COMPREHENSIVE ANNUAL

FINANCIAL REPORT

OF

UPPER DEERFIELD TOWNSHIP
BOARD OF EDUCATION

UPPER DEERFIELD TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Prepared by
Upper Deerfield Township Board of Education
Finance Department

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INTRODUCTORY SECTION

Upper Deerfield Township Board of Education

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BRUCE D. HARBINSON
ASST. SUPT. FOR BUSINESS / BOARD SECRETARY
harbinsonb@udts.org

September 23, 2011

Honorable President and
Members of the Board of Education
Upper Deerfield Township School District
Seabrook, NJ 08302

Dear Board Members:

The comprehensive annual financial report of the Upper Deerfield Township 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 Upper 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 designated 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 statements and schedules, as well as the 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 Revisions of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations", and the State Treasury Circular Letter 98-07 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's 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: Upper Deerfield Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Upper Deerfield Township Board of Education and all its schools constitute the District's reporting entity.

The district provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular as well as special education for handicapped youngsters. The District completed the 2009-10 fiscal year with an average enrollment of 931 students, which is 43 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last seven years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2010-11	898	-3.5%
2009-10	931	+2.74%
2008-09	888	0%
2007-08	889	-2.7%
2006-07	913	+2.8%
2005-06	888	-2.52%
2004-05	911	+2.01%
2003-04	893	+1.8%
2002-03	877	(-1.57)
2001-02	891	+5.44%
2000-01	869	(-10.11%)

2) ECONOMIC CONDITION AND OUTLOOK: Upper Deerfield Township's new development is slow. The economic condition of the community is anticipated to be steady. Existing businesses and industries appear stable.

3) MAJOR INITIATIVES: The main focus of the Upper Deerfield Township School District is to keep the students at the core of our business. Our school board, administration, and professional staff remain dedicated to educating our children in a manner to prepare them for future success. The district continues to explore avenues leading to quality educational opportunities for our students and included in this are curriculum evaluation, professional development for staff, and programs based on evidence based research.

Computer technology, language arts literacy, mathematics, classroom management, Data Driven Instruction, NJ ASK Strategies, aligning lessons to the NJCCCS, RTI, and HIB has been the focal points of our professional development initiatives. Teachers are incorporating the strategies and methodologies from workshops and in-service activities into their classrooms.

Increasing the technology use to better engage students in the classroom has been done through the use of smart boards, computers, document cameras, and remote response systems. The district has recognized the need to increase our technology and our technology plan is ahead of schedule. Because technology is recognized as an excellent teaching tool, we will continue to explore ways to expand our use of technology in the classroom.

Our curriculum is currently being revised to update it with not only the NJCCCS, but the latest initiative of a Common Core Curriculum. These revisions are being done as a collaborative effort across the district, local consortium with Cumberland Regional School District, and our county educational specialist.

The district has enlisted support of a math consultant to assist with aligning the math program across the district. The role of the consultant is to review our test score data and programs as a means identify gaps across the district and address them to improve test scores.

Our district continues to work in concert with our community in relationship to participation in local events and sharing resources. This positive support has strengthened our ties within the community.

Parent support through the PTO and other programs involving the extracurricular programs has led to increased parental involvement across the district and community.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable

assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation budget approved by the voters of the municipality. Annual appropriation budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7) 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 year revenues.

REVENUE	AMOUNT	PERCENT OF TOTAL	INCREASE (DECREASE) FROM 2010	PERCENT OF INCREASE (DECREASE)
Local Sources	$6,667,157.00	45.71%	$ 79,724.00	1.21%
State Sources	6,984,519.00	47.88%	731,326	11.70%
Federal Sources	934,669.00	6.41%	(954,406.00)	(50.52)%
Total	$14,586,345.00	100.00%	$ (143,356.00)	(.97)%

The following schedule presents a summary of general fund, special revenue fund 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) FOR 2009	PERCENT OF INCREASE (DECREASE)
Current Expense:				
Instruction	$5,802,668.00	39.96%	$(492,036.00)	(7.82)%
Undistributed Expenditures:	8,033,155.00	55.32%	412,348.00	(.78)%
Capital Outlay	161,375.00	1.11%	134,735.00	505.76%
Debt Service	523,742.00	3.61%	6,767.00	(1.28)%
Total	$14,520,940.00	100.00%	$(427,275.00)	(2.86)%

8) DEBT ADMINISTRATION: At June 30, 2011, the District's outstanding bond debt was $4,332,016.00.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state stature as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from 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.

