

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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, 2012

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 12, 2012

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, 2012 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 2011-2012 fiscal year with an enrollment of 2308 students, which is 80 students less 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 15th of each year)

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-2012	2,308	(3.5%)
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%

Initiatives:

The District continues to complete various capital improvements in accordance with its Long-range Facilities Plan. Projects completed at both schools in FY 12 include heating system upgrades, the installation of emergency generators and installation of multiple outdoor cameras for the existing security system. In addition, the entire head-end unit was replaced and upgraded with the latest technology.

Numerous technology-related improvements were made including the installation of additional wireless access points through the district, installation of LCD projectors in every instructional classroom and the purchase of new laptops for all instructional staff members.

District curriculum initiatives during the 2011-2012 school year included the addition of new courses into our Program of Studies including Environmental Science, Conceptual Physics, Contemporary Business Technology and Application Development. Additionally, second year Art courses were added in Painting, Drawing and Sculpture. College Algebra and Statistics was aligned to the Common Core State Standards and the English Language Arts Curriculum was reviewed and aligned to Common Core.

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. 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, 2012.

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.

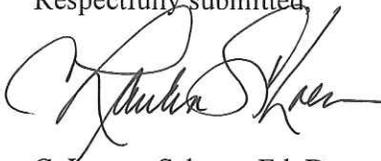
Cash Management: The investment policy of the District is guided in large part by state statute as detailed in "*Notes to the Basic Financial Statements*", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under 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, 2012

<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
Debra Strauss		2012

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, 2012

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

Capital One Bank
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Fairfield, New Jersey 07004

FINANCIAL SECTION

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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, 2012, 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.

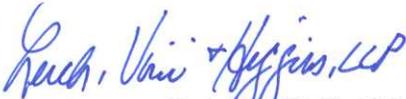
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 12, 2012 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining fund financial statements and schedules of expenditures of federal awards and state financial assistance have 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 combining fund financial statements and schedules of expenditures of federal awards and state financial assistance are 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 12, 2012

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, 2012**

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, 2012. 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 (2011-2012) and the prior year (2010-2011) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2011-2012 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 \$45,274,286 (net assets).
- Overall revenues were \$52,675,727. General revenues accounted for \$46,306,640 or 88% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,369,087 or 12% of total revenues.
- The school district had \$49,156,814 in expenses for governmental activities; only \$5,307,444 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$46,305,454 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 \$13,687,719.
- The General Fund fund balance at June 30, 2012 was \$11,969,413 an increase of \$2,556,516 when compared with the beginning balance at July 1, 2011.

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.

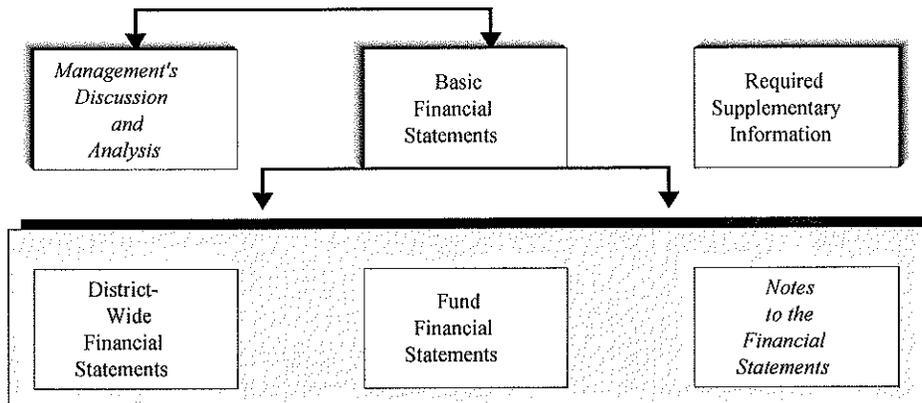
**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
OAKLAND, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012**

- 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, 2012**

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, 2012**

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, 2012**

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 \$45,274,286 as of June 30, 2012. 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, 2012**

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, 2012 and 2011**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current Assets	\$ 16,956,702	\$ 12,735,646	\$ 304,195	\$ 328,012	\$ 17,260,897	\$ 12,335,278
Capital Assets	<u>56,485,502</u>	<u>43,699,522</u>	<u>92,239</u>	<u>14,838</u>	<u>56,577,741</u>	<u>43,714,360</u>
Total Assets	<u>73,442,204</u>	<u>56,435,168</u>	<u>396,434</u>	<u>342,850</u>	<u>73,838,638</u>	<u>56,778,018</u>
Long-Term Liabilities	25,289,198	25,779,690			25,289,198	25,779,690
Other Liabilities	<u>3,180,964</u>	<u>2,271,403</u>	<u>94,190</u>	<u>89,822</u>	<u>3,275,154</u>	<u>2,361,225</u>
Total Liabilities	<u>28,470,162</u>	<u>28,051,093</u>	<u>94,190</u>	<u>89,822</u>	<u>28,564,352</u>	<u>28,140,915</u>
Net Assets:						
Invested in capital assets, net of related debt	34,061,117	20,431,906	92,239	14,838	34,153,356	20,446,744
Restricted	7,690,323	5,295,561			7,690,323	5,295,561
Unrestricted	<u>3,220,602</u>	<u>2,656,608</u>	<u>210,005</u>	<u>238,190</u>	<u>3,430,607</u>	<u>2,894,798</u>
Total Net Assets	<u>\$ 44,972,042</u>	<u>\$ 28,384,075</u>	<u>\$ 302,244</u>	<u>\$ 253,028</u>	<u>\$ 45,274,286</u>	<u>\$ 28,637,103</u>

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012**

Table A-2
Changes in Net Assets
For the Fiscal Years Ended June 30, 2012 and 2011

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues						
Program Revenues						
Charges for Services	\$ 139,481	\$ 77,580	\$ 1,061,643	\$ 1,034,621	\$ 1,201,124	\$ 1,112,201
Grants and Contributions	5,167,963	5,121,368			5,167,963	5,121,368
General Revenues						
Property Taxes	45,617,047	45,854,902			45,617,047	45,854,902
Other	688,407	613,664	1,186	2,911	689,593	616,575
Total Revenues	<u>51,612,898</u>	<u>51,667,514</u>	<u>1,062,829</u>	<u>1,037,532</u>	<u>52,675,727</u>	<u>52,705,046</u>
Expenses						
Instruction						
Regular	22,014,895	21,539,785			22,014,895	21,539,785
Special Education	4,716,365	4,424,649			4,716,365	4,424,649
Other Instruction	135,039	132,758			135,039	132,758
Other Instructional/Supplemental Programs	384,012	382,737			384,012	382,737
School Sponsored Activities and Athletics	2,888,303	2,814,352			2,888,303	2,814,352
Support Services						
Student and Instruction Related Serv.	6,412,077	6,441,902			6,412,077	6,441,902
School Administrative Services	2,478,330	2,357,389			2,478,330	2,357,389
General Administrative Services	851,346	836,453			851,346	836,453
Plant Operations and Maintenance	4,948,545	5,428,363			4,948,545	5,428,363
Pupil Transportation	1,928,770	2,005,596			1,928,770	2,005,596
Business and Other Support Services	1,400,640	1,287,398			1,400,640	1,287,398
Interest on Long-Term Debt	998,492	1,029,382			998,492	1,029,382
Food Services	-	-	1,056,004	1,021,485	1,056,004	1,021,485
Total Expenses	<u>49,156,814</u>	<u>48,680,764</u>	<u>1,056,004</u>	<u>1,021,485</u>	<u>50,212,818</u>	<u>49,702,249</u>
Change in Net Assets	2,456,084	2,986,750	6,825	16,047	2,462,909	3,002,797
Net Assets, Beginning of Year	28,384,075	25,397,325	253,028	236,981	28,637,103	25,634,306
Prior Period Adjustment - Capital Assets	14,131,883	-	42,391	-	14,174,274	-
Net Assets, End of Year	<u>\$ 44,972,042</u>	<u>\$ 28,384,075</u>	<u>\$ 302,244</u>	<u>\$ 253,028</u>	<u>\$ 45,274,286</u>	<u>\$ 28,637,103</u>

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012**

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$51,612,898 for the year ended June 30, 2012 a slight decrease from the previous year. Property taxes of \$45,617,047 represented 88% of revenues. Another significant portion of revenues came from State, Federal and Local aid; total State, Federal, Local and formula aid was \$5,167,963. 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 \$49,156,814. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$30,138,614 (61%) of total expenditures. Support services totaled \$18,019,708 or 37% of total expenditures. The remaining expenditures relate to interest and other charges on long-term debt which were \$998,492 or 2% of total expenditures. (See Table A-4).

Total governmental activities revenues surpassed expenses, increasing net assets \$2,456,084 from the previous year.

Table A-3 Revenues by Source- Governmental Activities
For Fiscal Year 2012

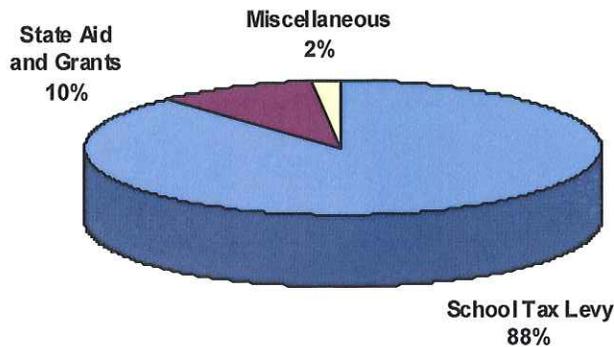
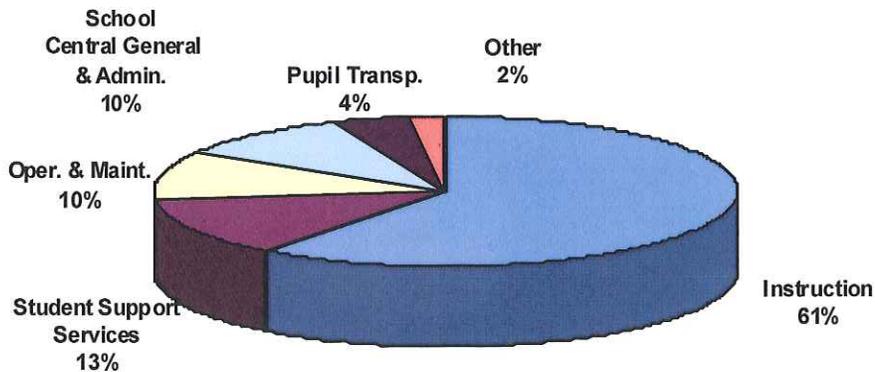


Table A-4 Expenditures by Type- Governmental Activities
For Fiscal Year 2012



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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012**

Total and Net Cost of Governmental Activities. The District's total cost of services was \$49,156,814. After applying program revenues, derived from charges for services of \$139,481 and operating and capital grants and contributions of \$5,167,963 the net cost of services of the District is \$43,849,370. See Table A-5.

**Table A-5
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2012 and 2011**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Instruction				
Regular	\$ 22,014,895	\$ 21,539,785	\$ 19,725,754	\$ 19,655,915
Special Education	4,716,365	4,424,649	3,055,027	3,581,350
Other Instruction	135,039	132,758	119,516	119,903
Other Instructional/Supplemental Programs	384,012	382,737	339,460	345,441
School Sponsored Activities and Athletics	2,888,303	2,814,352	2,888,303	2,814,352
Support Services				
Student and Instruction Related Svcs.	6,412,077	6,441,902	5,551,575	5,632,647
School Administrative Services	2,478,330	2,357,389	2,260,944	2,182,985
General Administrative Services	851,346	836,453	817,761	810,201
Plant Operations and Maintenance	4,948,545	5,428,363	4,843,589	4,163,507
Pupil Transportation	1,928,770	2,005,596	1,878,468	1,883,136
Business and Other Support Services	1,400,640	1,287,398	1,370,481	1,262,997
Interest on Long-Term Debt	998,492	1,029,382	998,492	1,029,382
Total	<u>\$ 49,156,814</u>	<u>\$ 48,680,764</u>	<u>\$ 43,849,370</u>	<u>\$ 43,481,816</u>

Business-Type Activities – The District's total business-type activities revenues were \$1,062,829 for the year ended June 30, 2012. 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 \$1,056,004. 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 \$6,825 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, 2012**

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, unassigned 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 \$13,687,719. In 2010/2011, the fund balance was \$10,361,376. This increase is predominately attributable to a decrease in spending due to careful monitoring of the District's expenditures and the reserving of funds needed to fund future anticipated costs.

Revenues for the District's governmental funds were \$51,612,898, while total expenses were \$48,286,555.

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, 2012</u>	Year Ended <u>June 30, 2011</u>	Amount of Increase (Decrease)	Percent Change
Local Sources				
Property Tax Levy	\$ 43,950,645	\$ 44,123,887	\$ (173,242)	0%
Tuition	111,518	35,810	75,708	211%
Transportation	27,963	41,770	(13,807)	-33%
Interest	30,060	93,900	(63,840)	-68%
Miscellaneous	658,347	519,764	138,583	27%
State Sources	4,313,344	2,987,322	1,326,022	44%
Federal Sources	<u>19,736</u>	<u>52,139</u>	<u>(32,403)</u>	-62%
 Total General Fund Revenues	 <u>\$ 49,111,613</u>	 <u>\$ 47,854,592</u>	 <u>\$ 1,257,021</u>	 3%

Total General Fund Revenues increased by \$1,257,021 or 3% compared with the previous year.

Local property taxes remained stable decreasing less than 1% from the previous year. State aid revenues increased \$1,326,022 or 44% predominantly attributable to the increases in State categorical aid and the State's contribution for on-behalf TPAF pension system normal costs.

The federal revenues relate to funds received from the Education Jobs Fund Program which were non-recurring and the final allotment was realized during 2011/2012.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012**

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 increased slightly due to a change in enrollment of students received from outside the District.

The following schedule presents a summary of General Fund expenditures.

