COMPREHENSIVE ANNUAL

FINANCIAL REPORT

OF

DEERFIELD TOWNSHIP BOARD OF EDUCATION

ROSENHAYN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Prepared by
Deerfield Township Board of Education
Finance Department

DEERFIELD TOWNSHIP BOARD OF EDUCATION
OUTLINE OF CAFR

			Page
INTRODUCTORY SECTION			
	Letter of Transmittal		
	Organizational Chart		
	Roster of Officials		
	Consultants and Advisors		
FINANCIAL SECTION			
	Independent Auditor's Report		1-2
	Required Supplementary Information – Part 1		
	Management's Discussion and Analysis		
BASIC FINANCIAL STATEMENTS			
A.	District-wide Financial Statements:		
	A-1	Statement of Net Assets	3
	A-2	Statement of Activities	4
B.	Fund Financial Statements:		
	Governmental Funds:		
	B-1	Balance Sheet	5
	B-2	Statement of Revenues, Expenditures and Changes in Fund Balances	6
	B-3	Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	7
	Proprietary Funds:		
	B-4	Statement of Net Assets	8
	B-5	Statement of Revenues, Expenses and Changes in Fund Net Assets	9
	B-6	Statement of Cash Flows	10
	Fiduciary Funds:		
	B-7	Statement of Fiduciary Net Assets	11
	B-8	Statement of Changes in Fiduciary Net Assets	12
	Notes to Financial Statements		13-30
	Required Supplementary Information – Part II		
C.	Budgetary Comparison Schedules:		
	C-1	Budgetary Comparison Schedule – General Fund	31-39
	C-2	Budgetary Comparison Schedule – Special Revenue Fund	40
	C-3	Notes to Required Supplementary Information-Budgetary Comparison Schedule	41

DEERFIELD TOWNSHIP BOARD OF EDUCATION
OUTLINE OF CAFR
(Continued)

			Page
D.	School Level Schedules:		
	D-1	Combining Balance Sheet	N/A
	D-2	Blended Resource Fund – Schedule of Expenditures Allocated By Resource Type – Actual	N/A
	D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E.	Special Revenue Fund:		
	E-1	Combining Schedule of Revenues and Expenditures – Budgetary Basis	42-43
	E-2	Schedule of Pre-School Education Aid - Budgetary Basis	44
F.	Capital Projects Fund:		
	F-1	Summary Schedule of Project Expenditures	45
	F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	46
	F-2a	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Various Capital Improvements to District Facilities	47
G.	Proprietary Funds:		
	Enterprise Funds:		
	G-1	Combining Statement Balance Sheet	48
	G-2	Combining Statement of Revenues, Expenses and Changes in Retained Earnings	49
	G-3	Combining Statement of Cash Flows – All Proprietary Fund Types and Similar Trust Funds	50
	Internal Service Fund:		
	G-4	Combining Balance Sheet	51
	G-5	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	52
	G-6	Combining Statement of Cash Flows	53
H.	Fiduciary Fund:		
	H-1	Combining Statement of Fiduciary Net Assets	54
	H-2	Scholarship Expendable Trust Fund - Combining Statement of Changes in Fiduciary Net Assets	55
	H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	56
	H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	57
I.	Long-Term Debt:		
	I-1	Schedule of Serial Bonds	58
	I-2	Schedule of Obligations Under Capital Leases	59
	I-3	Debt Service Fund Budgetary Comparison Schedule	60

DEERFIELD TOWNSHIP BOARD OF EDUCATION
OUTLINE OF CAFR
(Continued)

		Page
J.	**STATISTICAL SECTION (Unaudited)**	
	Financial Trends:	
J-1	Net Assets by Component	61
J-2	Changes in Net Assets	62-63
J-3	Fund Balances – Governmental Funds	64
J-4	Changes in Fund Balances – Governmental Funds	65-66
J-5	General Fund Other Local Revenue by Source	67
	Revenue Capacity:	
J-6	Assessed and Estimated Actual Value of Taxable Property	68
J-7	Direct and Overlapping Property Tax Rates	69
J-8	Principal Property Taxpayers*	70
J-9	Property Tax Levies and Collections	71
	Debt Capacity:	
J-10	Ratios of Outstanding Debt by Type	72
J-11	Ratios of Net General Bonded Debt Outstanding	73
J-12	Direct and Overlapping Governmental Activities Debt	74
J-13	Legal Debt Margin Information	75
	Demographic and Economic Information:	
J-14	Demographic and Economic Statistics	76
J-15	Principal Employers	77
	Operating Information:	
J-16	Full-Time Equivalent District Employees by Function/Program	78
J-17	Operating Statistics	79
J-18	School Building Information	80
J-19	Schedule of Required Maintenance	81
J-20	Insurance Schedule	82

*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

K.	**SINGLE AUDIT SECTION**	
K-1	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	83-84
K-2	Report on Compliance with Requirements Applicable To Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	85-86
K-3	Schedule of Expenditures of Federal Awards, Schedule A	87
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	88-89
K-5	Notes to the Schedules of Awards and Financial Assistance	90-91
K-6	Schedule of Findings and Questioned Costs	92-93
K-7	Summary Schedule of Prior Audit Findings	94

INTRODUCTORY SECTION

DEERFIELD TOWNSHIP BOARD OF EDUCATION
PO BOX 375
ROSENHAYN NJ 08352

Edythe B. Austermuhl, Ed.D.
Chief School Administrator
856 451-6610 ext. 102

Melanie M. Allen
Business Administrator/Board Secretary
856 769-0101 ext. 312

August 19, 2011

Honorable President and
Members of the Board of Education
Deerfield Township School District
County of Cumberland
Rosenhayn, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Township of Deerfield School District for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Deerfield Township 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statement and schedules, as well as auditor's report thereon. 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 States, Local Governments, and Non-Profit Organizations", 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.

1. REPORTING ENTITY AND ITS SERVICES:

The Deerfield Township School District is an independent reporting entity within the

criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Deerfield Township Board of Education and the school district constitute the reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular as well as special education for children with "special needs".

The District completed the 2010-11 fiscal year with an enrollment of 373 students, which is a 12 student decrease from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last twelve years.

AVERAGE DAILY ENROLLMENT

Fiscal Year	Student Enrollment	Percent Change
2010-11	373	(3.12)
2009-10	385	6.9
2008-09	360	.56
2007-08	358	(4.02)
2006-07	373	8.75
2005-06	343	1.78
2004-05	337	(5.07)
2003-04	355	1.03
2002-03	346	.58
2001-02	344	none
2000-01	344	(6.52)
1999-00	368	none

2. MAJOR INITIATIVES:

Under the direction and guidance of the Chief School Administrator and Assistant Principal, an informal needs assessment of the district was conducted in order to plan and prioritize District Activities. Staff development needs in the area of Language Arts Literacy and Mathematics were addressed with intensive training throughout the year and at all grade levels. The in-class support model for basic skills students in language arts and math was utilized for grades K-8. District curriculums were reviewed. K-2 math curriculum was revised throughout the year, as well as grade 3 the K-8 science curriculum.

3. 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

principals (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring compliance with applicable laws and regulations related to those programs. This internal control procedure is also subject to periodic evaluation by the 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.

4. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund, there is no debt services fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be included as re-appropriation are reported as reservations of fund balance at June 30, 2011.

5. ACCOUNTING SYSTEM AND REPORTS:

The Districts 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 and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

6. FINANCIAL INFORMATION AT FISCAL YEAR END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues. For the fiscal year ended June 30, 2011 and the amount and percentage of increases in relation to prior revenues:

Revenues	Amount	Percent of Total	Increase (Decrease) from 2010	Percent of Increase (Decrease)
Local Source	$2,497,994	44.32%	$73,649	3.04%
State Source	2,841,243	50.41%	351,811	14.13%
Federal Source	296,893	5.27%	(352,110)	(54.25)%
Total	$5,636,130	100.00%	$73,350	1.31%

The following schedule presents a summary of general fund, special revenue and debt service fund expenditures for the fiscal year ended June 30, 2011 and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2010	Percent of Increase (Decrease)
Current Expense:				
Instruction	$2,029,891	37.06%	$(51,666)	(2.48)%
Undistributed Expenditures	2,935,849	53.59%	(34,157)	(1.15)%
Capital Outlay	77,132	1.41%	17,571	29.50%
Debt Service	435,063	7.94%	(17,068)	(3.78%)
Total	$5,477,935	100.00%	$(85,320)	(1.53)%

7. DEBT ADMINISTRATION:

At June 30, 2011 the District's outstanding debt issues included 2,015,000 School Refunding Bonds used to pay off school serial bonds and $320,505 in Capital Leases.

8. CASH MANAGEMENT:

The investment procedure of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories, protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. 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.

9. RISK MANAGEMENT:

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

10. OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Triantos and Delp, CPA, LLC was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are 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.

11. ACKNOWLEDGEMENTS:

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

Respectfully submitted,

Edythe B. Austermuhl

Edythe B. Austermuhl, Ed.D
Superintendent

Melanie M. Allen

Melanie M. Allen
Business Administrator

FINANCIAL SECTION

Triantos & Delp
CERTIFIED PUBLIC ACCOUNTANTS, LLC

Thinking ahead to achieve success.

MEMBERS:
- American Institue of Certified Public Accountants
- New Jersey Society of Certified Public Accountants

Wayne H. Triantos, CPA
Samuel A. Delp, Jr., CPA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Deerfield Township School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Deerfield Township 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; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of the Deerfield Township Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the 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 August 19, 2011 on our consideration of the Deerfield Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 31 through 41 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

645 South Main Road, Vineland, NJ 08360 • Phone (856) 691-9544 • (856) 691-6403 • Fax (856) 691-0427
www.triantosanddelp.com

Triantos & Delp
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Deerfield Township Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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 respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

August 19, 2011

REQUIRED SUPPLEMENTARY INFORMATION–PART I

DEERFIELD TOWNSHIP BOARD OF EDUCATION
PO BOX 375
ROSENHAYN NJ 08352

Edythe B. Austermuhl, Ed.D.
Chief School Administrator
856 451-6610 ext. 102

Melanie M. Allen
Business Administrator/Board Secretary
856 769-0101 ext. 312

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Deerfield Township Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *district-wide financial statements* that provide both *short-term and long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in more detail than the district-wide statements.
- The *governmental funds* statements tell how *basic* services like regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short* and *long-term* financial information about the activities of the district operates *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.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1
Major Features of District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	-Statement 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	-Statement of fiduciary net assets -Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified Accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability Information	All assets and liabilities both financial and capital, short-term and long term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities 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; DTBOE's funds do not currently contain capital assets, although they can
Type of inflow/ outflow information	All revenues and expenses during the 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 deductions during the year, regardless of when cash is received or paid

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the type 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.

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's 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 - are one way to measure the District's financial health or *position.*

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the 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 building and other facilities.

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

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

Fund Financial Statements

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

- Some funds are required by State Law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like completing approved capital projects) or to show that it is properly using certain revenues (like federal grants).

The District has four kinds of funds:

- *Governmental Fund* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with 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 as the district-wide statements. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flow.
- *Internal service funds* (the other kind of proprietary fund) are utilized to report activities that provide supplies and services for the District's other programs and activities and for other Districts (student transportation).
- *Fiduciary funds* - The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (in thousands)

Net assets.
The District's *combined* net assets are $2,995 on June 30, 2011 (see Table A-1). Approximately 1% of the total net assets are from business-type activities. The balance of the total net assets, 99% are attributed to governmental activities.

Changes in net assets in thousands of dollars.
The District's total revenues are $5,903 for the fiscal period ending June 30, 2011 (see Table A-2). Property taxes and state formula aid accounted for 91% of the District's revenue. 7% is derived from state and federal aid for specific programs, and the remainder, 2% from fees charged for services and

miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students 50%. The purely administrative activities of the District accounted for 8% of total costs. Salary increases due to contractual agreements for teachers and other educational staff are included in the instruction-related costs.

Governmental Activities
Revenues for the District's governmental activities amounted to $5,725. Total expenses amounted to $5,361. The increase in net assets in governmental activities was $364 for 2011.

Business-type Activities
The District's business-type activities amounted to $178 and expenses were $160. Factors contributing to these results included:

- Food Services: Contracted Service

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (in thousands)

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the district completed the year, its governmental funds reported *combined* balances of $682. Budgeted miscellaneous revenues exceeded the actual amounts realized in 2011. The District controlled expenditures.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were of the following category:

- Transfers between budgetary line accounts to prevent overruns.

The District's final budget anticipated utilizing $133 in fund balance and $50 of prior year encumbrances to fund the appropriation plan for this fiscal period. Actual operations resulted in a decrease of general fund balance of $49 which included a transfer of $169 to the Capital Project Fund.

Actual expenditures for capital outlay amounted to $77 in the Operating Fund and $29 in the Capital Project Fund. This amount included the repayment of $55 of existing capital lease principal payments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2011, the District had invested $7.5 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audiovisual equipment, and administrative offices. (see Table A-3) (more detailed information about capital assets can be found in Note 5 to the financial statements.) Total depreciation expense for the year was $196 while building improvements and additions to equipment and furniture amounted to $29.

Long-term Debt

At year end, the District had outstanding bonds in the amount of $2,015 and capital leases payable of $321. (More detailed information about long- term debt can be found in Note 7 to the financial statements.)

The state limits the amount of general obligation debt the District can issue to 3 percent of the equalized valuation of all taxable property held within the District. The current limit is $6,710,000 of which $4,695,000 is available for the issuance of debt.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The district has experienced an increase in the amount of students receiving free and reduced lunches. The change in population demographics may impact the academic needs of the students. With the "flatness" of state aid and inability to raise additional funds, provisions for maintaining adequate programs for the students will be difficult to fund. Additional staff and materials to assist students will need to be purchased cautiously.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Administrator at 880 Route 45, Woodstown, NJ 08098.