10) RISK MANAGEMENT: The Board carries various forms on insurance, including but not limited to general liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

11) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Triantos & Delp, CPA, LLC, was selected by the Board. In addition to meeting the requirement set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Revisions of 1996 and the related 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 is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12) ACKNOWLEDGMENTS:

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

Respectfully submitted,

Peter L. Koza, EdD
Acting Superintendent

Bruce D. Harbinson
Asst. Supt. for Business/Board Secretary

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
SEABROOK, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2011

Members of the Board of Education	**Term Expires**
Greg Peterson, President	2014
Joan McGill, Vice President	2014
Jerry Benfer	2012
Samuel Elwell	2014
Mark Evans	2013
Joseph Lee	2012
Michele Mooney	2012
Karen Ramseur	2013
Stephen Wilchensky	2012

Other Officials

Dr. Peter Koza, Acting Superintendent

Bruce D. Harbinson, Asst. Supt. for Business/Board Secretary

Susan Robostello, Treasurer

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
Consultants and Advisors

Audit Firm

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James Landgraf
Construction Attorney
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Architect

J.W. Pedersen, Architect
John Pedersen

Engineer

The DaVinci Group
Rocky Vinciguerra

Environmental

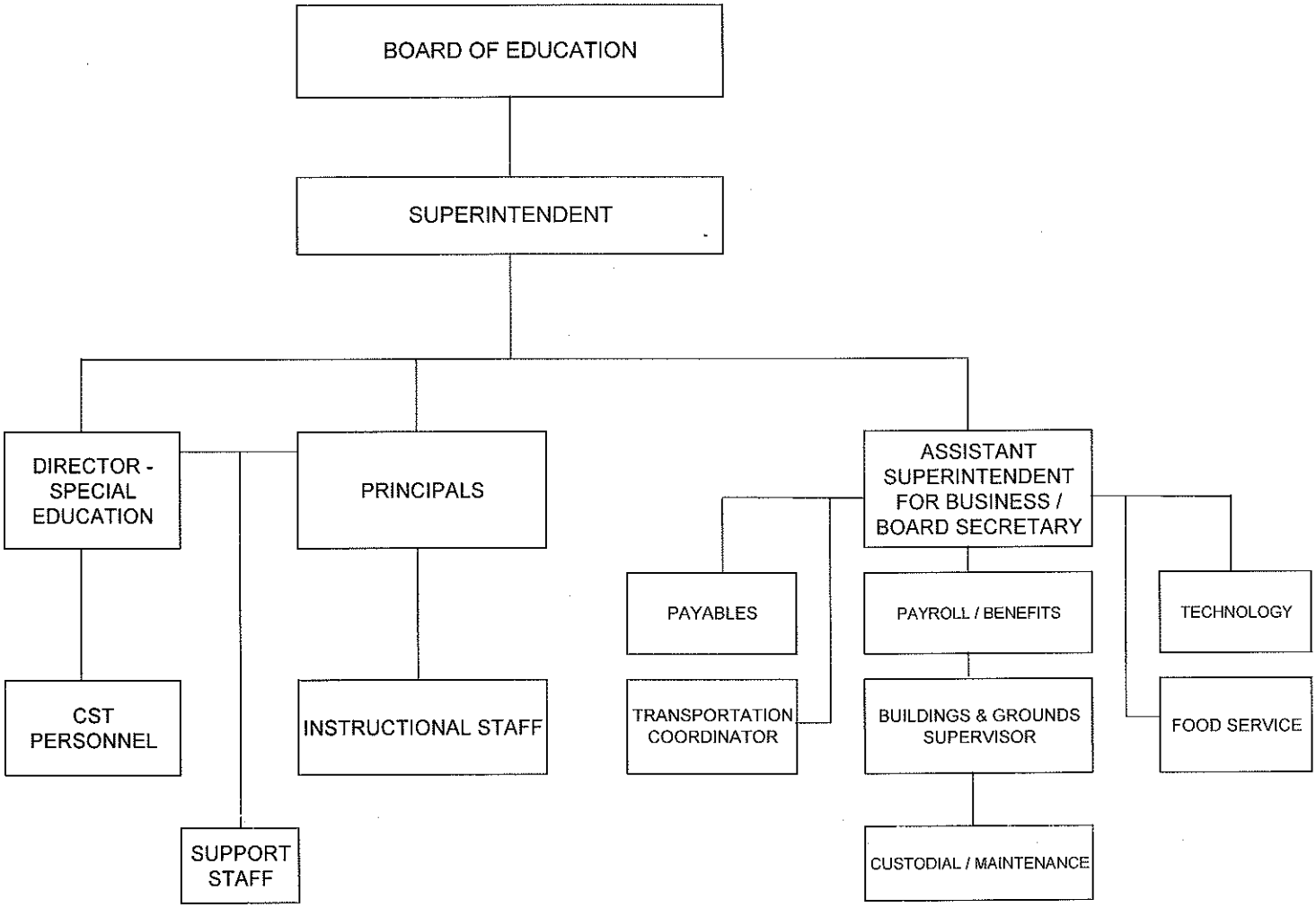
Ramm Environmetal
Rodger Headrick

Official Depositories

Colonial Bank
Seabrook Branch
Route 77 & Big Oak Road
Seabrook, N.J. 08302

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION

ORGANIZATIONAL CHART



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
Upper 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 Upper 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 Upper Deerfield Township School District 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, each major fund and the aggregate remaining fund information of the Upper Deerfield Township School District 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 September 24, 2011 on our consideration of the Upper Deerfield Township School District 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 33 through 43 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.

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T&D
Triantos & Delp
CERTIFIED PUBLIC ACCOUNTANTS, LLC

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Upper 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 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

September 24, 2011

REQUIRED SUPPLEMENTARY INFORMATION–PART I

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Management Discussion and Analysis

This section of the Upper Deerfield Township School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending 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 such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds statements* offer *short-* and *long-term* financial information about activities 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 below summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-1: Major Features of the District wide and Fund Financial Statements
Fund Financial Statements

	District-wide 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 is included here	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 focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability	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; 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 Financial Statements

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

The two district-wide statements report the District's *net assets* and how they have changed. Net assets - the difference between the District's assets and liabilities - are one way to measure the District's overall 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 financial condition of the District additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities should be considered.