	<u>Year Ended</u> <u>June 30, 2012</u>	<u>Year Ended</u> <u>June 30, 2011</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Instruction	\$ 27,489,817	\$ 26,670,290	\$ 819,527	3%
Support Services	17,336,099	17,448,847	(112,748)	-1%
Debt Service	140,000	140,000	-	0%
Capital Outlay	<u>254,991</u>	<u>240,948</u>	<u>14,043</u>	5%
 Total Expenditures	 <u>\$ 45,220,907</u>	 <u>\$ 44,500,085</u>	 <u>\$ 720,822</u>	 2%

Total General Fund expenditures increased \$720,822 or 2% from the previous year. The District experienced slight increases in the area of instructional expenditures.

In 2011-2012 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$2,556,516. As a result, total fund balance increased to \$11,969,431 at June 30, 2012. After deducting statutory transfers and reserves, the unassigned fund balance decreased from \$871,450 at June 30, 2011 to \$854,083 at June 30, 2012.

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 \$729,927, for the year ended June 30, 2012. Federal sources accounted for the majority of Special Revenue Fund's revenue, which represented 78% of the total revenue for the year.

Total Special Revenue Fund revenues decreased \$98,472 or 11% from the previous year. Federal sources decreased \$93,619 or 14%, State sources decreased \$18,039 or 25% and local sources increased \$13,186 or 14%.

Expenditures of the Special Revenue Fund were \$729,927. Instructional expenditures accounted for \$344,317 or 47% of the expenditures for the year ended June 30, 2012. Support services of \$362,326 accounted for 49% 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, 2012**

Capital Projects - The capital projects revenues and other financing sources exceeded expenditures and other financing uses by \$825,040 resulting in a remaining fund balance of \$1,718,288 at June 30, 2012. 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, 2012 amounts to \$56,577,741 (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 2011-12 amounted to \$2,238,284 for governmental activities and \$13,582 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, 2012**

**Table A-6
Capital Assets at June 30, 2012 and 2011
(Net of Accumulated Depreciation)**

	Governmental		Business-Type		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land and Improvements						
Other Than Building	\$ 1,134,185	\$ 3,929,881			\$ 1,134,185	\$ 3,929,881
Building and Building Improvements	54,042,058	34,290,398			54,042,058	34,290,398
Machinery and Equipment	1,309,259	335,725	\$ 92,239	\$ 14,838	1,401,498	350,563
Construction in Progress	-	5,143,518	-	-	-	5,143,518
Total Capital Assets, Net	<u>\$ 56,485,502</u>	<u>\$ 43,699,522</u>	<u>\$ 92,239</u>	<u>\$ 14,838</u>	<u>\$ 56,577,741</u>	<u>\$ 43,714,360</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 \$2,388,038, bonds payable of \$22,835,000, settlement agreement payable of \$80,000, and accrued liability of insurance claims of \$310,722.

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 2011-2012 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 2012-2013. Budgeted expenditures in the General Fund increased less than 2 percent to \$47,716,366 for fiscal year 2012-2013.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012**

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, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 13,286,033	\$ 291,770	\$ 13,577,803
Receivables, net	3,504,616	6,181	3,510,797
Inventory		6,244	6,244
Deferred Charges	166,053		166,053
Capital Assets:			
Not Being Depreciated	178,635		178,635
Being Depreciated, net	<u>56,306,867</u>	<u>92,239</u>	<u>56,399,106</u>
Total Assets	<u>73,442,204</u>	<u>396,434</u>	<u>73,838,638</u>
LIABILITIES			
Accounts Payable and Other Liabilities	1,795,352	85,713	1,881,065
Accrued Interest Payable	78,034		78,034
Payable to State Government	54,404		54,404
Unearned Revenue	1,253,174	8,477	1,261,651
Noncurrent Liabilities :			
Due Within One Year	1,070,000		1,070,000
Due Beyond One Year	<u>24,219,198</u>	<u>-</u>	<u>24,219,198</u>
Total Liabilities	<u>28,470,162</u>	<u>94,190</u>	<u>28,564,352</u>
NET ASSETS			
Invested in Capital Assets, net of related debt	34,061,117	92,239	34,153,356
Restricted for:			
Capital Projects	6,940,323		6,940,323
Other Purpose	750,000		750,000
Unrestricted	<u>3,220,602</u>	<u>210,005</u>	<u>3,430,607</u>
Total Net Assets	<u>\$ 44,972,042</u>	<u>\$ 302,244</u>	<u>\$ 45,274,286</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, 2012**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 22,014,895	\$ 14,886	\$ 2,274,255		\$ (19,725,754)		\$ (19,725,754)
Special Education	4,716,365	96,632	1,564,706		(3,055,027)		(3,055,027)
Other Instruction	135,039		15,523		(119,516)		(119,516)
Other Supplemental / At-Risk Programs	384,012		44,552		(339,460)		(339,460)
School Sponsored Activities and Athletics	2,888,303				(2,888,303)		(2,888,303)
Support Services:							
Student & Instruction Related Services	6,412,077		860,502		(5,551,575)		(5,551,575)
School Administrative Services	2,478,330		217,386		(2,260,944)		(2,260,944)
General and Business Administrative Services	851,346		33,585	\$ 104,956	(817,761)		(817,761)
Plant Operations and Maintenance	4,948,545				(4,843,589)		(4,843,589)
Pupil Transportation	1,928,770	27,963	22,339		(1,878,468)		(1,878,468)
Business and Other Support Services	1,400,640		30,159		(1,370,481)		(1,370,481)
Interest on Long-Term Debt	998,492				(998,492)		(998,492)
Total Governmental Activities	49,156,814	139,481	5,063,007	104,956	(43,849,370)		(43,849,370)
Business-Type Activities:							
Food Service	1,056,004	1,061,643				\$ 5,639	5,639
Total Business-Type Activities	1,056,004	1,061,643				5,639	5,639
Total Primary Government	\$ 50,212,818	\$ 1,201,124	\$ 5,063,007	\$ 104,956	(43,849,370)	5,639	(43,843,731)
General Revenues:							
Taxes:							
Property Taxes, Levied For General Purposes					43,950,645		43,950,645
Property Taxes Levied for Debt Service					1,666,402		1,666,402
Investment Earnings					30,060	1,186	31,246
Miscellaneous Income					658,347		658,347
Total General Revenues					46,305,454	1,186	46,306,640
Change in Net Assets					2,456,084	6,825	2,462,909
Net Assets, Beginning of Year					28,384,075	253,028	28,637,103
Prior Period Adjustment - Capital Assets					14,131,883	42,391	14,174,274
Net Assets, End of Year					\$ 44,972,042	\$ 302,244	\$ 45,274,286

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

FUND FINANCIAL STATEMENTS

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 12,893,987	\$ 86,472	\$ 305,574		\$ 13,286,033
Receivables From Other Governments	22,339	103,922	2,665,055		2,791,316
Other Receivables	713,169				713,169
Due from Other Funds	<u>131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131</u>
 Total Assets	 <u>\$ 13,629,626</u>	 <u>\$ 190,394</u>	 <u>\$ 2,970,629</u>	 <u>\$ -</u>	 <u>\$ 16,790,649</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,010,181	\$ 31,189	\$ 103,982		\$ 1,145,352
Payable to State Government	14	54,390			54,404
Deferred Revenue		104,815	1,148,359	-	1,253,174
Accrued Liability for Insurance Claims	<u>650,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>650,000</u>
 Total Liabilities	 <u>1,660,195</u>	 <u>190,394</u>	 <u>1,252,341</u>	 <u>-</u>	 <u>3,102,930</u>
Fund Balances:					
Restricted Fund Balance					
Excess Surplus - Designated for Subsequent Year's Expenditures	1,600,000				1,600,000
Excess Surplus	2,100,000				2,100,000
Capital Reserve	5,222,035				5,222,035
Maintenance Reserve	750,000				750,000
Emergency Reserve	400,000				400,000
Capital Projects			1,718,288		1,718,288
Committed Fund Balance					
Year End Encumbrances	177,680				177,680
Assigned Fund Balance					
Year End Encumbrances	402,119				402,119
Designed for Subsequent Year's Expenditures	463,514				463,514
Unassigned Fund Balance	<u>854,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>854,083</u>
	<u>11,969,431</u>	<u>-</u>	<u>1,718,288</u>	<u>-</u>	<u>13,687,719</u>
	<u>\$ 13,629,626</u>	<u>\$ 190,394</u>	<u>\$ 2,970,629</u>	<u>\$ -</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 \$78,564,587 and the accumulated depreciation is \$22,079,085.

56,485,502

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

(78,034)

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)

(25,123,145)

Net Assets of Governmental Activities

\$ 44,972,042

**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, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 43,950,645			\$ 1,666,402	\$ 45,617,047
Tuition	111,518				111,518
Transportation Fees	27,963				27,963
Interest	30,060				30,060
Miscellaneous	658,347	\$ 106,977	-	-	765,324
Total - Local Sources	<u>44,778,533</u>	<u>106,977</u>	<u>-</u>	<u>1,666,402</u>	<u>46,551,912</u>
State Sources	4,313,344	51,515	\$ 104,956		4,469,815
Federal Sources	19,736	571,435	-	-	591,171
Total Revenues	<u>49,111,613</u>	<u>729,927</u>	<u>104,956</u>	<u>1,666,402</u>	<u>51,612,898</u>
EXPENDITURES					
Current					
Regular Instruction	19,813,937	120,240			19,934,177
Special Education Instruction	4,311,984	224,077			4,536,061
Other Instructional Programs	133,598				133,598
Other Supplemental / At Risk Programs	379,918				379,918
School Sponsored Activities and Athletics	2,850,380				2,850,380
Support Services					
Student & Instruction Related Services	5,981,943	362,326			6,344,269
School Administrative Services	2,448,481				2,448,481
General Administrative Services	828,823				828,823
Plant Operations and Maintenance	4,911,693				4,911,693
Pupil Transportation	1,870,668				1,870,668
Business and Other Support Services	1,294,491				1,294,491
Debt Service					
Principal	140,000			755,000	895,000
Interest and Other Charges				966,615	966,615
Capital Outlay	254,991	23,284	614,106	-	892,381
Total Expenditures	<u>45,220,907</u>	<u>729,927</u>	<u>614,106</u>	<u>1,721,615</u>	<u>48,286,555</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,890,706</u>	<u>-</u>	<u>(509,150)</u>	<u>(55,213)</u>	<u>3,326,343</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	(1,334,477)		(287)		(1,334,764)
Transfers In	287	-	1,334,477	-	1,334,764
Total Other Financing Sources and Uses	<u>(1,334,190)</u>	<u>-</u>	<u>1,334,190</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>2,556,516</u>	<u>-</u>	<u>825,040</u>	<u>(55,213)</u>	<u>3,326,343</u>
Fund Balance, Beginning of Year	<u>9,412,915</u>	<u>-</u>	<u>893,248</u>	<u>55,213</u>	<u>10,361,376</u>
Fund Balance, End of Year	<u>\$ 11,969,431</u>	<u>\$ -</u>	<u>\$ 1,718,288</u>	<u>\$ -</u>	<u>\$ 13,687,719</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, 2012**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 3,326,343

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 depreciation exceeds capital outlays in the current period.

Capital Outlays	\$ 892,381	
Depreciation Expense	<u>(2,238,284)</u>	
		(1,345,903)

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	755,000	
Accrued Liability for Insurance Claims	(310,722)	
Settlement Agreement Payment	<u>140,000</u>	
		584,278

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)

(51,759)

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.

(59,392)

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.

2,517

Change in Net Assets of Governmental Activities (Exhibit A-2) \$ 2,456,084

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
 PROPRIETARY FUND
 STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2012**

**Business-Type
 Activities
 Enterprise Fund
Food Services**

ASSETS

Current Assets		
Cash	\$	291,770
Other Accounts Receivable		6,181
Inventories		<u>6,244</u>
Total Current Assets		<u>304,195</u>
Capital Assets		
Equipment		218,625
Less: Accumulated Depreciation		<u>(126,386)</u>
Total Capital Assets, Net		<u>92,239</u>
Total Assets		<u>396,434</u>

LIABILITIES

Current Liabilities		
Accounts Payable		85,713
Unearned Revenue		<u>8,477</u>
Total Current Liabilities		<u>94,190</u>

NET ASSETS

Invested in Capital Assets		92,239
Unrestricted		<u>210,005</u>
Total Net Assets	\$	<u><u>302,244</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, 2012**

	Business-Type Activities Enterprise Fund <u>Food Services</u>
OPERATING REVENUES	
Charges for Services	
Sales	\$ 1,061,643
 Total Operating Revenues	 <u>1,061,643</u>
OPERATING EXPENSES	
Cost of Sales	507,733
Salaries and Employee Benefits	377,889
Supplies and Materials	45,029
Student Free Lunches	10,745
Management Fees	35,111
Depreciation	13,582
Equipment Repair	30,365
Miscellaneous Expenditures	<u>35,550</u>
 Total Operating Expenses	 <u>1,056,004</u>
 Operating Income	 <u>5,639</u>
NONOPERATING REVENUES	
Local Sources	
Interest Revenue	<u>1,186</u>
 Total Nonoperating Revenues	 <u>1,186</u>
 Change in Net Assets	 6,825
Net Assets, Beginning of Year	253,028
Prior Period Adjustment:	
Capital Assets, Net	<u>42,391</u>
 Net Assets, End of Year	 <u>\$ 302,244</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 CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Business-Type Activities Enterprise Fund <u>Food Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 1,059,182
Cash Payments for Employees' Salaries and Benefits	(377,889)
Cash Payments to Suppliers for Goods and Services	<u>(659,357)</u>
Net Cash Provided by Operating Activities	<u>21,936</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	<u>(48,592)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(48,592)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	<u>1,186</u>
Net Cash Provided by Investing Activities	<u>1,186</u>
Net Decrease in Cash and Cash Equivalents	(25,470)
Cash, Beginning of Year	<u>317,240</u>
Cash, End of Year	<u>\$ 291,770</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ <u>5,639</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	13,582
Change in Assets and Liabilities	
(Increase)/Decrease in Other Accounts Receivable	(3,933)
(Increase)/Decrease in Inventory	2,280
Increase/(Decrease) in Accounts Payable	2,895
Increase/(Decrease) in Unearned Revenue	<u>1,473</u>
Total Adjustments	<u>16,297</u>
Net Cash Provided by Operating Activities	<u>\$ 21,936</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, 2012**

	<u>Scholarship Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash	\$ 84,561	\$ 427,762	\$ 250,308
Cash with Fiscal Agents	<u>-</u>	<u>-</u>	<u>36,675</u>
 Total Assets	 <u>84,561</u>	 <u>427,762</u>	 <u>\$ 286,983</u>
LIABILITIES			
Payroll Deductions and Withholdings			\$ 6,382
Flexible Spending (Sect. 125) Account			36,675
Intergovernmental Payable		\$ 16,507	
Due to Other Funds			131
Due to Student Groups	<u>-</u>	<u>-</u>	<u>243,795</u>
 Total Liabilities	 <u>-</u>	 <u>16,507</u>	 <u>\$ 286,983</u>
NET ASSETS			
Reserved For Scholarships	<u>\$ 84,561</u>		
Held in Trust for Unemployment Claims		<u>\$ 411,255</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 CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Scholarship Fund</u>	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS		
Contributions		
Employee Deductions		\$ 51,023
Board Contribution		150,000
Donations	\$ 34,550	
Investment Earnings		
Interest	1,000	1,167
	<hr/>	<hr/>
Total Additions	35,550	202,190
	<hr/>	<hr/>
DEDUCTIONS		
Scholarships Awarded	42,850	
Unemployment Claims and Contributions	-	86,521
	<hr/>	<hr/>
Total Deductions	42,850	86,521
	<hr/>	<hr/>
Change in Net Assets	(7,300)	115,669
Net Assets, Beginning of Year	91,861	295,586
	<hr/>	<hr/>
Net Assets, End of Year	\$ 84,561	\$ 411,255
	<hr/>	<hr/>

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, 2012**

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 (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds.

