

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Oakland, New Jersey**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**Ramapo Indian Hills Regional High School District**

**Oakland, New Jersey**

**For The Fiscal Year Ended June 30, 2011**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**

**BOARD OF EDUCATION  
RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT**

131 YAWPO AVENUE  
OAKLAND, NEW JERSEY 07436

RAMAPO HIGH SCHOOL  
Franklin Lakes, N.J. 07417  
(201) 891-1500

(201) 416-8100  
FAX (201) 416-8123

INDIAN HILLS HIGH SCHOOL  
Oakland, N.J. 07436  
(201) 337-0100

November 30, 2011

Honorable President and  
Members of the Board of Education  
Ramapo Indian Hills Regional High School District  
131 Yawpo Avenue  
Oakland, New Jersey 07436

Dear Board Members:

The comprehensive annual financial report of the Ramapo Indian Hills Regional High School District for the fiscal year ended June 30, 2011 is hereby submitted. Responsibility for the accuracy of the data and the completeness and fairness of the presentation including all disclosures rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Ramapo Indian Hills Regional High School's MD&A can be found immediately following the "Independent Auditors' Report".

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, and a list of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis (MD&A), the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplemental information (RSI). The statistical section includes selected financial and demographic information, 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 State and Local Governments" and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

Reporting Entity And High School Services: The Ramapo Indian Hills Regional High School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board as established by GASB No. 14. All funds of the District are included in this report.

The district provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, as well as special education for handicapped youngsters. The District completed the 2010-2011 fiscal year with an enrollment of 2,388 students, which is 22 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

**Enrollment (October 15<sup>th</sup> of each year)**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	2,388	.9%
2009-2010	2,366	1.4%
2008-2009	2,333	(1.2%)
2007-2008	2,359	2.1%
2006-2007	2,310	1.5%
2005-2006	2,276	4.3%

Major Initiatives: The district continued to complete various capital improvement projects throughout the district, including renovations to the masonry exterior and ADA upgrades at Indian Hills (paid through ARRA funds). There were also upgrades to various MDF/IDF rooms throughout the district.

Enhancements were made to the network infrastructure, which provides access to increased educational opportunities through the use of expanded technology.

World language labs at both high schools were upgraded with state of the art technology and additional enhancements were made to the security systems at both schools.

The district also implemented a mandatory 1.5% health insurance employee contribution, which generated taxpayer savings \$340,000 per year.

District curriculum initiatives during the 2010-2011 school year included alignment of Algebra 1, Algebra 2, Geometry and Pre-calculus curriculum to the Common Core Standards. The two year Fundamentals of Algebra sequence was re-written into a one-year extended time course. Additionally, new Art electives were developed in the areas of Painting, Drawing and Sculpture. The first level of each of these courses was written with alignment to the New Jersey Core Curriculum alignment activities have also been completed in the area of Language Arts Literacy, grades nine through twelve.

Internal Accounting Controls: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objects 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 judgements by management.

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

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

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 municipalities. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital projects fund. The final budget amount is amended for the fiscal year and 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 cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2011.

Accounting System Reports: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "*Notes to the Basic Financial Statements*", Note 1.

Cash Management: The investment policy of the District is guided in large part by state statute as detailed in "*Notes to the Basic Financial Statements*", Note 2. 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 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.

Risk Management: The Board carries various forms of insurance, including, but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins LLP, 17-17 Route 208 N., Fair Lawn, New Jersey, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirement of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Acknowledgements: We would like to express our appreciation to the members of the Ramapo Indian Hills Regional High School District Board of Education for their concern in providing fiscal responsibility 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 our financial and accounting staff.

Respectfully submitted,



C. Lauren Schoen, Ed. D.  
Superintendent of Schools



Frank Ceurvels  
Business Administrator/Board Secretary

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT

ROSTER OF OFFICIALS  
As of June 30, 2011

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Ira Belsky	President	2012
Lynn Budd	Vice President	2013
Thomas Bunting		2013
Jane Castor		2014
Robert Gebhard		2012
Isabelle Lanim		2014
Elizabeth Pierce		2012
Sadie Quinlan		2014
Wayne D. Peterson		2013

Other Officials

C. Lauren Schoen, Ed.D.	Superintendent of Schools
Frank Ceurvels	Business Administrator/Board Secretary
Joseph Amatuzzi	Treasurer of School Monies
Stephen Fogarty	Board Attorney

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT

CONSULTANTS AND ADVISORS  
JUNE 30, 2011

*Architects*

Lan Associates  
445 Godwin Avenue  
Midland Park, New Jersey 07432

*Audit Firm*

Lerch, Vinci & Higgins  
17-17 State Highway 208 North  
Fair Lawn, New Jersey 07410

*Attorney*

Fogerty and Hara  
16-00 Route 208  
Fair Lawn, New Jersey 07410

*Official Depository*

TD Bank  
Franklin Avenue  
Franklin Lakes, New Jersey 07417

**FINANCIAL SECTION**

# LERCH, VINCI & HIGGINS, LLP

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REGISTERED MUNICIPAL ACCOUNTANTS

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PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA  
EDWARD N. KERE, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees  
Ramapo Indian Hills Regional High School District  
Oakland, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ramapo Indian Hills Regional High School District as of and for the fiscal year ended June 30, 2011, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ramapo Indian Hills Regional High School District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

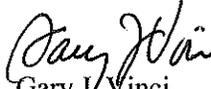
In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ramapo Indian Hills Regional High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

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2011 on our consideration of the Ramapo Indian Hills Regional High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ramapo Indian Hills Regional High School District's basic financial statements as a whole. The introductory section, combining fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are also not a required part of the basic financial statements. The combining fund financial statements and schedules of expenditures of federal awards and state financial assistance 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. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section, financial schedules and statistical section have 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 them.

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
November 30, 2011

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
OAKLAND, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

This section of the Ramapo Indian Hills Regional High School District's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2010-2011 fiscal year include the following:

- The assets of the Ramapo Indian Hills Regional High School District exceeded its liabilities at the close of the fiscal year by \$28,637,103 (net assets).
- Overall revenues were \$52,705,046. General revenues accounted for \$46,471,477 or 88% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,233,569 or 12% of total revenues.
- The school district had \$48,680,764 in expenses for governmental activities; only \$5,198,948 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$46,468,566 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$10,361,376.
- The General Fund fund balance at June 30, 2011 was \$9,412,915 and increase of \$4,198,042 when compared with the beginning balance at July 1, 2010.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental 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.

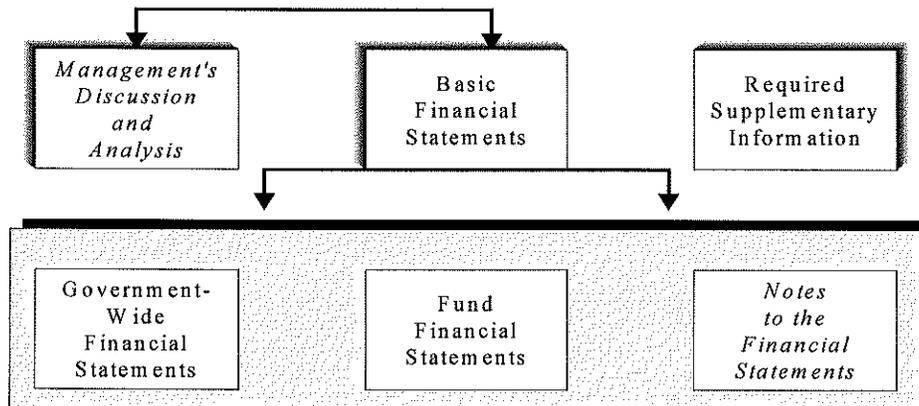
**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
OAKLAND, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

- 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 district governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending.
  - Proprietary funds statements offer short-term and long-term financial information about the activities the district operated like businesses.
  - 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 to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1**



**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
OAKLAND, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

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 the 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 regular and special education and building maintenance	Activities the district operates similar to private businesses: Enterprise fund	Instances in which the district administers resources on behalf of someone else, such as Unemployment, Payroll Agency, and Student Activities
Required financial statements	Statements of net assets Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances	Statement of net assets Statement of revenues, expenses, and changes in fund net assets Statement of cash flows	Statements of fiduciary net assets Statement of changes in fiduciary net assets
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be utilized and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term funds do not currently contain capital assets.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues 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 revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.

**District-wide financial statements**

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

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

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
OAKLAND, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**District-wide financial statements (continued)**

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating.
- To assess the overall health of the District you need to consider additional non-financial 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 shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration and plant operations and maintenance. Property taxes and state aids finance most of these activities.
- *Business type activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund is included under this category.

**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 bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has three kinds of funds:

- *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 to 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, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) 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 in the fund financial statements as district-wide statements.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
OAKLAND, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Fund financial statements (continued)**

*Enterprise Funds* – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has one enterprise fund.

Food Service (Cafeteria)

- *Fiduciary funds* – The District is the trustee, or fiduciary, for assets that belong to others. 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. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

**Notes to the basic financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found following the basic financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

**DISTRICT-WIDE FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Ramapo Indian Hills Regional High School District, assets exceeded liabilities by \$28,637,103 as of June 30, 2011. See Table A-1.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
OAKLAND, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

By far the largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Table A-1  
Statement of Net Assets  
As of June 30, 2011 and 2010**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Current Assets	\$ 12,735,646	\$ 11,121,883	\$ 328,012	\$ 311,349	\$ 13,063,658	\$ 12,335,278
Capital Assets	<u>43,699,522</u>	<u>43,238,665</u>	<u>14,838</u>	<u>17,311</u>	<u>43,714,360</u>	<u>43,255,976</u>
<b>Total Assets</b>	<u>56,435,168</u>	<u>54,360,548</u>	<u>342,850</u>	<u>328,660</u>	<u>56,778,018</u>	<u>54,689,208</u>
Long-Term Liabilities	25,779,690	26,604,337			25,779,690	26,604,337
Other Liabilities	<u>2,271,403</u>	<u>2,358,886</u>	<u>89,822</u>	<u>91,679</u>	<u>2,361,225</u>	<u>2,450,565</u>
<b>Total Liabilities</b>	<u>28,051,093</u>	<u>28,963,223</u>	<u>89,822</u>	<u>91,679</u>	<u>28,140,915</u>	<u>29,054,902</u>
Net Assets:						
Invested in capital assets, net of related debt	20,431,906	19,205,138	14,838	17,311	20,446,744	19,222,449
Restricted	5,295,561	1,082,196			5,295,561	1,082,196
Unrestricted	<u>2,656,608</u>	<u>5,109,991</u>	<u>238,190</u>	<u>219,670</u>	<u>2,894,798</u>	<u>5,329,661</u>
<b>Total Net Assets</b>	<u>\$ 28,384,075</u>	<u>\$ 25,397,325</u>	<u>\$ 253,028</u>	<u>\$ 236,981</u>	<u>\$ 28,637,103</u>	<u>\$ 25,634,306</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
OAKLAND, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

Table A-2  
Changes in Net Assets  
For the Fiscal Years Ended June 30, 2011 and 2010

	Governmental		Business-Type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 77,580	\$ 94,301	\$ 1,034,621	\$ 1,011,982	\$ 1,112,201	\$ 1,106,283
Grants and Contributions	5,121,368	5,866,558			5,121,368	5,866,558
<b>General Revenues</b>						
Property Taxes	45,854,902	43,950,671			45,854,902	43,950,671
Other	613,664	465,384	2,911	2,688	616,575	468,072
<b>Total Revenues</b>	<u>51,667,514</u>	<u>50,376,914</u>	<u>1,037,532</u>	<u>1,014,670</u>	<u>52,705,046</u>	<u>51,391,584</u>
<b>Expenses</b>						
<b>Instruction</b>						
Regular	21,539,785	21,644,133			21,539,785	21,644,133
Special Education	4,424,649	4,339,094			4,424,649	4,339,094
Other Instruction	132,758	105,572			132,758	105,572
Other Instructional/Supplemental Programs	382,737	396,531			382,737	396,531
School Sponsored Activities and Athletics	2,814,352	2,822,019			2,814,352	2,822,019
<b>Support Services</b>						
Student and Instruction Related Serv.	6,441,902	6,516,072			6,441,902	6,516,072
School Administrative Services	2,357,389	2,363,003			2,357,389	2,363,003
General Administrative Services	836,453	888,253			836,453	888,253
Plant Operations and Maintenance	5,428,363	5,710,525			5,428,363	5,710,525
Pupil Transportation	2,005,596	2,122,137			2,005,596	2,122,137
Business and Other Support Services	1,287,398	1,354,809			1,287,398	1,354,809
Interest on Long-Term Debt	1,029,382	1,058,846			1,029,382	1,058,846
Food Services	-	-	1,021,485	994,160	1,021,485	994,160
<b>Total Expenses</b>	<u>48,680,764</u>	<u>49,320,994</u>	<u>1,021,485</u>	<u>994,160</u>	<u>49,702,249</u>	<u>50,315,154</u>
<b>Change in Net Assets</b>	2,986,750	1,055,920	16,047	20,510	3,002,797	1,076,430
<b>Net Assets, Beginning of Year</b>	<u>25,397,325</u>	<u>24,341,405</u>	<u>236,981</u>	<u>216,471</u>	<u>25,634,306</u>	<u>24,557,876</u>
<b>Net Assets, End of Year</b>	<u>\$ 28,384,075</u>	<u>\$ 25,397,325</u>	<u>\$ 253,028</u>	<u>\$ 236,981</u>	<u>\$ 28,637,103</u>	<u>\$ 25,634,306</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
OAKLAND, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$51,667,514 for the year ended June 30, 2011 a 3 percent increase from the previous year. Property taxes of \$45,854,902 represented 89% of revenues. Another significant portion of revenues came from State, Federal and Local aid; total State, Federal, Local and formula aid was \$5,121,368. Another source of revenues is miscellaneous income, which includes items such as rentals, prior year refunds, interest etc. The smallest component of revenues is charges for services, which includes tuition from other LEAs and individuals and transportation fees from individuals.

The total cost of all governmental activities programs and services was \$48,680,764. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$29,294,281 (60%) of total expenditures. Support services totaled \$18,357,101 or 38% of total expenditures. The remaining expenditures relate to interest and other charges on long-term debt which were \$1,029,382 or 2% of total expenditures. (See Table A-4).

Total governmental activities revenues surpassed expenses, increasing net assets \$2,986,750 from the previous year.

Table A-3 Revenues by Source- Governmental Activities  
For Fiscal Year 2011

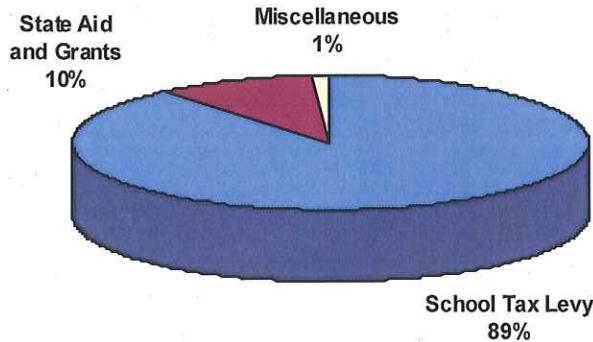
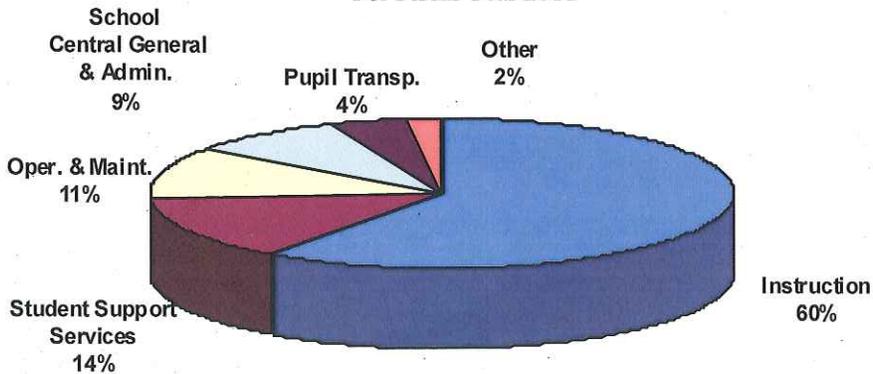


Table A-4 Expenditures by Type- Governmental Activities  
For Fiscal Year 2011



**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
OAKLAND, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$48,680,764. After applying program revenues, derived from charges for services of \$77,580 and operating and capital grants and contributions of \$5,121,368 the net cost of services of the District is \$43,481,816. See Table A-5.

**Table A-5  
Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2011 and 2010**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Instruction				
Regular	\$ 21,539,785	\$ 21,644,133	\$ 19,655,915	\$ 19,851,161
Special Education	4,424,649	4,339,094	3,581,350	2,959,905
Other Instruction	132,758	105,572	119,903	96,237
Other Instructional/Supplemental Programs	382,737	396,531	345,441	360,436
School Sponsored Activities and Athletics	2,814,352	2,822,019	2,814,352	2,630,654
Support Services				
Student and Instruction Related Svcs.	6,441,902	6,516,072	5,632,647	5,620,578
School Administrative Services	2,357,389	2,363,003	2,182,985	2,201,975
General Administrative Services	836,453	888,253	810,201	864,018
Plant Operations and Maintenance	5,428,363	5,710,525	4,163,507	4,914,675
Pupil Transportation	2,005,596	2,122,137	1,883,136	1,469,367
Business and Other Support Services	1,287,398	1,354,809	1,262,997	1,332,283
Interest on Long-Term Debt	<u>1,029,382</u>	<u>1,058,846</u>	<u>1,029,382</u>	<u>1,058,846</u>
<b>Total</b>	<u>\$ 48,680,764</u>	<u>\$ 49,320,994</u>	<u>\$ 43,481,816</u>	<u>\$ 43,360,135</u>

**Business-Type Activities** -- The District's total business-type activities revenues were \$1,037,532 for the year ended June 30, 2011. Charges for services accounted for more than 99% of total revenues for the year.

The total cost of all business-type activities programs and services was \$1,021,485. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District.

Total business-type activities revenues surpassed expenses increasing net assets by \$16,047 over the previous year.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
OAKLAND, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$10,361,376. In 2009/2010, the fund balance was \$8,644,510. This increase is predominately attributable to a decrease in spending due to careful monitoring of the District's expenditures, cancellation of prior year capital project authorizations and the reserving of funds needed to fund future anticipated costs.

Revenues for the District's governmental funds were \$51,667,514, while total expenses were \$49,950,648.

**General Fund** - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students from grades 9-12 including pupil transportation activities and other support services.

The following schedule presents a summary of General Fund Revenues.

	Year Ended <u>June 30, 2011</u>	Year Ended <u>June 30, 2010</u>	Amount of Increase (Decrease)	Percent Change
Local Sources				
Property Tax Levy	\$ 44,123,887	\$ 42,238,098	\$ 1,885,789	4%
Tuition	35,810	52,431	(16,621)	-32%
Interest	93,900	95,878	(1,978)	-2%
Miscellaneous	561,534	411,376	150,158	37%
State Sources	2,987,322	4,360,966	(1,373,644)	-31%
Federal Sources	<u>52,139</u>	<u>-</u>	<u>52,139</u>	100%
 Total General Fund Revenues	 <u>\$ 47,854,592</u>	 <u>\$ 47,158,749</u>	 <u>\$ 695,843</u>	 1%

Total General Fund Revenues increased by \$695,843 or 1% compared with the previous year.