Table A-1
Deerfield Township Board of Education's Net Assets
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2010	2011	2010	2011	2010	2011	2010-2011
Current and Other Assets	$ 473	$ 549	$ 43	$ 59	$ 516	$ 608	17.8%
Noncurrent Assets	136	335	-	-	136	335	146.3%
Capital Assets	4,757	4,591	-	-	4,757	4,591	-3.5%
Total Assets	$ 5,366	$ 5,475	$ 43	$ 59	$ 5,409	$ 5,534	2.3%
Current Liabilities	$ 435	$ 470	$ 15	$ 14	$ 450	$ 484	7.6%
Noncurrent Liabilities	2,345	2,055	-	-	2,345	2,055	-12.4%
Total Liabilities	$ 2,780	$ 2,525	$ 15	$ 14	$ 2,795	$ 2,539	-9.2%
Net Assets							
Invested in Capital Assets Net of Related Debt	$ 2,098	$ 2,255	$ -	$ -	$ 2,098	$ 2,255	7.5%
Restricted	515	582	-	-	515	582	13.0%
Unrestricted	(27)	113	28	45	1	158	15700.0%
Total Net Assets	$ 2,586	$ 2,950	$ 28	$ 45	$ 2,614	$ 2,995	14.6%

Table A-2
Deerfield Township Board of Education's
Changes in Net Assets
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2010	2011	2010	2011	2010	2011	2010-2011
Revenues							
Program Revenues							
Charges for Sevices	$ 85	$ 61	$ 52	$ 72	$ 137	$ 133	-2.9%
Federal & State Categorical Grants	300	287	113	106	413	393	-4.8%
General Revenues							
Property Taxes	2,416	2,490	-	-	2,416	2,490	3.1%
State Formula Aid	2,839	2,868	-	-	2,839	2,868	1.0%
Other	8	19	-	-	8	19	137.5%
Total Revenues	$ 5,648	$ 5,725	$ 165	$ 178	$ 5,813	$ 5,903	1.5%
Expenses							
Instruction - Related	$ 2,192	$ 2,139	$ -	$ -	$ 2,192	$ 2,139	-2.4%
Student Support Services	667	637			667	637	-4.5%
Maintenance & Operations	447	421	-	-	447	421	-5.8%
Transportation	402	368	-	-	402	368	-8.5%
Administation	487	457	-	-	487	457	-6.2%
Other	1,257	1,339	159	160	1,416	1,499	5.9%
Total Expenses	$ 5,452	$ 5,361	$ 159	$ 160	$ 5,611	$ 5,521	-1.6%
Increase/ (decrease) in Net Assets	$ 196	$ 364	$ 6	$ 18	$ 202	$ 382	89.1%

Table A-3
Deerfield Township Board of Education's Capital Assets
(Net of Depreciation)
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2010	2011	2010	2011	2010	2011	2010-2011
Land	$ 16	$ 16	$ -	$ -	$ 16	$ 16	0.0%
Construction in Progress	-	29	-	-	-	29	0.0%
Site Improvements	17	6	-	-	17	6	-64.7%
Buildings & Improvements	4,337	4,189	-	-	4,337	4,189	-3.4%
Machinery & Equipment	387	351	-	-	387	351	-9.3%
Total	$ 4,757	$ 4,591	$ -	$ -	$ 4,757	$ 4,591	-3.5%

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of all funds as of June 30, 2011.

DISTRICT-WIDE FINANCIAL STATEMENTS

EXHIBIT A-1

DEERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 256,968.	$ 48,095.	$ 305,063.
Receivables, net	292,479.	6,631.	299,110.
Inventory		4,450.	4,450.
Total Current Assets	549,447.	59,176.	608,623.
Noncurrent Assets:			
Bond issuance costs, net	71,851.		71,851.
Restricted Assets:			
Cash and cash equivalents	156,017.		156,017.
Capital reserve account - cash	106,814.		106,814.
Capital assets, net	4,590,519.		4,590,519.
Total Noncurrent Assets	4,925,201.	0.	4,925,201.
Total Assets	5,474,648.	59,176.	5,533,824.
LIABILITIES:			
Current liabilities:			
Accounts payable	24,658.	11,573.	36,231.
Accrued interest	5,423.		5,423.
Deferred revenue	80,297.	2,180.	82,477.
Current portion of long-term liabilities	359,837.		359,837.
Total Current Liabilities	470,215.	13,753.	483,968.
Noncurrent liabilities:			
Bonds payable	1,685,000.		1,685,000.
Capital leases payable	290,668.		290,668.
Accrued compensated absences	78,612.		78,612.
Total noncurrent liabilities	2,054,280.	0.	2,054,280.
Total liabilities	2,524,495.	13,753.	2,538,248.
NET ASSETS:			
Investment in capital assets, net of related debt	2,255,014.		2,255,014.
Restricted for:			
Debt service	12,461.		12,461.
Capital projects	263,721.		263,721.
Other purposes	306,174.		306,174.
Unrestricted	112,783.	45,423.	158,206.
Total Net Assets	$ 2,950,153.	$ 45,423.	$ 2,995,576.

See Accompanying Notes to the Basic Financial Statements

DEERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Instruction:							
Regular	$ 1,529,596.	$	$	$	$(1,529,596.)	$	$(1,529,596.)
Special education	559,944.				(559,944.)		(559,944.)
Other special instruction	45,527.				(45,527.)		(45,527.)
Other instruction	4,404.				(4,404.)		(4,404.)
Support services:							
Tuition	307,919.				(307,919.)		(307,919.)
Student & instruction related services	329,304.				(329,304.)		(329,304.)
School administrative services	73,300.				(73,300.)		(73,300.)
General and business admin services	242,455.				(242,455.)		(242,455.)
Central services	141,059.				(141,059.)		(141,059.)
Plant operations and maintenance	421,128.				(421,128.)		(421,128.)
Pupil transportation	367,913.				(367,913.)		(367,913.)
Employee benefits	1,136,952.		287,116.		(849,836.)		(849,836.)
Interest on long-term debt	107,347.				(107,347.)		(107,347.)
State debt service assessment	22,093.				(22,093.)		(22,093.)
Internal service fund	53,663.	61,287.			7,624.		7,624.
Unallocated depreciation	5,870.				(5,870.)		(5,870.)
Amortization of debt issuance cost	13,148.				(13,148.)		(13,148.)
Total governmental activities	5,361,622.	61,287.	287,116.	0.	(5,013,219.)	0.	(5,013,219.)
Business-type activities:							
Food service	159,755.	71,658.	105,952.			17,855.	17,855.
Total business-type activities	159,755.	71,658.	105,952.	0.	0.	17,855.	17,855.
Total primary government	$ 5,521,377.	$ 132,945.	$ 393,068.	$ 0.	$(5,013,219.)	$ 17,855.	$(4,995,364.)
General revenues:							
Taxes:							
Prop taxes levied for general purposes, net					$ 2,197,331.	$	$ 2,197,331.
Taxes levied for debt service					293,190.		293,190.
Federal and state aid not restricted					2,312,183.		2,312,183.
Federal and state aid restricted					555,924.		555,924.
Investment earnings					1,397.		1,397.
Miscellaneous income					6,076.		6,076.
Excess proceeds from issuance of refunding bonds					11,127.		11,127.
Total general revenues, special items, extraordinary items and transfers					5,377,228.	0.	5,377,228.
Change in net assets					364,009.	17,855.	381,864.
Net assets - beginning					2,586,144.	27,568.	2,613,712.
Net assets - ending					$ 2,950,153.	$ 45,423.	$ 2,995,576.

See Accompanying Notes to the Basic Financial Statements

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

DEERFIELD TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
Assets:						
Cash and cash equivalents	$ 336,878.	$ 3,736.	$ 139,820.	$ 12,461.	$	$ 492,895.
Due from other funds	160,000.					160,000.
Receivable from other governments	33,342.	242,050.	17,087.			292,479.
Total assets	$ 530,220.	$ 245,786.	$ 156,907.	$ 12,461.	$ 0.	$ 945,374.
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	$ 7,354.	$ 16,524.	$	$	$	$ 23,878.
Interfund payable		160,000.				160,000.
Deferred revenue		79,510.				79,510.
Total liabilities	7,354.	256,034.	0.	0.	0.	263,388.
Fund Balances:						
Restricted for:						
Excess surplus-current year	183,910.					183,910.
Excess surplus designated for sub year's expenditures	6,962.					6,962.
Maintenance reserve	105,782.					105,782.
Capital reserve	106,814.					106,814.
Committed to:						
Other purposes	9,520.					9,520.
Assigned to:						
Debt service				12,461.		12,461.
Designated by BOE for subsequent year's expenditures	47,204.					47,204.
Capital projects			156,907.			156,907.
Unassigned:						
General fund	62,674.					62,674.
Special revenue fund		(10,248.)				(10,248.)
Total fund balances	522,866.	(10,248.)	156,907.	12,461.	0.	681,986.
Total liabilities and fund balances	$ 530,220.	$ 245,786.	$ 156,907.	$ 12,461.	$ 0.	

Amounts reported for *government 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 $7,567,215. and the accumulated depreciation is $(2,976,696.) (See Note)	$ 4,590,519.
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)	(2,414,117.)
Bond issuance costs, net	71,851.
Accrued interest	(5,423.)
Internal service fund balance	25,337.
Net assets of governmental activities	$ 2,950,153.

See Accompanying Notes to the Basic Financial Statements

EXHIBIT B-2

DEERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES:						
Local sources:						
Local tax levy	$ 2,197,331.	$	$	$ 293,190.	$	$ 2,490,521.
Interest earned	1,397.					1,397.
Miscellaneous	2,047.	4,029.				6,076.
Total local sources	2,200,775.	4,029.	0.	293,190.	0.	2,497,994.
State sources	2,599,299.	98,739.	17,087.	143,205.		2,858,330.
Federal sources		296,893.				296,893.
Total revenues	4,800,074.	399,661.	17,087.	436,395.	0.	5,653,217.
EXPENDITURES:						
Current:						
Regular instruction	1,441,541.					1,441,541.
Special education instruction	306,312.	234,064.				540,376.
Other special instruction	45,527.					45,527.
Other instruction	2,447.					2,447.
Support services:						
Tuition	214,129.	93,790.				307,919.
Student & instruction related services	266,503.	39,319.				305,822.
School administrative services	69,386.					69,386.
Other administrative services	230,714.					230,714.
Central services	141,059.					141,059.
Plant operations and maintenance	393,733.					393,733.
Pupil transportation	354,217.					354,217.
Employee benefits	1,100,511.	32,488.				1,132,999.
Debt service:						
Principal				340,000.		340,000.
Interest and other charges				95,063.		95,063.
Capital outlay	77,132.		29,269.			106,401.
Total expenditures	4,643,211.	399,661.	29,269.	435,063.	0.	5,507,204.
Excess (deficiency) of revenues over exp.	156,863.		(12,182.)	1,332.		146,013.
OTHER FINANCING SOURCES (USES):						
Excess proceeds from issuance of refunding bonds				11,127.		11,127.
Transfers in			169,089.			169,089.
Transfers out	(169,089.)					(169,089.)
Total other financing sources and uses	(169,089.)	0.	169,089.	11,127.	0.	11,127.
Net change in fund balances	(12,226.)		156,907.	12,459.		157,140.
Fund balance - July 1	535,092.	(10,248.)		2.		524,846.
Fund balance - June 30	$ 522,866.	$(10,248.)	$ 156,907.	$ 12,461.	$ 0.	$ 681,986.

See Accompanying Notes to the Basic Financial Statements

EXHIBIT B-3

DEERFIELD TOWNSHIP SCHOOL DISTRICT
RECONCILATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Total net changes in fund balances - governmental funds (from B-2)		$ 157,140.
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense	$ (195,678.)	
Capital outlays	29,269.	
		(166,409.)
Net increase in internal service fund		7,624.
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statementn of net assets.		
Proceeds of long-term debt		0.
Capital lease proceeds		0.
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		340,000.
Bond issue costs are reported in the governmental fund as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.		(13,148.)
Payment of accrued interest on long-term debt is an expenditure in the governmental funds, but the payment reduces the liability in the statement of net assets and is not reported in the statement of activities.		2,773.
Interest expense paid directly from proceeds of refunding bonds.		(15,057.)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is reported in the statement of activities.		55,039.
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(3,953.)
Change in net assets of governmental activities		$ 364,009.

See Accompanying Notes to the Basic Financial Statements

PROPRIETARY FUNDS

EXHIBIT B-4

DEERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Business-Type Activities Enterprise Funds	Governmental Activities
	Food Service	Internal Service Fund
ASSETS:		
Current Assets:		
Cash and cash equivalents	$ 48,095.	$ 26,904.
Accounts receivable:		
State	152.	
Federal	6,479.	
Inventories	4,450.	
Total current assets	59,176.	26,904.
Noncurrent assets:		
Furniture, machinery & equipment	162,200.	
Less accumulated depreciation	(162,200.)	
Total noncurrent assets	0.	0.
Total assets	$ 59,176.	$ 26,904.
LIABILITIES:		
Current liabilities:		
Accounts payable	11,573.	780.
Deferred revenue	2,180.	787.
Total current liabilties	13,753.	1,567.
Total liabilities	13,753.	1,567.
NET ASSETS:		
Unrestricted	45,423.	25,337.
Total net assets	$ 45,423.	$ 25,337.

See Accompanying Notes to the Basic Financial Statements

EXHIBIT B-5

DEERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Business-Type Activities Enterprise Funds	Governmental Activities-
	Food Service Fund	Internal Service Fund
Operating revenues:		
Charges for services:		
Daily sales-reimbursable programs	$ 46,680.	$
Charges and fees		61,287.
Miscellaneous	24,978.	
Total operating revenues	71,658.	61,287.
Operating expenses:		
Salaries	44,380.	50,622.
Employee benefits	6,294.	
Cost of sales	65,670.	
Management fees	20,695.	
Supplies and materials	13,096.	852.
Repair and maintenance	532.	1,500.
Purchased services	3,852.	
Miscellaneous	5,236.	689.
Total operating expenses	159,755.	53,663.
Operating income/(loss)	(88,097.)	7,624.
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	2,192.	
Federal sources:		
National school breakfast program	21,134.	
National school lunch program	72,467.	
Food distribution program	10,159.	
Total nonoperating revenues (expenses)	105,952.	0.
Income/(loss) before contributions & transfers	17,855.	7,624.
Change in net assets	17,855.	7,624.
Total net assets - beginning	27,568.	17,713.
Total net assets - ending	$ 45,423.	$ 25,337.

See Accompanying Notes to the Basic Financial Statements

EXHIBIT B-6

DEERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Business-Type Activities Enterprise Funds	Governmental Activities
	Food Service Fund	Internal Service Fund
CASH FLOWS FROM OPERATING ACCOUNT:		
Receipts from customers	$ 71,658.	$ 64,002.
Payments to employees		(50,706.)
Payments to suppliers	(152,739.)	(2,261.)
Net cash provided by (used for) operating account	(81,081.)	11,035.
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Cash received from state and federal reimbursements	98,718.	
Net cash provided by (used for) non-capital financing activities	98,718.	0.
Net increase (decrease) in cash and cash equivalents	17,637.	11,035.
Balances-beginning of year	30,458.	15,869.
Balances-end of year	$ 48,095.	$ 26,904.
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$(88,097.)	$ 7,624.
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Federal commodities	10,159.	
Increase in inventory	(1,462.)	
(Increase)/decrease in accounts receivable		2,715.
Increase/(decrease) in accounts payable	(2,262.)	696.
Increase/(decrease) in deferred revenue	581.	
Total adjustments	7,016.	3,411.
Net cash provided by (used for) operating activities	$(81,081.)	$ 11,035.