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. 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, 2012**

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 and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. 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 accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 and the child nutrition programs.

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 capital facilities and other capital assets, other than those financed by the proprietary funds.

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 types:

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.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 enterprise funds and internal service funds include 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. Federal and State subsidies for the food service operation are considered nonoperating revenues.

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.

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 2010-2011 and 2011-2012 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 each of the municipalities' 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 1st 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.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District 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, personal 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, 2012**

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*

With the implementation of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during fiscal year 2011, fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District 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.

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, 2011 audited excess surplus that was appropriated in the 2012/2013 original budget certified for taxes.

Reserved Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2012 audited excess surplus that is required to be appropriated in the 2013/2014 original budget certified for taxes.

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.)

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education.

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.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Fund Equity (Continued)

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

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 2012/2013 District budget certified for taxes.

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

8. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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 \$25,123,145 difference are as follows:

Bonds Payable	\$ 22,835,000
Less: Deferred Charge on Refunding (to be amortized as interest expense)	(418,560)
Less: Deferred Charge for Issuance Costs (to be amortized over life of debt)	(166,063)
Add: Issuance Premium (to be amortized as interest expense)	93,998
Accrued Liability for Insurance Claims	310,722
Settlement Agreements Payable	80,000
Compensated Absences	<u>2,388,038</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	 <u>\$ 25,123,135</u>

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 \$51,759 difference are as follows:

Amortization of Original Issue Premium	\$ 9,894
Amortization of Deferred Charge on Refunding	(44,288)
Amortization of Issuance Costs	<u>(17,365)</u>
 Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	 <u>\$(51,759)</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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 for review and approval prior to adoption 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 2011/2012. During 2011/2012 the Board increased the original General Fund budget by \$1,039,375 and the Special Revenue Fund budget by \$497,537. The increase in the General Fund was funded by additional grant awards, the appropriation of capital reserve funds and the reappropriation of prior year general fund encumbrances. The increase in the Special Revenue Fund budget was funded by additional grant awards.

On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 15, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law.

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.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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, 2012 is as follows:

Balance, July 1, 2011		\$ 4,347,100
Increased by		
Return of Unexpended Funding from Capital Projects Fund	\$ 287	
Interest Earnings	10,000	
Deposits Approved by the Voters in District Budget	300,000	
Deposits Approved by the Board Resolution	<u>1,899,125</u>	
Total Increases		2,209,412
Withdrawals		
Approved by Board Resolution	<u>(1,334,477)</u>	
Total Withdrawals		<u>(1,334,477)</u>
Balance, June 30, 2012		<u>\$ 5,222,035</u>

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects is \$14,356,894. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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, 2012 is \$3,700,000. Of this amount, \$1,600,000 was designated and appropriated in the 2012/2013 original budget certified for taxes and the remaining amount of \$2,100,000 will be appropriated in the 2013/2014 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 the lesser 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, 2012, the book value of the Board's deposits was \$14,377,109 and bank balances of the Board's cash and deposits amounted to \$16,132,334. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account

Insured	
Cash and Cash Equivalents	\$ 16,095,659
Uninsured and Collateralized	
Cash with Fiscal Agent	<u>36,675</u>
	<u>\$ 16,132,334</u>

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, the Board's balance of \$36,675 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department or agent not in the Board's name	<u>\$ 36,675</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

B. Receivables

Receivables as of June 30, 2012 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	\$ 713,169			\$ 6,181	\$ 719,350
Intergovernmental	<u>22,339</u>	<u>\$ 103,922</u>	<u>\$ 2,665,055</u>	<u>-</u>	<u>2,791,316</u>
Gross Receivables	735,508	103,922	2,665,055	6,181	3,510,666
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 735,508</u>	<u>\$ 103,922</u>	<u>\$ 2,665,055</u>	<u>\$ 6,181</u>	<u>\$ 3,510,666</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:

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 84,329
Grant Draw Downs Reserved for Encumbrances	20,486
Capital Projects Fund	
Unrealized School Facilities Grants	<u>1,148,359</u>
Total Deferred Revenue for Governmental Funds	<u>\$ 1,253,174</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	Balance <u>July 1, 2011</u>	Prior Period <u>Adjustment</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2012</u>
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 178,635				\$ 178,635
Construction in Progress	5,143,518	-	-	\$ (5,143,518)	-
Total Capital Assets, Not Being Depreciated	<u>5,322,153</u>	<u>-</u>	<u>-</u>	<u>(5,143,518)</u>	<u>178,635</u>
Capital Assets, Being Depreciated:					
Buildings	57,478,652	\$ 9,831,367	\$ 614,132	5,143,518	73,067,669
Improvements Other Than Buildings	6,392,678	(4,064,678)			2,328,000
Machinery and Equipment	6,824,500	(4,112,466)	278,249	-	2,990,283
Total Capital Assets Being Depreciated	<u>70,695,830</u>	<u>1,654,223</u>	<u>892,381</u>	<u>5,143,518</u>	<u>78,385,952</u>
Less Accumulated Depreciation for:					
Buildings	(23,188,254)	6,006,532	(1,843,889)		(19,025,611)
Improvements Other Than Buildings	(2,641,432)	1,379,657	(110,675)		(1,372,450)
Machinery and Equipment	(6,488,775)	5,091,471	(283,720)	-	(1,681,024)
Total Accumulated Depreciation	<u>(32,318,461)</u>	<u>12,477,660</u>	<u>(2,238,284)</u>	<u>-</u>	<u>(22,079,085)</u>
Total Capital Assets, Being Depreciated, Net	<u>38,377,369</u>	<u>14,131,883</u>	<u>(1,345,903)</u>	<u>5,143,518</u>	<u>56,306,867</u>
Governmental Activities Capital Assets, Net	<u>\$ 43,699,522</u>	<u>\$ 14,131,883</u>	<u>\$ (1,345,903)</u>	<u>\$ -</u>	<u>\$ 56,485,502</u>
	Balance, <u>July 1, 2011</u>	Prior Period <u>Adjustment</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2012</u>
Business-Type Activities:					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 323,158	\$ (153,125)	\$ 48,592	-	\$ 218,625
Total Capital Assets Being Depreciated	<u>323,158</u>	<u>(153,125)</u>	<u>48,592</u>	<u>-</u>	<u>218,625</u>
Less Accumulated Depreciation for:					
Machinery and Equipment	(308,320)	195,516	(13,582)	-	(126,386)
Total Accumulated Depreciation	<u>(308,320)</u>	<u>195,516</u>	<u>(13,582)</u>	<u>-</u>	<u>(126,386)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 14,838</u>	<u>\$ 42,391</u>	<u>\$ 35,010</u>	<u>\$ -</u>	<u>\$ 92,239</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

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

Governmental Activities:

Instruction

Regular	\$ 1,886,001
Special Education	164,000
School Sponsored Activities and Athletics	<u>15,222</u>
Total Instruction	<u>2,065,223</u>

Support Services

Student and Instruction Related Services	7,050
General Administration	220
School Administration	4,740
Operations and Maintenance of Plant	11,126
Student Transportation	54,935
Business and Other Support Services	<u>94,990</u>
Total Support Services	<u>173,061</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 2,238,284</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 13,582</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 13,582</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2012:

<u>Project Title/Description</u>	<u>Commitment</u>
Security System Upgrades- Ramapo High School	\$ 65,672
Security System Upgrades- Indian Hills High School	73,951
Repair Exterior Masonry 400 Wing - Indian Hills High School	184,680
Windows Replace Phase 3 - 300 Wing - Ramapo High School	549,500
HVAC Upgrades - Indian Hills High School	384,700
HVAC Upgrades - Ramapo High School	<u>268,000</u>
	<u>\$ 1,526,503</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2012, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Payroll Agency Fund	<u>\$ 131</u>

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>Transfer Out:</u>			
General Fund		\$ 1,334,477	\$ 1,334,477
Capital Projects	<u>\$ 287</u>	<u>-</u>	<u>287</u>
Total transfers out	<u>\$ 287</u>	<u>\$ 1,334,477</u>	<u>\$ 1,334,764</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.

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases

Operating Leases

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2012 were \$221,257. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2013	\$ 221,257
2014	177,159
2015	145,660
2016	<u>5,665</u>
Total	<u>\$ 549,741</u>

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, 2012 are comprised of the following issues:

\$9,700,000, 2005 Bonds, due in annual installments of \$295,000 to \$680,000 through June 1, 2031, interest at 4.00% to 4.25%	\$8,780,000
\$9,600,000, 2006 Bonds, due in annual installments of \$290,000 to \$665,000 through June 1, 2031, interest at 4.00% to 4.25%	8,640,000
\$6,005,000, 2007 Bonds, due in annual installments of \$205,000 to \$380,000 through June 1, 2013, interest at 4.00% to 4.10%	<u>5,415,000</u>
	<u>\$22,835,000</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
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	940,000	800,415	1,740,415
2018-2022	5,365,000	3,401,712	8,766,712
2023-2027	6,675,000	2,206,013	8,881,013
2028-2032	<u>6,455,000</u>	<u>694,573</u>	<u>7,149,573</u>
	<u>\$ 22,835,000</u>	<u>10,652,373</u>	<u>\$ 33,487,373</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2012 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 351,750,440
Less: Net Debt	<u>22,835,000</u>
Remaining Borrowing Power	<u>\$ 328,915,440</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 June 30	Settlement Agreement
2013	<u>\$ 80,000</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2012, was as follows:

	Balance, July 1, 2011	Additions	Reductions	Balance, June 30, 2012	Within One Year
Governmental activities:					
Bonds Payable	\$ 23,590,000		\$ (755,000)	\$ 22,835,000	\$ 790,000
Add:					
Unamortized Premium	103,892		(9,894)	93,998	
Less:					
Unamortized Amount on Refunding	(462,848)	-	44,288	(418,560)	-
 Bonds Payable, Net	 23,231,044	 -	 (720,606)	 22,510,438	 790,000
 Compensated Absences	 2,328,646	\$ 177,412	(118,020)	2,388,038	100,000
Accrued Liability for Insurance Claims		310,722		310,722	100,000
Settlement Agreement Payable	220,000	-	(140,000)	80,000	80,000
 Governmental Activity Long-Term Liabilities	 \$ 25,779,690	\$ 488,134	\$ (978,626)	\$ 25,289,198	\$ 1,070,000

For the governmental activities, the liabilities for compensated absences, accrued liability for insurance claims 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, 2012, 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 \$650,000 reported at June 30, 2012 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, 2012**

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 years ended June 30, 2012 and 2011 are as follows:

	Fiscal Year Ended <u>June 30, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>
Governmental Activities:		
Unpaid Claims, Beginning of Year	\$ 464,654	
Incurred Claims and Premiums	5,499,530	\$ 5,357,039
Claim and Premium Payments	<u>(5,003,462)</u>	<u>(4,892,385)</u>
Unpaid Claims, End of Year	<u>\$ 960,722</u>	<u>\$ 464,654</u>
General Fund		
Other Current Liabilities	\$ 650,000	\$ 464,654
Governmental Activities Noncurrent Liabilities	<u>310,722</u>	<u>-</u>
	<u>\$ 960,722</u>	<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.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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:

Fiscal Year Ended June 30,	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2012	\$ 150,000	\$ 51,023	\$ 86,521	\$ 411,255
2011	250,000	49,253	179,203	295,586
2010	150,000	49,418	194,888	173,314

B. Contingent Liabilities

The District is a party defendant in some 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.

Pending Litigation – There is pending litigation involving a claim made by a former District employer against the Board involving a Conscientious Employee Protection Act (“CEPA”) claim. The claim alleges that the individual’s employment contract with the District was recommended for non-renewal in retaliation of the employee’s complaint about the alleged failure of the District to provide home instruction to a student. This litigation is presently scheduled for trial on December 10, 2012. Plaintiff has demanded \$1.2 million in settlement of the claim. The attorneys retained by the district for this matter have asserted that the District has potential exposure for the Plaintiff’s claim; therefore, mediation has been scheduled for December 13, 2012. According to the attorney, this matter has a potential settlement value of \$300,000 to \$500,000, excluding counsel fee. It should be noted that the District is insured under a policy of insurance with New Jersey School Board’s Association Insurance Group (“NJSBAIG”). According to the terms of the policy, the District’s exposure is limited to an award for emotional damages or punitive damages only. NJSBAIG is responsible for payment of all other awards including awards for back pay, front pay and attorney’s fees.

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, 2012, 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.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 5 OTHER INFORMATION (Continued)

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, 2012, 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 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.

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.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds (Continued)

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.

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.

