financial statements of the District, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Finding

Deposits were not always made on a timely basis at Fernbrook Elementary School. However, since corrective action has been taken subsequent to year end, no formal recommendation is deemed necessary.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2011 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low income students and bilingual

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2012
(Continued)

Application for State School Aid (Cont'd)

students. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers without exception. The information that was included on the workpapers was verified on a test basis without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed State forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2011-2012 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction. No exceptions were noted.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedures pertaining to travel and expense reimbursements for its employee and board members. The regulations require the District to establish a maximum travel amount for the year and to ensure that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and the Superintendent and that the approval must be itemized by event, event total cost, and individuals attending.

Management Suggestions

Arbitrage Calculation

The District issued serial bonds on February 8, 2012 in the amount of \$11,667,000. The District should explore the need for an arbitrage calculation. This calculation will determine whether or not the District is subject to arbitrage payable to the federal government. If a liability does exist, it would be required to be raised by the District in the budget year the liability is payable.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2012
(Continued)

Management Suggestions (Cont'd)

Unexpended Capital Projects Funds

There are several capital projects that remain on the District's accounting records that appear to be complete. A review of these projects should be made to determine the status of these projects.

Central Services

During our review of internal controls it was noted that the payroll department has access to human resource functions and there is no distinguished segregation of duties between the departments. The internal controls related to the two departments should be reviewed so that a definitive segregation of duties is in place.

Deferred Inflows and Outflows

GASB Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined Deferred Inflows and Outflows as a consumption of resources of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Existing financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Concepts Statement #4 also identifies net position as the residual of all other elements presented in a statement of financial position and resulted in the issuance of GASB Statement #63. This Statement would amend the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The provisions of this Statement would be effective for financial statements for periods beginning after December 15, 2011.

Status of Prior Year's Findings/Recommendations

The District had no prior year findings or recommendations.

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(MEMORANDUM ONLY)

Not Applicable

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2011

	2012-2013 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per	
	ASSA	Workpapers	On Roll	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	5	5					5		5			
Full Day Preschool 3 Years Old	12	12					12		12			
Half Day Preschool 4 Years Old												
Full Day Preschool 4 Years Old	267	267					267		267			
Full Day Kindergarten	2	2					2		2			
Half Day Kindergarten	315	315					315		315			
Grade One	355	355					355		355			
Grade Two	328	328					328		328			
Grade Three	375	375					375		375			
Grade Four	340	340					340		340			
Grade Five	359	359					359		359			
Grade Six	335	335					335		335			
Grade Seven	368	368					368		368			
Grade Eight	329	329					329		329			
Grade Nine	352	352					352		352			
Grade Ten	362	362	1				362	1	362	1		
Grade Eleven	354	354					354		354			
Grade Twelve												
Subtotal	4,458	4,458	1	1			4,458	1	4,458	1		
Special Education:												
Elementary School	295	295					94		94			
Middle School	195	195					62		62			
High School	228	228	12				73		73			
Subtotal	718	718	12	12			229		229			
Totals	5,176	5,176	13	13	-0-	-0-	4,687	1	4,687	1	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2011

	Private Schools for Handicapped				Resident Low Income				
	Reported on ASSA as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Grade One					25	25	2	2	
Grade Two					28	28	7	7	
Grade Three					20	20	5	5	
Grade Four					19	19	7	7	
Grade Five					19	19	6	6	
Grade Six					20	20	10	10	
Grade Seven					21	21	6	6	
Grade Eight					18	18	6	6	
Grade Nine					17	17	5	5	
Grade Ten					16	16	2	2	
Grade Eleven					15	15	8	8	
Grade Twelve					23	23	8	8	
Subtotal					241	241	72	72	
Special Education:									
Elementary School	14	11	11		43	43	15	15	
Middle School	12	9	9		26	26	8	8	
High School	30	23	23		28	28	5	5	
Subtotal	56	43	43		97	97	28	28	
Totals	56	43	43	-0-	338	338	100	100	-0-
Percentage Error				0.00%			0.00%		0.00%

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2011

	Reported on ASFA as Low Income	Resident LEP Low Income			Sample Selected from Workpapers	Verified to Application, Test Scores and Register	Sample Errors
		Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers			
Half Day Kindergarten							
Grade One	1	1		1	1		
Grade Two	4	4		3	3		
Grade Three							
Grade Four	2	2		1	1		
Grade Five	1	1		1	1		
Grade Six	2	2		2	2		
Grade Seven	3	3		1	1		
Grade Eight	4	4		1	1		
Grade Nine	2	2		2	2		
Grade Ten							
Grade Eleven	1	1		1	1		
Grade Twelve	3	3		3	3		
Subtotal	23	23		16	16		
Special Education:							
Elementary School							
Middle School	1	1		1	1		
High School	2	2		1	1		
Subtotal	3	3		2	2		
Totals	26	26	-0-	18	18	-0-	
Percentage Error			0.00%			0.00%	