See Accompanying Notes to the Basic Financial Statements

FIDUCIARY FUNDS

EXHIBIT B-7

DEERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	Expendable Trust Scholarship	Student Activity	Agency Fund
ASSETS:			
Cash and cash equivalents	$ 265.	$ 28,750.	$ 1,267.
Total assets	$ 265.	$ 28,750.	$ 1,267.
LIABILITIES:			
Due to student groups	$	$ 28,750.	$
Due to payroll withholdings			1,267.
Total liabilities	0.	28,750.	1,267.
NET ASSETS:			
Reserved-Expendable Trust Scholarship	$ 265.		

See Accompanying Notes to the Basic Financial Statements

EXHIBIT B-8

DEERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Agency Fund
ADDITIONS:	
Investment earnings:	
Interest	$ 0.
Net investment earnings	0.
Total additions	0.
DEDUCTIONS:	
Scholarships awarded	50.
Total deductions	50.
Change in net assets	(50.)
NET ASSETS - BEGINNING OF THE YEAR	315.
NET ASSETS - END OF THE YEAR	$ 265.

See Accompanying Notes to the Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Deerfield Township School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three year terms. The purpose of the district is to educate students in grades K-8. The Deerfield Township School District had an approximate enrollment at June 30, 2011 of 373 students.

The primary criterion for including activities within the District's reporting entity, as set forth in section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District had no component units.

B. Basic Financial Statements-District-Wide Statements:

The District's basic financial statements include both district-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the district-wide and fund financial statements categorize primary activities as either governmental or business type.

In the district-wide Statement of Net Assets, both governmental and business-type activities columns are presented on a consolidated basis by column, and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts-invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The district-wide Statement of Activities reports both the gross and net costs of each of the District's functions and business-type activities. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or business-type activity.

This district-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basic Financial Statements-Fund Financial Statements:

The financial transactions of the District are reported in individual funds in the financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

GOVERNMENTAL FUNDS

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund: The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in the fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs.

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
C. Basic Financial Statements-Fund Financial Statements: (Continued)

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of operating income, changes in net assets, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Funds: The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to business enterprises – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Funds are comprised of the Food Service Fund.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statements of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	12 years

FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds. The following is a description of the fiduciary funds of the District:

Unemployment Compensation Trust: The Unemployment Compensation Trust Fund consists of assets that the District has reserved for possible future employment claims.

Agency Funds: Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

D. Basis of Accounting:

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
D. Basis of Accounting: (Continued)

Measurement Focus

On the district-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using economic resources measurement focus as defined below.

In fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus as appropriate.

- All government funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.

- The proprietary fund utilized an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

- Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the district-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

All proprietary funds utilized the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used.

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education made no supplemental budgetary appropriations during the year by appropriating additional fund balance.

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

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

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	General Fund	Special Revenue Fund	Capital Projects Fund
Sources/inflows of resources			
Actual amounts (budgetary) "revenues"	$4,763,275.	$399,090.	$406,250.
Difference – budget to GAAP: Grant Accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized in the current year.			
State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	238,257.	10,248.	0.
Adjust for State Aid Payment not recognized for GAAP purposes until the subsequent year	(201,458.)	(10,248.)	(220,074.)
Adjust for Encumbrances:			
Add Prior Year Encumbrances	N/A	3,453.	N/A
Less Current Year Encumbrances	N/A	(2,862.)	N/A
Total Revenues (GAAP Basis)	$4,800,074.	$399,681.	$186,176.
Uses/outflows of resources			
Actual amounts (budgetary) "total outflows"	$4,812,300.	$399,090.	$29,269.
Adjustments:			
Add Prior Year Encumbrances	N/A	3,453.	N/A
Less Current Year Encumbrances	N/A	(2,862.)	N/A
Total Expenditures (GAAP Basis)	$4,812,300.	$399,681.	$29,269.

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Encumbrances:

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

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

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

G. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statutes 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA") GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

H. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

I. Tuition Payable:

Tuition charges for the fiscal year 2010-2011 is based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Inventories:

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

K. Short-Term Interfund Receivables/Payables:

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

L. Fixed Assets:

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in the governmental fund operations, or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

District-wide Statements
In the district-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, as determined by an independent appraisal company. Donated fixed assets are valued at their estimated fair market value on the date received.

Depreciation of all exhaustible fixed assets is recorded as allocated expenses in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Land Improvements	20 years
Building & Building Improvements	25-50 years
Machinery & Equipment	5-20 years

Fund Financial Statements
In the fund financial statements, fixed assets used in government fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the district-wide statements.

M. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Compensated Absences: (Continued)

The liability for these compensated absences is recorded as long-term debt in the district-wide statements. In the fund financial statements, governmental funds report only the compensated absences that are expected to be liquidated with expendable available financial resources, while the proprietary fund reports the liability as it is incurred.

N. Deferred Revenue:

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

O. Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the district-wide statements. The long-term debt consists primarily of leases payable and accrued compensated absences.

P. Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2.CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and

NOTE 2.CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Deposits: (Continued)

Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

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

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

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

Investments:

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

a.) Bonds or other obligations of the United States or obligations guaranteed by the United States.
b.) Bonds or any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
c.) Bonds or other obligations of the school district.

As of June 30, 2011 cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents	Total
Checking Account	$597,913.	$597,913.
Passbook Savings	266.	266.
TOTAL	$598,179.	$598,179.

During the period ended June 30, 2011 the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2011 was $598,179. and the bank balance was $739,242. Of the bank balance, $250,000. was covered by federal depository insurance and $489,242. was covered by a collateral pool as required by New Jersey statutes.

NOTE 3.CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Deerfield Board of Education by inclusion of $1. On July 1, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the 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.* 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning Balance, July 1, 2010	$105,756.
Interest earnings	1,058.
Deposits	
Approved at April, 2010 election	0.
Board Resolution June, 2011	0.
Withdrawals	
Board resolution	
Total Withdrawals	0.
Ending balance, June 30, 2011	$105,782.

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects at June 30, 2011 is $185,152.

NOTE 4.MAINTENANCE RESERVE ACCOUNT

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (*N.J.S.A.* 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (*N.J.A.C.* 6A:23-2.14) or by transfer by board resolution at year end of any anticipated revenue or unexpended line item appropriations, or both.

The activity of the maintenance reserve for the July 1, 2010 to June 30, 2011 year is as follows:

Beginning Balance July 1, 2010	$ 224,871.
Deposits:	
Approved at April, 2010 election	0.
Approved by Board Resolution June, 2011	50,000.
Withdrawals	(169,089.)
Ending balance June 30, 2011	$ 105,782.

The June 30, 2011 maximum maintenance reserve amount is $354,274.

Deerfield Township School District
Notes to the Financial Statements
June 30, 2011

NOTE 5. FIXED ASSETS

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

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital Assets that are not Being Depreciated:				
Land	$15,698.	$	$	$15,698.
Construction in Progress		29,269.		29,269.
Total Capital Assets not being Depreciated	15,698.	29,269.	0.	44,967.
Bldg & Bldg Improve	6,346,193.			6,346,193.
Site Improvements	179,991.			179,991.
Machinery & Equip.	996,064.			996,064.
Totals at Historical Cost	7,522,248.	0.	0.	7,522,248.
Less: Accum Deprec for:				
Bldg & Bldg Improve	(2,008,621.)	(148,399.)		(2,157,020.)
Site Improvements	(163,083.)	(11,410.)		(174,493.)
Machinery & Equipment	(609,314.)	(35,869.)		(645,183.)
Total Accum Deprec	(2,781,018.)	(195,678.)	0.	(2,976,696.)
Total Capital Assets being depreciated net of Accum Depreciation	4,741,230.	(195,678.)	0.	4,545,552.
Governmental Activities Capital Assets, net	$4,756,928.	$(166,409.)	$0.	$4,590,519.
Business-type Activities:				
Equipment	$162,200.	$	$	$162,200.
Less Accum Dep for:				
Equipment	(162,200.)			(162,200.)
Business-type Activ Capital Assets, net	$0.	$0.	$0.	$0.

***Depreciation Expense was Charged to Governmental Functions as Follows:**

Instruction:	
Regular	$(88,055.)
Special Education	(19,568.)
Other Instruction	(1,957.)
Support Services:	
Instruction	(3,914.)
Student and Instruction Related Services	(19,568.)
School Administration	(3,914.)
General and Business Administrative Services	(11,741.)
Plant Operations and Maintenance	(27,395.)
Pupil Transportation	(13,696.)
Unallocated Depreciation	(5,870.)
Total Depreciation Expense	$(195,678.)

NOTE 6.OPERATING LEASES

The District has a commitment for copiers under an operating lease. The lease is for a term of 60 months. Total operating lease payments made during the year ended June 30, 2011 were $16,392. Future minimum lease payments are as follows:

Year	Amount
June 30, 2012	$16,392.
June 30, 2013	8,196.
TOTAL	$24,588.

NOTE 7.GENERAL LONG-TERM DEBT

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

Type of Debt	Balance at 6/30/10	Issued	Retired	Balance at 6/30/11	Amounts Due Within 1 Year
Bonds Payable	$2,283,000.	$1,460,000.	$1,728,000.	$2,015,000.	$330,000.
Obligations Under Capital Leases	375,544.		55,039.	320,505.	29,837.
Compensated Absences Payable	74,659.	3,953.		78,612.	
Total	$2,733,203.	$1,463,953.	$1,783,039.	$2,414,117.	$359,837.

A. Bonds Payable:

Bonds are authorized in accordance with State laws by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Long-term debt as of June 30, 2011 consisted of the following:

$1,788,000 School Bonds dated 12/1/2001 payable in annual installments through 12/1/2026. Interest is paid semi-annually at a rate of 4.95% per annum. The balance of this bond issue was repaid during the 2010-2011 year with the proceeds of School Refunding Bonds. Series 2011 as described below:

On March 30, 2011, the District issued School Refunding Bonds in the amount of $1,460,000. in order to refund all or a portion of the outstanding callable school bonds of the Board of Education originally issued in the principal amount of $1,788,000. and dated December 1, 2001. The 2001 bonds are redeemable at the option of the Board of Education in whole or in part with a 30 day notice of redemption at a price of 100% of the principal amount thereof.

The $1,460,000 Refunding Bonds included issuance costs of $47,500. $1,416,930. was used to retire bonds from the 2001 issue and $11,127 was returned to the District. The gross debt service savings to the District is $76,216. and the economic benefit to the District is estimated to be $67,146. The 2011 Refunding Bonds, 2011 Series are payable in annual installments through 2017 with the final two (2) principal payments due in 2021 and 2026. The Bonds maturing on December 1, 2021 and December 1, 2026 shall be subject to mandatory sinking fund redemption by lot, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date on December 1 in each year.

NOTE 7.GENERAL LONG-TERM DEBT (Continued)

The following is a schedule of the future bond principal and interest payments due as of June 30, 2011.

Year Ending June 30,	Principal	Interest	Total
2012	$330,000.	$64,634.	$394,634.
2013	325,000.	54,656.	379,656.
2014	65,000.	44,682.	109,682.
2015	105,000.	42,981.	147,981.
2016	100,000.	40,806.	140,806.
2017-2021	505,000.	160,994.	665,994.
2022-2026	500,000.	68,781.	568,781.
2027	85,000.	1,753.	86,753.
TOTAL	$2,015,000.	$479,287.	$2,494,287.

B. Capital Leases Payable:

During 2002-2003 the District entered into a capital lease in the amount of $250,000. for building energy conversion.

During 2008-2009 the District entered into a capital lease agreement to finance an upgrade to the heating and ventilation system. The capital lease amount is $308,140. Terms of the capital lease call for 10 annual payments of $39,121. to be paid on September 1 of each year starting September 1, 2009 and ending September 1, 2018.

The following is a schedule of the future minimum lease payments under these leases, and the present value of the minimum lease payments at June 30, 2011:

Year Ending June 30,	Principal	Interest	Total
2012	$57,610.	$13,978.	$71,588.
2013	60,302.	11,286.	71,588.
2014	30,256.	8,864.	39,120.
2015	31,580.	7,540.	39,120.
2016	32,962.	6,159.	39,121.
2017-2018	107,795.	9,567.	117,362.
TOTAL	$320,505.	$57,394.	$377,899.

NOTE 8.PENSION PLANS

Description of Plans – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund.

These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

NOTE 8.PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) – The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the systems' other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) – The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credit to the members' accounts.

Significant Legislation – During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey retirement systems.

Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

NOTE 8.PENSION PLANS (Continued)

Contribution Requirements – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
June 30, 2011	$34,921.	0%	$34,921.
June 30, 2010	27,003.	0%	27,003.
June 30, 2009	19,708.	0%	19,708.

Three-Year Trend Information for TPAF
(Paid on Behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
June 30, 2011	$152,775.	100%	$ 0.
June 30, 2010	140,371.	100%	$ 0.
June 30, 2009	141,937.	100%	0.

During the fiscal year ended June 30, 2011, the State of New Jersey contributed $152,775. to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $134,341. during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 9.POST RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums 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 or county college with 25 years of service. The State paid $126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

NOTE 10.DEFERRED COMPENSATION:

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investments
Sircusa Benefits

NOTE 11.RISK MANAGEMENT:

The District is exposed to various types of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method".

NOTE 12.INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2011.

Fund	Interfund Receivable	Interfund Payable
General Fund	$160,000.	$
Special Revenue Fund		160,000.
	$160,000.	$160,000.

The amount due from the Special Revenue Fund to the General Fund is a result of the delay in receiving grant funds from the State.

NOTE 13.COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

NOTE 13.COMPENSATED ABSENCES (Continued)

The liability for vested compensated absences of the governmental activities is recorded as long-term debt in the district-wide statements. The current portion of the compensated absences balance is not considered material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, a liability existed for compensated absences in the Food Service Fund in the amount of $0.

NOTE 14.CONTINGENT LIABILITIES

The Board is involved in several claims and lawsuits incidental to its operation. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

NOTE 15.FUND BALANCE APPROPRIATED (Exhibit B-1)

General Fund - Of the $522,866. General Fund balance at June 30, 2011, $9,520. is reserved for encumbrances; $0. has been legally reserved for tuition adjustment in accordance with N.J.A.C. 6A:23-3.1(f)(8); $190,872. is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 ($6,962. of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2011); $106,814. has been reserved in the Capital Reserve Account; $105,782. has been reserved in the Maintenance Reserve Account; $47,204. has been appropriated and included as anticipated revenue for the year ending June 30, 2012; and $62,672. is unreserved and undesignated.

NOTE 16.CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is $190,872.

NOTE 17.DEFICIT FUND BALANCES

The District has a deficit fund balance of $(10,248.) in the Special Revenue Fund as of June 30, 2011 as reported in the fund statements (modified accrual basis). *N.J.S.A.* 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in

NOTE 17.DEFICIT FUND BALANCES (Continued)

the subsequent fiscal year, the school district can not recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated special revenue fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of $(10,248.) is equal to the last state aid payments.