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation (Continued)

- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Funding Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 70.5 percent with an unfunded actuarial accrued liability of \$36.3 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 65.2 percent and \$25.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 78.5 percent and \$10.7 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.

Actuarial Methods and Assumptions

In the July 1, 2010 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 5.91 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 6.5% for PERS, 6.5% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2012 for TPAF, which is a cost sharing plan with special funding situations, the 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, 2012, 2011 and 2010 the Board was required to contribute for PERS and DCRP 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:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2012	\$ 474,649	\$ 588,752	\$ 6,948
2011	458,954	55,519	
2010	345,764	61,419	

During the previous two fiscal years, the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$588,752 during 2011/2012 for normal cost pension, accrued liability and the NCGI premium. For fiscal years 2010/2011 and 2009/2010, the State contributed \$55,519 and \$61,419, 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 \$1,345,177 during the year ended June 30, 2012 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, 2012**

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 547 state and local participating employers and contributing entities for Fiscal Year 2011.

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.

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. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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 July 1, 2010, the most recent actuarial valuation date, the State had a \$59.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$21.1 billion for state active and retired members and \$38.2 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 July 1, 2010, 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, 2011, there were 93,323 retirees receiving post-retirement medical benefits and the State contributed \$935.5 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 \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012, 2011 and 2010 were \$1,183,547, \$1,179,223 and \$1,359,715, 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.

NOTE 6 PRIOR PERIOD ADJUSTMENTS

The District conducted an update and appraisal of its capital assets during the 2011/2012 school year. The update and appraisal was conducted by an independent appraisal company hired by the Board. The capital asset report valued all capital assets and their estimated historical cost through back trending and other acceptable methods. The District recorded a prior period adjustment to its July 1, 2011 capital assets values, including accumulated depreciation amounts, to reflect the amounts reported in the capital asset appraisal report.

NOTE 7 RESTATEMENT

The Payroll Agency Fiduciary fund balances have been restated to reflect an additional account for the District's Flexible Spending Account Plan previously omitted from the financial statements.

	<u>Balance Prior to Adjustment</u>	<u>Adjustment</u>	<u>Balance After Statement</u>
Payroll Agency Fund			
ASSETS			
Cash with Fiscal Agents		\$ 40,916	\$ 40,916
Total Assets	\$ 3,727	40,916	44,643
LIABILITIES			
Flexible Spending Account		40,916	40,916
Total Liabilities	3,727	40,916	44,643

BUDGETARY COMPARISON SCHEDULES

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 43,950,645		\$ 43,950,645	\$ 43,950,645	
Tuition - Intergovernmental				96,632	\$ 96,632
Tuition - Individuals	36,000		36,000	14,886	(21,114)
Transportation Fees from Individuals	32,000		32,000	27,963	(4,037)
Interest on Capital Reserve	10,000		10,000	10,000	
Interest				20,060	20,060
Miscellaneous-Restricted	225,000		225,000	361,053	136,053
Miscellaneous - Unrestricted	130,000	-	130,000	297,294	167,294
Total Local Revenues	<u>44,383,645</u>	<u>-</u>	<u>44,383,645</u>	<u>44,778,533</u>	<u>394,888</u>
State Sources					
Special Education Categorical Aid	463,514		463,514	927,028	463,514
Extraordinary Aid				244,200	244,200
Additional Nonpublic Transportation Aid				22,339	22,339
Anti Bullying Aid (Other State Aid)	-	-	-	102	102
Subtotal Non On-behalf State Revenues	<u>463,514</u>	<u>-</u>	<u>463,514</u>	<u>1,193,669</u>	<u>730,155</u>
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				1,345,177	1,345,177
On-behalf TPAF Pension System Contributions- Normal Cost and Accrued Liability (Non-Budget)				531,694	531,694
On-behalf TPAF Pension System Contributions- Non-Contributory Insurance (Non-Budget)				57,058	57,058
On-behalf TPAF Pension System Contributions- Post-Retirement (Non-Budget)	-	-	-	1,183,547	1,183,547
Subtotal On-Behalf State Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,117,476</u>	<u>3,117,476</u>
Federal Sources					
Education Jobs Fund	17,553	\$ 2,183	19,736	19,736	-
Total Federal Sources	<u>17,553</u>	<u>2,183</u>	<u>19,736</u>	<u>19,736</u>	<u>-</u>
Total Revenues	<u>44,864,712</u>	<u>2,183</u>	<u>44,866,895</u>	<u>49,109,414</u>	<u>4,242,519</u>
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Grades 9-12	13,709,439	(480,901)	13,228,538	13,058,870	169,668
Home Instruction					
Salaries of Teachers	85,000		85,000	58,425	26,575
Purchased Professional/Educational Services	30,000	(7,000)	23,000	12,499	10,501
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction					
Purchased Professional/Educational Services	9,600	(3,801)	5,799	5,064	735
Purchased Technical Services	15,000	26,094	41,094	41,094	
Other Purchased Services	381,845	(208,736)	173,109	131,907	41,202
General Supplies	475,240	455,546	930,786	852,671	78,115
Textbooks	251,206	(38,932)	212,274	201,454	10,820
Other Objects	25,892	(10,104)	15,788	11,861	3,927
Total Regular Programs	<u>14,983,222</u>	<u>(267,834)</u>	<u>14,715,388</u>	<u>14,373,845</u>	<u>341,543</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Cognitive -Mild					
Salaries of Teachers	\$ 118,606	\$ 4,247	\$ 122,853	\$ 122,365	\$ 488
Other Salaries of Instruction	51,034		51,034	49,640	1,394
Other Purchased Services	5,000		5,000	2,323	2,677
General Supplies	1,500		1,500	293	1,207
Textbooks	750	-	750	53	697
Total Cognitive- Mild	<u>176,890</u>	<u>4,247</u>	<u>181,137</u>	<u>174,674</u>	<u>6,463</u>
Resource Room/Resource Center					
Salaries of Teachers	803,284	54,615	857,899	846,157	11,742
Other Salaries of Instruction	25,674	-	25,674	24,970	704
General Supplies	7,100	(500)	6,600	5,779	821
Textbooks	12,500	(2,276)	10,224	9,483	741
Total Resource Room/Resource Center	<u>848,558</u>	<u>51,839</u>	<u>900,397</u>	<u>886,389</u>	<u>14,008</u>
Home Instruction					
Salaries of Teachers	60,000		60,000	58,470	1,530
Purchased Professional Educational Services	35,000	27,000	62,000	53,656	8,344
Total Home Instruction	<u>95,000</u>	<u>27,000</u>	<u>122,000</u>	<u>112,126</u>	<u>9,874</u>
Total Special Education	<u>1,120,448</u>	<u>83,086</u>	<u>1,203,534</u>	<u>1,173,189</u>	<u>30,345</u>
Basic Skills/Remedial					
Salaries of Teachers	112,727		112,727	96,377	16,350
General Supplies	500		500	-	500
Textbooks	300	-	300	-	300
Total Basic Skills/Remedial	<u>113,527</u>	<u>-</u>	<u>113,527</u>	<u>96,377</u>	<u>17,150</u>
Bilingual Education					
Salaries of Teachers					-
Other Salaries for Instruction	2,000		2,000	1,037	963
Textbooks	200	-	200	-	200
Total Bilingual Education	<u>2,200</u>	<u>-</u>	<u>2,200</u>	<u>1,037</u>	<u>1,163</u>
School Sponsored Co/Extra-curricular Activities					
Salaries	572,300		572,300	533,735	38,565
Purchased Services	11,200		11,200	8,700	2,500
Supplies and Materials	43,605	13,144	56,749	47,420	9,329
Other Objects	41,021	(185)	40,836	35,807	5,029
Total School Sponsored Co-/Extra Curricular Activities	<u>668,126</u>	<u>12,959</u>	<u>681,085</u>	<u>625,662</u>	<u>55,423</u>
School Sponsored Athletics					
Salaries	1,101,297	(2,600)	1,098,697	999,970	98,727
Purchased Services	144,225	(4,191)	140,034	137,735	2,299
Supplies and Materials	175,711	7,669	183,380	166,716	16,664
Other Objects	298,696	43,435	342,131	323,008	19,123
Total School Sponsored Athletics	<u>1,719,929</u>	<u>44,313</u>	<u>1,764,242</u>	<u>1,627,429</u>	<u>136,813</u>

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Other Supplemental / At-Risk Programs - Instruction					
Salaries of Teachers	\$ 293,779		\$ 293,779	\$ 276,605	\$ 17,174
General Supplies	1,750	-	1,750	623	1,127
	<u>295,529</u>	<u>-</u>	<u>295,529</u>	<u>277,228</u>	<u>18,301</u>
Total Other Instructional Programs- Instruction					
	<u>295,529</u>	<u>-</u>	<u>295,529</u>	<u>277,228</u>	<u>18,301</u>
Total - Instruction	<u>18,902,981</u>	<u>\$ (127,476)</u>	<u>18,775,505</u>	<u>18,174,767</u>	<u>600,738</u>
Undistributed Expenditures					
Instruction					
Tuition Other LEA's Within the State - Special	110,932	60,483	171,415	157,779	13,636
Tuition to County Vocational School - Regular	528,375	27,719	556,094	556,094	
Tuition to County Vocational School - Special	52,200	(25,404)	26,796	26,100	696
Tuition to CSSD & Regional Day Schools	590,500	(2,315)	588,185	518,136	70,049
Tuition to Private School for the Disabled - Within State	2,229,895	(195,870)	2,034,025	1,673,552	360,473
Tuition to Private School for the Disabled & Other LEA's - Special, Outside the State	243,695	135,387	379,082	352,155	26,927
	<u>3,755,597</u>	<u>-</u>	<u>3,755,597</u>	<u>3,283,816</u>	<u>471,781</u>
Total Undistributed Expenditures - Instruction					
	<u>3,755,597</u>	<u>-</u>	<u>3,755,597</u>	<u>3,283,816</u>	<u>471,781</u>
Attendance and Social Work Services					
Salaries	172,461	-	172,461	160,605	11,856
	<u>172,461</u>	<u>-</u>	<u>172,461</u>	<u>160,605</u>	<u>11,856</u>
Total Attendance and Social Work Services					
	<u>172,461</u>	<u>-</u>	<u>172,461</u>	<u>160,605</u>	<u>11,856</u>
Health Services					
Salaries	177,188	1,945	179,133	178,374	759
Purchased Professional and Technical Services	23,500		23,500	9,206	14,294
Other Purchased Services	5,600		5,600	5,467	133
Supplies and Materials	11,500	(1,528)	9,972	5,394	4,578
Other Objects	425	(63)	362	176	186
	<u>218,213</u>	<u>354</u>	<u>218,567</u>	<u>198,617</u>	<u>19,950</u>
Total Health Services					
	<u>218,213</u>	<u>354</u>	<u>218,567</u>	<u>198,617</u>	<u>19,950</u>
Speech, OT, PT, & Related Services					
Purchased Professional and Ed. Svcs.	75,000	3,000	78,000	75,691	2,309
Supplies and Materials	1,000	-	1,000	-	1,000
	<u>76,000</u>	<u>3,000</u>	<u>79,000</u>	<u>75,691</u>	<u>3,309</u>
Total Speech, OT, PT & Related Services					
	<u>76,000</u>	<u>3,000</u>	<u>79,000</u>	<u>75,691</u>	<u>3,309</u>
Other Support Services - Students - Extra. Serv.					
Salaries	415,992	1,394	417,386	343,841	73,545
Purchased Professional Educational Svcs.	30,000	-	30,000	9,810	20,190
Supplies and Materials	1,500	-	1,500	-	1,500
	<u>447,492</u>	<u>1,394</u>	<u>448,886</u>	<u>353,651</u>	<u>95,235</u>
Total Other Support Services - Students - Extra. Serv.					
	<u>447,492</u>	<u>1,394</u>	<u>448,886</u>	<u>353,651</u>	<u>95,235</u>
Guidance					
Salaries of Other Professional Staff	1,069,763	1,156	1,070,919	992,661	78,258
Salaries of Secretarial and Clerical Assistants	215,698	(3,000)	212,698	161,380	51,318
Purchased Professional Educational Svcs.	24,000		24,000	23,410	590
Other Purchased Services	12,900		12,900	12,781	119
Supplies and Materials	25,600	4,006	29,606	26,243	3,363
Other Objects	4,049	(832)	3,217	3,187	30
	<u>1,352,010</u>	<u>1,330</u>	<u>1,353,340</u>	<u>1,219,662</u>	<u>133,678</u>
Total Guidance					
	<u>1,352,010</u>	<u>1,330</u>	<u>1,353,340</u>	<u>1,219,662</u>	<u>133,678</u>

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Child Study Teams					
Salaries of Other Professional Staff	\$ 820,717		\$ 820,717	\$ 717,036	\$ 103,681
Salaries of Secretarial and Clerical Assists.	100,480	\$ 3,285	103,765	93,697	10,068
Purchased Professional - Educational Services	27,000		27,000	26,295	705
Other Purchased Services		3,500	3,500	2,751	749
Miscellaneous Purchased Services	7,350	(3,500)	3,850		3,850
Supplies and Materials	8,000	(445)	7,555	5,350	2,205
Other Objects	1,600	-	1,600	1,552	48
Total Child Study Teams	965,147	2,840	967,987	846,681	121,306
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	74,256	2,005	76,261	75,974	287
Salaries of Secretarial and Clerical Assistants	28,145		28,145	27,660	485
Other Salaries	50,000		50,000	33,667	16,333
Other Purchased Services	3,000		3,000	2,530	470
Supplies and Materials	4,500	-	4,500	1,451	3,049
Total Improvement of Instruction Services	159,901	2,005	161,906	141,282	20,624
Educational Media Services/School Library					
Salaries	344,750		344,750	344,500	250
Salaries of Technology Coordinators	125,269	2,999	128,268	128,168	100
Purchased Professional and Technical Services	35,000		35,000	34,779	221
Other Purchased Services	5,000		5,000	4,976	24
Supplies and Materials	62,390	601	62,991	60,117	2,874
Other Objects	665	(5)	660	509	151
Total Educational Media Services/School Library	573,074	3,595	576,669	573,049	3,620
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	654,416	2,960	657,376	655,600	1,776
Salaries of Secretarial and Clerical Assistants	95,944	1,361	97,305	97,305	
Other Salaries	108,636	2,198	110,834	94,476	16,358
Purchased Professional Educational Services	28,000	35,000	63,000	3,179	59,821
Other Purchased Services	30,000	(2,000)	28,000	17,110	10,890
Supplies and Materials	2,000	(381)	1,619	1,387	232
Other Objects	2,500	-	2,500	1,261	1,239
Total Instructional Staff Training Services	921,496	39,138	960,634	870,318	90,316
Support Services General Administration					
Salaries	331,627	1,999	333,626	333,626	-
Legal Services	160,000	89,670	249,670	188,462	61,208
Audit Fees	29,750	1,950	31,700	31,700	-
Other Purchased Professional Services	16,000	(2,297)	13,703	12,880	823
Communications/Telephone	70,000	-	70,000	59,653	10,347
BOE Other Purchased Services	1,200	484	1,684	281	1,403
Misc Purchased Services	74,500	(30,871)	43,629	39,468	4,161
General Supplies	15,500	1,957	17,457	11,692	5,765
Miscellaneous Expenditures	25,000	(948)	24,052	3,091	20,961
BOE Membership Dues and Fees	22,000	-	22,000	21,835	165
Total Support Services General Administration	745,577	61,944	807,521	702,688	104,833