Local property taxes remained stable increasing 4% over the previous year. State aid revenues decreased \$1,373,644 or 31% predominantly attributable to the reductions in State categorical aid. In addition, the State delayed an additional categorical State aid payment to the subsequent year.

The federal revenues relate to funds received from the Education Jobs Fund Program.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
OAKLAND, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

Miscellaneous revenues increased due to the increase in prior payables cancelled and insurance/other refunds compared to the prior year.

Interest income revenues decreased due to a decline in the market interest rate on deposits.

Tuition revenues decreased slightly to a reduction in enrollment of students outside the District.

The following schedule presents a summary of General Fund expenditures.

	Year Ended <u>June 30, 2011</u>	Year Ended <u>June 30, 2010</u>	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 26,670,290	\$ 26,734,741	\$ (64,451)	0%
Support Services	17,448,847	17,975,249	(526,402)	-3%
Debt Service	140,000	140,000	-	0%
Capital Outlay	<u>240,948</u>	<u>509,402</u>	<u>(268,454)</u>	-53%
 Total Expenditures	 <u>\$ 44,500,085</u>	 <u>\$ 45,359,392</u>	 <u>\$ (859,307)</u>	 -2%

Total General Fund expenditures decreased \$859,307 or 2% from the previous year. The District experienced significant decreases in areas of capital outlay.

In 2010-2011 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$4,198,042. A significant other financing source came from \$1,041,792 of cancelled capital project unexpended balances returned to the capital reserve. As a result, total fund balance increased to \$9,412,915 at June 30, 2011. After deducting statutory transfers and reserves, the unassigned fund balance increased from \$677,567 at June 30, 2010 to \$871,450 at June 30, 2011.

**Special Revenue Fund** - The Special Revenue Fund includes all restricted Federal, State and Local sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$828,399, for the year ended June 30, 2011. Federal sources accounted for the majority of Special Revenue Fund's revenue, which represented 80% of the total revenue for the year.

Total Special Revenue Fund revenues increased \$69,709 or 9% from the previous year. Federal sources increased \$55,253 or 9%, State sources increased \$7,168 or 11% and local sources increased \$7,288 or 8%.

Expenditures of the Special Revenue Fund were \$828,399. Instructional expenditures accounted for 37% of the expenditures for the year ended June 30, 2011. Support services of \$352,536 accounted for 43% of the expenditures with the remaining expenses attributable to capital outlay.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
OAKLAND, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Capital Projects** - The capital projects expenditures and other financing uses exceeded revenues and other financing sources by \$2,536,389 resulting in a remaining fund balance of \$893,248 at June 30, 2011. The fund balance represents the unexpended local share of capital projects approved by the Board.

**Proprietary Funds**

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

**Enterprise Fund** - The District use an Enterprise Fund to report activities related to the Food Services program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into two categories

- Implementing budgets for specially funded projects, which include both federal and State grants, and reinstating prior year purchase orders being carried over.
- Increases in appropriations for the funding of capital projects approved in the Long-Range Facilities Plan.

**CAPITAL ASSETS**

The District's investment in capital assets for its governmental and business type activities as of June 30, 2011 amounts to \$43,714,360 (net of accumulated depreciation). The capital assets consist of land, land improvements, construction in progress, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2010-11 amounted to \$2,842,695 for governmental activities and \$2,473 for business-type activities.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
OAKLAND, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Table A-6  
Capital Assets at June 30, 2011 and 2010  
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land and Improvements						
Other Than Building	\$ 3,929,881	\$ 4,160,893			\$ 3,929,881	\$ 4,160,893
Building and Building Improvements	34,290,398	36,410,053			34,290,398	36,410,053
Machinery and Equipment	335,725	184,898	\$ 14,838	\$ 17,311	350,563	202,209
Construction in Progress	5,143,518	2,482,821	-	-	5,143,518	2,482,821
<b>Total Capital Assets, Net</b>	<u>\$ 43,699,522</u>	<u>\$ 43,238,665</u>	<u>\$ 14,838</u>	<u>\$ 17,311</u>	<u>\$ 43,714,360</u>	<u>\$ 43,255,976</u>

Additional information on the District's capital assets are presented in the "Notes to the Basic Financial Statements" of this report.

**LONG TERM LIABILITIES**

At year end, the District's long-term liabilities consisted of compensated absences payable of \$2,328,646 bonds payable of \$23,590,000 and settlement agreement payable of \$220,000.

Additional information of the District's long-term liabilities is presented in the "Notes to the Basic Financial Statements" of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Currently, the District is in good financial condition. Everyone associated with Ramapo Indian Hills Regional High School is grateful for the community support.

Many factors were considered by the District's administration during the process of developing the fiscal year 2010-2011 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2011-2012. Budgeted expenditures in the General Fund increased less than 3 percent to \$46,730,007 for fiscal year 2011-2012.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
OAKLAND, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our 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 information contact the School Business Administrator, Ramapo Indian Hills Regional High School, 131 Yawpo Avenue, Oakland, NJ 07436.

**BASIC FINANCIAL STATEMENTS**

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT**  
**STATEMENT OF NET ASSETS**  
**AS OF JUNE 30, 2011**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 9,539,859	\$ 317,240	\$ 9,857,099
Receivables, net	3,012,369	2,248	3,014,617
Inventory		8,524	8,524
Deferred Charges	183,418		183,418
Capital Assets:			
Not Being Depreciated	5,322,153		5,322,153
Being Depreciated, net	<u>38,377,369</u>	<u>14,838</u>	<u>38,392,207</u>
Total Assets	<u>56,435,168</u>	<u>342,850</u>	<u>56,778,018</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Liabilities	1,691,054	82,818	1,773,872
Accrued Interest Payable	80,551		80,551
Payable to State Government	21,663		21,663
Unearned Revenue	478,135	7,004	485,139
Noncurrent Liabilities :			
Due within one year	1,095,000		1,095,000
Due beyond one year	<u>24,684,690</u>	<u>-</u>	<u>24,684,690</u>
Total Liabilities	<u>28,051,093</u>	<u>89,822</u>	<u>28,140,915</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, net of related debt	20,431,906	14,838	20,446,744
Restricted for:			
Capital Projects	5,240,348		5,240,348
Debt Service	55,213		55,213
Unrestricted	<u>2,656,608</u>	<u>238,190</u>	<u>2,894,798</u>
Total Net Assets	<u>\$ 28,384,075</u>	<u>\$ 253,028</u>	<u>\$ 28,637,103</u>

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>	
<u>Governmental Activities:</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total</u>
Instruction:					
Regular	\$ 21,539,785	\$ 10,657	\$ 1,873,213		\$ (19,655,915)
Special Education	4,424,649	25,153	818,146		(3,581,350)
Other Instruction	132,758		12,855		(119,903)
Other Supplemental / At-Risk Programs	382,737		37,296		(345,441)
School Sponsored Activities and Athletics	2,814,352				(2,814,352)
Support Services:					
Student & Instruction Related Services	6,441,902		809,255		(5,632,647)
School Administrative Services	2,357,389		174,404		(2,182,985)
General and Business Administrative Services	836,453		26,252		(810,201)
Plant Operations and Maintenance	5,428,363		11,348	\$ 1,253,508	(4,163,507)
Pupil Transportation	2,005,596	41,770	80,690		(1,883,136)
Business and Other Support Services	1,287,398		24,401		(1,262,997)
Interest on Long-Term Debt	1,029,382	-	-	-	(1,029,382)
Total Governmental Activities	48,680,764	77,580	3,867,860	1,253,508	(43,481,816)
<b>Business-Type Activities:</b>					
Food Service	1,021,485	1,034,621	-	-	\$ 13,136
Total Business-Type Activities	1,021,485	1,034,621	-	-	13,136
<b>Total Primary Government</b>	\$ 49,702,249	\$ 1,112,201	\$ 3,867,860	\$ 1,253,508	(43,468,680)
<b>General Revenues:</b>					
Taxes:					
Property Taxes, Levied For General Purposes					44,123,887
Property Taxes Levied for Debt Service					1,731,015
Investment Earnings					93,900
Miscellaneous Income					519,764
Total General Revenues					46,468,566
Change in Net Assets					16,047
Net Assets, Beginning of Year					25,397,325
Net Assets, End of Year					\$ 28,384,075
					\$ 253,028
					\$ 28,637,103

**FUND FINANCIAL STATEMENTS**

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash	\$ 9,484,646			\$ 55,213	\$ 9,539,859
Receivables From Other Governments	113,017	\$ 262,970	\$ 2,158,515		2,534,502
Other Receivables	477,867				477,867
Due from Other Funds	<u>933,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>933,058</u>
 Total Assets	 <u>\$ 11,008,588</u>	 <u>\$ 262,970</u>	 <u>\$ 2,158,515</u>	 <u>\$ 55,213</u>	 <u>\$ 13,485,286</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 1,131,019	\$ 42,871	\$ 52,510		\$ 1,226,400
Due to Other Funds		99,319	833,739		933,058
Payable to State Government		21,663			21,663
Deferred Revenue	-	99,117	379,018	-	478,135
Accrued Liability for Insurance Claims	<u>464,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,654</u>
 Total Liabilities	 <u>1,595,673</u>	 <u>262,970</u>	 <u>1,265,267</u>	 <u>-</u>	 <u>3,123,910</u>
Fund Balances:					
Restricted Fund Balance					
Capital Reserve	4,347,100				4,347,100
Emergency Reserve	400,000				400,000
Excess Surplus	1,600,000				1,600,000
Excess Surplus - Designated for Subsequent Year's Expenditures	1,686,457				1,686,457
Capital Projects			893,248		893,248
Debt Service				\$ 55,213	55,213
Committed Fund Balance					
Year End Encumbrances	31,367				31,367
Assigned Fund Balance					
Year End Encumbrances	297,703				297,703
Designed for Subsequent Year's Expenditures	178,838				178,838
Unassigned Fund Balance	<u>871,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>871,450</u>
	<u>9,412,915</u>	<u>-</u>	<u>893,248</u>	<u>55,213</u>	<u>10,361,376</u>
	<u>\$ 11,008,588</u>	<u>\$ 262,970</u>	<u>\$ 2,158,515</u>	<u>\$ 55,213</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$76,017,983 and the accumulated depreciation is \$32,318,461.

43,699,522

Accrued interest on long-term debt is not reported as a liability in the funds.

(80,551)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 2)

(25,596,272)

Net Assets of Governmental Activities

\$ 28,384,075

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 44,123,887			\$ 1,731,015	\$ 45,854,902
Tuition	35,810				35,810
Transportation Fees	41,770				41,770
Interest	93,900				93,900
Miscellaneous	519,764	\$ 93,791	-	-	613,555
<b>Total - Local Sources</b>	<u>44,815,131</u>	<u>93,791</u>	<u>-</u>	<u>1,731,015</u>	<u>46,639,937</u>
State Sources	2,987,322	69,554	\$ 1,253,508		4,310,384
Federal Sources	52,139	665,054	-	-	717,193
<b>Total Revenues</b>	<u>47,854,592</u>	<u>828,399</u>	<u>1,253,508</u>	<u>1,731,015</u>	<u>51,667,514</u>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	19,101,435	131,065			19,232,500
Special Education Instruction	4,246,410	173,343			4,419,753
Other Instructional Programs	132,701				132,701
Other Supplemental / At Risk Programs	382,573				382,573
School Sponsored Activities and Athletics	2,807,171				2,807,171
Support Services					
Student & Instruction Related Services	6,084,055	352,536			6,436,591
School Administrative Services	2,350,653				2,350,653
General Administrative Services	818,198				818,198
Plant Operations and Maintenance	5,029,009				5,029,009
Pupil Transportation	1,972,189				1,972,189
Business and Other Support Services	1,194,743				1,194,743
Debt Service					
Principal	140,000			735,000	875,000
Interest and Other Charges				996,015	996,015
Capital Outlay	240,948	171,455	\$ 2,891,149	-	3,303,552
<b>Total Expenditures</b>	<u>44,500,085</u>	<u>828,399</u>	<u>2,891,149</u>	<u>1,731,015</u>	<u>49,950,648</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,354,507</u>	<u>-</u>	<u>(1,637,641)</u>	<u>-</u>	<u>1,716,866</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	(198,257)		(1,097,005)		(1,295,262)
Transfers In	1,041,792	-	198,257	55,213	1,295,262
<b>Total Other Financing Sources and Uses</b>	<u>843,535</u>	<u>-</u>	<u>(898,748)</u>	<u>55,213</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	4,198,042	-	(2,536,389)	55,213	1,716,866
<b>Fund Balance, Beginning of Year</b>	<u>5,214,873</u>	<u>-</u>	<u>3,429,637</u>	<u>-</u>	<u>8,644,510</u>
<b>Fund Balance, End of Year</b>	<u>\$ 9,412,915</u>	<u>\$ -</u>	<u>\$ 893,248</u>	<u>\$ 55,213</u>	<u>\$ 10,361,376</u>

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 1,716,866

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.

Capital Outlays	\$ 3,303,552	
Depreciation Expense	<u>(2,842,695)</u>	460,857

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bonds Principal	735,000	
Settlement Agreements Payment	<u>140,000</u>	875,000

In the statement of activities, costs related to the issuance of long term debt are deferred and amortized over the term of the debt. In the governmental funds, the issuance costs are reported upon issuance of the debt. This amount represents the current year amortization of the costs related to the issuance of long term debt in previous years. (See Note 2) (53,886)

In the statement of activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid): When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation. (14,537)

In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. 2,450

Change in Net Assets of Governmental Activities (Exhibit A-2) \$ 2,986,750

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 PROPRIETARY FUND  
 STATEMENT OF NET ASSETS  
 AS OF JUNE 30, 2011**

	<b>Business-Type            Activities            Enterprise Fund  <u>Food Services</u></b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 317,240
Other Accounts Receivable	2,248
Inventories	<u>8,524</u>
Total Current Assets	<u>328,012</u>
Capital Assets	
Equipment	323,158
Less: Accumulated Depreciation	<u>(308,320)</u>
Total Capital Assets	<u>14,838</u>
Total Assets	<u>342,850</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	82,818
Unearned Revenue	<u>7,004</u>
Total Current Liabilities	<u>89,822</u>
<b>NET ASSETS</b>	
Invested in Capital Assets	14,838
Unrestricted	<u>238,190</u>
Total Net Assets	<u><u>\$ 253,028</u></u>

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<b>Business-Type Activities Enterprise Fund <u>Food Services</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Sales	\$ 1,034,621
Total Operating Revenues	1,034,621
<b>OPERATING EXPENSES</b>	
Cost of Sales	489,371
Salaries and Employee Benefits	384,191
Supplies and Materials	41,366
Student Free Lunches	8,801
Management Fees	33,211
Depreciation	2,473
Equipment Repair	23,149
Miscellaneous Expenditures	38,923
Total Operating Expenses	1,021,485
Operating Income	13,136
<b>NONOPERATING REVENUES</b>	
Local Sources	
Interest Revenue	2,911
Total Nonoperating Revenues	2,911
Net Income Before Transfers	16,047
Change in Net Assets	16,047
Net Assets, Beginning of Year	236,981
Net Assets, End of Year	\$ 253,028

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<b>Business-Type Activities Enterprise Fund <u>Food Services</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 1,038,707
Cash Payments for Employees' Salaries and Benefits	(384,191)
Cash Payments to Suppliers for Goods and Services	<u>(643,544)</u>
Net Cash Provided by Operating Activities	<u>10,972</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on Investments	<u>2,911</u>
Net Cash Provided by Investing Activities	<u>2,911</u>
Net Increase in Cash and Cash Equivalents	13,883
Cash, Beginning of Year	<u>303,357</u>
Cash, End of Year	<u><u>\$ 317,240</u></u>
 <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating Income	<u>\$ 13,136</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	2,473
Change in Assets and Liabilities	
(Increase)/Decrease in Other Accounts Receivable	(469)
(Increase)/Decrease in Inventory	(2,311)
Increase/(Decrease) in Accounts Payable	(5,515)
Increase/(Decrease) in Unearned Revenue	<u>3,658</u>
Total Adjustments	<u>(2,164)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 10,972</u></u>

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
AS OF JUNE 30, 2011**

	<u>Scholarship Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash	\$ 91,861	\$ 329,701	\$ 245,404
Total Assets	<u>91,861</u>	<u>329,701</u>	<u>\$ 245,404</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings			\$ 3,727
Intergovernmental Payable		34,115	
Due to Student Groups	-	-	241,677
Total Liabilities	<u>-</u>	<u>34,115</u>	<u>\$ 245,404</u>
<b>NET ASSETS</b>			
Reserved For Scholarships	<u>\$ 91,861</u>		
Held in Trust for Unemployment Claims		<u>\$ 295,586</u>	

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Scholarship Fund</u>	<u>Unemployment Compensation Trust Fund</u>
<b>ADDITIONS</b>		
Contributions		
Employee Deductions		\$ 49,253
Board Contribution		250,000
Donations	\$ 37,740	
Investment Earnings		
Interest	912	2,222
	38,652	301,475
<b>DEDUCTIONS</b>		
Scholarships Awarded	47,600	
Unemployment Claims and Contributions	-	179,203
	47,600	179,203
Change in Net Assets	(8,948)	122,272
Net Assets, Beginning of Year	100,809	173,314
Net Assets, End of Year	\$ 91,861	\$ 295,586

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Ramapo Indian Hills Regional High School District (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine 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. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Ramapo Indian Hills Regional High School District this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. Basic Financial Statements**

The basic financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements. Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities.

The district-wide financial statements report information on all of the nonfiduciary activities of the Board of Education. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basic Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid, and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District considers all of its governmental and enterprise funds to be major funds.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due.

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal and state financial programs, with the exception of grants for major capital projects.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of major capital facilities and other capital assets.

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow private-sector guidance issued subsequent to December 1, 1989.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, investment earnings and miscellaneous revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity**

***1. Deposits and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

***2. Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2009-2010 and 2010-2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

Property taxes are levied pursuant to law and are collected by each of the municipalities and are transferred to the District as requested. Property tax revenue is recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred revenues. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipalities may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

***3. Inventories***

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories are valued at cost, using the first-in first-out (FIFO) method. The District does not participate in the United States Department of Agriculture (USDA) commodity program or the National School Lunch Program.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**4. *Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Improvements Other Than Buildings	20
Buildings	45
Building Improvements	20
Heavy Equipment	10
Office Equipment and Furniture	10
Computer Equipment	5

**5. *Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**6. *Long-term obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and refunding gains or losses. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**7. *Fund Equity***

Beginning with fiscal year 2011, the District implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 3B.)

*Emergency Reserve* – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education.

*Reserved Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2011 audited excess surplus that is required to be appropriated in the 2012/2013 original budget certified for taxes.

*Reserved Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2010 audited excess surplus that was appropriated in the 2011/2012 original budget certified for taxes.

*Capital Projects* – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

*Debt Service* – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**7. Fund Equity(Continued)**

**Committed Fund Balance** – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

*Year-End Encumbrances* – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee’s for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**Assigned Fund Balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

*Year-End Encumbrances* – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

*Designated for Subsequent Year’s Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2011/2012 District budget certified for taxes.