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 aid finance most of these activities.
- *Business-type activities:* The District charges fees to help it cover the costs of certain services it provides. The District's food service program would be included here.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes, (such as repaying its long-term debts or completing approved capital projects) or to show that it is properly using certain revenues (such as federal grants).

The District has four kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or 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 optional and utilized to report activities that provide supplies and services for other District programs and activities.

- *Fiduciary funds:* The District is the trustee, or *fiduciary,* for assets that belong to others, such as the student activity fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

Net assets (in thousands). The District's combined net assets are $13,537.00 on June 30, 2011 (see Table A-1). Less than 1% of the total net assets are from business-type activities. The balance of the total net assets, which is in excess of 99%, attributable to governmental activities.

Changes in net assets (in thousands). The District's total revenues are $17,481.00 for the fiscal period ended June 30, 2011 (see Table A-2). Property taxes and state formula aid accounted for 80% of the District's revenue. 7% is derived from state and federal aid for specific programs; and the remainder, 13% from fees charged for services and miscellaneous resources.

The District's predominant expenses are related to educating and caring for students 48%. 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. Total revenues surpassed expenses increasing net assets approximately $498.00 last year, primarily in government type activities.

Governmental Activities (in thousands)
Revenues for governmental activities were $16,933. Total expenses amounted to $16,383. The increase in net assets in governmental activities is $550 for 2011.

Business-Type Activities (in thousands)
Revenues of the District's business-type activities amounted to $548 and expenses were $600. Factors contributing to these results included:

- The community school expenses in excess of revenue of approximately $50.
- Food service expenses in excess of revenue of approximately $2.

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 $954, of which $725 was reserved per capital improvements in the capital project fund. Miscellaneous and tuition revenues exceeded of the amounts anticipated in the 2011 budget by $126.

General Fund Budgetary Highlights (in thousands)

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

- Transfers between budgetary line accounts to prevent overruns.

The District's final budget anticipated utilizing $610 in fund balance and $101 of prior year encumbrances to fund the appropriation plan for this fiscal period. The actual result of operations was a decrease in the unrestricted general fund balance of $108 and a decrease in capital reserve of $331 and an increase in maintenance reserve of $160.

Actual expenditures for capital outlay amounted to $90 in the Operating Fund and $1,009 in the Capital Projects Fund.

Capital Asset and Debt Administration
Capital Assets (in thousands)
By the end of 2011, the District had invested 26.0 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 expenses for the year was $542 while building improvements and additions to equipment and furniture and land amounted to $1,099.

Long-Term Debt (in thousands)
The state limits the amount of general obligation debt the District can issue to 3 percent of the equalized valuation of all taxable property within the District. The current limit is $20,757 of which $16,425 is available for the issuance of debt.