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals	\$ 1,358,396	\$ 29,960	\$ 1,388,356	\$ 1,349,651	\$ 38,705
Salaries of Secretarial and Clerical Assistants	345,098	1,684	346,782	346,782	
Other Purchased Services	58,100	1,650	59,750	56,038	3,712
Supplies and Materials	23,500	2,945	26,445	24,335	2,110
Other Objects	41,070	(250)	40,820	35,564	5,256
Total Support Services School Administration	<u>1,826,164</u>	<u>35,989</u>	<u>1,862,153</u>	<u>1,812,370</u>	<u>49,783</u>
Support Services-Central Services					
Salaries	558,445	33,903	592,348	579,118	13,230
Purchased Professional Services	30,000	(1,000)	29,000	7,200	21,800
Purchased Technical Services	14,000	1,270	15,270	15,270	-
Misc. Purchased Services	29,000	385	29,385	24,165	5,220
Supplies and Materials	8,000	1,113	9,113	8,219	894
Other Objects	8,500	-	8,500	6,772	1,728
Total Support Services - Central Services	<u>647,945</u>	<u>35,671</u>	<u>683,616</u>	<u>640,744</u>	<u>42,872</u>
Support Services - Admin. Info. Tech.					
Salaries	170,714.0	4,282.0	174,996.0	174,796.0	200.0
Purchased Technical Services	80,300	3,456	83,756	73,984	9,772
Other Purchased Services	69,500	(8,417)	61,083	52,460	8,623
Supplies and Materials	65,000	20,000	85,000	62,307	22,693
Total Support Services Admin. Info. Tech.	<u>385,514</u>	<u>19,321</u>	<u>404,835</u>	<u>363,547</u>	<u>41,288</u>
Required Maintenance of School Facilities					
Salaries	208,559		208,559	199,283	9,276
Cleaning, Repair and Maintenance Services	282,000	740,721	1,022,721	522,531	500,190
General Supplies	101,000	39,571	140,571	100,226	40,345
Total Required Maintenance of School Facilities	<u>591,559</u>	<u>780,292</u>	<u>1,371,851</u>	<u>822,040</u>	<u>549,811</u>
Custodial Services					
Salaries	1,015,812	(45,907)	969,905	932,869	37,036
Purchased Professional and Technical Services	114,300	74,924	189,224	89,327	99,897
Cleaning, Repair and Maintenance Services	511,000	(42,764)	468,236	438,485	29,751
Rental of Land & Bldgs- Other Than Lease Purchase	20,300	(7,173)	13,127	13,000	127
Other Purchased Property Services	35,806		35,806	33,035	2,771
Insurance	199,744	7,677	207,421	207,421	
Miscellaneous Purchased Services	1,500	(1,392)	108	108	
General Supplies	131,500	(1,079)	130,421	109,877	20,544
Energy (Natural Gas)	545,000	(196,400)	348,600	187,959	160,641
Energy (Electricity)	852,738	(130,070)	722,668	714,359	8,309
Total Custodial Services	<u>3,427,700</u>	<u>(342,184)</u>	<u>3,085,516</u>	<u>2,726,440</u>	<u>359,076</u>
Care and Upkeep of Grounds					
Salaries	265,409	14,891	280,300	259,393	20,907
Cleaning, Repair and Maintenance Services	30,000	17,100	47,100	44,299	2,801
General Supplies	35,000	(6,000)	29,000	26,809	2,191
Total Care and Upkeep of Grounds	<u>330,409</u>	<u>25,991</u>	<u>356,400</u>	<u>330,501</u>	<u>25,899</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Security					
Salaries	\$ 368,610		\$ 368,610	\$ 346,567	\$ 22,043
Purchased Professional and Technical Services	11,500	-	11,500	9,251	2,249
Total Security	380,110	-	380,110	355,818	24,292
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	112,286		112,286	108,156	4,130
Salaries for Pupil Transportation (Between Home and School) - Special Ed.	32,000	\$ (4,000)	28,000		28,000
Salaries for Pupil Transportation (Other Than Between Home and School)	160,000		160,000	105,868	54,132
Cleaning, Repair and Maintenance Services	15,000	5,000	20,000	18,031	1,969
Lease Purchase Payments - School Buses					
Contracted Services Transportation (Bet Home & School) - Vendors	851,500	(160)	851,340	832,659	18,681
Contracted Services Transportation (Other Than Between Home and School) - Vendors	168,800	3,659	172,459	138,328	34,131
Contracted Services Transportation (Spec.Ed.)-Vend.	645,000		645,000	447,309	197,691
Contracted Services - Aid in Lieu of Payments- Non Public Sch.	125,000	(8,500)	116,500	103,870	12,630
Miscellaneous Purchased Services-Transportation	4,500	1,500	6,000	4,751	1,249
Transportation Supplies	24,500	7,547	32,047	27,946	4,101
Other Objects	800	-	800	400	400
Total Student Transportation Services	2,139,386	5,046	2,144,432	1,787,318	357,114
Unallocated Benefits					
Social Security Contributions	575,000		575,000	552,828	22,172
Other Retirement Contributions - PERS	625,000	(7,200)	617,800	474,649	143,151
Other Retirement Contributions - Regular		7,200	7,200	6,948	252
Unemployment Compensation	150,000		150,000	150,000	
Workers Compensation	244,001		244,001	227,346	16,655
Health Benefits	5,602,900	(308,094)	5,294,806	4,683,462	611,344
Tuition Reimbursement	79,000		79,000	49,606	29,394
Other Employee Benefits	154,630	16,944	171,574	123,996	47,578
Total Unallocated Benefits	7,430,531	(291,150)	7,139,381	6,268,835	870,546
On-behalf TPAF Pension System Contributions - Normal Cost and Accrued Liability (Non-Budget)				531,694	(531,694)
On-behalf TPAF Pension System Contributions- Non-Contributory Insurance (Non-Budget)				57,058	(57,058)
On-behalf TPAF Pension System Contributions- Post-Retirement (Non-Budget)				1,183,547	(1,183,547)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,345,177	(1,345,177)
Total On-behalf TPAF Contributions	-	-	-	3,117,476	(3,117,476)
Total Undistributed Expenditures	26,546,286	384,576	26,930,862	26,651,149	279,713
Total Current Expenditures	45,449,267	257,100	45,706,367	44,825,916	880,451

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	\$ 10,000		\$ 10,000		\$ 10,000
Increase in Capital Reserve	300,000	-	300,000	-	300,000
Total Increase in Capital Reserve	310,000	-	310,000	-	310,000
Equipment					
Undistributed Expenditures					
Grades 9-12		\$ 8,450	8,450	\$ 8,450	
School Sponsored and Other Instructional Programs		47,112	47,112	40,912	6,200
Non Instructional Services		4,000	4,000		4,000
Admin. Information Technology	40,000	8,700	48,700	35,353	13,347
Care and Upkeep of Grounds	50,000	5,892	55,892	55,892	-
Total Equipment	90,000	74,154	164,154	140,607	23,547
Facilities Acquisition and Construction Services					
Other Objects	114,384		114,384	114,384	
Lease Purchase Agreements - Principal	140,000	-	140,000	140,000	-
Total Facilities and Construction Services	254,384	-	254,384	254,384	-
Total Capital Outlay	654,384	74,154	728,538	394,991	333,547
Total Expenditures	46,103,651	331,254	46,434,905	45,220,907	1,213,998
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,238,939)	(329,071)	(1,568,010)	3,888,507	5,456,517
Other Financing Sources (Uses)					
Transfers In				287	287
Transfers Out	(626,356)	(708,121)	(1,334,477)	(1,334,477)	-
Total Other Financing Sources (Uses)	(626,356)	(708,121)	(1,334,477)	(1,334,190)	287
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,865,295)	(1,037,192)	(2,902,487)	2,554,317	5,456,804
Fund Balances, Beginning of Year	9,696,328	-	9,696,328	9,696,328	-
Fund Balances, End of Year	\$ 7,831,033	\$ (1,037,192)	\$ 6,793,841	\$ 12,250,645	\$ 5,456,804
Recapitulation:					
Restricted Fund Balance					
Capital Reserve				\$ 5,222,035	
Emergency Reserve				400,000	
Maintenance Reserve				750,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,600,000	
Excess Surplus				2,100,000	
Committed Fund Balance					
Year End Encumbrances				177,680	
Assigned Fund Balance					
Year End Encumbrances				402,119	
Designed for Subsequent Year's Expenditures				463,514	
Unassigned				1,135,297	
Fund Balance- Budgetary Basis				12,250,645	
Reconciliation of Governmental Funds Statements (GAAP):					
Less: State Aid Revenues not recognized on GAAP basis				(281,214)	
Fund Balance per Governmental Funds Statements (GAAP)				\$ 11,969,431	

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - EDUCATIONAL JOBS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Federal Sources					
Educational Jobs Aid	\$ 17,553	\$ 2,183	\$ 19,736	\$ 19,736	\$ -
Total Revenues	<u>17,553</u>	<u>2,183</u>	<u>19,736</u>	<u>19,736</u>	<u>-</u>
EXPENDITURES					
CURRENT EXPENDITURES					
Other Support Services - Guidance					
Salaries of Other Professional Staff	13,527	2,183	15,710	15,710	-
Unallocated Employee Benefits					
Health Benefits	<u>4,026</u>	<u>-</u>	<u>4,026</u>	<u>4,026</u>	<u>-</u>
Total Expenditures	<u>17,553</u>	<u>2,183</u>	<u>19,736</u>	<u>19,736</u>	<u>-</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, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 51,503	\$ 58,122	\$ 109,625	\$ 51,515	\$ (58,110)
Federal	454,782	227,622	682,404	571,435	(110,969)
Local	-	211,793	211,793	127,463	(84,330)
Total Revenues	<u>506,285</u>	<u>497,537</u>	<u>1,003,822</u>	<u>750,413</u>	<u>(253,409)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	34,270	72,626	106,896	36,415	70,481
Other Salaries		1,911	1,911	1,911	-
Purchased Professional/Educational Services	37,973	57,604	95,577	47,859	47,718
Tuition		158,467	158,467	158,467	-
General Supplies	3,720	18,495	22,215	17,995	4,220
Textbooks	4,490	(237)	4,253	3,656	597
Miscellaneous Expenditures	-	137,344	137,344	78,014	59,330
Total Instruction	<u>80,453</u>	<u>446,210</u>	<u>526,663</u>	<u>344,317</u>	<u>182,346</u>
Support Services					
Personal Services-Employee Benefits		947	947	947	-
Purchased Professional/Educational Services	425,832	(93,404)	332,428	289,888	42,540
Other Purchased Services		66,926	66,926	66,926	-
Supplies and Materials		6,870	6,870	4,565	2,305
Total Support Services	<u>425,832</u>	<u>(18,661)</u>	<u>407,171</u>	<u>362,326</u>	<u>44,845</u>
Facilities Acquisition and Construction					
Building Renovations		66,984	66,984	41,984	25,000
Instructional Equipment	-	3,004	3,004	1,786	1,218
Total Facilities Acq. & Construction	<u>-</u>	<u>69,988</u>	<u>69,988</u>	<u>43,770</u>	<u>26,218</u>
Total Expenditures	<u>506,285</u>	<u>497,537</u>	<u>1,003,822</u>	<u>750,413</u>	<u>253,409</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, 2012**

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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule	\$ 49,109,414	\$ 750,413
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)		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Encumbrances, June 30, 2012		(20,486)
State Aid payment for Extraordinary Aid recognized for GAAP purposes not recognized for budgetary statements (2010/2011 Aid)	283,413	
State Aid payments recognized for budgetary purposes not recognized for GAAP statements (2011/2012 State Aid)	(37,014)	
State Aid payment for Extraordinary Aid recognized for budgetary purposes not recognized for GAAP statements (2011/2012 Aid)	<u>(244,200)</u>	<u>-</u>
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	 <u>\$ 49,111,613</u>	 <u>\$ 729,927</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 45,220,907	\$ 750,413
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2012	<u>-</u>	<u>(20,486)</u>
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	 <u>\$ 45,220,907</u>	 <u>\$ 729,927</u>