**Unassigned Fund Balance** – Represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund.

**NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the district-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the district-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$25,596,272 difference are as follows:

Bonds payable	\$23,590,000
Add: Original Issue Premium (to be amortized over life of debt)	103,892
Less: Deferred charge on refunding (to be amortized as interest expense)	(462,848)
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(183,418)
Compensated absences	2,328,646
Settlement Agreement Payable	<u>220,000</u>

Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities \$25,596,272

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the district-wide statement of activities**

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds". The details of this \$53,886 difference are as follows:

Amortization of deferred charge on refunding	\$ (46,115)
Amortization of original issue premium	10,299
Amortization of Bond Issuance Costs	<u>(18,070)</u>
 Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	   <u>\$(53,886)</u>

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. The Board approved several budget transfers during 2010/2011. During 2010/2011 the Board increased the original budget by \$1,118,039. The increase was funded by appropriation of capital reserve funds, grant awards and the reappropriation of prior year general fund encumbrances.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

**B. Capital Reserve**

A capital reserve account was established by the District on September 25, 2000. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve 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 fiscal year ended June 30, 2011 is as follows:

Balance, July 1, 2010	\$ 1,082,196
Increased by:	
Return of Unexpended Funding from Capital Projects Fund	1,041,792
Deposits Approved by Board Resolution	2,411,793
Interest Earnings	<u>9,576</u>
	3,463,161
Decreased by:	
Withdrawals Approved by Board Resolution	<u>(198,257)</u>
Balance, June 30, 2011	<u>\$ 4,347,100</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Capital Reserve (Continued)**

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects is \$11,296,444. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**C. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures 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 excess fund balance at June 30, 2011 is \$3,286,457. Of this amount, \$1,686,457 was designated and appropriated in the 2011/2012 original budget certified for taxes and the remaining amount of \$1,600,000 will be appropriated in the 2012/2013 original budget certified for taxes.

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

**Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2011, the book value of the Board's deposits was \$10,524,065 and bank balances of the Board's cash and deposits amounted to \$11,545,322. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash" are categorized as:

**Depository Account**

Insured	<u>\$ 11,545,322</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. However, none of the Board's bank balance was exposed to custodial risk.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2011, the Board had no outstanding investments.

**B. Receivables**

Receivables as of June 30, 2011 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Accounts	\$ 477,867			\$ 2,248	\$ 480,115
Intergovernmental	<u>113,017</u>	<u>\$ 262,970</u>	<u>\$ 2,158,515</u>	<u>-</u>	<u>2,534,502</u>
Gross Receivables	590,884	262,970	2,158,515	2,248	3,014,617
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 590,884</u>	<u>\$ 262,970</u>	<u>\$ 2,158,515</u>	<u>\$ 2,248</u>	<u>\$ 3,014,617</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

Special Revenue Fund	<u>Unearned</u>
Unencumbered grant draw downs	\$99,117
Capital Projects Fund	
Unrealized School Facility Grants	<u>379,018</u>
 Total deferred revenue for governmental funds	 <u>\$478,135</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets**

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

	Balance, July 1, 2010	Increases	Decreases	Transfers	Balance, June 30, 2011
<b>Governmental activities:</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 178,635				\$ 178,635
Construction in Progress	2,482,821	\$ 2,917,149	-	\$ (256,452)	5,143,518
Total Capital Assets, Not Being Depreciated	<u>2,661,456</u>	<u>2,917,149</u>	<u>-</u>	<u>(256,452)</u>	<u>5,322,153</u>
Capital Assets, Being Depreciated:					
Buildings	57,222,200			256,452	57,478,652
Improvements Other Than Buildings	6,356,470	36,208			6,392,678
Machinery and Equipment	6,474,305	350,195	-	-	6,824,500
Total Capital Assets Being Depreciated	<u>70,052,975</u>	<u>386,403</u>	<u>-</u>	<u>256,452</u>	<u>70,695,830</u>
Less Accumulated Depreciation for:					
Buildings	(20,812,147)	(2,376,107)			(23,188,254)
Improvements Other Than Buildings	(2,374,212)	(267,220)			(2,641,432)
Machinery and Equipment	(6,289,407)	(199,368)	-	-	(6,488,775)
Total Accumulated Depreciation	<u>(29,475,766)</u>	<u>(2,842,695)</u>	<u>-</u>	<u>-</u>	<u>(32,318,461)</u>
Total Capital Assets, Being Depreciated, Net	<u>40,577,209</u>	<u>(2,456,292)</u>	<u>-</u>	<u>256,452</u>	<u>38,377,369</u>
Government Activities Capital Assets, Net	<u>\$ 43,238,665</u>	<u>\$ 460,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,699,522</u>
<b>Business-Type Activities:</b>					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 323,158	-	-	-	\$ 323,158
Total Capital Assets Being Depreciated	<u>323,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,158</u>
Less Accumulated Depreciation for:					
Machinery and Equipment	(305,847)	\$ (2,473)	-	-	(308,320)
Total Accumulated Depreciation	<u>(305,847)</u>	<u>(2,473)</u>	<u>-</u>	<u>-</u>	<u>(308,320)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 17,311</u>	<u>\$ (2,473)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,838</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities:**

Instruction

Regular	\$ 2,299,643
Special Education	4,294
School Sponsored Activities and Athletics	6,277
Total Instruction	<u>2,310,214</u>

Support Services

Student and Instruction Related Services	2,843
School administration	5,770
Operations and maintenance of plant	398,344
Student transportation	33,281
Business and other support services	92,243
Total Support Services	<u>532,481</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 2,842,695</u>
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**Business-Type Activities:**

Food Service Fund	<u>\$ 2,473</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 2,473</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets (Continued)**

**Construction commitments**

The District has the following active construction projects as of June 30, 2011:

<u>Project Title/Description</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Renovations-Gym-Indian Hills High School	\$ 1,151,715	\$ 6,653
Renovations-Auditorium-Indian Hills High School	1,727,451	8,991
Security System Upgrades- Ramapo High School	14,406	147,864
Security System Upgrades- Indian Hills High School	14,405	147,865
Sewage Treatment Plant - Indian Hills High School	273,689	12,451
Masonry Upgrades - Indian Hills High School	412,525	93,600
ADA Upgrades - Indian Hills High School	55,820	15,300
Window / Door Replacement - Phase 2 - Ramapo High School	361,200	7,800
Window / Door Replacement - Phase 1 - Ramapo High School	562,800	12,200
Masonry Stair Repairs - Indian Hills High School	38,933	3,067
Roof Repairs / Skylight Removal - Indian Hills High School	44,416	29,984
ADA Upgrades - Indian Hills High School	140,336	147,264
IDF / MDF Server Room Climate Control - Ramapo High School	41,772	6,228
Heating System Upgrades - Indian Hills High School	1,557,234	245,166
Generator Replacement - Indian Hills High School	271,000	29,000
Heating System Upgrades - Ramapo High School	726,028	109,172
Generator Replacement - Ramapo High School	221,039	78,961
Re-Roofing - Indian Hills High School	154,200	170,700
		<u>\$ 1,272,266</u>

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2011, is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 99,319
General Fund	Capital Projects Fund	<u>833,739</u>
		<u>\$ 933,058</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets (Continued)**

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**Interfund transfers**

	<u>Transfer In</u>			<u>Totals</u>
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	
<u>Transfer Out:</u>				
General Fund		\$ 198,257		\$ 198,257
Capital Projects	\$ 1,041,792	-	\$ 55,213	1,097,005
Total transfers out	<u>\$ 1,041,792</u>	<u>\$ 198,257</u>	<u>\$ 55,213</u>	<u>\$ 1,295,262</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**E. Leases**

**Operating Leases**

The District leases copiers under noncancelable operating leases. Lease payments for the year ended June 30, 2011 were \$215,592. The future minimum lease payments for these operating leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2012	\$ 221,257
2013	221,257
2014	177,159
2015	145,660
2016	<u>5,665</u>
Total	<u>\$ 770,998</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2011 are comprised of the following issues:

\$9,700,000, 2005 Refunding Bonds, due in annual installments of \$290,000 to \$680,000 through June 1, 2031, interest at 4.00% to 4.25%	\$9,070,000
\$9,600,000, 2006 Refunding Bonds, due in annual installments of \$285,000 to \$665,000 through June 1, 2031, interest at 4.00% to 4.25%	8,925,000
\$6,005,000, 2007 Refunding Bonds, due in annual installments of \$180,000 to \$380,000 through June 1, 2031, interest at 4.00% to 4.10%	<u>5,595,000</u>
	<u>\$23,590,000</u>

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 755,000	\$ 966,615	\$ 1,721,615
2013	790,000	936,415	1,726,415
2014	830,000	904,815	1,734,815
2015	870,000	871,615	1,741,615
2016	910,000	836,815	1,746,815
2017-2021	5,140,000	3,608,362	8,748,362
2022-2026	6,395,000	2,468,488	8,863,488
2027-2031	<u>7,900,000</u>	<u>1,025,863</u>	<u>8,925,863</u>
	<u>\$ 23,590,000</u>	<u>11,618,988</u>	<u>\$ 35,208,988</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Long-Term Debt (Continued)**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2011 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 359,779,674
Less: Net Debt	<u>23,590,000</u>
Remaining Borrowing Power	<u>\$ 336,189,674</u>

**Settlement Agreement**

The District has entered into a settlement agreement to fully settle the outstanding warranty claim between the District and Field Turf, USA, Inc. regarding the concern about the safety of the artificial turf utilized in the installation of artificial turf athletic field surfaces at the Ramapo and Indian Hills High Schools in 2001.

As part of the settlement, Field Turf, USA, Inc. agreed to remove and replace the existing artificial turf athletic fields at the schools. In consideration for the inextricable component of the work to be performed which provides field use beyond the original warranty period, the Board has agreed to pay Field Turf, USA, Inc. the sum of \$700,000.

The maturity schedule of the remaining settlement payments is as follows:

**Governmental Activities:**

Year Ended <u>June 30</u>	Settlement <u>Agreement</u>
2012	\$ 140,000
2013	<u>80,000</u>
	<u>\$ 220,000</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Long-Term Debt (Continued)**

**Changes in long-term liabilities**

Long-term liability activity for the fiscal year ended June 30, 2011, was as follows:

	Balance, July 1, 2010	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2011	Due Within <u>One Year</u>
<b>Governmental activities:</b>					
Bonds Payable	\$ 24,325,000		\$ (735,000)	\$ 23,590,000	\$ 755,000
Add:					
Unamortized Premium	114,191		(10,299)	103,892	
Less:					
Unamortized Amount on Refunding	<u>(508,963)</u>	<u>-</u>	<u>46,115</u>	<u>(462,848)</u>	<u>-</u>
	23,930,228	-	(699,184)	23,231,044	755,000
Compensated Absences	2,314,109	\$ 189,238	(174,701)	2,328,646	200,000
Settlement Agreement Payable	<u>360,000</u>	<u>-</u>	<u>(140,000)</u>	<u>220,000</u>	<u>140,000</u>
Governmental Activity Long-Term Liabilities	<u>\$ 26,604,337</u>	<u>\$ 189,238</u>	<u>\$ (1,013,885)</u>	<u>\$ 25,779,690</u>	<u>\$ 1,095,000</u>

For the governmental activities, compensated absences and settlement agreement are generally liquidated by the general fund.

**NOTE 5 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. The District has established a group health benefits plan for its employees. Transactions related to the plan are accounted for in the General Fund. The District funds the entire cost of the plan. Claims are paid directly by the plan. The agreement also includes a stop loss threshold of \$125,000.

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2011, are reported as claims and judgments payable and accrued liability for insurance claims, respectively. These estimates were determined based on claim information supplied by the claims administrator and actuary. The unpaid claims liability of \$464,654 reported at June 30, 2011 is based on the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

Changes in the balances of claims liabilities for the group health insurance plan for the fiscal year ended June 30, 2011 is as follows:

	Fiscal Year Ended <u>June 30, 2011</u>
<b>Governmental Activities:</b>	
Incurred Claims and Premiums	\$ 5,357,039
Claim and Premium Payments	<u>(4,892,385)</u>
Unpaid Claims, End of Year	<u>\$ 464,654</u>

The District is a member of the New Jersey School Boards Association Insurance Group (NJSBAIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

The NJSBAIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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

<u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2011	\$ 250,000	\$ 49,253	\$ 179,203	\$ 295,586
2010	150,000	49,418	194,888	173,314
2009		51,809	114,392	167,629

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities**

There is pending litigation involving claims made by a former District employee against the Board for breach of contract. The former employee seeks damages for loss in pension benefits over the course of employment as well as compensation for sick and vacation days payouts claimed to be owed by the Board. The former employee also alleges that the Board breached a provision agreeing to hire the individual as a consultant. The matter is currently scheduled for trial in December of 2011.

The District is a party defendant in some other lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2011, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2011, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. Employee Retirement Systems and Pension Plans**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

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 accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Significant Legislation**

P.L. 2010, c. 1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement system.

This new legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF and PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF and PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7<sup>th</sup> of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

**Funding Status and Funding Progress**

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 66.0 percent with an unfunded actuarial accrued liability of \$45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and \$30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 72.1 percent and \$15.1 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2009 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 percent for TPAF.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 5.5% for PERS, 5.5% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2011, 2010 and 2009 the Board was required to contribute for PERS and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Year Ended</u> <u>June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>
2011	\$ 458,954	\$ 55,519
2010	345,764	61,419
2009	281,723	55,069

During the last three fiscal years, the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$55,519, \$61,419 and \$55,069 during 2010/2011, 2009/2010 and 2008/2009, respectively, for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,312,791 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 514 state and local participating employers and contributing entities for Fiscal Year 2010.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

**Health Benefits Program Fund (HBPF) – Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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 the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Basis of Accounting**

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

**Significant Legislation**

P.L. 2010, c.2 effective May 21, 2010, makes changes to the SHBP-State/Local Government/Local Education concerning eligibility, cost sharing, choice of a plan, the application of benefit changes, the waiver of coverage, and multiple coverage under such plans. It also requires contributions toward the cost of health care benefits coverage by public employees and certain retirees.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Funded Status and Funding Progress**

As of June 30, 2009, the most recent actuarial valuation date, the State had a \$56.8 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$20.5 billion for state active and retired members and \$36.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the June 30, 2009, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2010, there were 87,288 retirees receiving post-retirement medical benefits and the State contributed \$883.8 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions (Continued)**

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2011, 2010 and 2009 were \$1,179,223, \$1,359,715 and \$1,050,587, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**BUDGETARY COMPARISON SCHEDULES**

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

REVENUES	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final to Actual
Local Sources					
Local Tax Levy	\$ 44,123,887		\$ 44,123,887	\$ 44,123,887	
Tuition - Intergovernmental				25,153	\$ 25,153
Tuition - Individuals	36,000		36,000	10,657	(25,343)
Transportation Fees from Individuals	32,000		32,000	41,770	9,770
Interest on Capital Reserve	9,576		9,576	9,576	
Interest	80,000		80,000	84,324	4,324
Miscellaneous-Restricted	225,000		225,000	305,685	80,685
Miscellaneous - Unrestricted	50,000	-	50,000	214,079	164,079
<b>Total Local Revenues</b>	<b>44,556,463</b>		<b>44,556,463</b>	<b>44,815,131</b>	<b>258,668</b>
State Sources					
TPAF FICA Wage Freeze Aid				337	337
Extraordinary Aid				283,413	283,413
Additional Nonpublic Transportation Aid	-	-	-	28,097	28,097
<b>Subtotal Non On-behalf State Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>311,847</b>	<b>311,847</b>
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				1,312,791	1,312,791
On-behalf TPAF Pension System Contributions- Non-Contributory Insurance (Non-Budget)				55,519	55,519
On-behalf TPAF Pension System Contributions- Post-Retirement (Non-Budget)	-	-	-	1,179,223	1,179,223
<b>Subtotal On-Behalf Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,547,533</b>	<b>2,547,533</b>
Federal Sources					
Education Jobs Fund	-	\$ 69,693	69,693	52,139	(17,554)
<b>Subtotal of Federal Sources</b>	<b>-</b>	<b>69,693</b>	<b>69,693</b>	<b>52,139</b>	<b>(17,554)</b>
<b>Total Revenues</b>	<b>44,556,463</b>	<b>69,693</b>	<b>44,626,156</b>	<b>47,726,650</b>	<b>3,100,494</b>
<b>EXPENDITURES</b>					
<b>CURRENT</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Grades 9-12	13,583,546	\$ (99,503)	13,484,043	13,014,111	469,932
Home Instruction					
Salaries of Teachers	85,000		85,000	52,198	32,802
Purchased Professional/Educational Services	30,000		30,000	17,066	12,934
Regular Programs - Undistributed Instruction					
Purchased Professional/Educational Services	9,200	(6,460)	2,740	2,415	325
Purchased Technical Services	15,000	(15,000)			
Other Purchased Services	455,525	(164,945)	290,580	145,823	144,757
General Supplies	500,822	(34,246)	466,576	430,541	36,035
Textbooks	287,762	(42,324)	245,438	227,277	18,161
Other Objects	34,263	(2,896)	31,367	16,397	14,970
<b>Total Regular Programs</b>	<b>15,001,118</b>	<b>(365,374)</b>	<b>14,635,744</b>	<b>13,905,828</b>	<b>729,916</b>
Special Education					
Cognitive -Mild					
Salaries of Teachers	109,167		109,167	107,980	1,187
Other Salaries of Instruction	70,895	(18,888)	52,007	49,729	2,278
General Supplies	1,500	1,425	2,925	2,357	568
Textbooks	750	720	1,470	720	750
<b>Total Cognitive- Mild</b>	<b>182,312</b>	<b>(16,743)</b>	<b>165,569</b>	<b>160,786</b>	<b>4,783</b>
Resource Room/Resource Center					
Salaries of Teachers	830,418		830,418	791,443	38,975
Other Salaries of Instruction	25,186		25,186	24,941	245
General Supplies	7,000	(1,425)	5,575	5,200	375
Textbooks	14,000	(1,610)	12,390	11,088	1,302
<b>Total Resource Room/Resource Center</b>	<b>876,604</b>	<b>(3,035)</b>	<b>873,569</b>	<b>832,672</b>	<b>40,897</b>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