REQUIRED SUPPLEMENTARY INFORMATION–PART II

BUDGETARY COMPARISON SCHEDULES

DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:					
Local sources:					
Local tax levy	$ 2,197,331.	$	$ 2,197,331.	$ 2,197,331.	$
Interest earned				1,397.	1,397.
Miscellaneous	10,000.		10,000.	2,047.	(7,953.)
Total local sources	2,207,331.	0.	2,207,331.	2,200,775.	(6,556.)
State sources:					
Equalization Aid	2,145,452.		2,145,452.	2,145,452.	
Categorical Special Education Aid	115,800.		115,800.	115,800.	
On behalf TPAF pension contribution (non-budgeted)				152,775.	152,775.
On behalf TPAF social security contribution (non-budgeted)				134,341.	134,341.
Extraordinary Aid				7,425.	7,425.
Additional Non-Public Transportation Aid				6,707.	6,707.
Total state sources	2,261,252.	0.	2,261,252.	2,562,500.	301,248.
Total revenues	4,468,583.	0.	4,468,583.	4,763,275.	294,692.

DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:					
Current expense:					
Regular programs-instruction:					
Preschool-salaries of teachers	$ 24,925.	$1,067.	$ 25,992.	$ 23,530.	$ 2,462.
Kindergarten-salaries of teachers	152,583.	6,771.	159,354.	147,372.	11,982.
Grades 1-5-salaries of teachers	653,484.	68,689.	722,173.	689,862.	32,311.
Grades 6-8-salaries of teachers	460,382.	13,034.	473,416.	458,367.	15,049.
Home instruction:					
Salaries of teachers	800.	1,000.	1,800.	1,387.	413.
Regular programs-undistributed instruction:					
Other salaries for instruction	47,882.	1,944.	49,826.	45,133.	4,693.
Other purchased services	20,037.	6,910.	26,947.	26,945.	2.
General supplies	50,000.	(710.)	49,290.	48,945.	345.
Textbooks	2,100.	(2,100.)			
Total regular programs - instruction	1,412,193.	96,605.	1,508,798.	1,441,541.	67,257.
Special education-instruction:					
Learning and/or language disabilities:					
Salaries of teachers	128,514.	3,731.	132,245.	126,718.	5,527.
Other salaries for instruction	5,237.	(73.)	5,164.	4,608.	556.
General supplies	2,100.	(370.)	1,730.	1,663.	67.
Textbooks		475.	475.	472.	3.
Total learning and/or language disabilities	135,851.	3,763.	139,614.	133,461.	6,153.

DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Resource room/resource center:					
Salaries of teachers	$ 173,284.	$(222.)	$ 173,062.	$ 152,797.	$ 20,265.
Other salaries for instruction	19,797.	449.	20,246.	18,457.	1,789.
General supplies	3,000.	(1,280.)	1,720.	1,027.	693.
Textbooks		580.	580.	570.	10.
Total resource room/resource center	196,081.	(473.)	195,608.	172,851.	22,757.
Total special education-instruction	331,932.	3,290.	335,222.	306,312.	28,910.
Basic skills/remedial-instruction:					
Salaries of teachers	121,959.	(63,501.)	58,458.	45,527.	12,931.
General supplies	420.		420.		420.
Total basic skills/remedial-instruction	122,379.	(63,501.)	58,878.	45,527.	13,351.
School sponsored co-curricular act-instruction:					
Salaries	1,000.		1,000.	647.	353.
Total school spon co-curricular act-instruction	1,000.	0.	1,000.	647.	353.
School sponsored athletics-instruction:					
Salaries		1,800.	1,800.	1,800.	
Total school sponsored athletics-instruction	0.	1,800.	1,800.	1,800.	0.
Total instruction	1,867,504.	38,194.	1,905,698.	1,795,827.	109,871.

DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Undistributed expenditures:					
Instruction:					
Tuition-other LEAs with state-regular	$	$ 10,298.	$ 10,298.	$ 10,296.	$ 2.
Tuition-other LEAs w/in state-special	61,537.	11,860.	73,397.	73,334.	63.
Tuition-co spec serv & reg day schools	78,679.	39,018.	117,697.	117,304.	393.
Tuition-private schools/handicapped within state	40,423.	(26,423.)	14,000.	13,195.	805.
Total undistributed expenditures-instruction	180,639.	34,753.	215,392.	214,129.	1,263.
Health services:					
Salaries	52,695.	1,573.	54,268.	53,222.	1,046.
Purchased prof/technical services	3,200.	(1,410.)	1,790.	1,712.	78.
Other purchased services	287.	(85.)	202.	182.	20.
Supplies and materials	875.	85.	960.	951.	9.
Other objects	50.		50.		50.
Total health services	57,107.	163.	57,270.	56,067.	1,203.
Speech/Occupational/Physical Therapy and Related Serv.					
Salaries		12.	12.	12.	
Purchased professional/educational services	12,000.	8,145.	20,145.	20,141.	4.
Other objects	75.	(12.)	63.		63.
Total other sup services-students-related services	12,075.	8,145.	20,220.	20,153.	67.
Other support services-extraordinary services:					
Purchased professional/educational services	12,000.	(4,995.)	7,005.	6,919.	86.
Total other support services-extraordinary services	12,000.	(4,995.)	7,005.	6,919.	86.
Guidance:					
Other purchased professional/technical services	800.		800.		800.
Supplies and materials	750.		750.		750.
Total other support services-students-regular	1,550.	0.	1,550.	0.	1,550.

DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Child Study Team:					
Salaries of other professional staff	$ 103,102.	$ 8,686.	$ 111,788.	$ 74,211.	$ 37,577.
Salaries of secretarial/clerical assistants	15,783.	286.	16,069.	13,404.	2,665.
Purchased professional/educational services	40,000.		40,000.	38,650.	1,350.
Miscellaneous purchased services	200.		200.	48.	152.
Supplies and materials	1,500.		1,500.	1,446.	54.
Total Child Study Team	160,585.	8,972.	169,557.	127,759.	41,798.
Improvement of instr serv/other support:					
Salaries of secretarial and clerical assts.	11,915.	82.	11,997.	11,674.	323.
Total improvement of instr serv/other supp ser-instr staff	11,915.	82.	11,997.	11,674.	323.
Educational media services/school library:					
Salaries	42,624.	83.	42,707.	40,345.	2,362.
Purchased professional/technical services	2,000.	137.	2,137.	2,137.	
Other purchased services	500.	(347.)	153.		153.
Supplies and materials		1,095.	1,095.	1,093.	2.
Total educational media services/school library	45,124.	968.	46,092.	43,575.	2,517.
Instructional staff training services:					
Other purchased services	750.		750.	356.	394.
Total instructional staff training services	750.	0.	750.	356.	394.

DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Support services-general administration:					
Salaries	$ 155,134.	$(1,530.)	$ 153,604.	$ 153,547.	$ 57.
Legal services	13,000.	1,530.	14,530.	14,530.	
Audit fees	15,000.		15,000.	15,000.	
Other purchased professional services	7,038.	(2,500.)	4,538.	4,506.	32.
Purchased technical services	250.		250.		250.
Communications/telephone	13,500.	5,810.	19,310.	19,261.	49.
Other purchased services	500.	(20.)	480.		480.
Miscellaneous purchased services	14,218.	2,996.	17,214.	15,405.	1,809.
General supplies	500.	220.	720.	658.	62.
BOE in house training/meeting supplies	500.	(200.)	300.	26.	274.
Miscellaneous expenditures	2,500.	2,349.	4,849.	4,797.	52.
BOE member dues/fees	4,000.		4,000.	2,984.	1,016.
Total support services-general administration	226,140.	8,655.	234,795.	230,714.	4,081.
Support services school administration:					
Salaries of other professional staff	73,549.	(5,800.)	67,749.	60,123.	7,626.
Salaries of secretarial and clerical assistants	15,886.	(243.)	15,643.	6,527.	9,116.
Purchased professional/technical services	125.	(125.)			
Other purchased services	250.		250.	92.	158.
Supplies and materials	600.	425.	1,025.	1,004.	21.
Other objects	1,200.	1,540.	2,740.	1,640.	1,100.
Total support services school administration	91,610.	(4,203.)	87,407.	69,386.	18,021.
Central Services:					
Salaries	41,438.		41,438.	41,438.	
Purchased professional services	73,983.	(15.)	73,968.	73,768.	200.
Purchased technical services	8,000.	735.	8,735.	8,733.	2.
Miscellaneous purchased services	100.		100.		100.
Supplies and materials	1,000.	(410.)	590.	489.	101.
Interest on lease purchase agreement	16,751.		16,751.	16,549.	202.
Other objects	200.		200.	82.	118.
Total central services	141,472.	310.	141,782.	141,059.	723.
Required maintenance for school facilities:					
Cleaning, repair and maintenance services	36,000.	(440.)	35,560.	31,000.	4,560.
General supplies	1,500.	(700.)	800.	29.	771.
Total required maintenance for school facilities	37,500.	(1,140.)	36,360.	31,029.	5,331.

DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Custodial services:					
Salaries	$ 39,724.	$ 918.	$ 40,642.	$ 38,945.	$ 1,697.
Purchased professional/technical services	164,896.	(37,983.)	126,913.	120,809.	6,104.
Cleaning, repair and maintenance services	18,300.	1,132.	19,432.	15,795.	3,637.
Other purchased property service	250.		250.		250.
Insurance	25,447.	(1,300.)	24,147.	24,114.	33.
Miscellaneous purchased services	750.		750.	468.	282.
General supplies	4,398.	10,050.	14,448.	11,891.	2,557.
Energy (natural gas)	57,180.	(24,250.)	32,930.	29,176.	3,754.
Energy (electricity)	106,679.	4,200.	110,879.	110,856.	23.
Other objects	500.		500.		500.
Total other operation and mainten of plant services	418,124.	(47,233.)	370,891.	352,054.	18,837.
Care and upkeep of grounds:					
Salaries	9,931.	230.	10,161.	9,737.	424.
General supplies	8,974.		8,974.	913.	8,061.
Total care and upkeep of grounds	18,905.	230.	19,135.	10,650.	8,485.
Total operation and maintenance of plant services	474,529.	(48,143.)	426,386.	393,733.	32,653.
Students transportation services:					
Salaries for pupil transportation	5,850.		5,850.	5,442.	408.
Management fee-ESC & CTSA trans program	3,766.		3,766.		3,766.
Aid in lieu-non-public	24,678.	6,500.	31,178.	30,788.	390.
Contracted services (not home/school) vendors		13,000.	13,000.	9,762.	3,238.
Contracted services (home/school) joint agreements	194,026.	13,060.	207,086.	186,723.	20,363.
Contracted services (special ed) ESCs	118,261.	3,320.	121,581.	121,502.	79.
Total student transportation services	346,581.	35,880.	382,461.	354,217.	28,244.
Unallocated Benefits:					
Social security contribution	41,618.	(4,400.)	37,218.	37,155.	63.
Other retirement contributions-regular	32,281.	2,700.	34,981.	34,921.	60.
Unemployment compensation	15,000.		15,000.	9,534.	5,466.
Workmen's compensation	24,583.		24,583.	22,207.	2,376.
Health benefits	762,573.	(23,900.)	738,673.	707,490.	31,183.
Tuition reimbursement	10,000.	(3,600.)	6,400.	1,000.	5,400.
Other employee benefits	5,000.		5,000.	1,088.	3,912.
Total unallocated benefits	891,055.	(29,200.)	861,855.	813,395.	48,460.

DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
On behalf TPAF pension contributions (non-budgeted)	$	$	$	$ 152,775.	$(152,775.)
Reimbursed TPAF soc sec contributions (non-budgeted)				134,341.	(134,341.)
Total undistributed expenditures	2,653,132.	11,387.	2,664,519.	2,770,252.	(105,733.)
Total expenditures-current expense	4,520,636.	49,581.	4,570,217.	4,566,079.	4,138.
CAPITAL OUTLAY:					
Facilities acquisition and construction services:					
Lease purchase agreement	55,041.		55,041.	55,039.	2.
Other objects	22,093.		22,093.	22,093.	
Total facilities acquisition and construction services	77,134.	0.	77,134.	77,132.	2.
Total capital outlay expendiutres	77,134.	0.	77,134.	77,132.	2.
Total expenditures	4,597,770.	49,581.	4,647,351.	4,643,211.	4,140.
Excess (deficiency) of revenues over (under) expenditures	(129,187.)	(49,581.)	(178,768.)	120,064.	298,832.

DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Other financing sources (uses):					
Operating transfers out:					
Transfer to/from food service fund	$(3,750.)	$	$(3,750.)	$	$ 3,750.
Maintenance Reserve-transfer to Capital Projects Fund				(169,089.)	(169,089.)
Total other financial sources (uses)	(3,750.)	0.	(3,750.)	(169,089.)	(165,339.)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(132,937.)	(49,581.)	(182,518.)	(49,025.)	133,493.
Fund balances, July 1	773,349.		773,349.	773,349.	
Fund balances, June 30	$ 640,412.	$(49,581.)	$ 590,831.	$ 724,324.	$ 133,493.

Recapitulation:	
Restricted Fund Balance:	
Capital Reserve	106,814.
Maintenance Reserve	105,782.
Excess surplus designated for subsequent year's expenditures	6,962.
Excess surplus-current year	183,910.
Committed Fund Balance:	
Year-end encumbrances	9,520.
Assigned Fund Balance:	
Designated for subsequent year's expenditures	47,204.
Unassigned Fund Balance:	264,132.
	724,324.
Reconciliation to Governmental Funds Statements (GAAP):	
Less State Aid Payments not recognized on GAAP basis	(201,458.)
Fund Balance per Governmental Funds (GAAP)	$ 522,866.

EXHIBIT C-2

DEERFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local sources	$ 4,029.	$	$ 4,029.	$ 4,029.	$
State sources	106,980.		106,980.	99,212.	(7,768.)
Federal sources	369,552.		369,552.	295,849.	(73,703.)
Total revenues	$ 480,561.	$ 0.	$ 480,561.	$ 399,090.	$(81,471.)
EXPENDITURES:					
Instruction:					
Salaries of teachers	$ 169,079.	$	$ 169,079.	$ 157,327.	$ 11,752.
Other salaries for instruction	18,829.		18,829.	18,502.	327.
Purchased prof/tech services	3,600.		3,600.	1,925.	1,675.
Other purchased services	46,481.		46,481.	36,146.	10,335.
Tuition	93,790.		93,790.	93,790.	
General supplies	58,575.		58,575.	19,406.	39,169.
Other objects	422.		422.		422.
Total instruction	390,776.	0.	390,776.	327,096.	63,680.
Support Services:					
Salaries of other professional staff	34,497.		34,497.	23,799.	10,698.
Salaries of secretarial/clerical assist.	3,530.		3,530.	3,470.	60.
Personal services-employee benefits	34,518.		34,518.	32,488.	2,030.
Purchased technical services	7,009.		7,009.	6,019.	990.
Other purchased services	900.		900.	899.	1.
Supplies and materials	9,153.		9,153.	5,292.	3,861.
Other objects	178.		178.	27.	151.
Total support services	89,785.	0.	89,785.	71,994.	17,791.
Total expenditures	480,561.	0.	480,561.	399,090.	81,471.
Total outflows	$ 480,561.	$ 0.	$ 480,561.	$ 399,090.	$ 81,471.