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

**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, 2012**

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, 2012**

Project Title/Description	Original Appropriations	Modified Appropriation	Expenditures to Date		Cancelled / Adjusted	Balance June 30, 2012
			Prior Years	Current Year		
Addition, Renovations and Upgrade of Facilities- Ramapo and Indian Hills High Schools	\$ 43,500,000	\$ 43,444,787	\$ 43,444,787			
Roof Replacement- Indian Hills High School	173,330	173,330	173,330			
Roof Replacement- Ramapo High School	679,348	679,348	679,348			
Relocation of BOE Offices and Relocation of Applied Technology Classroom- Indian Hills Regional HS	2,626,917	2,595,814	2,595,814			
Re-Roofing Project- Ramapo High School	267,592	267,592	267,592			
Re-Roofing Project- Indian Hills High School	228,529	228,529	228,529			
Renovations-Gym-Indian Hills High School	1,158,368	1,151,715	1,151,715			
Renovations-Auditorium-Indian Hills High School	1,736,442	1,702,821	1,693,830	\$ 6,653		11,651
Security System Upgrades- Ramapo High School	162,270	162,270	14,406	\$ 8,991		14,070
Security System Upgrades- Indian Hills High School	162,270	162,270	14,405			12,451
Sewage Treatment Plant - Indian Hills High School	286,140	286,140	273,689			93,600
Masonry Upgrades - Indian Hills High School	506,125	506,125	412,525			15,300
ADA Upgrades - Indian Hills High School	71,120	71,120	55,820			7,800
Window / Door Replacement - Phase 2 - Ramapo High School	369,000	269,507	261,707			12,200
Window / Door Replacement - Phase 1 - Ramapo High School	575,000	411,316	399,116			3,093
Masonry Stair Repairs - Indian Hills High School	42,000	42,000	38,933	\$ 26		29,984
Roof Repairs / Skylight Removal - Indian Hills High School	74,400	74,400	44,416			95,500
ADA Upgrades - Indian Hills High School	287,600	287,600	140,536	51,764		6,228
IDF / MDF Server Room Climate Control - Indian Hills High School	39,317	39,317	39,317			197,577
IDF / MDF Server Room Climate Control - Ramapo High School	48,000	48,000	41,772			29,000
Heating System Upgrades - Indian Hills High School	1,802,400	1,802,400	1,557,234	47,589		36,444
Generator Replacement - Indian Hills High School	300,000	300,000	271,000			36,288
Heating System Upgrades - Ramapo High School	835,200	835,200	726,028	72,728		170,700
Generator Replacement - Ramapo High School	300,000	300,000	221,039	42,673		457,775
Re-Roofing - Indian Hills High School	324,900	324,900	154,200			666,663
Repair Exterior Masonry 400 Wing - Indian Hills High School	471,750	471,750	13,975			489,328
Windows Replace Phase 3 - 300 Wing - Ramapo High School	708,453	708,453	41,790			480,995
HVAC Upgrades - Indian Hills High School	525,563	525,563	36,235			2,866,647
HVAC Upgrades - Ramapo High School	518,365	518,365	37,370			(1,148,329)
	\$ 58,780,399	\$ 58,397,285	\$ 54,900,888	\$ 614,132	\$ 26	\$ 2,866,647

Project Appropriation Balance	\$ 2,866,647
Less: Unrealized Grants (SDA)	(1,148,329)
Fund Balance, GAAP Basis	\$ 1,718,288
Reconciliation of Fund Balance:	
Restricted:	
Year End Encumbrances	\$ 1,500,410
Available for Capital Projects	217,878
Total Fund Balance - Restricted for Capital Projects	\$ 1,718,288

**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, 2012**

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

State Facilities Grants	\$ 874,295	
Transfer from General Fund - Capital Reserve	1,334,479	<u> </u>

Total Revenues and Other Financing sources		<u>2,208,774</u>
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Expenditures and Other Financing Uses**Expenditures**

Purchased Professional Services	131,490	
Construction Services	482,616	
Transfer to General Fund - Return of Funds from Cancelled Appropriations to Capital Reserve	287	<u> </u>

Total Expenditures and Other Financing Uses		<u>614,393</u>
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Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses		1,594,381
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Fund Balance, Beginning of Year		<u>1,272,266</u>
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Fund Balance, End of Year	\$ 2,866,647	<u> </u>
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Reconciliation to GAAP Basis:

Fund Balance (Budgetary Basis)	\$ 2,866,647	
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Less:

Unrealized Revenue (SDA Grants)		<u>(1,148,359)</u>
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Fund Balance (GAAP Basis)	\$ 1,718,288	<u> </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	\$ 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
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
Security System Upgrades- Ramapo High School	162,270			162,270
Security System Upgrades- Indian Hills High School	162,270			162,270
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
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 - Ramapo 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
Repair Exterior Masonry 400 Wing - Indian Hills High School	471,750		188,700	283,050
Windows Replace Phase 3 - 300 Wing - Ramapo High School	708,453		283,381	425,072
HVAC Upgrades - Indian Hills High School	525,563		210,225	315,338
HVAC Upgrades - Ramapo High School	518,365		207,346	311,019
	<u>\$ 57,043,957</u>	<u>\$ 28,473,790</u>	<u>\$ 20,157,010</u>	<u>\$ 8,413,157</u>

PROPRIETARY FUNDS

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012**

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, 2012**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 243,795	\$ 43,188	\$ 250,308
Cash with Fiscal Agents	<u>-</u>	<u>-</u>	<u>36,675</u>
Total Assets	<u>\$ 243,795</u>	<u>\$ 43,188</u>	<u>\$ 286,983</u>
LIABILITIES			
Due to Other Funds		\$ 131	\$ 131
Payroll Deductions and Withholdings		6,382	6,382
Due to Student Groups	\$ 243,795		243,795
Flexible Spending (Sec. 125) Account	<u>-</u>	<u>36,675</u>	<u>36,675</u>
Total Liabilities	<u>\$ 243,795</u>	<u>\$ 43,188</u>	<u>\$ 286,983</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012**

	Balance, July 1, <u>2011</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2012</u>
HIGH SCHOOLS				
Ramapo	\$ 98,292	\$ 287,694	\$ 280,502	\$ 105,484
Indian Hills	142,854	307,857	312,429	138,282
Athletic	<u>531</u>	<u>169,259</u>	<u>169,761</u>	<u>29</u>
 Total All Schools	 <u>\$ 241,677</u>	 <u>\$ 764,810</u>	 <u>\$ 762,692</u>	 <u>\$ 243,795</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Restated Balance, July 1, <u>2011</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2012</u>
ASSETS				
Cash	\$ 3,727	\$ 28,777,093	\$ 28,774,307	\$ 6,513
Cash with Fiscal Agents	<u>40,916</u>	<u>67,777</u>	<u>72,018</u>	<u>36,675</u>
 Total Assets	 <u>\$ 44,643</u>	 <u>\$ 28,844,870</u>	 <u>\$ 28,846,325</u>	 <u>\$ 43,188</u>
LIABILITIES				
Due to Other Funds		\$ 1,769	\$ 1,638	\$ 131
Payroll Deductions and Withholdings	\$ 3,727	11,403,841	11,401,186	6,382
Accrued Salaries and Wages		17,371,483	17,371,483	
Flexible Spending (Sect. 125) Account	<u>40,916</u>	<u>67,777</u>	<u>72,018</u>	<u>36,675</u>
 Total Liabilities	 <u>\$ 44,643</u>	 <u>\$ 28,844,870</u>	 <u>\$ 28,846,325</u>	 <u>\$ 43,188</u>

LONG-TERM DEBT

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2011</u>	<u>Retired</u>	<u>Balance, June 30, 2012</u>
School Refunding Bonds, Series 2005	12/28/2005	\$ 9,700,000		\$	%			
			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	4.25			
			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						
						\$ 9,070,000	\$ 290,000	\$ 8,780,000
School Refunding Bonds, Series 2006	1/24/2006	\$ 9,600,000						
			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						
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						
						\$ 8,925,000	285,000	8,640,000

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2011</u>	<u>Retired</u>	<u>Balance, June 30, 2012</u>
School Refunding Bonds, Series 2007	1/4/2007	\$ 6,005,000	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			
						\$ 5,595,000	\$ 180,000	\$ 5,415,000
						\$ 23,590,000	\$ 755,000	\$ 22,835,000

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOT APPLICABLE

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 1,666,402	-	\$ 1,666,402	\$ 1,666,402	-
Total Revenues	1,666,402	-	1,666,402	1,666,402	-
EXPENDITURES					
Regular Debt Service	755,000		755,000	755,000	
Principal	966,615	-	966,615	966,615	-
Interest					
Total Expenditures	1,721,615	-	1,721,615	1,721,615	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,213)	-	(55,213)	(55,213)	-
Fund Balance, Beginning of Year	55,213	-	55,213	55,213	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

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.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
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	\$ 34,061,117
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	7,690,323
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	3,220,602
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	\$ 44,972,042
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 34,795	\$ 24,887	\$ 14,979	\$ 5,071	\$	\$ 22,257	\$ 19,784	\$ 17,311	\$ 14,838	\$ 92,239
Restricted	14,395	10,285	7,612	50,640	\$ 165,893	211,920	196,687	219,670	238,190	210,005
Unrestricted	49,190	35,172	22,591	55,711	\$ 163,893	\$ 234,177	\$ 216,471	\$ 236,981	\$ 253,028	\$ 302,244
Total Business-Type Activities Net Assets	\$ 49,190	\$ 35,172	\$ 22,591	\$ 55,711	\$ 163,893	\$ 234,177	\$ 216,471	\$ 236,981	\$ 253,028	\$ 302,244
District-Wide										
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	\$ 19,272,449	\$ 20,446,744	\$ 34,153,356
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	7,690,323
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	3,430,607
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	\$ 45,274,286

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

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities										
Instruction										
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	\$ 22,014,895
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	4,716,365
Vocational	371,424	440,509	439,254	532,428	562,453					135,039
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	384,012
Other Instructional Supplemental Programs						446,815	384,588	396,531	382,737	2,886,303
School Sponsored Activities and Athletics						3,084,210	2,996,159	2,822,019	2,814,352	
Support Services:										
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	6,412,077
School Administrative Services	2,455,341	2,394,178	1,670,387	1,604,880	1,650,340	1,744,675	1,701,022	2,363,003	2,357,389	2,478,330
General Administration	944,896	1,176,942	967,680	988,935	1,019,693	1,090,384	1,071,252	888,253	836,453	851,346
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	4,948,545
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	1,928,770
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	1,400,640
Interest on Long-Term Debt	1,367,186	1,354,769	1,338,721	1,237,232	1,123,589	1,119,628	1,090,046	1,058,846	1,029,382	998,492
Loss on Disposal of Capital Assets		129,325	184,857							
Total Governmental Activities Expenses	34,869,885	38,873,967	41,713,355	45,401,302	47,080,091	50,357,562	47,912,178	49,320,994	48,680,764	49,156,814
Business-Type Activities:										
Food Service	766,449	868,144	897,551	941,007	979,623	1,023,536	991,080	994,160	1,021,485	1,056,004
Total Business-Type Activities Expense	766,449	868,144	897,551	941,007	979,623	1,023,536	991,080	994,160	1,021,485	1,056,004
Total District Expenses	\$ 35,636,334	\$ 39,742,111	\$ 42,610,906	\$ 46,342,309	\$ 48,059,714	\$ 51,381,098	\$ 48,903,258	\$ 50,315,154	\$ 49,702,249	\$ 50,212,818
Program Revenues										
Governmental Activities:										
Charges for Services:										
Regular	\$ 127,329	\$ 33,459	\$ 28,493	\$ 134,692	\$ 70,905	\$ 75,998	\$ 57,530	\$ 13,829	\$ 10,657	\$ 14,886
Special Education	16,795	103,770	12,450	13,950	21,548	25,464	13,826	38,602	25,153	96,632
Pupil Transportation	3,958,605	4,548,670	4,854,526	5,140,116	6,479,624	6,644,457	5,164,455	5,119,656	41,770	27,963
Operating Grants and Contributions		10,928,482	2,335,100	2,690,837	174,649	20,274	20,274	746,902	3,867,860	5,063,007
Capital Grants and Contributions	4,102,729	15,625,751	7,230,569	7,979,595	6,746,726	6,745,919	5,256,985	5,960,859	1,253,508	104,956
Total Governmental Activities Program Revenues	12,888,458	22,546,632	17,535,142	21,999,585	25,795,051	27,236,273	22,916,644	25,767,252	21,913,665	26,206,434
Business-Type Activities:										
Charges for Services:										
Food Service	752,060	853,561	883,409	914,215	992,750	1,032,297	969,432	1,011,982	1,034,621	1,061,643
Total Business-Type Activities Program Revenues	752,060	853,561	883,409	914,215	992,750	1,032,297	969,432	1,011,982	1,034,621	1,061,643
Total District Program Revenues	\$ 4,854,789	\$ 16,479,312	\$ 8,113,978	\$ 8,893,810	\$ 7,739,476	\$ 7,778,216	\$ 6,225,517	\$ 6,972,841	\$ 6,233,569	\$ 6,369,087
Net (Expense)/Revenue										
Governmental Activities	\$ (30,767,156)	\$ (23,248,216)	\$ (34,482,786)	\$ (37,421,707)	\$ (40,333,365)	\$ (43,611,643)	\$ (42,656,093)	\$ (45,350,135)	\$ (43,481,816)	\$ (43,849,370)
Business-Type Activities	(14,289)	(14,142)	(14,142)	(26,792)	13,127	8,761	(21,648)	17,822	13,136	5,639
Total District-Wide Net Expense	\$ (30,781,545)	\$ (23,262,358)	\$ (34,496,928)	\$ (37,448,499)	\$ (40,320,238)	\$ (43,602,882)	\$ (42,677,741)	\$ (43,332,313)	\$ (43,468,680)	\$ (43,843,731)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 31,036,496	\$ 32,878,413	\$ 34,555,678	\$ 37,152,008	\$ 38,678,538	\$ 40,264,610	\$ 40,716,266	\$ 42,238,098	\$ 42,238,098	\$ 43,950,645
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	1,712,573	1,666,402
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	95,878	30,060
Miscellaneous Income	141,281	-	162,333	325,069	374,824	313,507	430,336	369,506	369,506	658,347
Transfers	(10,000)	224,715	-	(54,000)	(85,000)	(50,000)	-	-	-	-
Total Governmental Activities	\$ 33,292,284	\$ 35,200,639	\$ 36,921,479	\$ 39,677,062	\$ 41,300,442	\$ 42,915,719	\$ 43,033,652	\$ 44,416,055	\$ 44,416,055	\$ 46,305,454
Business-Type Activities:										
Investment Earnings	386	565	1,561	5,912	12,055	9,523	3,942	2,688	2,688	1,186
Transfers	10,000	-	-	54,000	85,000	50,000	-	-	-	-
Total Business-Type Activities	\$ 10,386	\$ 565	\$ 1,561	\$ 59,912	\$ 97,055	\$ 59,523	\$ 3,942	\$ 2,688	\$ 2,688	\$ 1,186
Total District-Wide	\$ 33,302,670	\$ 35,201,204	\$ 36,923,040	\$ 39,736,974	\$ 41,397,497	\$ 42,975,242	\$ 43,037,594	\$ 44,418,743	\$ 44,418,743	\$ 46,306,640
Change in Net Assets										
Governmental Activities	\$ 2,525,128	\$ 11,952,423	\$ 2,438,693	\$ 2,255,355	\$ 967,077	\$ (695,924)	\$ 377,559	\$ 1,055,920	\$ 934,239	\$ 2,456,084
Business-Type Activities	(4,003)	(14,018)	(12,581)	33,120	110,182	68,284	(17,700)	20,510	15,824	6,825
Total District	\$ 2,521,125	\$ 11,938,405	\$ 2,426,112	\$ 2,288,475	\$ 1,077,259	\$ (627,640)	\$ 359,853	\$ 1,076,430	\$ 950,063	\$ 2,462,909