Factors Bearing on the District's Future
At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The Upper Deerfield Education Association (UDEA) collective bargaining contract expired on June 30, 2011.

- Upper Deerfield Administrator Association (UDAA) collective bargaining contract expires June 30, 2012.

- State Formula Aid for the fiscal year 2010-2011 reflected a slight increase from the previous year. It is the District's hope the State will apply the CEIFA formula resulting in the distribution of aid on the formula's enrollment basis. The District's special revenue is an unpredictable revenue source. The District avails itself of every grant opportunity to increase educational opportunities for the students.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability of the money it receives. If you have questions about this report or need additional financial information, contact Bruce D. Harbinson, Asst. Supt. for Business/Board Sec., Upper Deerfield Township School District, 1369 Highway 77, Seabrook, NJ 08302.

Table A-1
Upper 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	$ 1,683	$ 1,951	$ 198	$ 122	$ 1,881	$ 2,073	10.2%
Noncurrent Assets	1,491	604	-	-	1,491	604	-59.5%
Capital Assets	16,390	16,992	15	26	16,405	17,018	3.7%
Total Assets	$ 19,564	$ 19,547	$ 213	$ 148	$ 19,777	$ 19,695	-0.4%
Current Liabilities	$ 2,028	$ 1,873	$ 29	$ 17	$ 2,057	$ 1,890	-8.1%
Noncurrent Liabilities	4,681	4,268	-	-	4,681	4,268	-8.8%
Total Liabilities	$ 6,709	$ 6,141	$ 29	$ 17	$ 6,738	$ 6,158	-8.6%
Net Assets							
Invested in Capital Assets Net of Related Debt	$ 11,692	$ 12,646	$ 15	$ 26	$ 11,707	$ 12,672	8.2%
Restricted	1,704	1,278	-	-	1,704	1,278	-25.0%
Unrestricted	(541)	(518)	169	105	(372)	(413)	11.0%
Total Net Assets	$ 12,855	$ 13,406	$ 184	$ 131	$ 13,039	$ 13,537	3.8%

Table A-2
Upper Deerfied 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	$ 1,764	$ 1,766	$ 291	$ 246	$ 2,055	$ 2,012	-2.1%
Federal & State Categorical Grants	898	915	319	301	1,217	1,216	-0.1%
General Revenues							
Property Taxes	6,474	6,475	-		6,474	6,475	0.0%
State Formula Aid	8,124	7,536	-		8,124	7,536	-7.2%
Other	117	241	1	1	118	242	105.1%
Total Revenues	$ 17,377	$ 16,933	$ 611	$ 548	$ 17,988	$ 17,481	-2.8%
Expenses							
Instruction - Related	$ 6,607	$ 6,155	$ 113	$ 97	$ 6,720	$ 6,252	-7.0%
Student Support Services	1,757	1,471	471	503	2,228	1,974	-11.4%
Maintenance & Operations	1,509	1,413	-		1,509	1,413	-6.4%
Transportation	715	548	-		715	548	-23.4%
Administration	1,286	1,406	-		1,286	1,406	9.3%
Other	4,887	5,390	-		4,887	5,390	10.3%
Total Expenses	$ 16,761	$ 16,383	$ 584	$ 600	$ 17,345	$ 16,983	-2.1%
Increase/ (decrease) in Net Assets	$ 616	$ 550	$ 27	$ (52)	$ 643	$ 498	-22.6%

Table A-3
Upper 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	$ 312	$ 312	$ -	$ -	$ 312	$ 312	0.0%
Construction in Progress	1,774	268	-	-	1,774	268	-84.9%
Site Improvements	210	175	-	-	210	175	-16.7%
Buildings & Improvements	13,530	15,637	-	-	13,530	15,637	15.6%
Machinery & Equipment	563	600	15	26	578	626	8.3%
Total	$ 16,389	$ 16,992	$ 15	$ 26	$ 16,404	$ 17,018	3.7%