EXPENDITURES	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT</b>					
<b>Home Instruction</b>					
Salaries of Teachers	\$ 70,000		\$ 70,000	\$ 47,995	\$ 22,005
Purchased Professional Educational Services	40,000	\$ 5,000	45,000	42,389	2,611
<b>Total Home Instruction</b>	<b>110,000</b>	<b>5,000</b>	<b>115,000</b>	<b>90,384</b>	<b>24,616</b>
<b>Total Special Education</b>	<b>1,168,916</b>	<b>(14,778)</b>	<b>1,154,138</b>	<b>1,083,842</b>	<b>70,296</b>
<b>Basic Skills/Remedial</b>					
Salaries of Teachers	74,173	25,545	99,718	96,706	3,012
General Supplies	500		500		500
Textbooks	300	-	300	-	300
<b>Total Basic Skills/Remedial</b>	<b>74,973</b>	<b>25,545</b>	<b>100,518</b>	<b>96,706</b>	<b>3,812</b>
<b>Bilingual Education</b>					
Salaries of Teachers	20,000		20,000		20,000
Other Salaries for Instruction	2,000		2,000	951	1,049
Textbooks	200	-	200	71	129
<b>Total Bilingual Education</b>	<b>22,200</b>	<b>-</b>	<b>22,200</b>	<b>1,022</b>	<b>21,178</b>
<b>School Sponsored Co/Extra-curricular Activities</b>					
Salaries	532,662	29,059	561,721	523,126	38,595
Purchased Services	11,000	1,600	12,600	12,600	
Supplies and Materials	43,905	(16,150)	27,755	11,742	16,013
Other Objects	40,856	1,654	42,510	38,464	4,046
<b>Total School Sponsored Co-/Extra Curricular Activities</b>	<b>628,423</b>	<b>16,163</b>	<b>644,586</b>	<b>585,932</b>	<b>58,654</b>
<b>School Sponsored Athletics</b>					
Salaries	1,028,108	51,895	1,080,003	1,027,609	52,394
Purchased Services	142,505	(2,740)	139,765	136,569	3,196
Supplies and Materials	176,580	(2,183)	174,397	160,850	13,547
Other Objects	332,481	(41,763)	290,718	288,994	1,724
<b>Total School Sponsored Athletics</b>	<b>1,679,674</b>	<b>5,209</b>	<b>1,684,883</b>	<b>1,614,022</b>	<b>70,861</b>
<b>Other Supplemental / At-Risk Programs - Instruction</b>					
Salaries	378,753	(97,073)	281,680	280,585	1,095
General Supplies	2,500		2,500	1,324	1,176
Textbooks	4,000	-	4,000	273	3,727
<b>Total Other Instructional Programs- Instruction</b>	<b>385,253</b>	<b>(97,073)</b>	<b>288,180</b>	<b>282,182</b>	<b>5,998</b>
<b>Total - Instruction</b>	<b>18,960,557</b>	<b>(430,308)</b>	<b>18,530,249</b>	<b>17,569,534</b>	<b>960,715</b>
<b>Undistributed Expenditures</b>					
<b>Instruction</b>					
Tuition Other LEA's Within the State - Special	110,543		110,543	72,736	37,807
Tuition to County Vocational School - Regular	578,338		578,338	507,164	71,174
Tuition to County Vocational School - Special	76,500		76,500	51,000	25,500
Tuition to CSSD & Regional Day Schools	624,582	75,118	699,700	699,275	425
Tuition to Private School for the Handicapped - State	1,852,504	(75,118)	1,777,386	1,617,137	160,249
Tuition to Private School for the Handicapped & Other LEA's - Special, Outside the State	367,000		367,000	319,355	47,645
Tuition - State Facilities	30,750	-	30,750	30,750	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>3,640,217</b>	<b>-</b>	<b>3,640,217</b>	<b>3,297,417</b>	<b>342,800</b>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

EXPENDITURES	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT</b>					
Attendance and Social Work Services					
Salaries	\$ 168,847	-	\$ 168,847	\$ 167,329	\$ 1,518
Total Attendance and Social Work Services	<u>168,847</u>	<u>-</u>	<u>168,847</u>	<u>167,329</u>	<u>1,518</u>
Health Services					
Salaries	167,678	\$ 8,000	175,678	172,579	3,099
Purchased Professional and Technical Services	14,500	125	14,625	11,537	3,088
Other Purchased Services	10,000	-	10,000	5,011	4,989
Supplies and Materials	10,393	741	11,134	7,133	4,001
Other Objects	400	(200)	200	50	150
Total Health Services	<u>202,971</u>	<u>8,666</u>	<u>211,637</u>	<u>196,310</u>	<u>15,327</u>
Support Services - OT, PT, & Related Services					
Purchased Professional and Ed. Svcs.	81,000		81,000	36,917	44,083
Supplies and Materials	2,000	-	2,000	-	2,000
Total Support Services - Related Services	<u>83,000</u>	<u>-</u>	<u>83,000</u>	<u>36,917</u>	<u>46,083</u>
Support Services - Students - Extra. Serv.					
Salaries	296,446	21,000	317,446	317,304	142
Purchased Professional Educational Svcs.	62,000	(5,000)	57,000	9,748	47,252
Supplies and Materials	1,500	-	1,500	-	1,500
Total Support Services - Students - Extra. Serv.	<u>359,946</u>	<u>16,000</u>	<u>375,946</u>	<u>327,052</u>	<u>48,894</u>
Other Support Services - Guidance					
Salaries of Other Professional Staff	1,034,677	(5,486)	1,029,191	1,003,502	25,689
Salaries of Secretarial and Clerical Assistants	221,343		221,343	200,582	20,761
Purchased Professional Educational Svcs.	22,000	1,000	23,000	21,988	1,012
Other Purchased Services	17,500	(2,353)	15,147	12,733	2,414
Supplies and Materials	26,307	(177)	26,130	24,993	1,137
Other Objects	3,994	(1,318)	2,676	2,120	556
Total Other Support Svcs. - Students - Guidance	<u>1,325,821</u>	<u>(8,334)</u>	<u>1,317,487</u>	<u>1,265,918</u>	<u>51,569</u>
Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	793,937		793,937	774,670	19,267
Salaries of Secretarial and Clerical Assists.	101,445		101,445	97,071	4,374
Purchased Professional - Educational Services	47,000		47,000	37,190	9,810
Miscellaneous Purchased Services	10,350		10,350	2,564	7,786
Supplies and Materials	7,765	(657)	7,108	5,695	1,413
Other Objects	1,000	600	1,600	1,512	88
Total Other Support Svcs. - Students - Special Svcs.	<u>961,497</u>	<u>(57)</u>	<u>961,440</u>	<u>918,702</u>	<u>42,738</u>
Improvement of Instructional Services/ Other Support Services - Instructional Staff					
Salaries of Supervisors of Instruction	70,616	2,185	72,801	72,800	1
Salaries of Secretarial and Clerical Assistants	27,609	267	27,876	27,876	
Other Salaries	50,000	15,000	65,000	59,678	5,322
Other Purchased Services	5,500		5,500	2,530	2,970
Supplies and Materials	2,500	2,000	4,500	4,065	435
Total Improvement of Instruction Services/ Other Support Services - Instructional Staff	<u>156,225</u>	<u>19,452</u>	<u>175,677</u>	<u>166,949</u>	<u>8,728</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Cont'd.)</b>					
<b>Undistributed Expenditures (Continued)</b>					
<b>Educational Media Services/School Library</b>					
Salaries	\$ 376,515	\$ (7,495)	\$ 369,020	\$ 317,033	\$ 51,987
Salaries of Technology Coordinator	72,297	54,227	126,524	122,813	3,711
Purchased Professional and Technical Services	35,000		35,000	34,935	65
Other Purchased Services	7,500	(9)	7,491	4,982	2,509
Supplies and Materials	60,976	7,193	68,169	58,056	10,113
Other Objects	665	(5)	660	615	45
<b>Total Educational Media Services/School Library</b>	<b>552,953</b>	<b>53,911</b>	<b>606,864</b>	<b>538,434</b>	<b>68,430</b>
<b>Instructional Staff Training Services</b>					
Salaries of Supervisors of Instruction	742,236	(16,073)	726,163	703,120	23,043
Salaries of Secretarial and Clerical Assistants	96,074		96,074	93,275	2,799
Other Salaries	109,407		109,407	102,065	7,342
Purchased Professional Educational Services	30,000	(3,000)	27,000	117	26,883
Other Purchased Services	32,500	(5,633)	26,867	11,623	15,244
Supplies and Materials	2,000		2,000	750	1,250
Other Objects	2,500	-	2,500	1,303	1,197
<b>Total Instructional Staff Training Services</b>	<b>1,014,717</b>	<b>(24,706)</b>	<b>990,011</b>	<b>912,253</b>	<b>77,758</b>
<b>Support Services General Administration</b>					
Salaries	319,454		319,454	318,008	1,446
Legal Services	160,000	48,518	208,518	185,455	23,063
Audit Fees	35,000	(3,995)	31,005	31,005	-
Other Purchased Professional Services	10,000	8,245	18,245	10,740	7,505
Communications/Telephone	81,000	2,424	83,424	61,262	22,162
BOE Other Purchased Services	1,000		1,000		1,000
Misc Purchased Services	74,500	3,750	78,250	41,575	36,675
General Supplies	15,500	5,786	21,286	9,224	12,062
Miscellaneous Expenditures	26,500		26,500	21,803	4,697
BOE Membership Dues and Fees	23,000	-	23,000	21,275	1,725
<b>Total Support Services General Administration</b>	<b>745,954</b>	<b>64,728</b>	<b>810,682</b>	<b>700,347</b>	<b>110,335</b>
<b>Support Services School Administration</b>					
Salaries of Principals/Asst. Principals	1,372,802		1,372,802	1,312,061	60,741
Salaries of Secretarial and Clerical Assistants	337,706	28,294	366,000	344,832	21,168
Other Purchased Services	64,000	(2,688)	61,312	49,218	12,094
Supplies and Materials	23,500	2,880	26,380	20,909	5,471
Other Objects	20,470	2,200	22,670	19,164	3,506
<b>Total Support Services School Administration</b>	<b>1,818,478</b>	<b>30,686</b>	<b>1,849,164</b>	<b>1,746,184</b>	<b>102,980</b>
<b>Support Services Central Services</b>					
Salaries	551,546		551,546	539,315	12,231
Purchased Professional Services	30,000		30,000	19,375	10,625
Purchased Technical Services	14,000		14,000	13,320	680
Misc. Purchased Services	30,000		30,000	14,331	15,669
Supplies and Materials	13,000		13,000	4,847	8,153
Other Objects	10,130	-	10,130	5,909	4,221
<b>Total Support Services - Central Services</b>	<b>648,676</b>	<b>-</b>	<b>648,676</b>	<b>597,097</b>	<b>51,579</b>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Cont'd.)					
Undistributed Expenditures (Continued)					
Support Services - Admin. Info. Tech.					
Salaries	\$ 194,953		\$ 194,953	\$ 167,367	\$ 27,586
Purchased Technical Services	94,550	\$ (6,393)	88,157	81,494	6,663
Other Purchased Services	92,400	(22,000)	70,400	60,231	10,169
Supplies and Materials	10,000	18,956	28,956	18,041	10,915
Total Support Services Admin. Info. Tech.	<u>391,903</u>	<u>(9,437)</u>	<u>382,466</u>	<u>327,133</u>	<u>55,333</u>
Required Maintenance of School Facilities					
Salaries	204,967		204,967	187,671	17,296
Cleaning, Repair and Maintenance Services	282,000	451,203	733,203	483,722	249,481
General Supplies	101,000	10,177	111,177	94,485	16,692
Total Required Maintenance of School Facilities	<u>587,967</u>	<u>461,380</u>	<u>1,049,347</u>	<u>765,878</u>	<u>283,469</u>
Custodial Services					
Salaries	1,052,977	9,214	1,062,191	929,687	132,504
Purchased Professional and Technical Services	141,800	(28,810)	112,990	84,857	28,133
Cleaning, Repair and Maintenance Services	496,000	(20,299)	475,701	445,287	30,414
Rental of Land & Bldgs- Other Than Lease Purchase	20,300	(6,000)	14,300	12,496	1,804
Other Purchased Property Services	35,806	1,000	36,806	36,142	664
Insurance	194,744	475	195,219	195,219	
Miscellaneous Purchased Services	1,500	(1,400)	100	36	64
General Supplies	131,500	51,941	183,441	170,563	12,878
Energy (Natural Gas)	590,000	(1,000)	589,000	280,778	308,222
Energy (Electricity)	856,000	-	856,000	751,184	104,816
Total Custodial Services	<u>3,520,627</u>	<u>5,121</u>	<u>3,525,748</u>	<u>2,906,249</u>	<u>619,499</u>
Care and Upkeep of Grounds					
Salaries	260,463	29,000	289,463	269,800	19,663
Cleaning, Repair and Maintenance Services	30,000	12,155	42,155	24,210	17,945
General Supplies	35,000	9,472	44,472	34,959	9,513
Total Care and Upkeep of Grounds	<u>325,463</u>	<u>50,627</u>	<u>376,090</u>	<u>328,969</u>	<u>47,121</u>
Security					
Salaries	367,714	1,000	368,714	344,153	24,561
Purchased Professional and Technical Services	11,500	(5,000)	6,500	5,836	664
Total Security	<u>379,214</u>	<u>(4,000)</u>	<u>375,214</u>	<u>349,989</u>	<u>25,225</u>
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	64,610	42,000	106,610	103,362	3,248
Salaries for Pupil Transportation (Between Home and School) - Special Ed.	30,131	(15,000)	15,131		15,131
Salaries for Pupil Transportation (Other Than Between Home and School)	156,833		156,833	113,283	43,550
Cleaning, Repair and Maintenance Services	15,000		15,000	11,381	3,619
Contracted Services Transportation ( Bet Home & SchSchool) - Vendors	901,840	(4,400)	897,440	823,028	74,412
Contracted Services Transportation (Other Than Between Home and School) - Vendors	159,780	1,680	161,460	107,992	53,468
Contracted Services Transportation (Spec.Ed.)-Vend.	600,000	(2,000)	598,000	593,389	4,611
Contracted Services - Aid in Lieu of Payments- Non Public Sch	131,716		131,716	105,019	26,697
Miscellaneous Purchased Services-Transportation	4,500	1,800	6,300	4,811	1,489
Transportation Supplies	24,500	200	24,700	24,476	224
Other Objects	800	-	800	617	183
Total Student Transportation Services	<u>2,089,710</u>	<u>24,280</u>	<u>2,113,990</u>	<u>1,887,358</u>	<u>226,632</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Cont'd.)					
Undistributed Expenditures (Continued)					
Unallocated Benefits					
Social Security Contributions	\$ 600,000	\$ (194)	\$ 599,806	\$ 517,394	\$ 82,412
Other Retirement Contributions - PERS	390,000	68,954	458,954	458,954	
Unemployment	100,000	150,000	250,000	250,000	
Workers Compensation	236,668	(5,000)	231,668	218,412	13,256
Health Benefits	5,484,000	(231,903)	5,252,097	4,892,385	359,712
Tuition Reimbursement	81,000		81,000	53,087	27,913
Other Employee Benefits	200,000	1,000	201,000	175,353	25,647
<b>Total Unallocated Benefits</b>	<u>7,091,668</u>	<u>(17,143)</u>	<u>7,074,525</u>	<u>6,565,585</u>	<u>508,940</u>
On-behalf TPAF Pension System Contributions- Non-Contributory Insurance (Non-Budget)				55,519	(55,519)
On-behalf TPAF Pension System Contributions- Post-Retirement (Non-Budget)				1,179,223	(1,179,223)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,312,791	(1,312,791)
<b>Total On-behalf TPAF Contributions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,547,533</u>	<u>(2,547,533)</u>
<b>Total Undistributed Expenditures</b>	<u>26,065,854</u>	<u>671,174</u>	<u>26,737,028</u>	<u>26,549,603</u>	<u>187,425</u>
<b>Total Current Expenditures</b>	<u>45,026,411</u>	<u>240,866</u>	<u>45,267,277</u>	<u>44,119,137</u>	<u>1,148,140</u>
<b>CAPITAL OUTLAY</b>					
Total Increase in Capital Reserve	9,576	-	9,576	-	9,576
Equipment					
Undistributed Expenditures					
School Sponsored and Other Instructional Programs		3,250	3,250	3,181	69
School Sponsored Athletics		53,153	53,153	16,855	36,298
Admin. Information Technology		193,628	193,628	191,887	1,741
Care and Upkeep of Grounds	-	3,025	3,025	3,025	-
<b>Total Equipment</b>	<u>-</u>	<u>253,056</u>	<u>253,056</u>	<u>214,948</u>	<u>38,108</u>
Facilities Acquisition and Construction Services					
Architectural / Engineering Services	25,650	3,350	29,000	26,000	3,000
Construction Services	299,250	(198,290)	100,960		100,960
Lease Purchase Agreements - Principal	140,000	-	140,000	140,000	-
<b>Total Facilities and Construction Services</b>	<u>464,900</u>	<u>(194,940)</u>	<u>269,960</u>	<u>166,000</u>	<u>103,960</u>
<b>Total Capital Outlay</b>	<u>474,476</u>	<u>58,116</u>	<u>532,592</u>	<u>380,948</u>	<u>151,644</u>
<b>Total Expenditures</b>	<u>45,500,887</u>	<u>298,982</u>	<u>45,799,869</u>	<u>44,500,085</u>	<u>1,299,784</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (944,424)	\$ (229,289)	\$ (1,173,713)	\$ 3,226,565	\$ 4,400,278
Other Financing Sources (Uses)					
Transfers In				1,041,792	1,041,792
Transfers Out	-	(198,257)	(198,257)	(198,257)	-
Total Other Financing Sources (Uses)	-	(198,257)	(198,257)	843,535	1,041,792
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(944,424)	(427,546)	(1,371,970)	4,070,100	5,442,070
Fund Balances, Beginning of Year	<u>5,626,228</u>	-	<u>5,626,228</u>	<u>5,626,228</u>	-
Fund Balances, End of Year	<u>\$ 4,681,804</u>	<u>\$ (427,546)</u>	<u>\$ 4,254,258</u>	<u>\$ 9,696,328</u>	<u>\$ 5,442,070</u>

**Reconciliation of Governmental Funds Statements (GAAP)**

Restricted Fund Balance					
Capital Reserve				\$ 4,347,100	
Emergency Reserve				400,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,686,457	
Excess Surplus				1,600,000	
Committed Fund Balance					
Year End Encumbrances				31,367	
Assigned Fund Balance					
Year End Encumbrances				297,703	
Designed for Subsequent Year's Expenditures				178,838	
Unassigned				<u>1,154,863</u>	
Fund Balance- Budgetary Basis				9,696,328	
Less: State Aid Revenue not recognized on GAAP basis				<u>(283,413)</u>	
Fund Balance per Governmental Funds Statements (GAAP)				<u>\$ 9,412,915</u>	

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND - EDUCATIONAL JOBS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Federal Sources					
Educational Jobs Aid	<u>-</u>	<u>\$ 69,693</u>	<u>\$ 69,693</u>	<u>\$ 52,139</u>	<u>\$ (17,554)</u>
Total Revenues	<u>-</u>	<u>69,693</u>	<u>69,693</u>	<u>52,139</u>	<u>(17,554)</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Other Support Services - Guidance					
Salaries of Other Professional Staff		58,336	58,336	41,413	16,923
Unallocated Employee Benefits					
Health Benefits	<u>-</u>	<u>11,357</u>	<u>11,357</u>	<u>10,726</u>	<u>631</u>
Total Expenditures	<u>-</u>	<u>69,693</u>	<u>69,693</u>	<u>52,139</u>	<u>17,554</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGETARY (NON-GAAP) BASIS AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 55,253	\$ 35,964	\$ 91,217	\$ 69,554	\$ (21,663)
Federal	449,104	391,927	841,031	665,054	(175,977)
Local	-	192,909	192,909	93,791	(99,118)
Total Revenues	<u>504,357</u>	<u>620,800</u>	<u>1,125,157</u>	<u>828,399</u>	<u>(296,758)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	36,466	35,330	71,796	37,526	34,270
Other Salaries		16,721	16,721	10,466	6,255
Purchased Professional/Educational Services	37,973	61,748	99,721	83,557	16,164
General Supplies	3,720	99,882	103,602	85,297	18,305
Textbooks	6,380	(1,890)	4,490	4,092	398
Miscellaneous Expenditures	-	161,090	161,090	83,470	77,620
Total Instruction	<u>84,539</u>	<u>372,881</u>	<u>457,420</u>	<u>304,408</u>	<u>153,012</u>
Support Services					
Personal Services-Employee Benefits		2,081	2,081	2,081	
Purchased Professional and Technical Services		21,830	21,830	10,667	11,163
Purchased Professional/Educational Services	416,632	18,597	435,229	327,176	108,053
Purchased Property Services	3,186	(3,186)			
Other Purchased Services		8,517	8,517	8,517	
Supplies and Materials		3,210	3,210	500	2,710
Other Objects	-	3,595	3,595	3,595	-
Total Support Services	<u>419,818</u>	<u>54,644</u>	<u>474,462</u>	<u>352,536</u>	<u>121,926</u>
Facilities Acquisition and Construction					
Building Renovations		39,240	39,240	39,240	
Instructional Equipment	-	154,035	154,035	132,215	21,820
Total Facilities Acq. & Construction	<u>-</u>	<u>193,275</u>	<u>193,275</u>	<u>171,455</u>	<u>21,820</u>
Total Expenditures	<u>504,357</u>	<u>620,800</u>	<u>1,125,157</u>	<u>828,399</u>	<u>296,758</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
GENERAL AND SPECIAL REVENUE FUNDS  
BUDGETARY COMPARISON SCHEDULES  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 47,726,650	\$ 828,399
Difference - budget to GAAP:		
The State aid payments are recognized as revenue for budgetary purposes. This differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenditure (GASB No. 33)		
State Aid payments and Extraordinary Aid recognized for GAAP purposes not recognized for Budgetary statements (2009/2010 State Aid)	146,737	
State Aid payment for Extraordinary Aid not recognized for GAAP statements (2009/2010 Aid)	264,618	
State Aid payment for Extraordinary Aid not recognized for GAAP statements (2010/2011 Aid)	<u>(283,413)</u>	<u>-</u>
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	 <u>\$ 47,854,592</u>	 <u>\$ 828,399</u>
 <b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 44,500,085	\$ 828,399
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	 <u>\$ 44,500,085</u>	 <u>\$ 828,399</u>