EXHIBIT C-3

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund	Capital Projects Fund
Sources/inflows of resources:			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	$ 4,763,275.	$ 399,090.	$ 406,250.
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior year encumbrance	N/A	3,453.	N/A
Current year encumbrance	N/A	(2,862.)	N/A
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	238,257.	10,248.	0.
State aid payment recognized for budgetary purposes not recognized for GAAP statements until the subsequent year.	(201,458.)	(10,248.)	(220,074.)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	$ 4,800,074.	$ 399,681.	$ 186,176.
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 4,812,300.	$ 399,090.	$ 29,269.
Differences - budget to GAAP:			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Prior year encumbrance paid	N/A	3,453.	N/A
Current year encumbrance	N/A	(2,862.)	N/A
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 4,812,300.	$ 399,681.	$ 29,269.

SCHOOL LEVEL SCHEDULES

N/A

SPECIAL REVENUE FUND

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Title I Part A	Title I, Part A ARRA	Title II Part A	Title II Part D	I.D.E.A. Basic	I.D.E.A. Part B Basic ARRA
Revenues:						
Local sources	$	$	$	$	$	$
State sources						
Federal sources	115,110.	8,462.	18,990.	660.	93,790.	46,609.
Total revenues	$ 115,110.	$ 8,462.	$ 18,990.	$ 660.	$ 93,790.	$ 46,609.
Expenditures:						
Instruction:						
Salaries of teachers	$ 89,498.	$ 8,093.	$ 6,388.	$	$	$
Other salaries for instruction						
Purchased prof/tech services			1,925.			
Other purchased services	2,773.		6,109.	61.		24,670.
Tuition					93,790.	
General supplies	3,633.		940.	599.		965.
Total instruction	95,904.	8,093.	15,362.	660.	93,790.	25,635.
Support services:						
Salaries of other prof staff						15,781.
Other salaries						
Personal serv-employee bene.	19,129.	369.	690.			
Purchased technical services	50.		1,675.			4,294.
Other purchased services						899.
Supplies and materials			1,263.			
Other objects	27.					
Total support services	19,206.	369.	3,628.	0.	0.	20,974.
Total expenditures	$ 115,110.	$ 8,462.	$ 18,990.	$ 660.	$ 93,790.	$ 46,609.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	I.D.E.A. Part B Pre-School	REAP	Local Grant	Pre-School Education Program	Totals 2011
Revenues:					
Local sources	$	$	$ 4,029.	$	$ 4,029.
State sources				99,212.	99,212.
Federal sources	2,533.	9,695.			295,849.
Total revenues	$ 2,533.	$ 9,695.	$ 4,029.	$ 99,212.	$ 399,090.
Expenditures:					
Instruction:					
Salaries of teachers	$	$	$	$ 53,348.	$ 157,327.
Other salaries for instruction				18,502.	18,502.
Purchased prof/tech services					1,925.
Other purchased services	2,533.				36,146.
Tuition					93,790.
General supplies		9,695.		3,574.	19,406.
Total instruction	2,533.	9,695.	0.	75,424.	327,096.
Support services:					
Salaries of other prof staff				8,018.	23,799.
Other salaries				3,470.	3,470.
Personal serv-employee bene.				12,300.	32,488.
Purchased technical services					6,019.
Other purchased services					899.
Supplies and materials			4,029.		5,292.
Other objects					27.
Total support services	0.	0.	4,029.	23,788.	71,994.
Total expenditures	$ 2,533.	$ 9,695.	$ 4,029.	$ 99,212.	$ 399,090.

EXHIBIT E-2

DEERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRE-SCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Total		
	Budgeted	Actual	Variance
Expenditures:			
Instruction:			
Salaries-teachers	$ 53,803.	$ 53,348.	$ 455.
Other salaries for instruction	18,829.	18,502.	327.
General supplies	10,500.	3,574.	6,926.
Total instruction	83,132.	75,424.	7,708.
Support services:			
Salaries of other professional staff	8,018.	8,018.	
Salaries of secretarial/clerical assistants	3,530.	3,470.	60.
Personal services-employee benefits	12,300.	12,300.	
Total support services	23,848.	23,788.	60.
Total expenditures	$ 106,980.	$ 99,212.	$ 7,768.

Calculation of Budget and Carryover

2010-2011 Pre-School Education Aid Allication	$ 102,480.
Add: Actual ECPA carryover (June 30, 2010)	7,118.
Add: Budgeted Transfer from the General Fund 2010-2011	0.
Total Pre-School Education Aid Funds Available for 2010-2011 Budget	109,598.
Less: 2010-2011 Budgeted Pre-School Education Aid Prior Year Budget C/O	(106,980.)
Available and Unbudgeted Pre-School Education Aid Funds as of June 30, 2011	2,618.
Add: June 30, 2011 Unexpended Pre-School Education Aid	7,768.
2010-2011 Carryover-Pre-School Education Aid/Pre-School	$ 10,386.
2010-2011 Pre-School Education Aid Carryover Budgeted for Pre-School Programs 2011-2012	$ 11,700.

CAPITAL PROJECTS FUND

EXHIBIT F-1

DEERFIELD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2011

Number Issue/Project Title	Appropriations	Expenditures to Date Prior Year	Expenditures to Date Current Year	Unexpended Balance June 30, 2011
Roof and EIFS Replacement	$ 406,250.	$ 0.	$ 29,269.	$ 376,981.
Total	$ 406,250.	$ 0.	$ 29,269.	$ 376,981.

EXHIBIT F-2

DEERFIELD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

Revenues and Other Financing Sources:	
State Sources - SDA Grant	$ 237,161.
Transfer from Maintenance Reserve	169,089.
Total revenues and other financing sources	406,250.
Expenditures and Other Financing Uses:	
Purchased professional and technical services	29,269.
Total expenditures and other financing uses	29,269.
Excess (deficiency) of revenues over (under) expenditures	376,981.
Fund balance - beginning	0.
Fund balance - ending	$ 376,981.

EXHIBIT F-2a

DEERFIELD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
ADDITION TO ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
State sources - SDA Grant	$	$ 237,161.	$ 237,161.	$ 237,161.
Transfer from Maintenance Reserve		169,089.	169,089.	169,089.
Total revenues	0.	406,250.	406,250.	406,250.
Expenditures and Other Financing Uses:				
Purchased professional and technical services		29,269.	29,269.	37,625.
Construction services				357,500.
Other				11,125.
Total expenditures	0.	29,269.	26,269.	406,250.
Excess (deficiency) or revenues over (under) expenditures	$ 0.	$ 376,981.	$ 376,981.	$ 0.

Additional project information:	
DOE Project Number	1020-040-10-1001
SDA Project Number	1020-040-10-GOCI
Grant Number	G5-4130
Grant Date/Letter of Notification	2/3/2011
Bond Authorization Date	N/A
(Referendum Date)	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 406,250.
Additional Authorized Cost	N/A
Revised Authorized Cost	$ 406,250.
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	7.00%
Original Target Completion Date	August, 2011
Revised Target Completion Date	August, 2011

PROPRIETARY FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

> **Food Service Fund – This fund accounts for the operation of the food services program in the district.**

Internal service funds are created to provide goods or services to other governmental operating units. The objective of an internal service fund is not to make a profit but to recover over a period of time the cost of providing goods or services.

> **Music and Speech Teachers Consortium – This fund provides professional services to other school districts within the Cumberland County area.**

> **Child Study Team – This fund provides Child Study Team services to another school district in Cumberland County.**

ENTERPRISE FUNDS

EXHIBIT G-1

DEERFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT BALANCE SHEET
AS OF JUNE 30, 2011

	Food Service Fund	Total
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 48,095.	$ 48,095.
Accounts receivable:		
State	152.	152.
Federal	6,479.	6,479.
Inventories	4,450.	4,450.
Total current assets	59,176.	59,176.
Fixed assets:		
Equipment	162,200.	162,200.
Accumulated depreciation	(162,200.)	(162,200.)
Total fixed assets	0.	0.
Total assets	$ 59,176.	$ 59,176.
LIABILITIES AND NET ASSETS:		
Liabilities:		
Current liabilities:		
Accounts payable	$ 11,573.	$ 11,573.
Deferred revenue	2,180.	2,180.
Total current liabilities	13,753.	13,753.
NET ASSETS:		
Unrestricted	45,423.	45,423.
Total net assets	45,423.	45,423.
Total liabilities and net assets	$ 59,176.	$ 59,176.

EXHIBIT G-2

DEERFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Service Fund	Total
OPERATING REVENUES:		
Local sources:		
Daily sales-reimbursable programs		
School lunch and breakfast program	$ 46,680.	$ 46,680.
Miscellaneous	24,978.	24,978.
Total operating revenues	71,658.	71,658.
OPERATING EXPENSES:		
Salaries	44,380.	44,380.
Employee benefits	6,294.	6,294.
Cost of sales	65,670.	65,670.
Management fees	20,695.	20,695.
Supplies and materials	13,096.	13,096.
Repair & Maintenance	532.	532.
Other purchased services	3,852.	3,852.
Miscellaneous	5,236.	5,236.
Total operating expenses	159,755.	159,755.
Operating income/(loss)	(88,097.)	(88,097.)
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	2,192.	2,192.
Federal sources:		
National school breakfast program	21,134.	21,134.
National school lunch program	72,467.	72,467.
Food distribution program	10,159.	10,159.
Total nonoperating revenues	105,952.	105,952.
Net (loss)	17,855.	17,855.
Net assets - July 1	27,568.	27,568.
Net assets - June 30	$ 45,423.	$ 45,423.

EXHIBIT G-3

DEERFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
ALL PROPRIETY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 71,658.	$ 71,658.
Cash payments to suppliers for goods and services	(152,739.)	(152,739.)
Net cash used by operating activities	(81,081.)	(81,081.)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Cash received from state and federal reimbursements	98,718.	98,718.
Net cash provided by non-capital financing activities	98,718.	98,718.
Net increase/(decrease) in cash and cash equivalents	17,637.	17,637.
Cash and cash equivalents - July 1	30,458.	30,458.
Cash and cash equivalents - June 30	$ 48,095.	$ 48,095.
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:		
Operating income/(loss)	$(88,097.)	$(88,097.)
Adjustments to reconcile operating (loss) to cash provided (used) by operating activities:		
Federal commodities	10,159.	10,159.
Increase in inventory	(1,462.)	(1,462.)
Change in assets and liabilties:		
Increase/(decrease) in accounts payable	(2,262.)	(2,262.)
Increase/(decrease) in deferred revenue	581.	581.
Net cash provided by (used) by operating activities	$(81,081.)	$(81,081.)

INTERNAL SERVICE FUND

EXHIBIT G-4

DEERFIELD TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
AS OF JUNE 30, 2011

	Child Study Team	Speech Teacher Consortium	Music Teacher Consortium	Total
ASSETS:				
Current assets:				
Cash and cash equivalents	$ 14,912.	$ 3,676.	$ 8,316.	$ 26,904.
Total current assets	14,912.	3,676.	8,316.	26,904.
Total assets	$ 14,912.	$ 3,676.	$ 8,316.	$ 26,904.
LIABILITIES:				
Current liabilities:				
Accounts payable	$ 780.	$	$	$ 780.
Current liabilities			787.	787.
Total liabilities	780.	0.	787.	1,567.
NET ASSETS:				
Unrestricted	14,132.	3,676.	7,529.	25,337.
Total net assets	14,132.	3,676.	7,529.	25,337.
Total liabilities and net assets	$ 14,912.	$ 3,676.	$ 8,316.	$ 26,904.

EXHIBIT G-5

DEERFIELD TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Child Study Team	Speech Teacher Consortium	Music Teacher Consortium	Total
OPERATING REVENUES:				
Local sources:				
Charges and fees	$ 58,572.	$	$ 2,715.	$ 61,287.
Total operating revenues	58,572.	0.	2,715.	61,287.
OPERATING EXPENSES:				
Salaries	50,622.			50,622.
Repair and maintenance	1,500.			1,500.
Supplies	852.			852.
Miscellaneous	689.			689.
Total operating expenses	53,663.	0.	0.	53,663.
Operating income/(loss)	4,909.	0.	2,715.	7,624.
NET ASSETS - JULY 1	9,223.	3,676.	4,814.	17,713.
NET ASSETS - JUNE 30	$ 14,132.	$ 3,676.	$ 7,529.	$ 25,337.

EXHIBIT G-6

DEERFIELD TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Child Study Team	Speech Teacher Consortium	Music Teacher Consortium	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	$ 58,572.	$	$ 5,430.	$ 64,002.
Cash payments to employees for services	(50,622.)		(84.)	(50,706.)
Cash payments to suppliers	(2,261.)			(2,261.)
Net cash provided (used) by operating activities	5,689.	0.	5,346.	11,035.
Cash and cash equivalents - July 1	9,223.	3,676.	2,970.	15,869.
Cash and cash equivalents - June 30	$ 14,912.	$ 3,676.	$ 8,316.	$ 26,904.
Reconciliation of operating income/(loss) to net cash provided/ (used) by operating activities:				
Operating income/(loss)	$ 4,909.	$	$ 2,715.	$ 7,624.
Adjustments to reconcile operating income to net cash provided by operating activities:				
Change in assets and liabilities:				
(Increase)/decrease in accounts receivable			2,715.	2,715.
Increase/(decrease) in accounts payable	780.		(84.)	696.
Net cash provided (used in) operating activities	$ 5,689.	$ 0.	$ 5,346.	$ 11,035.

FIDUCIARY FUND

Trust funds are used to account for gifts and bequests to the school district for a specific purpose.

> **<u>Scholarship Trust Fund</u> – This is an expendable trust fund used to account for assets held by the district for grants to students where there are no restrictions regarding the use of principal and income.**

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

> **<u>Student Activity Fund</u> – This agency fund is used to account for student funds held at the school.**
>
> **<u>Payroll Fund</u> – This agency fund is used to account for the payroll transactions of the school district.**

EXHIBIT H-1

DEERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2011

	Expendable Trust Scholarship	Student Activity	Agency Fund	Total
ASSETS:				
Cash and cash equivalents	$ 265.	$ 28,750.	$ 1,267.	$ 30,282.
Total assets	$ 265.	$ 28,750.	$ 1,267.	$ 30,282.
LIABILITIES AND NET ASSETS:				
Liabilities:				
Due to student groups	$	$ 28,750.	$	$ 28,750.
Due to payroll withholdings			1,267.	1,267.
Total liabilities	$ 0.	$ 28,750.	$ 1,267.	$ 30,017.
Net Assets:				
Reserved - Expendable Trust Scholarship	$ 265.	$	$	$ 265.
Total net assets	$ 265.	$ 0.	$ 0.	$ 265.