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2011

	Resident LEP NOT Low Income					
	Reported on ASSA as LEP NOT Low Income	Reported on Workpapers as LEP NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Half Day Kindergarten	10	10		8	8	
Grade One	2	2		1	1	
Grade Two	1	1		1	1	
Grade Three	5	5		1	1	
Grade Four						
Grade Five	1	1		1	1	
Grade Six	1	1		1	1	
Grade Seven	4	4		4	4	
Grade Eight	2	2		1	1	
Grade Nine						
Grade Ten	3	3		3	3	
Grade Eleven	1	1		1	1	
Grade Twelve						
Subtotal	30	30		22	22	
Special Education:						
Elementary School						
Middle School						
High School						
Subtotal						
Totals	30	30	-0-	22	22	-0-
Percentage Error			0.00%			0.00%

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2011

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	2,504	2,504		249	249	
Regular - Special Education	171	171		1	1	
Transported - Non Public	150	150		15	15	
AIL - Non Public	177	177		17	17	
Special Needs - Public	17	17		7	7	
Special Needs - Private	60	60		6	6	
Totals	<u>3,079</u>	<u>3,079</u>	<u>-0-</u>	<u>295</u>	<u>295</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
YEAR ENDED JUNE 30, 2012

EXCESS SURPLUS CALCULATION

Section 1 - REGULAR DISTRICT

2011-12 Total General Fund Expenditures per the CAFR	\$ 83,827,875 (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ -0- (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0- (B1b)</u>	
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$ 6,043,214 (B2a)	
Assets Acquired Under Capital Leases	<u>\$ -0- (B2b)</u>	
Adjustment for Disallowed Expenditures per S1701	<u>\$ -0- (B2c)</u>	
Adjusted 11-12 General Fund Expenditures [(B) + (B1's) - (B2's)]	<u>\$ 77,784,661 (B3)</u>	
2% of Adjusted 2011-12 General Fund Expenditures [(B3) times .02]	\$ 1,555,693 (B4)	
Enter Greater or (B4) or \$250,000	<u>\$ 1,555,693 (B5)</u>	
Increased by: Allowable Adjustment	<u>\$ 1,171,855 (K)</u>	
Maximum Unassigned Fund Balance [(B5) + (K)]		<u>\$ 2,727,548 (M)</u>

Section 2

Total General Fund - Fund Balances @ 6/30/12 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 5,203,146 (C)	
Decreased by:		
Year - End Encumbrances	\$ 1,507,063 (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0- (C2)</u>	
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ -0- (C3)</u>	
Other Restricted Fund Balances	<u>\$ 525,000 (C4)</u>	
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 739,866 (C5)</u>	
Total Unassigned Fund Balance [(C1) - (C1) - (C2) - (C3) - (C4) - (C5)]		<u>\$ 2,431,217 (U1)</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
YEAR ENDED JUNE 30, 2012
(Continued)

EXCESS SURPLUS CALCULATION

Section 3

Restricted Fund Balance - Excess Surplus [(U1 - (M)) IF NEGATIVE, ENTER \$ - 0 -	\$	-0-	(E)

Recapitulation of Excess Surplus as of June 30, 2012

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$	-0-	(C3)
Restricted Excess Surplus [(E)]	\$	-0-	(E)
Total [(C3) + (E)]	\$	-0-	(D)

Detail of Allowable Adjustments

Impact Aid	\$	-0-	(H)
Sale and Lease-Back	\$	-0-	(I)
Extraordinary Aid	\$	1,152,851	(J1)
Additional Nonpublic School Transportation Aid	\$	19,004	(J1)
Total Adjustments [(H) + (I) + (J1) + (J2)]	\$	1,171,855	(K)

Detail of Other Restricted Fund Balance

Statutory Restrictions:			
Approved Unspent Separate Proposal	\$	-0-	
Sale/Lease-Back Reserve	\$	-0-	
Capital Reserve	\$	175,000	
Maintenance Reserve	\$	-0-	
Emergency Reserve	\$	350,000	
Waiver Offset Reserve	\$	-0-	
Tuition Reserve	\$	-0-	
Other State/Governmental Mandated Reserve	\$	-0-	
Other Restricted Fund Balance not Noted Above	\$	-0-	
Total Other Restricted Fund Balance	\$	525,000	(C4)

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
YEAR ENDED JUNE 30, 2012

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Program
None
4. School Food Service
None
5. Student Body Activities
None
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Other
None
10. Status of Prior Year's Findings/Recommendations
The District had no prior year findings or recommendations.