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

EXHIBIT A-1

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

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 752,983.	$ 101,497.	$ 854,480.
Investments	1,121,641.		1,121,641.
Receivables, net	76,671.	14,417.	91,088.
Inventory		6,355.	6,355.
Total Current Assets	1,951,295.	122,269.	2,073,564.
Noncurrent Assets:			
Bond issuance costs, net	82,598.		82,598.
Restricted Assets:			
Cash and cash equivalents	489,130.		489,130.
Capital reserve account - cash	31,703.		31,703.
Capital assets, net	16,991,960.	26,126.	17,018,086.
Total noncurrent assets	17,595,391.	26,126.	17,621,517.
Total assets	19,546,686.	148,395.	19,695,081.
LIABILITIES:			
Current liabilities:			
Accounts payable	179,218.	1,164.	180,382.
Loan payable	400,000.		400,000.
Interfund payable	(2,233.)	2,233.	
Deferred revenue	920,044.	14,142.	934,186.
Current portion of long-term liabilities	376,177.		376,177.
Total Current Liabilities	1,873,206.	17,539.	1,890,745.
Noncurrent liabilities:			
Bonds payable	3,969,880.		3,969,880.
Accrued compensated absences	226,738.		226,738.
Accrued interest	71,479.		71,479.
Total noncurrent liabilities	4,268,097.	0.	4,268,097.
Total Liabilities	6,141,303.	17,539.	6,158,842.
NET ASSETS:			
Investment in capital assets, net of related debt	12,645,903.	26,126.	12,672,029.
Restricted for:			
Capital projects	351,550.		351,550.
Other purposes	926,478.		926,478.
Unrestricted	(518,548.)	104,730.	(413,818.)
Total Net Assets	$ 13,405,383.	$ 130,856.	$ 13,536,239.

See Accompanying Notes to the Basic Financial Statements

EXHIBIT A-2

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets: Governmental Activities	Net (Expense) Revenues and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenues and Changes in Net Assets: Total
Governmental activities:							
Instruction:							
Regular	$ 4,669,408.	$	$	$	$(4,669,408.)	$	$(4,669,408.)
Special education	1,350,151.				(1,350,151.)		(1,350,151.)
Other special instruction	62,184.				(62,184.)		(62,184.)
Other instruction	73,057.				(73,057.)		(73,057.)
Support services:							
Tuition	292,283.				(292,283.)		(292,283.)
Student & instruction related services	1,178,641.				(1,178,641.)		(1,178,641.)
School administrative services	693,122.				(693,122.)		(693,122.)
General and business admin services	384,820.				(384,820.)		(384,820.)
Central services	328,388.				(328,388.)		(328,388.)
Plant operations and maintenance	1,413,256.				(1,413,256.)		(1,413,256.)
Pupil transportation	547,557.				(547,557.)		(547,557.)
Employee benefits	3,341,006.		915,265.		(2,425,741.)		(2,425,741.)
Interest on long-term debt	183,341.				(183,341.)		(183,341.)
Internal service fund	1,786,135.	1,765,951.			(20,184.)		(20,184.)
Debt service assessment	71,632.				(71,632.)		(71,632.)
Amortization of debt issuance cost	7,867.				(7,867.)		(7,867.)
Total governmental activities	16,382,848.	1,765,951.	915,265.	0.	(13,701,632.)	0.	(13,701,632.)
Business-type activities:							
Food service	502,497.	199,108.	300,630.			(2,759.)	(2,759.)
CER	97,492.	46,549.				(50,943.)	(50,943.)
Total business-type activities	599,989.	245,657.	300,630.	0.	0.	(53,702.)	(53,702.)
Total primary government	$ 16,982,837.	$ 2,011,608.	$ 1,215,895.	$ 0.	$(13,701,632.)	$(53,702.)	$(13,755,334.)
General revenues:							
Taxes:							
Prop taxes levied for general purposes, net					$ 5,972,696.	$	$ 5,972,696.
Tax levied for debt service					502,767.		502,767.
Federal and state aid not restricted					5,842,523.		5,842,523.
Federal and state aid restricted					1,693,814.		1,693,814.
Tuition received					123,610.		123,610.
Investment earnings					20,564.	1,144.	21,708.
Miscellaneous income					51,610.		51,610.
Adjustment to fixed assets					44,602.		44,602.
Total general revenues, special items, extraordinary items and transfers					14,252,186.	1,144.	14,253,330.
Change in net assets					550,554.	(52,558.)	497,996.
Net assets - beginning					12,854,829.	183,414.	13,038,243.
Net assets - ending					$ 13,405,383.	$ 130,856.	$ 13,536,239.