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

(Unaudited)
 (modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 8,033,557	\$ 10,072,035
Unreserved	1,240,046	1,336,582	1,084,012	1,050,755	968,233	1,932,503	1,241,008	677,567	31,367	177,680
Restricted									476,541	865,633
Committed									871,450	854,083
Assigned										
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	\$ 11,969,431
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	\$ 1,718,288
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	\$ 1,718,288

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 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. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)

(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
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	\$ 45,617,047
Tuition Charges	127,329	137,229	28,493	134,692	70,905	75,998	57,530	52,431	35,810	111,518
Interest Earnings	370,259	152,034	127,143	176,514	349,611	331,679	151,940	95,878	93,900	30,060
Transportation			12,450	13,950	21,548	13,826	41,870	41,770	27,963	41,770
Miscellaneous	158,076	236,085	162,333	325,069	422,044	363,225	497,627	456,009	613,555	765,324
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	4,462,815
Federal Sources	304,764	357,906	450,948	380,267	487,083	462,271	613,514	609,801	717,193	591,171
Total revenue	37,405,013	50,826,390	44,152,048	47,710,657	48,132,168	49,711,638	48,277,137	50,318,214	51,667,514	51,612,898
Expenditures										
Instruction										
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	19,934,177
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	4,536,061
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	133,598
Other Instructional Supplemental Programs										
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	2,850,380
Support Services:										
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	6,344,269
General Administration	930,094	1,134,098	959,463	955,630	1,004,970	1,054,221	1,054,221	869,621	818,198	828,623
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	2,330,653	2,448,481
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	4,911,693
Pupil Transportation	1,454,238	1,543,044	1,730,021	1,605,893	1,864,677	1,984,232	2,020,438	2,086,145	1,972,189	1,870,668
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	1,294,491
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	892,381
Debt Service:										
Principal	440,000	465,000	490,000	1,067,289	1,031,582	630,000	670,000	840,000	875,000	895,000
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	966,615
Payment to Refunding Escrow Agent				594,208	153,886					
Cost of Issuance of Refunding Bonds				192,488	97,868					
Total Expenditures	45,783,545	69,498,596	51,765,890	50,174,056	48,987,496	52,067,096	46,788,588	49,635,694	49,950,648	48,286,555
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	3,326,343
Other Financing Sources (Uses)										
Proceeds from Borrowing			476,287	121,584						
Capital Leases (Non-Budgeted)				19,300,000	6,005,000					
Proceeds from Refunding				120,703	45,544					
Reoffering Premium				(18,630,000)	(5,798,790)					
Payments to Escrow Agent			889,470	1,339,537		2,423,195	1,653,531	2,260,101	1,295,262	1,334,764
Transfers in	(79,589)	(3,232,263)	(889,470)	(1,393,537)	(85,000)	(2,473,195)	(1,653,531)	(2,260,101)	(1,295,262)	(1,334,764)
Transfers out	(10,000)			858,287	166,734	(50,000)				
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Net Change in Fund Balances	(8,388,532)	(18,672,206)	(7,137,555)	(1,605,112)	(688,574)	(2,405,458)	1,488,549	682,520	1,716,866	3,326,343
Debt Service as a Percentage of Noncapital Expenditures	4.83%	4.38%	4.07%	6.52%	4.97%	3.43%	3.76%	3.94%	4.01%	3.93%

* 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)

Fiscal Year Ended June 30,	Cancelled Checks	Monopole Revenue	Athletic Events	Rental Fees	Cancelled Prior Year A/P	Insurance/Other Refunds	Theater Receipts	Miscellaneous	Total
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
2012		361,052	23,572	58,686	113,502	69,449	11,922	20,164	658,347

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 ^a
2003	\$ 47,667,300	\$ 1,800,096,652	\$ 5,034,800	\$ 16,800	\$ 275,064,230	\$ 13,538,000	\$ 9,783,000	\$ 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	2,193,072,532	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	401,034,300	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
2012	52,494,400	3,561,381,700	4,240,000	21,400	405,702,600	32,758,500	30,139,400	4,086,938,000	2,370,663	4,089,308,663	4,471,193,866	0.602

Source: County Abstract of Rates

^a 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 ^a
2003	\$ 21,113,800	\$ 1,915,200,553	\$ 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	3,258,714	2,110,797,277	3,305,379,869	1.123
2005	16,799,400	1,985,041,571	1,752,700	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	39,539,500	4,326,701,800	3,405,300	27,000	209,189,400	40,155,000	1,565,600	4,620,603,600	6,157,843	4,626,761,443	4,823,228,928	0.514
2008	36,084,500	4,337,830,290	3,405,300	27,000	212,141,000	40,155,000	1,565,600	4,651,208,690	6,220,937	4,657,429,627	4,823,228,928	0.632
2009	42,478,300	4,406,522,769	3,405,300	27,000	223,306,500	33,175,000	1,545,900	4,710,460,769	7,303,129	4,717,763,898	4,716,516,274	0.654
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	4,656,536,100	0.696
2012	39,171,900	4,494,020,543	2,779,400	27,000	230,965,200	33,175,000	1,545,900	4,821,684,943	6,116,664	4,827,801,607	4,507,239,218	0.704

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.	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual Value (County Equalized)	Total Direct School Tax Rate ^a
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	102,759,300	102,303,400		1,174,381,300	2,594,717	1,176,976,017	1,878,168,264	1.604
2005	57,551,100	2,113,284,400	4,855,200	29,400	174,470,800	172,170,700		2,522,361,600	2,286,750	2,524,648,350	2,103,103,439	0.782
2006	50,027,500	2,120,500,400	3,578,600	25,800	174,877,400	172,195,400		2,521,205,100	3,708,659	2,524,913,759	2,390,233,357	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		2,536,865,100	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	2,577,300	25,900	173,457,800	168,479,300		2,171,211,000	100	2,171,211,000	2,370,838,202	1.147
2012	26,098,000	1,800,660,000	2,577,300	25,900	172,464,500	170,032,900		2,171,858,600	100	2,171,858,700	2,456,287,818	1.175

Source: County Abstract of Ratables

(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	<u>Overlapping Rates</u>				
	<u>Total Direct School Tax Rate</u>	<u>Regional High School District</u>	<u>Municipality (including Library)</u>	<u>County</u>	<u>Total Direct and Overlapping Tax Rate</u>
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
2012	0.602	0.427	0.264	0.240	1.533

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	
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
2012	0.704	0.379	0.247	0.204	1.534

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	
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
2012	1.175	0.456	0.610	0.249	2.490

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	2012		2003	
	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%		
Medco Health Solutions	114,000,000	2.79%	N/A	
1st Real Estate Investment Trust	19,784,900	0.48%		
Urban Farms Acquisition	19,715,000	0.48%		
East Coast Horizon	18,139,400	0.44%		
University Heights, LLC	12,000,000	0.29%		
FL Storage, LLC	9,000,000	0.22%		
G.S. Realty Corp.	7,480,000	0.18%		
Sabra Realty Associations	7,103,300	0.17%		
Private Homeowner	6,923,600	0.17%		
	<u>\$ 370,694,100</u>	<u>9.05%</u>		

N/A - Not Available

Source: Municipal Tax Assessor

Total Assessed Value per J-6 \$ 4,086,938,000

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

Taxpayer	2012		2003	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Munico Associates	\$ 55,571,000	1.15%		
Precision Multiple Controls, Inc.	13,092,700	0.27%	N/A	
Wyckoff Hye Partners	10,729,000	0.22%		
O'Shea Rovbert J. & Michele K.	10,262,300	0.21%		
Ridgewood, Village	9,963,000	0.20%		
Grossman, Ivan & Solomon-Plazter	9,841,900	0.20%		
Cole, Charles W. Jr & Shawn	8,000,000	0.16%		
Wyckoff Shopping Center	6,979,200	0.14%		
Varnic, LLC.	6,912,600	0.14%		
Sturh (TRSTE), Kenneth	6,490,800	0.13%		
	\$ 137,842,500	2.82%	-	0.00%

N/A - Not Available

Source: Municipal Tax Assessor

Total Assessed Value per J-6 \$4,821,684,943

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

Taxpayer	2012		2003	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Washington Square Owner LLC	\$ 15,500,000	0.71%		
Jayare Associates LLC	14,858,400	0.68%	N/A	
40 Potash Road Associates LLC	12,084,100	0.56%		
Shiseido America Inc	11,511,700	0.53%		
Oakland Care Ctr Real Estate Co LLC	10,216,600	0.47%		
5 Thornton Road Associates LLC	9,908,200	0.46%		
The Realty Associates Fund VII LP	9,725,000	0.45%		
Public Service Electric & Gas Co	7,427,100	0.34%		
Ramapo Valley Resources Ltd	6,679,600	0.31%		
1 Raritan Road Realty LLC	6,235,900	0.29%		
	<u>\$ 104,146,600</u>	<u>4.80%</u>		

N/A - Not Available

Source: Municipal Tax Assessor

Total Assessed Value per J-6 \$2,171,858,600

**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	
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%	
2012	45,617,047	45,617,047	100.00%	

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
BOROUGH OF FRANKLIN LAKES
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST EIGHT 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	11,093	\$ 963
2006	10,413,491	164,248	10,577,739	11,435	925
2007	10,374,226		10,374,226	11,546	899
2008	10,220,494		10,220,494	11,617	880
2009	9,763,529		9,763,529	11,617	840
2010	9,515,161		9,515,161	10,602	897
2011	9,233,126		9,233,126	10,660 E	866
2012	8,925,025		8,925,025	10,660 E	837

Source: District records

(E) Estimated

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
TOWNSHIP OF WYCKOFF
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST EIGHT 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	16,912	569
2010	9,384,047		9,384,047	16,715	561
2011	9,124,612		9,124,612	16,803 E	543
2012	8,930,801		8,930,801	16,802 E	532

Source: District records

(E) Estimated

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
BOROUGH OF OAKLAND
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST EIGHT 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	13,293	424
2010	5,425,792		5,425,792	12,768	425
2011	5,232,262		5,232,262	12,836 E	408
2012	4,979,174		4,979,174	12,836 E	388

Source: District records

(E) Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2005	\$ 10,380,375		\$ 10,380,375	0.47%	\$ 936
2006	10,413,491		10,413,491	0.47%	911
2007	10,374,226		10,374,226	0.21%	899
2008	10,220,494		10,220,494	0.21%	880
2009	9,763,529		9,763,529	0.20%	843
2010	9,515,161		9,515,161	0.19%	897
2011	9,233,126		9,233,126	0.23%	866
2012	8,925,025		8,925,025	0.22%	837

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 EIGHT FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
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%	561
2011	9,124,612		9,124,612	0.19%	543
2012	8,930,801		8,930,801	0.18%	532

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 EIGHT 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%	425
2011	5,232,262		5,232,262	0.24%	408
2012	4,979,174		4,979,174	0.23%	388

Source: District records

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED JUNE 30, 2012
(Unaudited)**

Net Direct Debt of School District as of June 30, 2012		\$ 22,835,000
Net Overlapping Debt of School District (A)		
Borough of Franklin Lakes (B)	\$ 14,320,691	
Borough of Oakland (B)	13,825,364	
Township of Wyckoff (B)	1,405,000	
County of Bergen	45,801,201	
Northwest Bergen County Utilities Auth.	<u>2,755,375</u>	
		<u>78,107,631</u>
Total Direct and Overlapping Bond Debt as of June 30, 2012		<u>\$ 100,942,631</u>

(A) The Net Overlapping Debt is as of December 31, 2011 as the entities are calendar year.

(B) The debt for this entity was apportioned by dividing the Municipality's 2011 equalized value by the total 2011 equalized value for Bergen County.