**SCHOOL LEVEL SCHEDULES**

NOT APPLICABLE

**SPECIAL REVENUE FUND**

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Chapter 192/193

	Character Education	IDEA Part B Basic	IDEA ARRA Part B Basic	NCLB Title II A	Non-Public Textbook	Compensatory Education	ESL	Examination & Classification	Corrective Speech	Supplementary Instruction	Other Local Grants	Grand Total
<b>REVENUES</b>												
Intergovernmental												
State	\$ 3,595	\$ 335,770	\$ 299,998	\$ 29,286	4,092	\$ 22,439	\$ 5,977	\$ 20,093	\$ 782	\$ 12,576	\$ 93,791	\$ 69,554
Federal												665,054
Local												93,791
<b>Total Revenues</b>	\$ 3,595	\$ 335,770	\$ 299,998	\$ 29,286	\$ 4,092	\$ 22,439	\$ 5,977	\$ 20,093	\$ 782	\$ 12,576	\$ 93,791	\$ 828,399
<b>EXPENDITURES</b>												
Instruction												
Salaries of Teachers			\$ 10,466	\$ 27,205							\$ 10,321	\$ 37,526
Other Salaries			21,690									10,466
Purchased Prof & Educ Svcs		\$ 500	84,797							\$ 12,576		83,557
General Supplies					\$ 4,092							85,297
Textbooks												4,092
Miscellaneous Expenditures											\$ 83,470	\$ 83,470
<b>Total Instruction</b>		500	116,953	27,205	4,092	22,439	5,977	20,093	782	12,576	93,791	304,408
Support Services												
Personal Svcs.-Emp. Benefits				2,081								2,081
Purchased Prof & Technical Services		326,253	923									10,667
Purchased Prof & Educ Svcs												327,176
Purchased Property Services		8,517										8,517
Other Purchased Services		500										500
Supplies and Materials												3,595
Other Objects	\$ 3,595											
<b>Total Support Services</b>	3,595	335,270	11,590	2,081								352,536
Facilities Acquisition & Construction												
Building Renovations			39,240									39,240
Instructional Equipment			132,215									132,215
<b>Total Facilities Acquisition &amp; Construction</b>			171,455									171,455
<b>Total Expenditures</b>	\$ 3,595	\$ 335,770	\$ 299,998	\$ 29,286	\$ 4,092	\$ 22,439	\$ 5,977	\$ 20,093	\$ 782	\$ 12,576	\$ 93,791	\$ 828,399

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
EARLY CHILDHOOD PROGRAM AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Project Title/Description	Appropriations	Prior Years	Current Year	Expenditures to Date		Cancelled / Adjusted	Balance June 30, 2011
				Payables Cancelled	Prior Year Cancelled		
Addition, Renovations and Upgrade of Facilities-							
Ramapo and Indian Hills High Schools	\$ 43,500,000	\$ 43,444,787					
Exterior Wall Replacement- Indian Hills High School	106,175	106,175				55,213	
Roof Replacement- Indian Hills High School	173,330	173,330					
Roof Replacement- Ramapo High School	679,348	679,348					
Relocation of BOE Offices and Relocation of Applied Technology Classroom- Indian Hills Regional HS	2,626,917	2,595,814					\$ 6,653
TV/Studio/AVA Project- Ramapo High School	1,094,746	1,080,406					8,991
TV/Studio/AVA Project- Indian Hills High School	448,590	444,105					
Re-Roofing Project- Ramapo High School	267,592	267,592					
Re-Roofing Project- Indian Hills High School	228,529	228,529					
Renovations-Gym-Indian Hills High School	1,158,368	1,151,715					
Renovations-Auditorium-Indian Hills High School	1,736,442	1,693,830					
Silicone Foam Roof Project- Ramapo High School	271,916	179,399					
Silicone Foam Roof Project- Indian Hills High School	374,969	299,713					
Fire Alarm Upgrades- Ramapo High School	376,770	337,000					
Fire Alarm Upgrades- Indian Hills High School	454,400	354,624					
Telephone/PA/Clock Upgrades- Ramapo High School	153,100	95,397					
Telephone/PA/Clock Upgrades- Indian Hills High School	153,100	130,939					
Security System Upgrades- Ramapo High School	162,270	3,890	\$ 10,516				147,864
Security System Upgrades- Indian Hills High School	314,400	213,730	10,515				147,865
Drainage Improvements- Ramapo High School	138,900	95,484					
Roof Replacement- Indian Hills High School	205,200	119,955					
Track Improvements - Indian Hills High School							
Exterior Lights - Ramapo High School	112,500	49,854					
Exterior Lights - Indian Hills High School	112,500	66,950					
Sewage Treatment Plant - Indian Hills High School	286,140	273,689					
Masonry Upgrades - Indian Hills High School	506,125	412,525					12,451
ADA Upgrades - Indian Hills High School	71,120	55,820					15,300
Window / Door Replacement - Phase 2 - Ramapo High School	369,000	269,507					7,800
Window / Door Replacement - Phase 1 - Ramapo High School	575,000	411,316					12,200
Masonry Stair Repairs - Indian Hills High School	42,000	3,928					3,067
Roof Repairs / Skylight Removal - Indian Hills High School	74,400	11,955					29,984
ADA Upgrades - Indian Hills High School	287,600	19,780					147,264
IDF / MDF Server Room Climate Control - Indian Hills High School	39,317	3,000					
IDF / MDF Server Room Climate Control - Ramapo High School	48,000	3,500					
Heating System Upgrades - Indian Hills High School	1,802,400	153,806					6,228
Generator Replacement - Indian Hills High School	300,000	21,600					245,166
Heating System Upgrades - Ramapo High School	835,200	104,988					29,000
Generator Replacement - Ramapo High School	300,000	21,600					109,172
Re-Roofing - Indian Hills High School	324,900	-					78,961
							170,700
	\$ 60,873,534	\$ 55,583,470	\$ 2,911,149	\$ 20,000	\$ 1,126,649	\$ 1,272,266	

Project Appropriation Balance \$ 1,272,266  
 Less: Unrealized Grants (SDA) (379,018)  
 Fund Balance, GAAP Basis \$ 893,248

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Revenues and Other Financing Sources****Other Financing Sources**

State Facilities Grants	\$ 100,316
Transfer from General Fund - Capital Reserve	<u>198,257</u>

Total Revenues and Other Financing sources	<u>298,573</u>
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**Expenditures and Other Financing Uses****Expenditures**

Purchased Professional Services	32,271
Construction Services	2,858,878
Transfer to General Fund - Return of Funds from Cancelled	
Appropriations to Capital Reserve	1,041,792
Transfer to Debt Service Fund - Return of Funds from Cancelled	
Appropriations	<u>55,213</u>

Total Expenditures and Other Financing Uses	<u>3,988,154</u>
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Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,689,581)
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Fund Balance, Beginning of Year	<u>4,961,847</u>
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Fund Balance, End of Year	<u>\$ 1,272,266</u>
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**Reconciliation to GAAP Basis:**

Fund Balance (Budgetary Basis)	\$ 1,272,266
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## Less:

Unrealized Revenue (SDA Grants)	<u>(379,018)</u>
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Fund Balance (GAAP Basis)	<u>\$ 893,248</u>
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**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT FINANCING SOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Project Title/Description</u>	<u>Total Project Funding</u>	<u>Bond Proceeds</u>	<u>State Facilities Grants</u>	<u>Local Contribution Transfer from Capital Reserve</u>
Addition, Renovations and Upgrade of Facilities-				
Ramapo and Indian Hills High Schools	\$ 43,500,000	\$ 28,473,790	\$ 15,026,210	\$ 63,705
Exterior Wall Replacement- Indian Hills High School	106,175		42,470	103,998
Roof Replacement- Indian Hills High School	173,330		69,332	407,609
Roof Replacement- Ramapo High School	679,348		271,739	
Relocation of BOE Offices and Relocation of				
Applied Technology Classroom- Indian Hills Regional HS	2,626,917		895,127	1,731,790
TV/Studio/AVA Project- Ramapo High School	1,094,746		363,253	731,493
TV/Studio/AVA Project- Indian Hills High School	448,590		135,812	312,778
Re-Roofing Project- Ramapo High School	267,592		107,037	160,555
Re-Roofing Project- Indian Hills High School	228,529		91,412	137,117
Renovations-Gym-Indian Hills High School	1,158,368		463,347	695,021
Renovations-Auditorium-Indian Hills High School	1,736,442		694,577	1,041,865
Silicone Foam Roof Project- Ramapo High School	271,916			271,916
Silicone Foam Roof Project- Indian Hills High School	374,969			374,969
Fire Alarm Upgrades- Ramapo High School	376,770			376,770
Fire Alarm Upgrades- Indian Hills High School	454,400			454,400
Telephone/PA/Clock Upgrades- Ramapo High School	153,100			153,100
Telephone/PA/Clock Upgrades- Indian Hills High School	153,100			153,100
Security System Upgrades- Ramapo High School	162,270			162,270
Security System Upgrades- Indian Hills High School	162,270			162,270
Drainage Improvements- Ramapo High School	314,400			314,400
Roof Replacement - Ramapo High School	138,900			138,900
Roof Replacement Indian Hills High School	205,200			205,200
Track Improvements - Indian Hills High School	-			
Exterior Lights - Ramapo High School	112,500			112,500
Exterior Lights - Indian Hills High School	112,500			112,500
Sewage Treatment Plant - Indian Hills High School	286,140		114,456	171,684
Masonry Upgrades - Indian Hills High School	506,125		202,450	303,675
ADA Upgrades	71,120		28,448	42,672
Window / Door Replacement - Phase 2 - Ramapo High School	369,000		147,600	221,400
Window / Door Replacement - Phase 1 - Ramapo High School	575,000		230,000	345,000
Masonry Stair Repairs - Indian Hills High School	42,000		16,800	25,200
Roof Repairs / Skylight Removal - Indian Hills High School	74,400		29,760	44,640

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT FINANCING SOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Project Title/Description</u>	<u>Total Project Funding</u>	<u>Bond Proceeds</u>	<u>State Facilities Grants</u>	<u>Local Contribution Transfer from Capital Reserve</u>
ADA Upgrades - Indian Hills High School	\$ 287,600		\$ 115,040	\$ 172,560
IDF / MDF Server Room Climate Control - Indian Hills High School	39,317		14,400	24,917
IDF / MDF Server Room Climate Control - Ramapo High School	48,000		19,200	28,800
Heating System Upgrades - Indian Hills High School	1,802,400		720,960	1,081,440
Generator Replacement - Indian Hills High School	300,000		120,000	180,000
Heating System Upgrades - Indian Hills High School	835,200		334,080	501,120
Generator Replacement - Ramapo High School	300,000		120,000	180,000
Re-Roofing - Indian Hills High School	324,900	-	129,960	194,940
	<u>\$ 60,873,534</u>	<u>\$ 28,473,790</u>	<u>\$ 20,503,470</u>	<u>\$ 11,896,274</u>

**PROPRIETARY FUNDS**

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
PROPRIETARY FUND  
STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AS OF JUNE 30, 2011**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 241,677	\$ 3,727	\$ 245,404
Total Assets	<u>\$ 241,677</u>	<u>\$ 3,727</u>	<u>\$ 245,404</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 3,727	\$ 3,727
Due to Student Groups	<u>\$ 241,677</u>	<u>-</u>	<u>241,677</u>
Total Liabilities	<u>\$ 241,677</u>	<u>\$ 3,727</u>	<u>\$ 245,404</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<b>Balance, July 1, <u>2010</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2011</u></b>
<b>HIGH SCHOOLS</b>				
Ramapo	\$ 114,338	\$ 445,551	\$ 461,597	\$ 98,292
Indian Hills	122,871	383,413	363,430	142,854
Athletic	22,312	177,985	199,766	531
	<hr/>	<hr/>	<hr/>	<hr/>
Total All Schools	<b><u>\$ 259,521</u></b>	<b><u>\$ 1,006,949</u></b>	<b><u>\$ 1,024,793</u></b>	<b><u>\$ 241,677</u></b>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Balance, July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2011</u>
<b>ASSETS</b>				
Cash	\$ 9,523	\$ 26,989,240	\$ 26,995,036	\$ 3,727
Total Assets	<u>\$ 9,523</u>	<u>\$ 26,989,240</u>	<u>\$ 26,995,036</u>	<u>\$ 3,727</u>
<b>LIABILITIES</b>				
Due to Other Funds		\$ 3,041	\$ 3,041	
Payroll Deductions and Withholdings	\$ 9,523	10,790,483	10,796,279	\$ 3,727
Accrued Salaries and Wages	<u>-</u>	<u>16,195,716</u>	<u>16,195,716</u>	<u>-</u>
Total Liabilities	<u>\$ 9,523</u>	<u>\$ 26,989,240</u>	<u>\$ 26,995,036</u>	<u>\$ 3,727</u>

**LONG-TERM DEBT**

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2010</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2011</u>
School Refunding Bonds, Series 2005	12/28/2005	\$ 9,700,000		\$	%				
			6/01/2012	290,000	4.00				
			6/01/2013	295,000	4.00				
			6/01/2014	310,000	4.00				
			6/01/2015	320,000	4.00				
			6/01/2016	340,000	4.00				
			6/01/2017	355,000	4.00				
			6/01/2018	370,000	4.00				
			6/01/2019	390,000	4.00				
			6/01/2020	410,000	4.125				
			6/01/2021	430,000	4.125				
			6/01/2022	450,000	4.25				
			6/01/2023	465,000	4.25				
			6/01/2024	495,000	4.25				
			6/01/2025	510,000	4.25				
			6/01/2026	540,000	4.25				
			6/01/2027	565,000	4.25				
			6/01/2028	590,000	4.25				
			6/01/2029	610,000	4.25				
			6/01/2030	655,000	4.25				
			6/01/2031	680,000	4.25	\$ 9,345,000		\$ 275,000	\$ 9,070,000
School Refunding Bonds, Series 2006	1/24/2006	\$ 9,600,000							
			6/01/2012	285,000	4.00				
			6/01/2013	290,000	4.00				
			6/01/2014	310,000	4.00				
			6/01/2015	325,000	4.00				
			6/01/2016	340,000	4.00				
			6/01/2017	350,000	4.00				
			6/01/2018	365,000	4.00				
			6/01/2019	385,000	4.00				
			6/01/2020	400,000	4.00				
			6/01/2021	425,000	4.00				
			6/01/2022	445,000	4.00				
			6/01/2023	455,000	4.00				
			6/01/2024	485,000	4.00				
			6/01/2025	500,000	4.00				

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2010</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2011</u>
				\$	%				
			6/01/2026	525,000	4.10				
			6/01/2027	550,000	4.15				
			6/01/2028	585,000	4.20				
			6/01/2029	600,000	4.20				
			6/01/2030	640,000	4.25				
			6/01/2031	665,000	4.25	\$ 9,205,000		\$ 280,000	\$ 8,925,000
School Refunding Bonds, Series 2007	1/4/2007	\$ 6,005,000	6/01/2012	180,000	4.00				
			6/01/2013	205,000	4.00				
			6/01/2014	210,000	4.00				
			6/01/2015	225,000	4.00				
			6/01/2016	230,000	4.00				
			6/01/2017	235,000	4.00				
			6/01/2018	245,000	4.00				
			6/01/2019	255,000	4.00				
			6/01/2020	260,000	4.00				
			6/01/2021	265,000	4.00				
			6/01/2022	270,000	4.00				
			6/01/2023	300,000	4.00				
			6/01/2024	300,000	4.00				
			6/01/2025	325,000	4.00				
			6/01/2026	330,000	4.00				
			6/01/2027	330,000	4.00				
			6/01/2028	330,000	4.05				
			6/01/2029	365,000	4.05				
			6/01/2030	355,000	4.10				
			6/01/2031	380,000	4.10	5,775,000	-	180,000	5,595,000
						\$ 24,325,000	\$ -	\$ 735,000	\$ 23,590,000

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOT APPLICABLE**

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 1,731,015	-	\$ 1,731,015	\$ 1,731,015	-
Total Revenues	<u>1,731,015</u>	<u>-</u>	<u>1,731,015</u>	<u>1,731,015</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	735,000		735,000	735,000	
Interest	996,015		996,015	996,015	
Total Expenditures	<u>1,731,015</u>	<u>-</u>	<u>1,731,015</u>	<u>1,731,015</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources (Uses) Transfers In	-	-	-	55,213	\$ 55,213
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	55,213	55,213
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,213</u>	<u>\$ 55,213</u>
<b>Recapitulation of Fund Balance:</b>					
Designated for Subsequent Year's Expenditures				<u>\$ 55,213</u>	
Total Fund Balance- Restricted for Debt Service				<u>\$ 55,213</u>	

## STATISTICAL SECTION

This part of the Ramapo Indian Hills Regional High School 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 government's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

#### Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 NET ASSETS BY COMPONENT  
 LAST NINE FISCAL YEARS  
 (Unaudited)  
 (accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>									
Invested in Capital Assets, Net of Related Debt	\$ 4,090,126	\$ 17,744,397	\$ 20,595,925	\$ 21,659,195	\$ 20,046,580	\$ 19,888,338	\$ 18,642,754	\$ 19,205,138	\$ 20,431,906
Restricted	2,246,464	26,555	185,735	347,357	1,580,613	1,040,635	1,407,508	1,082,196	5,295,561
Unrestricted	529,124	1,047,185	475,170	1,505,633	2,852,069	2,854,365	4,110,635	5,109,991	2,656,608
Total Governmental Activities Net Assets	\$ 6,865,714	\$ 18,818,137	\$ 21,256,830	\$ 23,512,185	\$ 24,479,262	\$ 23,783,338	\$ 24,160,897	\$ 25,397,325	\$ 28,384,075
<b>Business-Type Activities</b>									
Invested in Capital Assets, Net of Related Debt	\$ 34,795	\$ 24,887	\$ 14,979	\$ 5,071		\$ 22,257	\$ 19,784	\$ 17,311	\$ 14,838
Restricted	14,395	10,285	7,612	50,640		211,920	196,687	219,670	238,190
Unrestricted	49,190	35,172	22,591	55,711	\$ 165,893	\$ 234,177	\$ 216,471	\$ 236,981	\$ 253,028
Total Business-Type Activities Net Assets	\$ 98,380	\$ 70,344	\$ 45,182	\$ 111,422	\$ 165,893	\$ 248,117	\$ 413,161	\$ 476,261	\$ 504,046
<b>District-Wide</b>									
Invested in Capital Assets, Net of Related Debt	\$ 4,124,921	\$ 17,769,284	\$ 20,610,904	\$ 21,664,266	\$ 20,046,580	\$ 19,910,595	\$ 18,662,538	\$ 19,222,449	\$ 20,446,744
Restricted	2,246,464	26,555	185,735	347,357	1,580,613	1,040,635	1,407,508	1,082,196	5,295,561
Unrestricted	543,519	1,057,470	482,782	1,556,273	3,017,962	3,066,285	4,307,322	5,329,661	2,894,798
Total District Net Assets	\$ 6,914,904	\$ 18,853,309	\$ 21,279,421	\$ 23,567,896	\$ 24,645,155	\$ 24,017,515	\$ 24,377,368	\$ 25,634,306	\$ 28,637,103

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT**  
**CHANGES IN NET ASSETS**  
**LAST NINE FISCAL YEARS**  
*(Unaudited)*  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
<b>Governmental Activities</b>									
<b>Instruction</b>									
Regular	\$ 14,908,557	\$ 16,018,471	\$ 16,873,554	\$ 18,111,918	\$ 20,618,878	\$ 22,654,338	\$ 21,124,336	\$ 21,644,133	\$ 21,539,785
Special Education	2,088,430	2,442,744	2,734,424	3,431,808	3,731,679	4,026,507	3,384,151	4,339,094	4,424,649
Vocational	371,424	440,509	439,254	532,428	562,453				
Other Instruction	2,830,373	3,199,001	3,385,579	2,979,399	3,161,472	3,310,307	139,427	105,572	132,758
Other Instructional Supplemental Programs						446,815	384,588	396,531	382,737
School Sponsored Activities and Athletics						3,084,210	2,996,159	2,822,019	2,814,352
<b>Support Services:</b>									
Student & Instruction Related Services	4,353,650	4,997,628	6,096,324	6,429,260	6,172,392	3,368,022	6,691,248	6,516,072	6,441,902
School Administrative Services	2,455,341	2,394,178	1,670,387	1,604,880	1,650,540	1,744,675	1,701,022	2,363,003	2,357,389
General Administration	944,896	1,176,942	967,680	988,935	1,019,695	1,090,384	1,071,252	888,253	836,453
Plant Operations and Maintenance	3,309,838	4,406,313	4,564,903	7,287,583	5,734,547	5,976,639	5,674,147	5,710,525	5,428,363
Pupil Transportation	1,504,738	1,561,419	1,746,326	1,626,699	1,910,777	1,999,412	2,050,043	2,122,137	2,005,596
Central Services	735,452	752,668	1,711,346	1,171,160	1,394,069	1,536,625	1,605,759	1,354,809	1,287,398
Interest on Long-Term Debt	1,367,186	1,293,325	1,338,721	1,237,232	1,123,589	1,119,628	1,090,046	1,058,846	1,029,382
Loss on Disposal of Capital Assets		129,325	184,857						
<b>Total Governmental Activities Expenses</b>	<b>34,869,885</b>	<b>38,873,967</b>	<b>41,713,335</b>	<b>43,401,302</b>	<b>47,080,091</b>	<b>50,357,562</b>	<b>47,912,178</b>	<b>49,320,994</b>	<b>48,680,764</b>
<b>Business-Type Activities:</b>									
Food Service	766,449	868,144	897,551	941,007	979,623	1,023,536	991,080	984,160	1,021,485
<b>Total Business-Type Activities Expense</b>	<b>766,449</b>	<b>868,144</b>	<b>897,551</b>	<b>941,007</b>	<b>979,623</b>	<b>1,023,536</b>	<b>991,080</b>	<b>984,160</b>	<b>1,021,485</b>
<b>Total District Expenses</b>	<b>\$ 35,636,334</b>	<b>\$ 39,742,111</b>	<b>\$ 42,610,906</b>	<b>\$ 46,342,309</b>	<b>\$ 48,059,714</b>	<b>\$ 51,381,098</b>	<b>\$ 48,903,258</b>	<b>\$ 50,315,154</b>	<b>\$ 49,702,249</b>
<b>Program Revenues</b>									
<b>Governmental Activities:</b>									
<b>Charges for Services:</b>									
Regular	\$ 127,329	\$ 33,459	\$ 28,493	\$ 134,692	\$ 70,905	\$ 75,998	\$ 57,530	\$ 13,829	\$ 10,657
Special Education	16,795	103,770	12,450	13,950	21,548	25,464	13,826	38,602	25,153
Pupil Transportation	3,958,605	4,548,670	4,854,526	5,140,116	6,479,624	6,644,457	5,164,455	41,870	41,770
Operating Grants and Contributions		10,928,482	2,335,100	2,690,837	174,649		20,274	746,902	3,867,860
Capital Grants and Contributions		15,625,751	7,230,569	7,979,595	6,746,726	6,745,919	5,256,085	5,960,859	1,253,508
<b>Total Governmental Activities Program Revenues</b>	<b>4,102,729</b>	<b>15,625,751</b>	<b>7,230,569</b>	<b>7,979,595</b>	<b>6,746,726</b>	<b>6,745,919</b>	<b>5,256,085</b>	<b>5,960,859</b>	<b>5,198,948</b>
<b>Business-Type Activities:</b>									
<b>Charges for Services:</b>									
Food Service	752,060	853,561	883,409	914,215	992,750	1,032,297	969,432	1,011,982	1,034,621
<b>Total Business-Type Activities Program Revenues</b>	<b>752,060</b>	<b>853,561</b>	<b>883,409</b>	<b>914,215</b>	<b>992,750</b>	<b>1,032,297</b>	<b>969,432</b>	<b>1,011,982</b>	<b>1,034,621</b>
<b>Total District Program Revenues</b>	<b>\$ 4,854,789</b>	<b>\$ 16,479,312</b>	<b>\$ 8,113,978</b>	<b>\$ 8,893,810</b>	<b>\$ 7,739,476</b>	<b>\$ 7,778,216</b>	<b>\$ 6,225,517</b>	<b>\$ 6,972,841</b>	<b>\$ 6,233,569</b>
<b>Net (Expense)/Revenue</b>									
<b>Governmental Activities</b>	\$ (30,767,156)	\$ (23,248,216)	\$ (34,482,786)	\$ (37,421,707)	\$ (40,333,365)	\$ (43,611,643)	\$ (42,656,093)	\$ (43,360,135)	\$ (43,481,816)
<b>Business-Type Activities</b>	(14,389)	(14,583)	(14,142)	(26,792)	13,127	8,761	(21,648)	17,822	13,136
<b>Total District-Wide Net Expense</b>	<b>\$ (30,781,545)</b>	<b>\$ (23,262,799)</b>	<b>\$ (34,496,928)</b>	<b>\$ (37,448,499)</b>	<b>\$ (40,320,238)</b>	<b>\$ (43,602,882)</b>	<b>\$ (42,677,741)</b>	<b>\$ (43,342,313)</b>	<b>\$ (43,468,680)</b>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT**  
**CHANGES IN NET ASSETS**  
**LAST NINE FISCAL YEARS**  
*(Unaudited)*  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$ 31,036,496	\$ 32,878,413	\$ 34,555,678	\$ 37,152,008	\$ 38,678,558	\$ 40,264,610	\$ 40,716,266	\$ 42,238,098	\$ 44,123,887
Taxes Levied for Debt Service	1,703,049	1,817,915	1,821,990	1,824,326	1,667,375	1,680,753	1,725,277	1,712,573	1,731,015
Federal and State Aid - Unrestricted	51,199	127,562	254,335	253,145	315,074	375,170	9,833	-	-
Investment Earnings	370,259	152,034	127,143	176,514	349,611	331,679	151,940	95,878	93,900
Miscellaneous Income	141,281		162,333	323,069	374,824	313,507	430,336	369,506	519,764
Transfers	(10,000)	224,715	-	(54,000)	(85,000)	(50,000)	-	-	-
<b>Total Governmental Activities</b>	<b>33,292,284</b>	<b>35,200,639</b>	<b>36,921,479</b>	<b>39,677,062</b>	<b>41,300,442</b>	<b>42,915,719</b>	<b>43,033,652</b>	<b>44,416,055</b>	<b>46,468,566</b>
Business-Type Activities:									
Investment Earnings	386	565	1,561	5,912	12,055	9,523	3,942	2,688	2,911
Transfers	10,000	-	-	54,000	85,000	50,000	-	-	-
<b>Total Business-Type Activities</b>	<b>10,386</b>	<b>565</b>	<b>1,561</b>	<b>59,912</b>	<b>97,055</b>	<b>59,523</b>	<b>3,942</b>	<b>2,688</b>	<b>2,911</b>
<b>Total District-Wide</b>	<b>\$ 33,302,670</b>	<b>\$ 35,201,204</b>	<b>\$ 36,923,040</b>	<b>\$ 39,736,974</b>	<b>\$ 41,397,497</b>	<b>\$ 42,975,242</b>	<b>\$ 43,037,594</b>	<b>\$ 44,418,743</b>	<b>\$ 46,471,477</b>
<b>Change in Net Assets</b>									
Governmental Activities	\$ 2,525,128	\$ 11,952,423	\$ 2,438,693	\$ 2,255,355	\$ 967,077	\$ (695,924)	\$ 377,559	\$ 1,055,920	\$ 2,986,750
Business-Type Activities	(4,003)	(14,018)	(12,581)	33,120	110,182	68,284	(17,706)	20,510	16,047
<b>Total District</b>	<b>\$ 2,521,125</b>	<b>\$ 11,938,405</b>	<b>\$ 2,426,112</b>	<b>\$ 2,288,475</b>	<b>\$ 1,077,259</b>	<b>\$ (627,640)</b>	<b>\$ 359,853</b>	<b>\$ 1,076,430</b>	<b>\$ 3,002,797</b>

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST NINE FISCAL YEARS  
 (Unaudited)  
 (modified accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved	\$ 2,487,795	\$ 908,802	\$ 1,103,577	\$ 1,644,775	\$ 4,518,329	\$ 3,259,110	\$ 4,385,127	\$ 4,537,306	
Unreserved	1,240,046	1,336,582	1,084,012	1,050,755	968,233	1,932,503	1,241,008	677,567	\$ 8,033,557
Restricted									31,367
Committed									476,541
Assigned									871,450
Unassigned									
Total General Fund	\$ 3,727,841	\$ 2,245,384	\$ 2,187,589	\$ 2,695,530	\$ 5,486,562	\$ 5,191,613	\$ 5,626,135	\$ 5,214,873	\$ 9,412,915
All Other Governmental Funds									
Reserved	\$ 26,118,786	\$ 6,493,198	\$ 1,437,873	\$ 458,733	\$ 19,878	\$ 90,633	\$ 1,155,316	\$ 2,249,608	
Unreserved	(8,734,211)	(3,119,290)	(1,750,369)	62,864	183,853	1,210,687	1,180,539	1,180,029	
Restricted	-	-	-	-	-	-	-	-	948,461
Total All Other Governmental Funds	\$ 17,384,575	\$ 3,373,908	\$ (312,496)	\$ 521,597	\$ 203,731	\$ 1,301,320	\$ 2,335,855	\$ 3,429,637	\$ 948,461

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST NINE FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>									
Tax Levy	\$ 32,739,545	\$ 34,696,328	\$ 36,377,668	\$ 38,976,334	\$ 40,345,933	\$ 41,945,363	\$ 42,441,543	\$ 43,950,671	\$ 45,854,902
Tuition Charges	127,329	137,229	28,493	134,692	70,905	75,998	57,530	52,431	35,810
Interest Earnings	370,259	152,034	127,143	176,514	349,611	331,679	151,940	95,878	93,900
Transportation			12,450	13,950	21,548	25,464	13,826	41,870	41,770
Miscellaneous	158,076	236,085	162,333	325,069	422,044	363,225	497,627	456,009	613,555
State Sources	3,705,040	15,246,808	6,993,013	7,703,831	6,435,044	6,507,638	4,501,157	5,111,554	4,310,384
Federal Sources	304,764	357,906	450,948	380,267	487,083	462,271	613,514	609,801	717,193
<b>Total revenue</b>	<b>37,405,013</b>	<b>50,826,390</b>	<b>44,152,048</b>	<b>47,710,657</b>	<b>48,132,168</b>	<b>49,711,638</b>	<b>48,277,137</b>	<b>50,318,214</b>	<b>51,667,514</b>
<b>Expenditures</b>									
<b>Instruction</b>									
Regular Instruction	15,059,450	15,825,880	16,923,775	17,702,280	18,450,940	19,659,938	18,895,303	19,403,773	19,232,500
Special Education Instruction	2,061,850	2,380,739	2,716,379	3,394,881	3,713,556	3,956,281	3,389,554	4,283,838	4,419,753
Vocational Education	371,424	440,509	439,254	527,713	562,518				
Other Instruction	2,830,373	3,179,082	3,393,356	2,947,146	3,161,740	3,208,098	139,983	105,599	132,701
Other Instructional Supplemental Programs						428,976	384,588	396,634	382,573
School Sponsored Activities and Athletics	2,830,373	3,179,082	3,393,356	2,947,146	3,161,740	3,208,098	3,002,874	2,817,536	2,807,171
<b>Support Services:</b>									
Student & Inst. Related Services	4,165,850	4,961,850	5,900,808	6,172,114	6,155,865	6,206,358	6,697,369	6,507,105	6,436,591
General Administration	930,094	1,134,098	959,463	955,630	1,004,970	1,051,550	1,054,221	869,621	818,198
School Administrative Services	2,379,471	2,336,489	1,630,851	1,541,682	1,643,448	1,675,051	1,700,408	2,356,702	2,350,653
Plant Operations and Maintenance	2,923,150	3,978,281	4,116,343	4,645,310	4,959,666	5,545,578	5,372,496	5,327,588	5,029,009
Pupil Transportation	1,454,238	1,543,044	1,730,021	1,605,803	1,864,677	1,984,232	2,020,438	2,086,145	1,972,189
Central Services	733,062	749,152	1,761,030	1,163,029	1,366,751	1,415,829	1,515,704	1,260,483	1,194,743
Capital Outlay	8,231,495	27,972,476	6,979,264	3,527,976	531,064	2,012,392	890,372	2,356,655	3,303,552
<b>Debt Service:</b>									
Principal	440,000	465,000	490,000	1,067,289	1,031,582	630,000	670,000	840,000	875,000
Interest and Other Charges	1,372,715	1,352,914	1,331,990	1,189,361	1,127,225	1,084,715	1,055,278	1,024,015	996,015
Payment to Refunding Escrow Agent				594,208	153,886				
Cost of Issuance of Refunding Bonds				192,488	97,868				
<b>Total Expenditures</b>	<b>45,783,545</b>	<b>69,498,596</b>	<b>51,765,890</b>	<b>50,174,056</b>	<b>48,987,496</b>	<b>52,067,096</b>	<b>46,788,588</b>	<b>49,635,694</b>	<b>49,950,648</b>
Excess (Deficiency) of Revenues									
Over (Under) Expenditures	(8,378,532)	(18,672,206)	(7,613,842)	(2,463,399)	(855,328)	(2,355,458)	1,488,549	682,520	1,716,866
<b>Other Financing Sources (Uses)</b>									
<b>Proceeds from Borrowing</b>									
Capital Leases (Non-Budgeted)			\$ 476,287	\$ 121,584					
Proceeds from Refunding				19,300,000	\$ 6,005,000				
Reoffering Premium				120,703	45,544				
Payments to Escrow Agent				(18,630,000)	(5,798,790)				
Transfers in	\$ 69,589	\$ 3,232,263	889,470	1,339,537		2,423,195	1,653,531	2,260,101	1,295,262
Transfers out	(79,589)	(3,232,263)	(889,470)	(1,393,537)	(85,000)	(2,473,195)	(1,653,531)	(2,260,101)	(1,295,262)
<b>Total Other Financing Sources (Uses)</b>	<b>(10,000)</b>	<b>-</b>	<b>476,287</b>	<b>858,287</b>	<b>166,754</b>	<b>(50,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (8,388,532)</b>	<b>\$ (18,672,206)</b>	<b>\$ (7,137,555)</b>	<b>\$ (1,605,112)</b>	<b>\$ (688,574)</b>	<b>\$ (2,405,458)</b>	<b>\$ 1,488,549</b>	<b>\$ 682,520</b>	<b>\$ 1,716,866</b>
<b>Debt Service as a Percentage of</b>									
Noncapital Expenditures	4.83%	4.38%	4.07%	6.52%	4.97%	3.43%	3.76%	3.94%	4.01%

\* Noncapital expenditures are total expenditures less capital outlay.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST SEVEN FISCAL YEARS  
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Cancelled Checks</u>	<u>Monopole Revenue</u>	<u>Athletic Events</u>	<u>Rental Fees</u>	<u>Cancelled Prior Year A/P</u>	<u>Insurance/Other Refunds</u>	<u>Theater Receipts</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	\$ 23,398	\$ 115,569	24,674	\$ 41,792			\$ 16,930	\$ 36,325	\$ 258,688
2007	1,420	125,028	18,776	31,873	\$ 57,292	\$ 81,518		58,917	374,824
2008		114,652	24,252	53,352	72,069	19,563		18,178	302,066
2009		190,990	24,597	77,355	64,597	49,038		10,848	417,425
2010	2,747	231,693	18,926	48,845	39,323	11,988		15,984	369,506
2011	3,235	305,685	21,862	43,499	28,186	56,101		61,196	519,764

Note: GASB requires that ten years of statistical data be presented. The New Jersey Department of Education requires the General Fund Other Local Revenue by Source schedule. This schedule was previously not prepared by the District. Each year hereafter, an additional year's data will be included until ten years of data is presented.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
BOROUGH OF FRANKLIN LAKES  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2001	\$ 52,089,500	\$ 1,746,797,352	\$ 4,521,700	\$ 21,700	\$ 275,379,207	\$ 13,538,000		\$ 2,092,347,459	\$ 2,192,488	\$ 2,094,539,947	\$2,525,634,130	\$ 0.680
2002	54,487,800	1,769,300,252	5,010,800	16,800	272,893,630	13,538,000		2,115,247,282	1,979,365	2,117,226,647	2,766,170,168	0.706
2003	47,667,300	1,800,096,652	5,034,800	16,800	275,064,230	13,538,000		2,141,417,782	1,922,034	2,143,339,816	2,990,019,988	0.784
2004	43,873,800	1,822,549,052	4,192,500	19,000	274,931,030	13,438,000	\$ 9,783,000	2,168,786,382	1,671,736	2,170,458,118	3,332,089,833	0.862
2005	46,127,800	1,845,092,402	3,681,300	19,000	274,931,030	13,438,000	9,783,000	2,193,072,332	1,402,055	2,194,474,587	3,676,494,569	0.930
2006	39,168,100	1,887,092,102	3,681,300	19,000	246,418,000	13,438,000	9,783,000	2,199,599,502	1,333,619	2,200,933,121	4,024,313,596	0.989
2007	80,998,400	4,379,627,600	6,344,900	21,200	384,240,500	23,568,000	18,139,400	4,892,940,000	1,333,619	4,894,273,619	4,899,992,903	0.465
2008	90,703,100	4,349,987,800	6,344,900	21,200	384,240,500	23,568,000	30,856,600	4,885,722,100	3,416,228	4,889,138,328	4,650,202,081	0.472
2009	90,999,700	4,388,465,100	5,317,500	18,800	401,054,500	23,429,400	30,856,600	4,940,121,400	5,581,035	4,945,702,435	4,862,233,530	0.478
2010	75,848,200	4,420,389,200	5,317,500	18,800	393,342,200	23,429,400	30,139,400	4,948,484,700	3,687,173	4,952,171,873	4,709,650,468	0.499
2011	53,113,100	3,563,332,500	4,240,000	21,400	408,302,900	32,820,000	30,139,400	4,091,969,300	3,325,267	4,095,294,567	4,354,743,831	0.620