See Accompanying Notes to the Basic Financial Statements

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

EXHIBIT B-1

UPPER 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	$ 1,185,210.	$(507,108.)	$ 234,685.	$ 254,445.	$	$ 1,167,232.
Due from other funds	3,346.			4,874.		8,220.
Receivable from other governments	66,649.	534,486.	490,036.			1,091,171.
Other	22,250.					22,250.
Total assets	$ 1,277,455.	$ 27,378.	$ 724,721.	$ 259,319.	$ 0.	$ 2,288,873.
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	$ 9,460.	$	$	$	$	$ 9,460.
Interfund payable			4,874.			4,874.
Deferred revenue	613,385.	52,214.		254,445.		920,044.
Note payable			400,000.			400,000.
Total liabilities	622,845.	52,214.	404,874.	254,445.	0.	1,334,378.
Fund Balances:						
Restricted for:						
Maintenance reserve	855,858.					855,858.
Capital reserve	31,703.					31,703.
Committed to:						
Other purposes	65,746.					65,746.
Assigned to:						
Debt service				4,874.		4,874.
Capital projects			319,847.			319,847.
Unassigned:						
General fund	(298,697.)					(298,697.)
Special revenue fund		(24,836.)				(24,836.)
Total fund balances	654,610.	(24,836.)	319,847.	4,874.	0.	954,495.
Total liabilities and fund balances	$ 1,277,455.	$ 27,378.	$ 724,721.	$ 259,319.	$ 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 $26,005,107. and the accumulated depreciation is $9,013,147. (see Note)	$ 16,991,960.
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)	(4,644,274.)
Internal service fund balance	20,604.
Bond issuance cost - net	82,598.
Net assets of governmental activities	$ 13,405,383.

See Accompanying Notes to the Basic Financial Statements

EXHIBIT B-2

UPPER 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	$ 5,972,696.	$	$	$ 502,767.	$	$ 6,475,463.
Tuition charges	123,610.					123,610.
Interest earned	16,474.		2,749.			19,223.
Miscellaneous	51,610.					51,610.
Total local sources	6,164,390.		2,749.	502,767.		6,669,906.
State sources	6,719,372.	244,172.	532,414.	20,975.		7,516,933.
Federal sources	38,416.	896,253.				934,669.
Total revenues	12,922,178.	1,140,425.	535,163.	523,742.	0.	15,121,508.
EXPENDITURES:						
Current:						
Regular instruction	3,661,128.	710,322.				4,371,450.
Special education instruction	1,295,977.					1,295,977.
Other special instruction	62,184.					62,184.
Other instruction	73,057.					73,057.
Support services:						
Tuition	113,039.	179,244.				292,283.
Student & instruction related services	1,012,312.	112,155.				1,124,467.
School administrative services	639,460.					639,460.
Other administrative services	331,158.					331,158.
Central services	240,140.					240,140.
Admin info tech	88,248.					88,248.
Plant operations and maintenance	1,397,004.					1,397,004.
Pupil transportation	547,557.					547,557.
Employee benefits	3,233,424.	139,414.				3,372,838.
Debt service:						
Principal				340,428.		340,428.
Interest and other charges			5,800.	183,314.		189,114.
Capital outlay	161,375.		1,009,112.			1,170,487.
Total expenditures	12,856,063.	1,141,135.	1,014,912.	523,742.	0.	15,535,852.
Excess (deficiency) of revenues over exp.	66,115.	(710.)	(479,749.)	0.	0.	(414,344.)
OTHER FINANCING SOURCES (USES):						
Transfers in			260,000.	2,749.		262,749.
Transfers out	(260,000.)		(2,749.)			(262,749.)
Total other financing sources (uses)	260,000.	0.	257,251.	2,749.	0.	0.
Net change in fund balances	(193,885.)	(710.)	(222,498.)	2,749.		(414,344.)
Fund balance - July 1	848,495.	(24,126.)	542,345.	2,125.		1,368,839.
Fund balance - June 30	$ 654,610.	$(24,836.)	$ 319,847.	$ 4,874.	$ 0.	$ 954,495.

See Accompanying Notes to the Basic Financial Statements

EXHIBIT B-3

UPPER 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)		$(414,344.)
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	$ (541,742.)	
Capital outlays	1,098,855.	557,113.
Adjustment to capital assets		44,602.
Repayment of 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.		
Bond principal	340,428.	
Capital lease principal	11,860.	352,288.
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 statement of net assets.		
Proceeds of long-term debt	0.	
Capital lease proceeds	0.	0.
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.		(7,867.)
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 (+).		31,832.
Increase/(decrease) in internal service fund net assets		(18,843.)
(Increase)/decrease of accrued interest		5,773.
Change in net assets of governmental activities		$ 550,554.