Source:

- (1) 2011 Annual Debt Statements - Borough of Franklin Lakes, Borough of Oakland and Township of Wyckoff
- (2) Bergen County 2011 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,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$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	\$ 351,750,440
Total Net Debt Applicable to Limit	40,629,241	29,320,474	26,643,790	26,728,790	26,325,000	-	25,025,000	24,525,000	23,590,000	22,835,000
Legal Debt Margin	\$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	\$ 328,915,440
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.74%	13.36%	11.23%	10.19%	8.96%	0.00%	7.04%	6.73%	6.56%	6.49%

Legal Debt Margin Calculation for Fiscal Year 2012

Equalized valuation basis	
2009	\$12,035,177,739
2010	11,757,635,716
2011	11,382,230,601
	<u>\$35,175,044,056</u>
	\$11,725,014,685

Average equalized valuation of taxable property

Debt limit (3 % of average equalization value)	351,750,440 ^a
Total Net Debt Applicable to Limit	22,835,000
Legal debt margin	<u>\$ 328,915,440</u>

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

^a Limit set by NUSA 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>
2003	11,047	\$ 51,132	3.7%
2004	11,098	54,462	3.0%
2005	11,109	56,706	2.3%
2006	11,093	62,714	2.3%
2007	11,435	67,394	2.0%
2008	11,546	68,227	2.7%
2009	11,617	63,198	4.9%
2010	10,602	65,486	5.0%
2011	10,660	Not Available	4.9%
2012	10,660 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

(E) Estimated

**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>
2003	16,861	\$ 51,132	2.5%
2004	16,972	54,462	2.0%
2005	16,928	56,706	2.8%
2006	16,814	62,714	2.8%
2007	16,805	67,394	2.5%
2008	16,826	68,227	3.3%
2009	16,912	63,198	5.9%
2010	16,715	65,486	6.1%
2011	16,802	Not Available	6.0%
2012	16,802 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

(E) Estimated

**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>
2003	13,483	\$ 51,132	3.3%
2004	13,512	54,462	2.7%
2005	13,415	56,706	2.6%
2006	13,270	62,714	2.8%
2007	13,254	67,394	2.5%
2008	13,249	68,227	3.3%
2009	13,293	63,198	6.0%
2010	12,768	65,486	6.1%
2011	12,836	Not Available	6.0%
2012	12,836 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

(E) Estimated

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

<u>Employer</u>	<u>2012</u>		<u>2003</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>2012</u>		<u>2003</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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction	166	170	211	186	197	205	199	201	198	194
Regular	*	*	*	24	21	15	14	14	14	21
Special education										
Support Services:										
Student & instruction related services	47	49	51	62	60	64	71	69	68	68
General administration	4	3	4	4	3	3	3	3	2	3
School administrative services	14	14	21	14	16	16	17	16	17	17
Central services	6	6	6	7	8	7	6	6	6	6
Administrative Information Technology				2	2	2	2	2	2	2
Plant operations and maintenance	22	22	22	27	35	34	39	38	38	38
Pupil transportation	3	3	3	4	3	3	4	3	3	3
Other support services	2	2	2	2	2	2	2	2	2	2
Total	264	269	320	332	347	351	357	354	350	354

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 ^a	Operating Expenditures ^b	Cost Per Pupil ^c	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				
2003	2,025	\$ 39,960,161	\$ 19,733	18.19%	248	1:12	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	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	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	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	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	1:11	2,323.60	2,194.90	2.04%	94.46%
2009	2,333	43,976,096	18,850	-1.48%	230	1:11	1:11	2,298.50	2,181.00	-1.08%	94.89%
2010	2,566	45,415,024	19,195	1.83%	232	1:11	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	1:11	2,329.70	2,214.10	0.66%	95.04%
2012	2,308	45,532,559	19,728	5.21%	229	1:11	1:11	2,263.50	2,148.90	-2.84%	94.94%

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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Square Feet	439,000	439,000	481,920	481,920	481,920	481,920	481,920	481,920	481,920	481,920
Capacity (students)	2,671	2,671	3,084	3,084	3,084	3,084	3,084	3,084	3,084	3,084
Enrollment	2,025	2,141	2,182	2,276	2,309	2,359	2,333	2,366	2,388	2,308

Number of Schools at June 30, 2012
 Senior High School = 2

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

School Facilities	Project #'s	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Ramapo High School	N/A	\$ 196,898	\$ 234,167	\$ 252,585	\$ 363,070	\$ 361,287	\$ 459,910	\$ 391,897	\$ 269,084	\$ 332,524	\$ 347,591
Indian Hills High School	N/A	199,275	220,693	257,021	297,408	538,599	485,150	391,317	673,292	433,354	474,449
Total School Facilities		396,173	454,860	509,606	660,478	899,886	945,060	783,214	942,376	765,878	822,040
Grand Total		\$ 396,173	\$ 454,860	\$ 509,606	\$ 660,478	\$ 899,886	\$ 945,060	\$ 783,214	\$ 942,376	\$ 765,878	\$ 822,040

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF INSURANCE
JUNE 30, 2012
(Unaudited)**

<u>Multi Peril Package Policy - New Jersey School Boards Assoc. Insurance Group (NJSBAIG)</u>	<u>Coverage</u>	<u>Deductible</u>
Property-Blanket Building and Contents	\$ 131,442,651	\$ 5,000
Commercial General Liability		
Bodily Injury & Property Damage (ea. Occurrence)	11,000,000	
Fire Legal Liability	11,000,000	
Equipment Breakdown (Boiler & Machinery)	100,000,000	5,000
Employee Dishonesty	1,000,000	
Forgery or Alteration	1,000,000	
 <u>Business Auto Policy - NJSBAIG</u>		
Bodily Injury Property Damage	11,000,000	
Personal Injury Protection	250,000	
Uninsured/Underinsured	1,000,000	
Comprehensive Deductible		1,000
Collision Deductible		1,000
 <u>Workers Compensation- NJSBAIG</u>		
Section "A"	Statutory	
Section "B" (each accident, each employee, aggregate)	2,000,000	
Supplementary Weekly Benefit - Chubb	1,750	
 <u>Student Accident-Bollinger</u>		
Limit of Liability (80% Co-Insurance)	5,000,000	
 <u>School Board Legal Policy-NJSBAIG</u>		
Limit of Liability	11,000,000	15,000
 <u>Catastrophic Access-Firemans' Fund</u>		
	50,000,000	
 <u>Bonds - Selective</u>		
Treasurer of School Monies	300,000	
Board Secretary/Business Administrator	25,000	

Source: District Records

SINGLE AUDIT SECTION

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC 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, 2012, which collectively comprise the Ramapo Indian Hills Regional High School District's basic financial statements and have issued our report thereon dated November 12, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, 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 previously.

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 Office of School Finance, Department of Education, State of New Jersey.

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 12, 2012

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

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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, 2012. 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 Office of School Finance, 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, 2012.

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 12, 2012

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal CFDA Number	Federal Grant Period	Award Amount	(Accounts Receivable)	Balance, June 30, 2011		Carryover Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Balance, June 30, 2012		MEMO GAAP Receivable
				Deferred Revenue	Due to Grantor					Deferred Revenue	Due to Grantor	
84.410A	7/1/11-9/30/12	\$ 71,876	\$ (35,107)	\$ 17,554	-	-	\$ 37,289	\$ 19,736	-	-	-	-
			(35,107)	17,554	-	-	37,289	19,736	-	-	-	-
Special Revenue Fund:												
84.027	IDEA430012	440,802	(226,968)	108,053	\$ 60,577	\$ 456,035	352,113	456,035	\$ (149,266)	\$ 45,344	\$ (103,922)	
84.027	IDEA430011	425,832	(183,029)	38,974	(60,577)	47,476	166,391	47,476	-	-	-	
84.391	IDEA430010	487,452	(183,029)	38,974	-	38,974	183,029	-	-	-	-	
84.010A	NCLB430012	37,363	-	-	-	-	-	-	(37,363)	37,363	-	
84.367	NCLB430012	27,043	-	-	-	-	-	-	(27,043)	27,043	-	
84.367	NCLB430011	28,950	(28,950)	28,950	-	-	28,950	28,950	-	-	-	
			(438,947)	175,977	-	-	730,483	571,435	(213,672)	109,750	(103,922)	
			\$ (474,054)	\$ 193,531	\$ -	\$ -	\$ 767,772	\$ 591,171	\$ (213,672)	\$ 109,750	\$ (103,922)	
Total Federal Financial Awards												

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
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grants/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2011			Budgetary Expenditures	Adjustments	Refund of Prior Years' Balances	Balance, June 30, 2012		Memo Only		
				(Accounts Receivable)	Deferred Revenues	Due to Grantor				Carryover Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue
State Department of Education														
General Fund:														
Special Education Categorical Aid	12-495-034-5120-089	7/1/11-6/30/12	\$ 927,028			\$ 890,014	\$ 927,028		\$ -				\$ -	\$ 927,028
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	244,200				244,200							244,200
Additional Nonpublic Transportation Aid	11-100-034-5120-473	7/1/10-6/30/11	283,413	\$ (283,413)		283,413	22,339						\$ (22,339)	22,339
Additional Nonpublic Transportation Aid	N/A	7/1/11-6/30/12	22,339			28,097	168							102
TPAF - Wage Freeze Aid	11-495-034-5095-002	6/7/10-6/30/11	337			168	102							102
Anti-Bullying			102											
Reimbursed TPAF Social Security	12-495-034-5095-002	7/1/11-6/30/12	1,345,177			1,345,191	1,345,177							1,345,177
Reimbursed TPAF Social Security	11-495-034-5095-002	7/1/10-6/30/11	1,312,791			67,199								
On-Behalf TPAF Pension System Contribution - Normal Cost and Accrued Liability	12-495-034-5095-006	7/1/11-6/30/12	531,694			531,694	531,694							531,694
On-Behalf TPAF Pension System Contribution - Non Contributory Ins.	12-495-034-5095-007	7/1/11-6/30/12	57,058			57,058	57,058							57,058
On-Behalf TPAF Pension System Contribution - Post Retirement	12-495-034-5095-001	7/1/11-6/30/12	1,183,547			1,183,547	1,183,547							1,183,547
Total General Fund				(378,877)		4,386,483	4,311,145				(303,552)		14	4,311,145
Special Revenue Fund:														
N.J. Nonpublic Nursing Services	12-100-034-5120-070	7/1/11-6/30/12	6,075			6,075	6,075						6,075	6,075
N.J. Nonpublic Nursing Services	11-100-034-5120-070	7/1/10-6/30/11	5,320	\$ 5,320			3,656		\$ 5,320				597	3,656
N.J. Nonpublic Textbook	12-100-034-5120-064	7/1/11-7/1/12	4,253			4,253								
N.J. Nonpublic Textbook	11-100-034-5120-064	7/1/10-7/1/11	4,490					398						
Auxiliary Services														
ESL	12-100-034-5120-067	7/1/11-6/30/12	6,896			6,896	2,155						4,741	2,155
ESL	11-100-034-5120-067	7/1/10-6/30/11	9,135					3,158						
Compensatory Education	12-100-034-5120-067	7/1/11-6/30/12	42,266			42,266	15,977						26,289	15,977
Compensatory Education	11-100-034-5120-067	7/1/10-6/30/11	27,630					5,191						
Health/Physical Services														
Exam & Classification	12-100-034-5120-066	7/1/11-6/30/12	21,420			21,420	15,940						5,480	15,940
Exam & Classification	11-100-034-5120-066	7/1/10-6/30/11	21,849					1,756					10,101	10,944
Supplementary Instruction	12-100-034-5120-066	7/1/11-6/30/12	21,045			21,045	10,944							
Supplementary Instruction	11-100-034-5120-066	7/1/10-6/30/11	15,286					2,710						
Concurrent Speech	12-100-034-5120-066	7/1/11-6/30/12	3,950			3,950	2,843						1,107	2,843
Concurrent Speech	11-100-034-5120-066	7/1/10-6/30/11	3,912					3,130						
Total Special Revenue Fund						105,905	51,515		21,663				54,390	51,515
Capital Projects Fund:														
EFCEA - Gym Renovation - IHHS	4300-030-03-2000		463,347	(90,553)		74,998								450,653
EFCEA - Masonry Upgrades, IHHS	4300-030-09-2003		202,450	(37,440)									\$ -	165,010
EFCEA - Sewage Treatment Plant Upgrades, IHHS	4300-030-09-2004		1,445,620	(4,474)		4,980								1,441,146
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)			706							115,894

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
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grant/Project Title Capital Projects Fund (continued)	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2011				Budgetary Expenditures	Refund of Prior Years' Balance	Balance, June 30, 2012			Memo. Only		
				(Accounts Receivable)	Deferred Revenues	Due to Grantor	Carryover Amount			Cash Received	(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Accounts Receivable	Total Cumulative Expenditures
EFCEA - IDF/MDF Server Climate Control - IHHS	4300-030-09-2012		\$ 14,400	\$ (14,400)						\$	\$			\$ (14,400)	\$ 14,400
EFCEA - IDF/MDF Server Climate Control - RHS	4300-030-09-2008		19,200	(19,200)	2,491						\$ 2,491			(19,200)	16,709
EFCEA - Heating System Upgrades - IHHS	4300-030-09-2011		720,960	(720,960)	98,066						79,031			(720,960)	641,929
EFCEA - Generator Replacement - IHHS	4300-030-09-2010		120,000	(120,000)	11,600						11,600			(120,000)	108,400
EFCEA - Heating System Upgrades - RHS	4300-030-09-2007		334,080	(334,080)	43,669						14,578			(334,080)	319,502
EFCEA - Generator Replacement - RHS	4300-030-09-2009		120,000	(120,000)	31,584						14,515			(120,000)	105,485
EFCEA - Re-Roofing - IHHS	4300-030-10-1001		129,960	(129,960)	68,280						183,110			(129,960)	61,680
IHHS Repair Exterior Masonry Wing	4300-030-10-1004		188,700								188,700			(188,700)	5,590
RHS Window Replace Phase 3	4300-030-10-1003		285,281								266,665			(283,381)	16,716
IHHS HVAC Upgrades	4300-030-10-1005		210,225								195,731			(210,225)	14,494
RHS HVAC Upgrades	4300-030-10-1002		207,346								192,397			(207,346)	14,949
Total Capital Projects Fund				(2,158,515)	379,018		367,737	117,650	12,694	(2,665,055)	1,148,359			(2,665,055)	2,535,260
Total State Financial Assistance Subject to Single Audit				(2,517,522)	579,018	21,663	4,860,145	4,480,310	12,694	(2,968,098)	1,148,359	54,404		(2,687,394)	6,897,920
On Behalf TPAF Pension Contrib.							(1,772,299)								
Total State Financial Assistance							3,088,046								6,897,920

**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, 2012**

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. The information in these schedules is presented in accordance with requirements of U.S. 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". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on 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 \$2,199 for the general fund and a decrease of \$20,486 for the special revenue 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	\$ 19,736	\$ 4,313,344	\$ 4,333,080
Special Revenue Fund	571,435	51,515	622,950
Capital Projects Fund	<u>-</u>	<u>104,956</u>	<u>104,956</u>
Total Financial Assistance	<u>\$ 591,171</u>	<u>\$ 4,469,815</u>	<u>\$ 5,060,986</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, 2012**

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 \$1,345,177 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2012. The amount reported as TPAF Pension System Contributions in the amount of \$588,752 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,183,547 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2012.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions 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, 2012**

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>
<u>84.027</u>	<u>IDEA Part B Basic</u>
<u>84.391</u>	<u>IDEA Part B Basic - ARRA</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B Programs	\$ <u>\$ 300,000</u>
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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, 2012**

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>12-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contribution</u>
<u>12-495-034-5120-089</u>	<u>Special Education Categorical 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, 2012**

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, 2012**

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, 2012**

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.