EXHIBIT H-2

DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHOLARSHIP EXPENDABLE TRUST FUND
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

OPERATING REVENUES:	
Local sources:	
Interest on investments	$ 0.
Total operating revenues	0.
OPERATING EXPENSES:	
Scholarship payments	(50.)
Total operating expenses	(50.)
Change in net assets	(50.)
NET ASSETS, JULY 1	315.
NET ASSETS, JUNE 30	$ 265.

EXHIBIT H-3

DEERFIELD TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Cash Balance July 1, 2010	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2011
Deerfield Township School	$ 22,137.	$ 34,422.	$ 27,809.	$ 28,750.
Total	$ 22,137.	$ 34,422.	$ 27,809.	$ 28,750.

EXHIBIT H-4

DEERFIELD TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
ASSETS:				
Cash and cash equivalents	$(5.)	$ 2,720,303.	$ 2,719,031.	$ 1,267.
Total assets	$(5.)	$ 2,720,303.	$ 2,719,031.	$ 1,267.
LIABILITIES:				
Net payroll	$	$ 1,584,115.	$ 1,584,115.	$
Payroll deductions and withholdings	(5.)	1,136,188.	1,134,916.	1,267.
Total liabilities	$(5.)	$ 2,720,303.	$ 2,719,031.	$ 1,267.

LONG-TERM DEBT

The long-term debt section consists of the schedules of obligations under serial bonds, school refunding bonds and capital leases.

EXHIBIT I-1

DEERFIELD TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2011

Issue	Date of Issue	Amount Original Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
School Project	12/1/2001	$ 1,788,000.	12/1/2008-13	50,000.	4.95%				
			12/1/2014-18	90,000.	4.95%				
			12/1/2019-25	100,000.	4.95%				
			12/1/2026	88,000.	4.95%	1,438,000.		1,438,000.	0.
School Refunding	7/1/2003	$ 2,720,000.	6/1/2008	240,000.	2.25%				
			6/1/2009	300,000.	2.50%				
			6/1/2010	295,000.	2.80%				
			6/1/2011	290,000.	3.00%				
			6/1/2012	285,000.	3.15%				
			6/1/2013	270,000.	3.25%	845,000.		290,000.	555,000.
School Refunding	3/30/2011	$ 1,460,000.	12/1/2011	45,000.	2.00%				
			12/1/2012	55,000.	2.00%				
			12/1/2013	65,000.	2.00%				
			12/1/2014	105,000.	2.00%				
			12/1/2015	100,000.	2.25%				
			12/1/2016	100,000.	2.50%				
			12/1/2017	100,000.	3.00%				
			12/1/2021	405,000.	3.50%				
			12/1/2026	485,000.	4.125%		1,460,000.		1,460,000.
						$ 2,283,000.	$ 1,460,000.	$ 1,728,000.	$ 2,015,000.

EXHIBIT I-2

DEERFIELD TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2011

Series	Term	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2010	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2011
Building Energy Conversion		4.89%	$ 250,000.	$ 89,581.	$	$ 28,430.	$ 61,151.
HVA System	60 months	3.62%					
	120 months	4.29%	308,140.	285,963.		26,609.	259,354.
Total				$375,544.	$ 0.	$55,039.	$320,505.

EXHIBIT I-3

DEERFIELD TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	$ 293,190.	$	$ 293,190.	$ 293,190.	$
Total local sources:	293,190.	0.	293,190.	293,190.	0.
State sources:					
Debt service aid - type II	143,205.		143,205.	143,205.	
Total state sources	143,205.	0.	143,205.	143,205.	0.
Total revenues	436,395.	0.	436,395.	436,395.	0.
EXPENDITURES:					
Regular debt service:					
Interest	96,397.		96,397.	95,063.	
Redemption of principal	340,000.		340,000.	340,000.	
Total regular debt service	436,397.	0.	436,397.	435,063.	0.
Total expenditures	436,397.	0.	436,397.	435,063.	0.
Excess (deficiencies) of revenues over/ (under) expenditures before other financing sources (uses)	(2.)		(2.)	1,332.	1,334.
Other financing sources (uses):					
Excess proceeds from issuance of refunding bonds				11,127.	11,127.
Total other financing sources (uses)	0.	0.	0.	11,127.	11,127.
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2.)		(2.)	12,459.	12,461.
Fund balance, July 1	2.		2.	2.	
Fund balance, June 30	$ 0.	$ 0.	$ 0.	$ 12,461.	$ 12,461.

STATISTICAL SECTION

FINANCIAL TRENDS

EXHIBIT J-1

DEERFIELD TOWNSHIP BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities:								
Invested in capital assets, net of related debt	$ 1,075,058.	$ 1,232,594.	$ 1,428,838.	$ 1,510,952.	$ 1,646,421.	$ 1,891,902.	$ 2,098,384.	$ 2,255,014.
Restricted	256,110.	208,023.	272,883.	4,385.	91,095.	476,359.	515,237.	582,356.
Unrestricted	(149,637.)	19,112.	146,204.	310,198.	313,618.	21,554.	(27,477.)	112,783.
Total governmental activities net assets	$ 1,181,531.	$ 1,459,729.	$ 1,847,925.	$ 1,825,535.	$ 2,051,134.	$ 2,389,815.	$ 2,586,144.	$ 2,950,153.
Business-Type Activities:								
Invested in capital assets, net of related debt	$ 41,258.	$ 30,444.	$ 19,632.	$ 8,820.	$	$	$	$
Unrestricted	17,048.	11,676.	10,964.	4,316.	7,800.	21,300.	27,568.	45,423.
Total business-type activites net assets	$ 58,306.	$ 42,120.	$ 30,596.	$ 13,136.	$ 7,800.	$ 21,300.	$ 27,568.	$ 45,423.
District-Wide:								
Invested in capital assets, net of related debt	$ 1,116,316.	$ 1,263,038.	$ 1,448,470.	$ 1,519,772.	$ 1,646,421.	$ 1,891,902.	$ 2,098,384.	$ 2,255,014.
Restricted	256,110.	208,023.	272,883.	4,385.	91,095.	476,359.	515,237.	582,356.
Unrestricted	(132,589.)	30,788.	157,168.	314,514.	321,418.	42,854.	91.	158,206.
Total District Net Assets	$ 1,239,837.	$ 1,501,849.	$ 1,878,521.	$ 1,838,671.	$ 2,058,934.	$ 2,411,115.	$ 2,613,712.	$ 2,995,576.

DEERFIELD TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Governmental activities								
Instruction:								
Regular	$ 1,518,910.	$ 1,705,993.	$ 1,888,336.	$ 1,354,880.	$ 1,687,146.	$ 1,819,657.	$ 1,529,096.	$ 1,529,596.
Special education	264,814.	277,674.	424,729.	677,689.	333,490.	362,020.	534,480.	559,944.
Other special education				63,654.	82,940.	52,044.	114,955.	45,527.
Other instruction	11,009.	31,306.	75,917.	17,014.	18,144.	13,648.	13,951.	4,404.
Support Services:								
Tuition	204,470.	43,837.	96,139.	281,931.	288,676.	208,872.	312,639.	307,919.
Student & instruction related services	256,727.	328,811.	498,478.	324,719.	350,122.	386,651.	354,137.	329,304.
School administrative services	101,860.	94,799.	81,496.	80,007.	76,089.	73,349.	110,514.	73,300.
General & business administrative services	327,067.	327,062.	395,123.	343,858.	377,423.	374,398.	376,516.	383,514.
Plant operations & maintenance	381,987.	410,942.	564,981.	470,151.	462,773.	491,627.	446,861.	421,128.
Pupil transportation	223,223.	250,374.	290,641.	312,525.	344,463.	335,221.	402,119.	367,913.
Capital outlay	2,030.							
Employee benefits	658,635.	749,220.		1,052,651.	1,132,956.	971,156.	1,055,434.	1,136,952.
Internal service funds	53,674.	58,716.	58,852.	87,628.	86,588.	49,117.	78,735.	53,663.
Unallocated depreciation				6,814.	5,433.	5,682.	5,942.	5,870.
State debt service assessment								22,093.
Amortization of debt issuance cost				11,222.	9,352.	9,352.	9,352.	13,148.
Interest on long-term debt	163,584.	86,523.	66,275.	128,163.	124,981.	116,276.	106,296.	107,347.
Total governmental activities	4,168,190.	4,365,257.	4,440,967.	5,212,906.	5,380,576.	5,269,070.	5,451,027.	5,361,622.
Business-type activities:								
Food service	113,494.	131,950.	130,559.	132,116.	144,805.	143,196.	158,952.	159,755.
Total business-type activities expense	113,494.	131,950.	130,559.	132,116.	144,805.	143,196.	158,952.	159,755.
Total district expenses	$ 4,281,684.	$ 4,497,207.	$ 4,571,526.	$ 5,345,022.	$ 5,525,381.	$ 5,412,266.	$ 5,609,979.	$ 5,521,377.
Program Revenues								
Governmental Activities:								
Charges for Services:								
Internal service fund	$ 53,674.	$ 58,716.	$ 58,852.	$ 87,628.	$ 86,588.	$ 57,313.	$ 84,576.	$ 61,287.
Operating grants & contributions	660,057.	769,267.	497,744.	472,576.	478,471.	301,861.	299,694.	287,116.
Total governmental activities program revenues	713,731.	827,983.	556,596.	560,204.	565,059.	359,174.	384,270.	348,403.
Business type activities:								
Charges for services								
Food service	54,229.	52,521.	52,140.	44,485.	49,508.	70,286.	51,990.	71,658.
Operating grants and contributions	43,942.	56,181.	62,632.	70,171.	89,961.	86,410.	113,230.	105,952.
Total business type activities	98,171.	108,702.	114,772.	114,656.	139,469.	156,696.	165,220.	177,610.
Total district program revenues	$ 811,902.	$ 936,685.	$ 671,368.	$ 674,860.	$ 704,528.	$ 515,870.	$ 549,490.	$ 526,013.

DEERFIELD TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Net (Expense) Revenue								
Governmental actities	$(3,454,459.)	$(3,537,274.)	$(3,884,371.)	$(4,652,702.)	$(4,815,517.)	$(4,909,896.)	$(5,066,757.)	$(5,013,219.)
Business type activities	(15,323.)	(23,248.)	(15,787.)	(17,460.)	(5,336.)	13,500.	6,268.	17,855.
Total district-wide net expense	$(3,469,782.)	$(3,560,522.)	$(3,900,158.)	$(4,670,162.)	$(4,820,853.)	$(4,896,396.)	$(5,060,489.)	$(4,995,364.)
General Revenues & Other Changes in Net Assets								
Governmental activities:								
Property taxes levied for general purposes, net	$ 1,629,839.	$ 1,599,210.	$ 1,743,257.	$ 1,933,690.	$ 2,084,272.	$ 2,119,361.	$ 2,139,361.	$ 2,197,331.
Taxes levied for debt service	285,466.	289,708.	278,868.	262,080.	414,981.	281,010.	276,596.	293,190.
Grants and contributions	1,867,435.	1,914,818.	2,222,630.	2,421,950.	2,492,300.	2,755,518.	2,838,741.	2,868,107.
Tuition received					11,357.	18,602.	3,361.	
Investment earnings	2,285.	13,383.		47,085.	32,356.	8,978.	1,484.	1,397.
Miscellaneous income	25,740.	5,415.	35,812.	3,802.	3,867.	65,108.	3,543.	6,076.
Adjustments to fixed assets				(38,295.)	1,983.			
Excess proceeds from issuance of refunding of bonds								11,127.
Transfers	(12,000.)	(10,738.)	(8,000.)					
Total governmental activities	3,798,765.	3,811,796.	4,272,567.	4,630,312.	5,041,116.	5,248,577.	5,263,086.	5,377,228.
Business-type activities:								
Cancellation of prior year receivables			(3,737.)					
Transfers	12,000.	10,738.	8,000.					
Total business-type activities	12,000.	10,738.	4,263.	0.	0.	0.	0.	0.
Total district-wide	$ 3,810,765.	$ 3,822,534.	$ 4,276,830.	$ 4,630,312.	$ 5,041,116.	$ 5,248,577.	$ 5,263,086.	$ 5,377,228.
Change in net assets								
Governmental activities	$ 344,306.	$ 274,522.	$ 388,196.	$(22,390.)	$ 225,599.	$ 338,681.	$ 196,329.	$ 364,009.
Business-type activities	(3,323.)	(12,510.)	(11,524.)	(17,460.)	(5,336.)	13,500.	6,268.	17,855.
Total district	$ 340,983.	$ 262,012.	$ 376,672.	$(39,850.)	$ 220,263.	$ 352,181.	$ 202,597.	$ 381,864.

EXHIBIT J-3

DEERFIELD TOWNSHIP BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
General Fund								
Reserved	$ 236,610.	$ 208,023.	$ 272,883.	$ 136,735.	$ 251,767.	$ 476,357.	$ 515,235.	$ 460,192.
Unreserved	12,177.	116,196.	181,026.	229,102.	216,129.	58,541.	19,857.	62,674.
Total general fund	$ 248,787.	$ 324,219.	$ 453,909.	$ 365,837.	$ 467,896.	$ 534,898.	$ 535,092.	$ 522,866.
All Other Governmental Funds								
Unreserved, reported in:								
Special revenue fund	$(14,398.)	$(14,398.)	$(14,398.)	$(14,397.)	$(16,097.)	$(9,579.)	$(10,248.)	$(10,248.)
Capital projects fund	7,021.	1,137.	471.	471.	471.			156,907.
Debt service fund	19,717.	7,388.	7,172.	3,908.	3,908.	2.	2.	12,461.
Total all other governmental funds	$ 12,340.	$(5,873.)	$(6,755.)	$(10,018.)	$(11,718.)	$(9,577.)	$(10,246.)	$ 159,120.

The District converted to GASB 34 effective with the fiscal year ended June 30, 2004. Based on this, only eight years of information is presented.