Source: County Abstract of Rabables

<sup>a</sup> Tax rates are per \$100

EXHIBIT J-6a

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
TOWNSHIP OF WYCKOFF  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land		Residential		Farm Reg.		Qfarm		Commercial		Industrial		Apartment		Total Assessed Value		Public Utilities		Net Valuation Taxable		Estimated Actual (County Equalized) Value		Total Direct School Tax Rate <sup>a</sup>	
	\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$	
2001	19,408,900		1,840,406,171		3,558,200		27,700		109,274,700		24,143,300		275,000		1,997,093,971		3,891,872		2,000,985,843		2,420,969,832		0.995	
2002	26,693,500		1,873,766,971		2,628,000		23,600		110,731,800		24,143,300		275,000		2,038,262,171		3,831,028		2,042,093,199		2,850,304,911		1.038	
2003	21,113,800		1,915,300,553		2,628,000		23,600		112,218,400		24,143,300		275,000		2,075,702,653		3,768,236		2,079,470,889		2,892,170,916		1.087	
2004	16,806,500		1,949,674,563		2,628,000		23,600		113,376,600		24,143,300		886,000		2,107,538,563		3,238,714		2,110,797,277		3,305,379,869		1.123	
2005	16,799,400		1,985,041,571		1,732,700		21,200		115,331,800		24,163,300		886,000		2,143,975,971		3,247,695		2,147,223,666		3,647,287,478		1.187	
2006	37,847,200		4,317,518,900		2,779,400		27,000		207,362,500		40,155,000		1,565,600		4,607,255,600		5,620,388		4,612,875,988		4,031,906,679		0.579	
2007	39,559,500		4,326,701,800		3,405,300		27,000		209,189,400		40,155,000		1,565,600		4,620,663,600		6,157,843		4,626,761,443		4,823,228,928		0.614	
2008	36,084,500		4,357,830,290		3,405,300		27,000		212,141,000		40,155,000		1,545,900		4,651,208,690		6,220,937		4,657,429,627		4,716,516,274		0.654	
2009	42,478,300		4,406,522,769		3,405,300		27,000		223,306,300		33,175,000		1,545,900		4,710,460,769		7,303,129		4,717,763,898		4,759,025,380		0.667	
2010	42,659,400		4,469,519,894		2,779,400		27,000		221,726,800		33,175,000		1,545,900		4,771,433,394		7,271,456		4,778,704,850		4,759,025,380		0.667	
2011	39,532,900		4,487,703,143		2,779,400		27,000		222,862,000		33,175,000		1,545,900		4,787,625,343		6,003,258		4,793,628,601		4,636,536,100		0.696	

Source: County Abstract of Rates

a. Tax rates are per \$100

EXHIBIT J-6B

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
BOROUGH OF OAKLAND  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm.	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2001	\$ 38,364,200	\$ 897,924,400	\$ 2,647,200	\$ 37,700	\$ 98,069,600	\$ 110,700,100		\$ 1,147,743,200	\$ 3,142,337	\$ 1,150,885,537	\$ 1,415,350,413	\$ 1.302
2002	34,202,800	922,573,400	2,647,200	41,200	101,750,700	108,995,500		1,170,210,800	3,026,719	1,173,237,519	1,698,929,623	1.363
2003	30,988,900	931,956,700	2,491,200	41,200	104,120,500	103,994,500		1,173,573,000	2,932,001	1,176,505,001	1,691,841,204	1.486
2004	29,915,900	936,779,700	2,609,900	33,100	102,739,300	102,303,400		1,174,381,300	2,594,717	1,176,976,017	1,878,168,264	1.604
2005	37,531,100	2,113,284,400	4,855,200	29,400	174,470,800	172,170,700		2,322,361,600	2,286,750	2,324,648,350	2,105,103,439	0.782
2006	50,027,500	2,120,500,400	3,578,600	25,800	174,877,400	172,195,400		2,521,203,100	3,708,659	2,524,913,759	2,390,253,357	0.823
2007	45,082,600	2,128,715,000	3,578,600	25,800	172,988,100	172,016,600		2,522,406,700	4,588,960	2,526,995,660	2,604,555,794	0.871
2008	44,786,500	2,135,944,700	3,578,600	65,800	173,664,700	174,344,700		2,532,385,000	4,422,455	2,536,807,455	2,671,143,488	0.896
2009	42,396,400	2,141,264,100	3,305,200	65,800	176,488,900	173,344,700		2,536,863,100	5,707,334	2,542,572,434	2,775,734,176	0.921
2010	42,187,500	2,142,909,700	2,982,300	22,700	182,765,500	174,344,700		2,545,212,400	5,049,895	2,550,262,295	2,678,697,472	0.946
2011 (A)	28,272,400	1,798,418,300	2,557,300	25,900	173,457,800	168,479,300		2,171,211,000	100	2,171,211,100	2,370,838,202	1.147

Source: County Abstract of Rates

(A) The Borough undertook a revaluation of real property which became effective for the 2011 year.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
BOROUGH OF FRANKLIN LAKES  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
(Unaudited)  
(rate per \$100 of assessed value)**

Calendar Year	Overlapping Rates				Total Direct and Overlapping Tax Rate
	Total Direct School Tax Rate	Regional High School District	Municipality (including Library)	County	
2001	\$ 0.680	\$ 0.573	\$ 0.328	\$ 0.289	\$ 1.870
2002	0.706	0.604	0.334	0.316	1.960
2003	0.784	0.623	0.337	0.296	2.040
2004	0.862	0.634	0.347	0.307	2.150
2005	0.930	0.659	0.363	0.328	2.280
2006	0.989	0.680	0.377	0.324	2.370
2007	0.465	0.313	0.166	0.166	1.110
2008	0.472	0.329	0.177	0.176	1.154
2009	0.478	0.337	0.192	0.189	1.196
2010	0.499	0.350	0.210	0.187	1.246
2011	0.620	0.431	0.259	0.220	1.530

Source: County Abstract of Ratables

Note: The Borough of Franklin Lakes undertook a revaluation of real property which became effective for 2007.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT**  
**TOWNSHIP OF WYCKOFF**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN YEARS**  
**(Unaudited)**  
*(rate per \$100 of assessed value)*

Calendar Year	Overlapping Rates				Total Direct and Overlapping Tax Rate
	Total Direct School Tax Rate	Regional High School District	Municipality (including Library)	County	
2001	\$ 0.995	\$ 0.526	\$ 0.328	\$ 0.291	\$ 2.140
2002	1.038	0.579	0.319	0.314	2.250
2003	1.087	0.618	0.309	0.296	2.310
2004	1.123	0.647	0.337	0.323	2.430
2005	1.187	0.682	0.379	0.332	2.580
2006	0.579	0.336	0.180	0.165	1.260
2007	0.614	0.351	0.201	0.174	1.340
2008	0.632	0.353	0.222	0.184	1.391
2009	0.654	0.352	0.228	0.194	1.428
2010	0.677	0.364	0.233	0.200	1.474
2011	0.696	0.375	0.245	0.202	1.518

Source: County Abstract of Ratables

Note: The Township of Wyckoff undertook a revaluation of real property which became effective for 2006.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
BOROUGH OF OAKLAND**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

**LAST TEN YEARS**

**(Unaudited)**

*(rate per \$100 of assessed value)*

Calendar Year	Overlapping Rates				Total Direct and Overlapping Tax Rate
	Total Direct School Tax Rate	Regional High School District	Municipality	County	
2001	\$ 1.302	\$ 0.524	\$ 0.588	\$ 0.296	\$ 2.710
2002	1.363	0.585	0.631	0.321	2.900
2003	1.486	0.642	0.677	0.305	3.110
2004	1.604	0.689	0.731	0.326	3.350
2005	0.782	0.340	0.371	0.157	1.650
2006	0.823	0.362	0.427	0.188	1.800
2007	0.871	0.379	0.474	0.186	1.910
2008	0.896	0.382	0.499	0.206	1.983
2009	0.921	0.531	0.390	0.210	2.052
2010	0.946	0.398	0.547	0.207	2.098
2011	1.147	0.465	0.612	0.227	2.451

Source: County Abstract of Ratables

Note: The Borough of Oakland undertook a revaluation of real property which became effective for 2005 and 2011

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
BOROUGH OF FRANKLIN LAKES  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Becton Dickinson & Company	\$ 156,547,900	3.83%	N/A	N/A
Medco Health Solutions	114,000,000	2.79%	N/A	N/A
Ist Real Estate Investment Trust	19,784,900	0.48%	N/A	N/A
Urban Farms Acquisition	19,715,000	0.48%	N/A	N/A
East Coast Horizon	18,139,400	0.44%	N/A	N/A
University Heights, LLC	12,000,000	0.29%	N/A	N/A
FL Storage, LLC	9,000,000	0.22%	N/A	N/A
G.S. Realty Corp.	7,480,000	0.18%	N/A	N/A
Sabra Realty Associations	7,103,300	0.17%	N/A	N/A
Private Homeowner	6,923,600	0.17%	N/A	N/A
	\$ 370,694,100	9.06%	N/A	N/A

N/A - Not Available

Source: Municipal Tax Assessor

Total Assessed Value per J-6                    \$ 4,091,969,300

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
TOWNSHIP OF WYCKOFF  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Munico Associates	\$ 55,571,000	1.16%	\$ 16,500,000	0.81%
Precision Multiple Controls, Inc.	13,092,700	0.27%	7,328,000	0.68%
Wyckoff Hye Partners	11,729,000	0.24%	4,500,000	0.22%
Grossman, Ivan & Solomon-Plazter	9,841,900	0.21%	6,750,000	0.33%
Cole, Charles W. Jr & Shawn	800,000	0.02%	3,500,000	0.17%
Canterbury Development Corp.	7,954,900	0.17%	3,279,300	0.16%
Wyckoff Shopping Center	6,979,200	0.15%	2,400,000	0.12%
Varnic, LLC.	6,912,600	0.14%	N/A	N/A
Resident	10,262,300	0.21%	N/A	N/A
Barrister Construction	N/A	N/A	3,500,000	0.17%
Ridgewood Water	9,963,000	0.21%	9,001,300	0.44%
	<u>\$ 133,106,600</u>	<u>2.78%</u>	<u>56,758,600</u>	<u>3.10%</u>

N/A - Not Available

Source: Municipal Tax Assessor

Total Assessed Value per J-6      \$4,787,625,343

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
BOROUGH OF OAKLAND  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Washington Square Owner LLC	\$ 14,858,400	0.68%	\$ 10,703,800	N/A
Jayare Associates LLC	15,848,000	0.73%	8,700,000	N/A
40 Potash Road Associates LLC	12,084,100	0.56%	6,928,600	N/A
Shiseido America Inc	11,511,700	0.53%	9,879,800	N/A
Oakland Care Ctr Real Estate Co LLC	9,725,000	0.45%	10,075,800	N/A
5 Thornton Road Associates LLC	9,908,200	0.46%	6,251,400	N/A
The Realty Associates Fund VII LP	10,216,600	0.47%	5,828,500	N/A
Public Service Electric & Gas Co	6,679,600	0.31%	5,454,600	N/A
Ramapo Valley Resources Ltd	6,087,700	0.28%	N/A	N/A
1 Raritan Road Realty LLC	6,235,900	0.29%	2,528,200	N/A
	\$ 103,155,200	4.75%	N/A	N/A

N/A - Not Available

Source: Municipal Tax Assessor

Total Assessed Value per J-6                      \$2,171,211,000

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 30,162,608	\$ 30,162,608	100.00%	
2003	32,739,545	32,739,545	100.00%	
2004	34,696,328	34,696,328	100.00%	
2005	36,377,668	36,377,668	100.00%	
2006	38,976,334	38,976,334	100.00%	
2007	40,345,933	40,345,933	100.00%	
2008	41,945,363	41,945,363	100.00%	
2009	42,441,543	42,441,543	100.00%	
2010	43,950,671	43,950,671	100.00%	
2011	45,854,902	45,854,902	100.00%	

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
BOROUGH OF FRANKLIN LAKES  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST SEVEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>			
2005	\$ 10,380,375	\$ 304,778	\$ 10,685,153	11,109	\$ 962
2006	10,413,491	164,248	10,577,739	11,093	954
2007	10,374,226		10,374,226	11,435	907
2008	10,220,494		10,220,494	11,546	885
2009	9,763,529		9,763,529	11,619	840
2010	9,515,161		9,515,161	11,617	819
2011	9,233,126		9,233,126	11,617 E	795

Source: District records

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
TOWNSHIP OF WYCKOFF  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST SEVEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>			
2005	\$ 10,258,379	\$ 301,196	\$ 10,559,575	16,928	\$ 624
2006	10,291,106	162,317	10,453,423	16,814	622
2007	10,291,111		10,291,111	16,805	612
2008	10,141,891		10,141,891	16,826	603
2009	9,628,018		9,628,018	16,898	570
2010	9,384,047		9,384,047	16,912	555
2011	9,124,612		9,124,612	16,912 E	540

Source: District records

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
BOROUGH OF OAKLAND  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST SEVEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>			
2005	\$ 6,005,035	\$ 176,314	\$ 6,181,349	13,415	\$ 461
2006	6,024,193	95,017	6,119,210	13,270	461
2007	6,063,453		6,063,453	13,254	457
2008	5,962,515		5,962,515	13,249	450
2009	5,633,453		5,633,453	13,312	423
2010	5,425,792		5,425,792	13,293	408
2011	5,232,262		5,232,262	13,293 E	394

Source: District records

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
BOROUGH OF FRANKLIN LAKES  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST SEVEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2005	\$ 10,380,375		\$ 10,380,375	0.47%	\$ 934
2006	10,413,491		10,413,491	0.47%	939
2007	10,374,226		10,374,226	0.21%	907
2008	10,220,494		10,220,494	0.21%	885
2009	9,763,529		9,763,529	0.20%	843
2010	9,515,161		9,515,161	0.19%	819
2011	9,233,126		9,233,126	0.23%	795

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
TOWNSHIP OF WYCKOFF  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST SEVEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2005	\$ 10,258,379		\$ 10,258,379	0.48%	\$ 606
2006	10,291,106		10,291,106	0.22%	612
2007	10,291,111		10,291,111	0.22%	612
2008	10,141,891		10,141,891	0.22%	603
2009	9,628,018		9,628,018	0.20%	567
2010	9,384,047		9,384,047	0.20%	555
2011	9,124,612		9,124,612	0.19%	540

Source: District records

Note: The Township of Wyckoff undertook a revaluation of real property which became effective for 2006.

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
BOROUGH OF OAKLAND  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST SEVEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2005	\$ 6,005,035		\$ 6,005,035	0.24%	\$ 448
2006	6,024,193		6,024,193	0.24%	454
2007	6,063,453		6,063,453	0.24%	457
2008	5,962,515		5,962,515	0.24%	450
2009	5,633,453		5,633,453	0.22%	420
2010	5,425,792		5,425,792	0.21%	408
2011	5,232,262		5,232,262	0.24%	394

Source: District records

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
FOR YEAR ENDED JUNE 30, 2011  
(Unaudited)**

Net Direct Debt of School District as of June 30, 2011	\$ 23,590,000
Net Overlapping Debt of School District (A)	
Borough of Franklin Lakes (B)	\$ 15,295,355
Borough of Oakland (B)	16,722,790
Township of Wyckoff (B)	1,239,675
County of Bergen	44,657,664
Northwest Bergen County Utilities Auth.	<u>3,323,191</u>
	<u>81,238,675</u>
Total Direct and Overlapping Bond Debt as of June 30, 2011	<u>\$ 104,828,675</u>

(A) The Net Overlapping Debt is as of December 31, 2010 as the entities are calendar year.

(B) The debt for this entity was apportioned by dividing the Municipality's 2010 equalized value by the total 2010 equalized value for Bergen County.

Source:

- (1) 2010 Annual Debt Statements - Borough of Franklin Lakes, Borough of Oakland and Township of Wyckoff
- (2) Bergen County 2010 Annual Debt Statement
- (3) Bergen County Utilities Authority

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION (COMBINED)  
 LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$189,915,939	\$205,819,911	\$219,415,152	\$237,250,799	\$ 262,383,156	\$ 293,924,605	\$ 319,374,118	\$ 355,282,577	\$ 361,571,569	\$ 359,779,674
Total Net Debt Applicable to Limit	43,065,000	40,629,241	29,320,474	26,643,790	26,728,790	26,325,000	-	25,025,000	24,325,000	23,590,000
Legal Debt Margin	\$146,850,939	\$165,190,670	\$190,094,678	\$210,607,009	\$ 235,654,366	\$ 267,599,605	\$ 319,374,118	\$ 330,257,577	\$ 337,246,569	\$ 336,189,674
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	22.68%	19.74%	13.36%	11.23%	10.19%	8.96%	0.00%	7.04%	6.73%	6.56%

Legal Debt Margin Calculation for Fiscal Year 2010

Average equalized valuation of taxable property	\$11,992,655,792
Debt limit (3 % of average equalization value)	359,779,674 <sup>a</sup>
Total Net Debt Applicable to Limit	23,590,000
Legal debt margin	\$ 336,189,674
Equalized valuation basis	
2008	\$12,234,913,916
2009	12,035,177,739
2010	11,707,875,722
	<u>\$35,977,967,377</u>

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

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
BOROUGH OF FRANKLIN LAKES  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2002	10,548	\$ 51,931	3.7%
2003	10,986	51,291	3.7%
2004	11,047	54,669	3.0%
2005	11,098	56,963	2.3%
2006	11,109	63,021	2.3%
2007	11,093	67,113	2.0%
2008	11,435	68,541	2.7%
2009	11,546	64,388	4.9%
2010	11,617	Not Available	5.0%
2011	11,617 E	Not Available	Not Available

(1) - As of July 1

Per Capita Income reflects Bergen County, not the municipality.

Source: New Jersey State Department of Education

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
TOWNSHIP OF WYCKOFF  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2002	16,659	\$ 51,931	2.5%
2003	16,775	51,291	2.5%
2004	16,861	54,669	2.0%
2005	16,972	56,963	2.8%
2006	16,928	63,021	2.8%
2007	16,814	67,113	2.5%
2008	16,805	68,541	3.3%
2009	16,826	64,388	5.9%
2010	16,912	Not Available	6.1%
2011	16,912 E	Not Available	Not Available

(1) - As of July 1

Per Capita Income reflects Bergen County, not the municipality.