See Accompanying Notes to the Basic Financial Statements

PROPRIETARY FUNDS

EXHIBIT B-4

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

	Business-Type Activities Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service	Community Education and Recreation Fund	Totals	
ASSETS:				
Current Assets:				
Cash and cash equivalents	$ 67,267.	$ 33,870.	$ 101,497.	$ 106,584.
Accounts receivable:				
Other	12,619.	1,643.	14,262.	85,064.
Interfund receivable	155.		155.	
Inventories	6,355.		6,355.	
Total current assets	86,756.	35,513.	122,269.	191,648.
Noncurrent assets:				
Furniture, machinery & equipment	16,157.	2,810.	163,967.	2,572.
Less accumulated depreciation	(135,031.)	(2,810.)	(137,841.)	(2,572.)
Total noncurrent assets	26,126.	0.	26,126.	0.
Total assets	$ 112,882.	$ 35,513.	$ 148,395.	$ 191,648.
LIABILITIES:				
Current liabilities:				
Accounts payable	$ 1,164.	$	$ 1,164.	$ 169,758.
Deferred revenue		14,142.	14,142.	
Interfund payable		2,233.	2,233.	1,286.
Total current liabilties	1,164.	16,375.	17,539.	171,044.
NET ASSETS:				
Invested in capital assets net of related debt	26,126.		26,126.	
Unrestricted	85,592.	19,138.	104,730.	20,604.
Total net assets	$ 111,718.	$ 19,138.	$ 130,856.	$ 20,604.

See Accompanying Notes to the Basic Financial Statements

EXHIBIT B-5

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

	Business-Type Activities Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service Fund	Community Education and Recreation Fund	Total	
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs	$ 93,274.	$	$ 93,274.	$
Daily sales-nonreimbursable programs	31,602.		31,602.	
Child care fees		33,594.	33,594.	
Summer camp		12,955.	12,955.	
Charges for services	74,232.		74,232.	1,765,951.
Total operating revenues	199,108.	46,549.	245,657.	1,765,951.
OPERATING EXPENSES:				
Salaries	184,118.	79,915.	264,033.	62,760.
Payroll taxes and fringe benefits	35,379.	6,112.	41,491.	19,648.
Supplies	27,958.	10,807.	38,765.	4,250.
Insurance	13,075.		13,075.	
Office expense		628.	628.	1,184.
Management fees	20,600.		20,600.	
Depreciation	5,527.		5,527.	
Miscellaneous	2,826.	30.	2,856.	716.
Cost of sales	195,191.		195,191.	
Repairs and maintenance	17,823.		17,823.	
Transportation costs				1,697,577.
Total operating expenses	502,497.	97,492.	599,989.	1,786,135.
Operating income/(loss)	(303,389.)	(50,943.)	(354,332.)	(20,184.)
Nonoperating revenues:				
State sources:				
State school lunch program	4,668.		4,668.	
Federal sources:				
National school breakfast program	87,650.		87,650.	
National school lunch program	184,718.		184,718.	
Food distribution program	23,594.		23,954.	
Interest revenue	640.	504.	1,144.	1,341.
Total nonoperating revenues (expenses)	301,270.	504.	301,774.	1,341.
Change in net assets	(2,119.)	(50,439.)	(52,558.)	(18,843.)
Net assets - July 1	113,837.	69,577.	183,414.	39,447.
Net assets - June 30	$ 111,718.	$ 19,138.	$ 130,856.	$ 20,604.

See Accompanying Notes to the Basic Financial Statements

EXHIBIT B-6

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

	Business-Type Activities Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service Fund	Community Education and Recreation Fund	Total	
CASH FLOWS FROM OPERATING ACT.				
Receipts from customers	$ 124,304.	$ 47,463.	$ 171,767.	$ 1,802,645.
Payments to employees		(86,783.)	(86,783.)	(62,760.)
Payments for employee benefits		(11,466.)	(11,466.)	(19,648.)
Payments to suppliers	(468,699.)		(468,699.)	(1,703,727.)
Other receipts/(payments)	110,313.		110,313.	
Net cash provided by (used for) oper act	(234,082.)	(50,786.)	(284,868.)	16,510.
CASH FLOWS FROM NON-CAPITAL FINANCING ACT.				
State sources	5,573.		5,573.	
Federal sources	290,595.		290,595.	
Net cash provided by (used for)non-capital fin.act.	296,168.	0.	296,168.	0.
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of equipment	(16,681.)		(16,681.)	
Interest on investments	640.	504.	1,144.	1,341.
Net cash provided by investing activities	(16,041.)	504.	(15,537.)	1,341.
Net increase/(decrease) in cash and cash equivalents	46,045.	(50,282.)	(4,237.)	17,851.
Cash and cash equivalents - July 1	21,582.	84,152.	105,734.	88,733.
Cash and cash equivalents - June 30	$ 67,627.	$ 33,870.	$ 101,497.	$ 106,584.
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$(303,389.)	$(50,943.)	$(354,332.)	$(20,184.)
Adjust to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation and net amortization	5,527.		5,527.	
Federal commodities	23,594.		23,594.	
(Increase) decrease in accts receivables net	2,840.	12,102.	14,942.	36,694.
(Increase) decrease in inventories	3,513.		3,513.	
Increase (decrease) in accts payable	55.		55.	
Increase (decrease) in interfund payable	33,778.	(756.)	33,022.	
Increase (decrease) in deferred revenue		(11,189.)	(11,189.)	
Total adjustments	69,307.	157.	69,464.	36,694.
Net cash provided by (used for) oper activities	$(234,082.)	$(50,786.)	$(284,868.)	$ 16,510.