Source: CAFR Schedule B-1

DEERFIELD TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST EIGHT FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	2010	2011
Revenues								
Tax levy	$ 1,915,305.	$ 1,888,918.	$ 2,022,125.	$ 2,195,770.	$ 2,346,131.	$ 2,400,371.	$ 2,415,957.	$ 2,490,521.
Tuition charges	10,139.				11,357.	18,602.	3,361.	
Interest earnings	2,285.	13,383.		47,085.	32,356.	8,978.	1,484.	1,397.
Miscellaneous	15,601.	5,415.	36,478.	3,802.	3,867.	65,108.	3,543.	6,076.
State sources	2,384,744.	2,453,821.	2,494,476.	2,678,628.	2,914,084.	2,830,630.	2,489,432.	2,858,330.
Federal sources	142,749.	230,265.	225,898.	215,898.	209,809.	226,749.	649,003.	296,893.
Total revenue	4,470,823.	4,591,802.	4,778,977.	5,141,183.	5,517,604.	5,550,438.	5,562,780.	5,653,217.
Expenditures								
Instruction:								
Regular instruction	1,503,339.	1,602,898.	1,461,727.	1,268,812.	1,605,647.	1,734,421.	1,439,960.	1,441,541.
Special education instruction	248,866.	260,894.	328,775.	658,067.	315,379.	343,078.	514,672.	540,376.
Other special instruction				63,654.	82,940.	50,150.	112,974.	45,527.
Other instruction	10,346.	29,414.	58,766.	13,507.	16,333.	13,648.	13,951.	2,447.
Support Services:								
Tuition	192,156.	41,188.	74,419.	281,931.	288,676.	208,872.	312,639.	307,919.
Student & instruction related services	241,266.	308,941.	397,219.	299,570.	328,389.	363,921.	330,367.	305,822.
General administration	307,370.	316,109.	305,859.	332,416.	366,557.	238,196.	219,212.	230,714.
School administration services	95,726.	76,200.	63,085.	76,242.	72,467.	69,561.	106,552.	69,386.
Central services						124,837.	145,419.	141,059.
Plant operations & maintenance	358,983.	386,108.	473,021.	441,920.	437,418.	465,109.	419,130.	393,733.
Pupil transportation	209,780.	235,244.	224,980.	299,098.	331,785.	321,962.	388,255.	354,217.
Employee benefits	658,835.	749,220.	763,122.	1,045,898.	1,132,079.	995,539.	1,048,432.	1,132,999.
Capital outlay	264,999.	58,123.	44,349.	23,434.		367,223.	59,561.	106,401.
Debt service:								
Principal	330,000.	310,000.	305,000.	295,000.	314,594.	375,812.	345,000.	340,000.
Interest & other charges	152,363.	149,506.	141,181.	132,969.	124,981.	117,106.	107,131.	95,063.
Total expenditures	4,574,029.	4,523,845.	4,641,503.	5,232,518.	5,417,245.	5,789,435.	5,563,255.	5,507,204.

DEERFIELD TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST EIGHT FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	2010	2011
Excess (deficiency) of revenues over/(under) expenditures	$(103,206.)	$ 67,957.	$ 137,474.	$(91,335.)	$ 100,359.	$(238,997.)	$(475.)	$ 146,013.
Other Financing Sources/(Uses):								
Capital leases (non-budgeted)						308,140.		
Excess proceeds from refunding								11,127.
Cancellation of receivables			(666.)					
Transfers in		7,170.		3,908.		471.		169,089.
Transfers out	(12,000.)	(17,908.)	(8,000.)	(3,908.)		(471.)		(169,089.)
Total other financing sources/(uses)	(12,000.)	(10,738.)	(8,666.)	0.		308,140.		11,127.
Net change in fund balances	$(115,206.)	$ 57,219.	$ 128,808.	$(91,335.)	$ 100,359.	$ 69,143.	$(475.)	$ 157,140.
Debt Service as a Percentage of Noncapital Expenditures	11.19%	10.29%	9.71%	8.22%	8.11%	9.09%	8.22%	8.06%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005. Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

EXHIBIT J-5

DEERFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30	Interest On Investments	Tuition Revenue	Other Local Governments	Miscellaneous	Total
2002	$ 4,326.	$ 19,086.	$ 60,000.	$ 6,926.	$ 90,338.
2003	5,911.	11,174.		13,741.	30,826.
2004	1,832.	10,139.		5,288.	17,259.
2005	12,097.			5,415.	17,512.
2006	28,861.			7,617.	36,478.
2007	47,085.			3,802.	50,887.
2008	32,356.	11,357.		3,867.	47,580.
2009	8,978.	18,602.		14,808.	42,388.
2010	1,484.	3,361.		68.	4,913.
2011	1,397.			2,047.	3,444.

Source: District records

REVENUE CAPACITY

EXHIBIT J-6

DEERFIELD TOWNSHIP BOARD OF EDUCATION
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

	Year Ended Dec. 31	Net Assessed Valuations	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
Deerfield Township	2001	$ 99,716,177.	$ 127,619,089.	78.14%
	2002	101,281,863.	129,870,084.	77.99%
	2003	104,410,023.	138,179,414.	75.56%
	2004	171,956,001.	151,941,354.	113.17%
	2005	171,360,347.	165,079,460.	103.80%
	2006	175,514,121.	175,966,921.	99.74%
	2007	181,724,786.	195,082,197.	93.15%
	2008	183,451,765.	248,607,502.	73.79%
	2009	186,638,215.	231,679,673.	80.56%
	2010	185,633,978.	225,667,615.	82.26%

Source: Abstract of Ratables, County Board of Taxation

EXHIBIT J-7

DEERFIELD TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per $100 of Assessed Value)

Fiscal Year Ended June 30,	Deerfield Township School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Cumberland Regional District	Deerfield Township	Cumberland County	
2001	N/A	N/A	$ 1.429	$ 0.758	$ 0.021	$ 1.217	$ 3.425
2002	N/A	N/A	1.659	0.803	0.019	1.219	3.700
2003	N/A	N/A	1.835	0.783	0.020	1.284	3.922
2004	N/A	N/A	1.099	0.667	0.012	0.858	2.636
2005	N/A	N/A	1.181	0.677	0.012	0.996	2.866
2006	$ 1.102	$ 0.149	1.251	0.660	0.013	1.048	2.972
2007	N/A	N/A	1.291	0.567	0.010	1.059	2.927
2008	N/A	N/A	1.309	0.612	0.011	1.291	3.223
2009	N/A	N/A	1.295	0.526	0.011	1.116	2.948
2010	N/A	N/A	1.342	0.529	0.011	1.098	2.980

Source: Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation as follows: The pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

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

EXHIBIT J-8

DEERFIELD TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO

	2010			2001		
Taxpayer	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	$ 5,485,600.		2.96%			
Pipitone Realty, LLC	2,329,100.		1.25%			
F&S Realty Assoc.	1,513,200.		0.82%	Information Not Available		
Shree Yogi,LLC	1,325,000.		0.71%			
Verizon	961,753.		0.52%			
LoBiondo Motor Express	755,300.		0.41%			
Taxpayer 2	597,600.		0.32%			
556 Irving Avenue	553,300.		0.30%			
4 Star R.E. LLC	553,000.		0.30%			
Taxpayer 3	549,700.		0.30%			
Total	$ 14,623,553.		7.88%	$ 0.		0.00%

Source: Municipal Tax Assessor

EXHIBIT J-9

DEERFIELD TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied For The Fiscal Year	Collected Within the Fiscal Year of the Levy (a)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	$ 1,424,190.	$ 1,424,190.	100.00%	$
2003	1,679,428.	1,679,428.	100.00%	
2004	1,915,305.	1,915,305.	100.00%	
2005	1,888,918.	1,888,918.	100.00%	
2006	2,022,125.	2,022,125.	100.00%	
2007	2,195,770.	2,195,770.	100.00%	
2008	2,346,133.	2,346,133.	100.00%	
2009	2,400,371.	2,400,371.	100.00%	
2010	2,415,957.	2,415,957.	100.00%	
2011	2,490,521.	2,490,521.	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

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

DEBT CAPACITY

DEERFIELD TOWNSHIP BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income (a)	Per Capita (a)
2002	$ 4,607,000.	$	$	$	$	$ 4,607,000.	6.317%	$ 1,551.
2003	4,407,000.		325,837.			4,732,837.	6.086%	1,564.
2004	4,178,000.		234,115.			4,412,115.	5.507%	1,433.
2005	3,868,000.		212,840.			4,080,840.	4.768%	1,298.
2006	3,563,000.		190,511.			3,753,511.	4.311%	1,174.
2007	3,268,000.		167,076.			3,435,076.	3.687%	1,063.
2008	2,978,000.		142,482.			3,120,482.	3.252%	963.
2009	2,628,000.		431,670.			3,059,670.	2.957%	938.
2010	2,283,000.		348,936.			2,631,936.	2.521%	804.
2011	2,015,000.		320,505.			2,335,505.	N/A	749.

Source: District CAFR Schedules I-1, I-2

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding.

EXHIBIT J-11

DEERFIELD TOWNSHIP BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

	General Bonded Debt Outstanding				
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
2002	$ 4,607,000.	$	$ 4,607,000.	4.55%	$ 179.
2003	4,407,000.		4,407,000.	4.22%	169.
2004	4,178,000.		4,178,000.	2.44%	153.
2005	3,868,000.		3,868,000.	2.26%	142.
2006	3,563,000.		3,563,000.	2.03%	124.
2007	3,268,000.		3,268,000.	1.80%	110.
2008	2,978,000.		2,978,000.	1.62%	94.
2009	2,628,000.		2,628,000.	1.41%	82.
2010	2,283,000.		2,283,000.	1.23%	N/A
2011	2,015,000.		2,015,000.	N/A	N/A

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

a See Exhibit NJ J-6 for property tax data.
b Population data can be found in Exhibit NJ J-14

EXHIBIT J-12

DEERFIELD TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes:			
Deerfield Township	$ 320,000.	100.00%	$ 320,000.
County of Cumberland - Township's Share	63,759,034.	2.341%	1,492,599.
Other Debt			
Cumberland Regional School District - Township's Share	1,488,072.	100.00%	1,488,072.
Subtotal, Overlapping Debt			3,300,671.
Deerfield Township School District Direct Debt			2,015,000.
Total Direct & Overlapping Debt			$ 5,315,671.

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

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

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

DEERFIELD TOWNSHIP BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	$	$	$ 4,048,879.	$ 4,424,598.	$ 4,755,552.	$ 5,175,561.	$ 5,976,982.	$ 6,530,276.	$ 6,919,863.	$ 6,709,840.
Total Net Debt Applicable to Limit			4,178,000.	3,868,000.	3,563,000.	3,268,000.	2,978,000.	2,628,000.	2,283,000.	2,015,000.
Legal Debt Margin	$ 0.	$ 0.	$(129,121.)	$ 556,598.	$ 1,192,552.	$ 1,907,561.	$ 2,998,982.	$ 3,902,276.	$ 4,636,863.	$ 4,694,840.
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit			103.19%	87.42%	74.92%	63.14%	63.14%	49.82%	40.24%	32.99%

Information for 1997 thru 2003 was unavailable.

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized Valuation Basis	
	2010	$ 222,137,574.
	2009	224,598,089.
	2008	224,248,343.
		$ 670,984,006.
Average Equalized Valuation of Taxable Property		$ 223,661,335.
Debt Limit (3 % of Average Equalization		6,709,840. (a)
Total Net Debt Applicable to Limit		2,015,000.
Legal Debt Margin		$ 4,694,840.

Source: Abstract of Ratables and District Records CAFR Schedule J-7.

(a) Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other district types.

DEMOGRAPHIC AND ECONOMIC INFORMATION

EXHIBIT J-15

DEERFIELD TOWNSHIP BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2010			2001		
Employer	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank (Optional)	Percentage of Total Municipal Employment

NO INFORMATION IS AVAILABLE

Source:

OPERATING INFORMATION

EXHIBIT J-16

DEERFIELD TOWNSHIP BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction:										
Regular					30.0	30.0	29.0	28.0	24.0	24.0
Special Education					7.0	10.0	9.0	6.0	8.0	6.0
Support Services:										
Student & Instruction Related Services					2.5	2.5	2.0	3.0	3.0	3.0
General Administrative Services					2.0	2.0	2.0	2.0	2.0	2.0
School Administrative Services					2.0	2.0	2.0	2.0	2.0	2.0
Business Administrative Services					1.0	1.0	1.5	1.5	1.5	1.5
Plant Operations & Maintenance					1.5	1.5	1.5	1.5	1.5	1.0
Total	0	0	0	0	46.0	49.0	47.0	44.0	42.0	39.5

Information for 2001 thru 2005 was unavailable.

Source: District Personnel Records

EXHIBIT J-17

DEERFIELD TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/ Teacher Ratio Elementary	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change In Average Daily Enrollment	Student Attendance Percentage
2002	344	$ 3,338,991.	$ 9,706.	(1.00)%			344.0	327.0	0.00%	93.60%
2003	346	3,723,915.	10,763.	11.00%			346.0	330.0	0.58%	95.06%
2004	355	3,826,667.	10,779.	0.00%	38	10:1	355.0	336.0	2.60%	95.38%
2005	337	4,008,216.	11,888.	10.00%	39	9:1	337.0	317.0	(5.07)%	94.65%
2006	343	4,150,973.	12,102.	2.00%	37	9:1	343.0	324.0	1.78%	94.07%
2007	373	4,781,115.	12,818.	6.00%	39	9:1	371.0	352.0	8.16%	94.55%
2008	358	4,977,670.	13,904.	8.47%	38	9:1	358.0	342.9	(3.50)%	94.88%
2009	360	4,929,294.	13,692.	(1.52)%	34	10:1	360.0	343.6	0.56%	95.78%
2010	385	5,051,563	13,121	(4.51)%	32	12:1	385.3	367.8	7.03%	95.45%
2011	373	4,965,740	13,313	1.46%	30	12:1	373.2	357.1	(3.14)%	95.69%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4.
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

EXHIBIT J-18

DEERFIELD TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

District Building	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Elementary:										
Deerfield Elementary School										
Square Feet	61,936	61,936	61,936	61,936	61,936	61,936	61,936	61,936	61,936	61,936
Capacity (Students)										
Enrollment	344	346	355	337	343	373	358	360	385	373

Number of Schools at June 30, 2011:
Elementary = 1

The capacity was unavailable for 2001 thru 2010.

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of additions.
Enrollment is based on the annual October district count.

EXHIBIT J-19

DEERFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-xxx

School Facilities	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Deerfield Township School	$ 31,029.	$ 31,434.	$ 33,605.	$ 33,117.	$ 89,092.	$ 114,106.	$ 43,217.	$ 19,674.	$ 11,124.	$ 49,587.
Total School Facilities	31,029.	31,434.	33,605.	33,117.	89,092.	114,106.	43,217.	19,674.	11,124.	49,587.
Total	$ 31,029.	$ 31,434.	$ 33,605.	$ 33,117.	$ 89,092.	$ 114,106.	$ 43,217.	$ 19,674.	$ 11,124.	$ 49,587.