Source: New Jersey State Department of Education

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
BOROUGH OF OAKLAND  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2002	12,887	\$ 51,931	3.4%
2003	13,188	51,291	3.3%
2004	13,483	54,669	2.7%
2005	13,512	56,963	2.6%
2006	13,415	63,021	2.8%
2007	13,270	67,113	2.5%
2008	13,254	68,541	3.3%
2009	13,249	64,388	6.0%
2010	13,293	Not Available	6.1%
2011	13,293 E	Not Available	Not Available

(1) - As of July 1

Per Capita Income reflects Bergen County, not the municipality.

Source: New Jersey State Department of Education

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 BOROUGH OF FRANKLIN LAKES  
 PRINCIPAL EMPLOYERS,  
 CURRENT YEAR AND NINE YEARS AGO  
 (Unaudited)

<u>Employer</u>	<u>2011</u>		<u>2002</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
		NOT AVAILABLE		NOT AVAILABLE
		<u>0.00%</u>		<u>0.00%</u>



RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
BOROUGH OF OAKLAND  
PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)

<u>Employer</u>	<u>2011</u>		<u>2002</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
		NOT AVAILABLE		NOT AVAILABLE
		<u>0.00%</u>		<u>0.00%</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction	160	166	170	211	186	197	205	199	201	198
Regular	*	*	*	*	24	21	15	14	14	14
Special education										
Support Services:										
Student & instruction related services	43	47	49	51	62	60	64	71	69	68
General administration	3	4	3	4	4	3	3	3	3	2
School administrative services	6	14	14	21	14	16	16	17	16	17
Central services	13	6	6	6	7	8	7	6	6	6
Administrative Information Technology					2	2	2	2	2	2
Plant operations and maintenance	23	22	22	22	27	35	34	39	38	38
Pupil transportation	3	3	3	3	4	3	3	4	3	3
Other support services	2	2	2	2	2	2	2	2	2	2
<b>Total</b>	<b>253</b>	<b>264</b>	<b>269</b>	<b>320</b>	<b>332</b>	<b>347</b>	<b>351</b>	<b>357</b>	<b>354</b>	<b>350</b>

**Source:** DOE Budget Report

\* Included in Regular Education Total

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Senior High School	School				
2002	1,956	\$ 32,658,319	\$ 16,696	4.11%	222	1:11	1,947.80	1,898.10	4.47%	97.45%	
2003	2,025	39,960,161	19,733	18.19%	248	1:12	2,034.70	1,980.30	4.46%	97.33%	
2004	2,141	36,529,124	17,062	-13.54%	238	1:11	2,127.90	1,993.10	4.58%	93.67%	
2005	2,182	39,571,280	18,135	6.29%	235	1:12	2,148.10	2,062.70	0.95%	96.02%	
2006	2,276	40,655,588	17,863	-1.50%	235	1:11	2,213.70	2,083.80	3.05%	94.13%	
2007	2,309	42,884,131	18,573	3.97%	236	1:11	2,277.22	2,151.90	2.87%	94.50%	
2008	2,359	45,131,891	19,132	3.01%	238	1:11	2,323.60	2,194.90	2.04%	94.46%	
2009	2,353	43,976,096	18,850	-1.48%	230	1:11	2,298.50	2,181.00	-1.08%	94.89%	
2010	2,366	45,415,024	19,195	1.83%	232	1:11	2,314.50	2,201.10	0.70%	95.10%	
2011	2,388	44,776,081	18,750	-2.32%	229	1:11	2,329.70	2,214.10	0.66%	95.04%	

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>District Building</b>										
<u>High School</u>										
Square Feet	439,000	439,000	439,000	481,920	481,920	481,920	481,920	481,920	481,920	481,920
Capacity (students)	2,671	2,671	2,671	3,084	3,084	3,084	3,084	3,084	3,084	3,084
Enrollment	1,956	2,025	2,141	2,182	2,276	2,309	2,359	2,333	2,366	2,388

Number of Schools at June 30, 2011  
 Senior High School =

	2	2	2	2	2	2	2	2	2	2
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Source: District Records

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT**  
**GENERAL FUND**  
**SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**LAST TEN FISCAL YEARS**  
 (Unaudited)

**UNDISTRIBUTED EXPENDITURES-REQUIRED**  
**REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**

<u>School Facilities</u>	<u>Project #s</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Ramapo High School	N/A	\$ 191,045	\$ 196,898	\$ 234,167	\$ 252,585	\$ 363,070	\$ 361,287	\$ 459,910	\$ 391,897	\$ 269,084	\$ 332,524
Indian Hills High School	N/A	184,984	199,275	220,693	257,021	297,408	538,599	485,150	391,317	673,292	433,354
Total School Facilities		<u>376,029</u>	<u>396,173</u>	<u>454,860</u>	<u>509,606</u>	<u>660,478</u>	<u>899,886</u>	<u>945,060</u>	<u>783,214</u>	<u>942,376</u>	<u>765,878</u>
Grand Total		<u>\$ 376,029</u>	<u>\$ 396,173</u>	<u>\$ 454,860</u>	<u>\$ 509,606</u>	<u>\$ 660,478</u>	<u>\$ 899,886</u>	<u>\$ 945,060</u>	<u>\$ 783,214</u>	<u>\$ 942,376</u>	<u>\$ 765,878</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT**  
**SCHEDULE OF INSURANCE**  
**JUNE 30, 2011**  
**(Unaudited)**

<u>Multi Peril Package Policy - New Jersey School Boards Assoc.</u>	<u>Coverage</u>	<u>Deductible</u>
<u>Insurance Group</u>		
Property-Blanket Building and Contents	\$ 129,870,439	\$ 5,000
Commercial General Liability	11,000,000	
Electric Data Processing Equipment / Software	included	
Employee Dishonesty	1,000,000	\$ 1,000
<u>Business Auto Policy - NJ School Boards Assoc.</u>		
<u>Insurance Group</u>		
Bodily Injury Property Damage	11,000,000	
Comprehensive		1,000
Collision		1,000
Uninsured Motorist	1,000,000	
<u>Workers Compensation- New Jersey School Boards Association</u>		
<u>Insurance Group</u>		
Section A	Statutory	
Section B	2,000,000	
Supplementary Workers Comp.-Chubb	1,750	per week
<u>Student Accident-Groseclose Associates</u>		
Compulsory	1,000,000	
Interscholastics Sports	5,000,000	
<u>School Board Legal Policy-N.J. School Boards Assoc.</u>		
<u>Insurance Group</u>		
Limit of Liability	10,000,000	15,000
<u>Catastrophic Excess-Firemans' Fund</u>		
Limit of Liability	50,000,000	
<u>Bonds</u>		
Treasurer of School Monies	300,000	
Business Administrator	25,000	

Source: District Records

**SINGLE AUDIT SECTION**

# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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EDWARD N. KERE, CPA

## 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

Honorable President and Members  
of the Board of Trustees  
Ramapo Indian Hills Regional High School District  
Oakland, New Jersey

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

### Internal Control Over Financial Reporting

Management of the Ramapo Indian Hills Regional High School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Ramapo Indian Hills Regional High School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ramapo Indian Hills Regional High School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ramapo Indian Hills Regional High School District's internal control over financial reporting.

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

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ramapo Indian Hills Regional High School 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 and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

We noted certain matters that we have reported to management of the Ramapo Indian Hills Regional High School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 30, 2011.

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

  
 LERCH, VINCI & HIGGINS, LLP  
 Certified Public Accountants  
 Public School Accountants

  
 Gary J. Vinci  
 Public School Accountant  
 PSA Number CS00829

Fair Lawn, New Jersey  
 November 30, 2011

# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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RALPH M. PICONE, CPA, RMA, PSA  
EDWARD N. KERE, CPA

## REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

### Independent Auditor's Report

Honorable President and Members  
of the Board of Trustees  
Ramapo Indian Hills Regional High School District  
Oakland, New Jersey

#### Compliance

We have audited the Ramapo Indian Hills Regional High School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Ramapo Indian Hills Regional High School District's major federal and state programs for the fiscal year ended June 30, 2011. Ramapo Indian Hills Regional High School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Ramapo Indian Hills Regional High School District's management. Our responsibility is to express an opinion on Ramapo Indian Hills Regional High School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and circulars 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 Ramapo Indian Hills Regional High School 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. Our audit does not provide a legal determination on Ramapo Indian Hills Regional High School District's compliance with those requirements.

In our opinion, Ramapo Indian Hills Regional High School District complied, in all material respects, with the 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, 2011.

### Internal Control Over Compliance

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

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

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

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

  
 LERCH, VINCI & HIGGINS, LLP  
 Certified Public Accountants  
 Public School Accountants

  
 Gary J. Vinci  
 Public School Accountant  
 PSA Number CS00829

Fair Lawn, New Jersey  
 November 30, 2011

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal CFDA Number	Federal/Grantor/Pass-Through Grantor/ Program Title U.S. Department of Education Passed-through State Department of Education	Grant Period	Award Amount	Balance, June 30, 2010			Balance, June 30, 2011			MEMO GAAP Receivable	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor	(Accounts Receivable)	Deferred Revenue	Due to Grantor		
84.410	General Fund: Educational Jobs Act		\$ 69,693	-	-	-	\$ 34,586	\$ 52,139	\$ (35,107)	\$ 17,554	\$ (17,553)
	Total General Fund			-	-	-	34,586	52,139	(35,107)	17,554	(17,553)
	<b>Special Revenue Fund:</b>										
84.027	I.D.E.A. Part B, Basic	9/1/10-8/31/11	425,832								
84.027	I.D.E.A. Part B, Basic	9/1/09-8/31/10	415,984	\$ (145,588)	\$ 17,991		198,864	317,779	(226,968)	108,053	\$ (118,915)
84.391	ARRA I.D.E.A. Basic	9/1/09-8/31/11	487,452	(487,452)	338,972		145,588	17,991	-	-	
84.367	NCLB Title IIIA	9/1/10-8/31/11	28,950				304,423	299,998	(183,029)	38,974	(144,055)
84.367	NCLB Title IIIA	9/1/09-8/31/10	29,286	(29,286)	29,286		29,286	29,286	(28,950)	28,950	
84.367	NCLB Title IIIA	9/1/08-8/31/09	29,048	(29,048)			29,048				
84.184	NCLB Title IV	9/1/09-8/31/10	3,186	(3,186)			3,186				
	Total Special Revenue Fund			(694,560)	386,249		710,395	665,054	(438,947)	175,977	(262,970)
	Total Federal Financial Awards			\$ (694,560)	\$ 386,249		\$ 744,981	\$ 717,193	\$ (474,054)	\$ 193,531	\$ (280,523)

EXHIBIT K-4

RAMAPO INDIAN HILLS REGIONAL HIGHSCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2010		Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2011		Memo Only	
				(Accounts Receivable)	Deferred Revenue					Due to Grantor	Deferred Revenue	(Accounts Receivable)	Due to Grantor
<b>State Department of Education</b>													
<b>General Fund:</b>													
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	\$ 114,767	\$ (11,349)	\$	\$	\$ 11,349	\$	\$	\$ (283,413)	\$	\$	\$ 283,413
Special Education Categorical Aid	10-495-034-5120-084	7/1/09-6/30/10	837,296	(82,796)			82,796						
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	331,857	(52,592)			52,592						
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	283,413					283,413					
Extraordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	264,618	(264,618)			264,618						
Additional Nonpublic Transportation Aid	N/A	7/1/10-6/30/11	38,097	(23,902)			23,902						
Additional Nonpublic Transportation Aid	N/A	7/1/08-6/30/10	25,929										
TPAF Wage Freeze Aid	N/A	7/1/08-6/30/09	337										
Reimbursed TPAF Social Security Contribution - Non Contributory Ins.	11-495-034-5095-402	7/1/10-6/30/11	1,312,791				1,245,592	1,312,791		(67,199)		(168)	337
On-Behalf TPAF Pension System Contribution - Non Contributory Ins.	11-495-034-5095-407	7/1/10-6/30/11	55,519				55,519					(67,199)	1,312,791
On-Behalf TPAF Pension System Contribution - Post Retirement	11-495-034-5095-401	7/1/10-6/30/11	1,179,223				1,179,223						55,519
<b>Total General Fund</b>			<b>4,332,237</b>				<b>2,915,760</b>	<b>2,859,380</b>		<b>(378,877)</b>		<b>(95,464)</b>	<b>1,179,223</b>
<b>Special Revenue Funds:</b>													
N.J. Nonpublic Nursing Services	11-100-034-5120-070	7/1/10-6/30/11	5,320		\$ 1,004	\$	5,320		\$ 1,004		\$ 5,320		4,092
N.J. Nonpublic Nursing Services	10-100-034-5120-070	7/1/09-6/30/10	1,004										
N.J. Nonpublic Textbook	11-100-034-5120-064	7/1/10-7/1/11	4,490				4,490						
N.J. Nonpublic Textbook	10-100-034-5120-064	7/1/09-7/1/10	6,380										
Agency Services	11-100-034-5120-067	7/1/10-6/30/11	9,135				9,135						5,977
ESL	10-100-034-5120-067	7/1/09-6/30/10	6,361										
ESL	11-100-034-5120-067	7/1/10-6/30/11	27,630				27,630						
Compensatory Education	10-100-034-5120-067	7/1/09-6/30/10	33,389										
Compensatory Education	11-100-034-5120-066	7/1/10-6/30/11	21,849				21,849						20,093
Exam & Classification	10-100-034-5120-066	7/1/09-6/30/10	15,286										
Exam & Classification	11-100-034-5120-066	7/1/10-6/30/11	12,345				15,286						12,576
Supplementary Instruction	10-100-034-5120-066	7/1/09-6/30/10	3,912										
Supplementary Instruction	11-100-034-5120-066	7/1/10-6/30/11	5,380				3,912						782
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	5,845										
Character Education	06-495-034-5120-053	8/1/05-8/1/06			\$ 3,595								3,595
<b>Total Special Revenue Fund</b>			<b>22,147</b>		<b>3,595</b>		<b>87,622</b>	<b>69,554</b>		<b>22,147</b>		<b>21,663</b>	<b>69,554</b>
<b>Capital Projects Fund:</b>													
EFCEA - Exterior Wall Replace - IHHS	4300-030-03-0849		42,470	(42,470)			42,470						42,470
EFCEA - Audio/Visual Upgrades - RHS	4300-030-04-1000		363,253	(4,538)									363,253
EFCEA - Audio/Visual Upgrades - IHHS	4300-030-04-1000		135,812	(1,337)									135,812
EFCEA - Auditorium - IHHS	4300-030-05-1000		694,577	(23,749)									694,577
EFCEA - Gym Renovation - IHHS	4300-030-05-2000		463,317	(90,353)									463,317
EFCEA - Masonry Upgrades, IHHS	4300-030-09-2003		202,450	(202,450)									
EFCEA - Sewage Treatment Plant Upgrades, IHHS	4300-030-09-2004		114,456	(114,456)									
EFCEA - ADA Upgrades, IHHS	4300-030-09-2005		28,448	(28,448)									
EFCEA - Window Replacement, Phase 1, RHS	4300-030-09-2001		147,600	(147,600)									
EFCEA - Window Replacement, Phase 2, RHS	4300-030-09-2002		230,000	(230,000)									
EFCEA - Masonry Stair Repair - IHHS	4300-030-09-2006		16,800	(16,800)									
EFCEA - Roof Repairs / Skylight Removal - IHHS	4300-030-09-2013		29,760	(29,760)									
EFCEA - ADA Upgrades - IHHS	4300-030-09-2014		115,200	(115,040)									

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an Integral Part of this Statement.

EXHIBIT K-4

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title Capital Projects Fund (continued)	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2010			Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2011		Memo Only	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	GAAP Accounts Receivable	Total Cumulative Expenditures
EFCEA - IDF/ADF Server Climate Control - IHHS	4300-030-09-2012		\$ 14,400	\$ (14,400)	\$ 13,200				\$ 13,200			\$ (14,400)	\$ -	\$ (14,400)	\$ 14,400
EFCEA - IDF/ADF Server Climate Control - RHS	4300-030-09-2008		19,200	(19,200)	17,800				15,309			(19,200)	2,491	(19,200)	16,709
EFCEA - Heating System Upgrades - IHHS	4300-030-09-2011		720,960	(720,960)	659,438				561,372			(720,960)	98,066	(720,960)	622,894
EFCEA - Generator Replacement - IHHS	4300-030-09-2010		120,000	(120,000)	111,360				99,760			(120,000)	11,600	(120,000)	108,400
EFCEA - Heating System Upgrades - RHS	4300-030-09-2007		334,080	(334,080)	292,685				248,416			(334,080)	43,669	(334,080)	290,411
EFCEA - Generator Replacement - RHS	4300-030-09-2009		120,000	(120,000)	111,360				79,776			(120,000)	31,584	(120,000)	88,416
EFCEA - Re-Roofing - IHHS	4300-030-10-1001		129,960						61,680			(129,960)	68,280	(129,960)	61,680
<b>Total Capital Projects Fund</b>				<b>(2,375,661)</b>	<b>1,532,210</b>			<b>\$ 317,482</b>	<b>1,253,508</b>			<b>(2,138,512)</b>	<b>379,918</b>	<b>(2,138,512)</b>	<b>3,663,755</b>
<b>Total State Financial Assistance Subject to Single Audit</b>				<b>\$ (2,810,918)</b>	<b>\$ 1,535,805</b>			<b>\$ 3,320,844</b>	<b>4,182,442</b>			<b>\$ (2,537,392)</b>	<b>\$ 379,918</b>	<b>\$ (2,255,979)</b>	<b>\$ 6,592,689</b>
On Behalf TPAF Pension Aid									(1,234,742)						
<b>Total State Financial Assistance</b>									<b>\$ 2,947,700</b>						

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an Integral Part of this Statement.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Ramapo Indian Hills Regional High School District. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are presented using 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 Notes 1(C) to the Board's basic financial statements.

**NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2.. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$127,942 for the General Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 52,139	\$ 2,987,322	\$ 3,039,461
Special Revenue Fund	665,054	69,554	734,608
Capital Projects Fund	<u>-</u>	<u>1,253,508</u>	<u>1,253,508</u>
Total Financial Assistance	<u>\$ 717,193</u>	<u>\$ 4,310,384</u>	<u>\$ 5,027,577</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$1,312,791 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011. The amount reported as TPAF Pension System Contributions in the amount of \$55,519 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,179,223 represents the amount paid by the State on behalf of the District for the year ended June 30, 2011.

**NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to State single audit and major program determination.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditor's report issued:	<u>Unqualified</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	<u> X </u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	_____ yes	<u> X </u> none reported
Noncompliance material to the basic financial statements noted?	_____ yes	<u> X </u> no

**Federal Awards Section**

Internal Control over compliance:		
1) Material weakness(es) identified?	_____ yes	<u> X </u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	_____ yes	<u> X </u> none reported

Type of auditor's report on compliance for major programs:	<u>Unqualified</u>	
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section.510(a))?	_____ yes	<u> X </u> none

Identification of major programs:	
<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA Part B Basic
84.391	IDEA Part B Basic - ARRA
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B Programs	\$ \$ 300,000
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Auditee qualified as low-risk auditee?	<u> X </u> yes	_____ no
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**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal Control over compliance:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- 2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04, as amended? \_\_\_\_\_ yes      X   none

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>11-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contribution</u>
<u>SP-4300-030</u>	<u>SDA-School Facilities Construction Aid</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B Programs    \$   300,000  

Auditee qualified as low-risk auditee?      X   yes    \_\_\_\_\_ no

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*Part 2 - Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**CURRENT YEAR STATE AWARDS**

There are none.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.