Source: District records

EXHIBIT J-20

DEERFIELD TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2011
UNAUDITED

	Coverage	Deductible
School Package Policy - NJ School Board Association Insurance Group		
Property - Blanket Building & Contents	$300,000,000.	$ 5,000.
Electronic Data Processing	98,000.	1,000.
Boiler and Machinery	100,000,000.	5,000.
General Liability	6,000,000.	
Automobile	6,000,000.	
Crime	100,000.	1,000.
Errors and Omissions	5,000,000.	5,000.
Workmen's Compensation	2,000,000.	
Environmental - American Safety Insurance	1,000,000.	10,000.
Student Accident - Markel Insurance Co.	5,000,000.	25,000.
Public Employees' Faithful Performance Bonds		
NJ School Board Association Insurance Group		
Surety Bond - Treasurer	185,000.	
Surety Bond - Board Secretary/Business Administrator - Henry Bermann	35,000.	
Surety Bond - Board Secretary/Business Administrator - Melanie Allen	35,000.	

Source: District Records

Triantos & Delp
CERTIFIED PUBLIC ACCOUNTANTS, LLC

Thinking ahead to achieve success.

MEMBERS:
- American Institue of Certified Public Accountants
- New Jersey Society of Certified Public Accountants

Wayne H. Triantos, CPA
Samuel A. Delp, Jr., CPA

K-1

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 Education
Deerfield Township School District
County of Cumberland, New Jersey

We have audited the financial statements of the Board of Education of the Deerfield Township School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated August 19, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Deerfield Township Board of Education'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 Deerfield Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Deerfield Township Board of Education'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

645 South Main Road, Vineland, NJ 08360 • Phone (856) 691-9544 • (856) 691-6403 • Fax (856) 691-0427
www.triantosanddelp.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Deerfield Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. We noted certain matters that we reported to the Board of Education of the Deerfield Township School District in a separate report entitled, *Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance* dated August 19, 2011.

This report is intended for the information and use of the audit committee, management, the Deerfield Township Board of Education, 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.

Respectfully submitted,

Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

August 19, 2011

Triantos & Delp
CERTIFIED PUBLIC ACCOUNTANTS, LLC

Thinking ahead to achieve success.

MEMBERS:
- American Institue of Certified Public Accountants
- New Jersey Society of Certified Public Accountants

Wayne H. Triantos, CPA
Samuel A. Delp, Jr., CPA

K-2

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Honorable President and
Members of the Board of Education
Deerfield Township School District
County of Cumberland, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2011. Deerfield Township Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Deerfield Township Board of Education's management. Our responsibility is to express an opinion on the Deerfield Township Board of Education'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; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations;* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Deerfield Township Board of Education'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 of the Deerfield Township Board Education's compliance with those requirements.

In our opinion, the Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the fiscal year ended June 30, 2011.

645 South Main Road, Vineland, NJ 08360 • Phone (856) 691-9544 • (856) 691-6403 • Fax (856) 691-0427
www.triantosanddelp.com

T&D
Triantos & Delp
CERTIFIED PUBLIC ACCOUNTANTS, LLC

Internal Control Over Compliance

The management of the Deerfield Township Board of Education 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 Deerfield Township Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Deerfield Township Board of Education's internal control over compliance.

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

Our consideration of the 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 the audit committee, management, the Deerfield Township Board of Education, 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.

Respectfully submitted,

Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

August 19, 2011

DEERFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Grant or State Project Number	Prgm. Or Award Amount	Grant Period From/To	Balance 6/30/2009	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Bal.	Balance at June 30, 2010 Accounts Receivable	Defered Revenue	Due to Grantor
U.S. Department of Education Passed Through State Dept. of Education:													
Special Revenue Fund:													
Title I, Part A	84.010	NCLB-196011	$ 112,378.	9/1/10-8/31/11	$	$ 5,787.	$ 38,352.	$(115,110.)	$ 1,492.	$	$(69,479.)	$	$
Title I, Part A	84.010	NCLB-196010	99,857.	9/1/09-8/31/10	(51,033.)	(5,787.)	56,820.						
Title I, Part A ARRA	84.010	NCLB-196010ARRA	34,732.	7/1/09-8/31/11	(2,673.)		4,238.	(8,462.)	169.		(6,728.)		
Title II, Part A	84.168	NCLB-196011	25,653.	9/1/10-8/31/11		13,184.		(18,990.)			(5,806.)		
Title II, Part A	84.168	NCLB-196010	26,910.	9/1/09-8/31/10	(14,504.)	(13,184.)	17,295.				(10,393.)		
Title II, Part D	84.168	NCLB-196011	244.	9/1/10-8/31/11		557.		(660.)			(103.)		
Title II, Part D	84.168	NCLB-196010	999.	9/1/09-8/31/10	(1,051.)	(557.)	775.				(833.)		
I.D.E.A. Part A, Basic	84.027	FT-196011	93,790.	9/1/09-8/31/10			56,512.	(93,790.)			(37,278.)		
I.D.E.A. Part A, Pre-School	84.176	PS-196011	2,533.	9/1/09-8/31/10				(2,533.)			(2,533.)		
I.D.E.A., Part A, Basic	84.027	FT-196010	90,446.	9/1/09-8/31/10	(18,606.)		18,606.						
I.D.E.A. Part A, Pre-School	84.176	PS-196010	2,362.	9/1/09-8/31/10	(2,362.)		2,362.						
I.D.E.A. Part A, Basic ARRA	84.027	FT-196010ARRA	90,027.	7/1/09-8/31/11	(11,269.)		17,177.	(46,609.)			(40,701.)		
I.D.E.A. Part A, Pre-School ARRA	84.027	PS-196010ARRA	3,241.	7/1/09-8/31/11	(3,241.)						(3,241.)		
REAP	84.358A		19,563.	7/1/10-9/30/11			10,981.	(9,695.)				1,286.	
REAP	84.358A		19,563.	7/1/09-9/30/10	(2,685.)		2,685.						
Total Special Revenue Fund					(107,424.)	0.	225,803.	(295,849.)	1,661.	0.	(177,095.)	1,286.	0.
U.S. Department of Agriculture Passed through State Department of Education													
Enterprise Fund:													
Food Distribution Program	10.550	N/A	10,159.	7/1/10-6/30/11			10,159.	(7,979.)				2,180.	
Food Distribution Program	10.550	N/A	11,780.	7/1/09-6/30/10	1,599.			(1,599.)					
National School Breakfast Program	10.553	N/A	21,134.	7/1/10-6/30/11			19,233.	(21,134.)			(1,901.)		
National School Breakfast Program	10.553	N/A	21,900.	7/1/09-6/30/10	(2,099.)		2,099.						
National School Lunch Program	10.555	N/A	72,467.	7/1/10-6/30/11			67,889.	(72,467.)			(4,578.)		
National School Lunch Program	10.555	N/A	74,518.	7/1/09-6/30/10	(6,981.)		6,981.						
Total Enterprise Fund					(7,481.)	0.	106,361.	(103,179.)	0.	0.	(6,479.)	2,180.	0.
Total Federal Awards					$(114,905.)	$ 0.	$ 332,164.	$(399,028.)	$ 1,661.	$0.	$(183,574.)	$ 3,466.	$ 0.

The Accompanying Notes to the Schedules of Expenditures of Federal Awards and Financial Assistance are an Integral Part of this Schedule

DEERFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project No.	Program or Award Amount	Grant Period From/To	Balance at June 30, 2010 Def. Rev. (Accts. Rec.)	Balance at June 30, 2010 Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year Balances
State Dept. of Education:									
General Fund:									
Equalization Aid	11-495-034-5120-078	$2,145,452.	7/1/10-6/30/11	$	$	$	$2,145,452.	$(2,145,452.)	$
Special Education Categorical Aid	11-495-034-5120-089	115,800.	7/1/10-6/30/11				115,800.	(115,800.)	
Extraordinary Aid	11-100-034-5120-473	7,425.	7/1/10-6/30/11					(7,425.)	
On Behalf Reimb TPAF Pens.	11-495-034-5095-001	152,775.	7/1/10-6/30/11				152,775.	(152,775.)	
Reimb TPAF Soc Sec Contributions	11-495-034-5095-002	134,341.	7/1/10-6/30/11				115,131.	(134,341.)	
Reimb TPAF Soc Sec Contributions	10-495-034-5095-002	159,323.	7/1/09-6/30/10	(16,256.)			16,256.		
Additional Non-Public Transport.	11-495-034-5120	6,707.	7/1/10-6/30/11					(6,707.)	
Additional Non-Public Transport.	10-495-034-5120	3,242.	7/1/09-6/30/10	(3,242.)			3,242.		
Total General Fund				(19,498.)	0.	0.	2,548,656.	(2,562,500.)	0.
Special Revenue Fund:									
Pre-School Education Aid	10-495-034-5120-086	102,480.	7/1/09-6/30/10	7,118.		(7,118.)			
Pre-School Education Aid	11-495-034-5120-086	102,480.	7/1/10-6/30/11			7,118.	102,480.	(99,212.)	
Total Special Revenue Fund				7,118.	0.	0.	102,480.	(99,212.)	0.
Capital Projects Fund:									
Educ Facilities Constr & Financing Act:									
School addition & renovation	1020-040-10-1001	237,161.						(17,087.)	
Total Capital Projects Fund				0.	0.	0.	0.	(17,087.)	0.
Debt Service Fund:									
Debt Service Aid Type II	11-495-034-5120-125	143,205.	7/1/10-6/30/11				143,205.	(143,205.)	
Total Debt Service Fund				0.	0.	0.	143,205.	(143,205.)	0.
State Dept. of Agriculture:									
Enterprise Fund:									
Nat'l School Lunch Pgm.(State share)	10-100-010-3350-023	3,541.	7/1/09-6/30/10	(334.)			334.		
Nat'l School Lunch Pgm.(State share)	11-100-010-3350-023	3,541.	7/1/10-6/30/11				3,389.	(3,541.)	
Nat'l School Breakfast Pgm.(State share)	10-100-010-3350-021	1,491.	7/1/09-6/30/10	(142.)			142.		
Nat'l School Breakfast Pgm.(State share)	11-100-010-3350-021	1,491.	7/1/10-6/30/11				1,491.	(1,491.)	
Total Enterprise Fund				(476.)	0.	0.	5,356.	(5,032.)	0.
Total State Financial Assistance				$(12,856.)	$ 0.	$ 0.	$ 2,799,697.	$(2,827,036.)	$ 0.

The Accompanying Notes to the Schedule of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule

DEERFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project No.	Program or Award Amount	Grant Period From/To	Balance at June 30, 2011 (Accounts Receivable)	Deferred Revenue	Due to Grantor	MEMO Budgetary Receivable	Cumulative Total Expenditure
State Dept. of Education:								
General Fund:								
Equalization Aid	11-495-034-5120-078	$2,145,452.	7/1/10-6/30/11	$	$	$	$189,878.	$ 2,145,452.
Special Education Categorical Aid	11-495-034-5120-089	115,800.	7/1/10-6/30/11				11,580.	115,800.
Extraordinary Aid	11-100-034-5120-473	7,425.	7/1/10-6/30/11	(7,425.)				7,425.
On Behalf Reimb TPAF Pens.	11-495-034-5095-001	152,775.	7/1/10-6/30/11					152,775.
Reimb TPAF Soc Sec Contributions	11-495-034-5095-002	134,341.	7/1/10-6/30/11	(19,210.)				134,341.
Reimb TPAF Soc Sec Contributions	10-495-034-5095-002	159,323.	7/1/09-6/30/10					
Additional Non-Public Transport.	11-495-034-5120	6,707.	7/1/10-6/30/11	(6,707.)				6,707.
Additional Non-Public Transport.	10-495-034-5120	3,242.	7/1/09-6/30/10					
Total General Fund				(33,342.)	0.	0.	201,458.	2,562,500.
Special Revenue Fund:								
Pre-School Education Aid	10-495-034-5120-086	102,480.	7/1/09-6/30/10				10,248.	
Pre-School Education Aid	11-495-034-5120-086	102,480.	7/1/10-6/30/11		10,386.			99,212.
Total Special Revenue Fund				0.	10,386.	0.	10,248.	99,212.
Capital Projects Fund:								
Educ Facilities Constr & Financing Act:								
School addition & renovation	1020-040-10-1001	237,161.		(17,087.)				17,087.
Total Capital Projects Fund				(17,087.)	0.	0.	0.	17,087.
Debt Service Fund:								
Debt Service Aid Type II	11-495-034-5120-125	143,205.	7/1/10-6/30/11					
Total Debt Service Fund				0.	0.	0.	0.	143,205.
State Dept. of Agriculture:								
Enterprise Fund:								
Nat'l School Lunch Pgm.(State share)	10-100-010-3350-023	3,541.	7/1/09-6/30/10					
Nat'l School Lunch Pgm.(State share)	11-100-010-3350-023	3,541.	7/1/10-6/30/11	(152.)				3,541.
Nat'l School Breakfast Pgm.(State share)	10-100-010-3350-021	1,491.	7/1/09-6/30/10					
Nat'l School Breakfast Pgm.(State share)	11-100-010-3350-021	1,491.	7/1/10-6/30/11					1,491.
Total Enterprise Fund				(152.)	0.	0.	0.	5,032.
Total State Financial Assistance				$(50,581.)	$ 10,386.	$ 0.	$ 211,706.	$ 2,827,036.

The Accompanying Notes to the Schedule of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule

NOTE 1.GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Deerfield Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state 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 of expenditures of awards and financial assistance are presented on the budgetary basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation 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 the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis if $36,799. for the general fund and $591. for the special revenue fund. See the following schedule and Note 1(D) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. There are no differences in the reporting of the food service funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund	$	$2,599,299.	$2,599,299.
Special Revenue Fund	296,893.	98,739.	395,632.
Capital Projects Fund		17,087.	17,087.
Debt Service Fund		143,205.	143,205.
Food Service Fund	103,760.	2,192.	105,952.
Total Financial Assis.	$400,653.	$2,860,522.	$3,261,175.

NOTE 4.RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5.OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
1. Material weakness(es) identified?	__Yes	x No
2. Significant Deficiencies identified that are not considered to be material weaknesses?	__Yes	x No
Noncompliance material to general purpose financial statements noted?	__Yes	x No

Federal Awards

N/A – No major federal programs.

State Awards

Dollar threshold used to distinguish between type A and type B programs:	$300,000.	
Auditee qualified as low risk auditee?	x Yes	__No
Type of auditor's report issued on compliance for major programs:	Unqualified	
Internal Control over major programs:		
1. Material weakness(es) identified?	__Yes	x No
2. Significant Deficiencies identified that are not considered to be material weaknesses?	__Yes	x No
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-047?	__Yes	x No

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-078	Equalization Aid

DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section II – Financial Statement Findings

N/A

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

Federal Awards

N/A

State Awards

N/A

DEERFIELD TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
STATUS OF PRIOR YEAR FINDINGS

Finding 10-01

- ***Condition:*** Cash received from sales in the food service program were not promptly deposited in traceable amounts.
- ***Current Status:*** During the 2010-2011 school year there was evidence that school personnel monitored the deposits from the food service program on a regular basis. Our testing of food service program deposits did not reveal any irregularities.