See Accompanying Notes to the Basic Financial Statements

FIDUCIARY FUNDS

EXHIBIT B-7

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

	Unemployment Compensation Trust	CF Seabrook Will Expendable Trust Fund	Agency Fund	Student Activity
ASSETS:				
Cash and cash equivalents	$ 127,894.	$ 816,961.	$ 5,890.	$ 50,775.
Due from Unemployment			2,722.	
Total assets	$ 127,894.	$ 816,961.	$ 8,630.	$ 50,775.
LIABILITIES:				
Due to student groups	$	$	$	$ 50,775.
Due to payroll withholdings			8,630.	
Due to Payroll/Agency	2,722.			
Total liabilities	2,722.	0.	$ 8,630.	$ 50,775.
NET ASSETS:				
Held in trust for unemployment claims	$ 125,172.			
Unreserved		$ 816,961.		

See Accompanying Notes to the Basic Financial Statements

EXHIBIT B-8

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

	Unemployment Compensation Trust	CF Seabrook Will Expendable Trust Fund
ADDITIONS:		
Contributions:		
Plan member	$ 12,944.	$
Other		75,081.
Board contribution	95,366.	
Total contributions	108,310.	75,081.
Investment earnings:		
Interest	970.	7,784.
Net investment earnings	970.	7,784.
DEDUCTIONS:		
Unemployment claims	132,438.	
Other expenses		3,477.
Total deductions	132,438.	3,477.
Change in net assets	(23,158.)	79,388.
NET ASSETS - JULY 1	148,330.	737,573.
NET ASSETS - JUNE 30	$ 125,172.	$ 816,961.

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 Upper 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 Upper 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 Upper Deerfield Township School District had an approximate enrollment at June 30, 2011 of 891 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 has 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 and the Community Education and Recreation Fund.

Internal Service Fund: A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of an LEA, or to other LEAs, on a cost-reimbursement basis.

The District's Internal Service Funds are comprised of the Joint Pupil Transportation 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	7-12 years
Community Education and Recreation Fund	
and Joint Pupil Transportation Fund:	
Equipment	5 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 unemployment claims.

Seabrook Will Trust: The Seabrook Will Trust Fund consists of assets that the District has reserved for future building and equipment expenditures.

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

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.

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.

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting: (Continued)

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.

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.

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control: (Continued)

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"	$12,837,110.	$1,126,220.	$262,749.
Difference – Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:			
Add Prior Year Encumbrances		14,915.	
Less Current Year Encumbrances		0.	
State aid payment recognized for GAAP statements in the current year previously recognized for budgetary purposes.	639,711.	24,126.	532,414.
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(554,643.)	(24,836.)	
Transfers to and from other funds are presented as inflows of budgetary resources but are not resources for financial reporting purposes.			
Net transfers (inflows) to capital project			(260,000.)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	$12,922,178.	$1,140,425.	$535,163.
Uses/outflows of resources			
Actual amounts (budgetary) "total outflows" from the budgetary comparison schedule	$13,116,063.	$1,126,220.	$1,017,661.
Differences – budget to GAAP			
Encumbrances for supplies and equipment ordered but not yet 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:			
Add Prior Year Encumbrances		14,915.	
Less Current Year Encumbrances		0.	
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund	(260,000.)		(2,749.)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$12,856,063.	$1,141,135.	$1,014,912.

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	20-50 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: (Cont'd)

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 bonds 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 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.

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

Deposits: (Cont'd)

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
Checking and Savings Accounts	$2,356,591.
Total	$2,356,591.

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 $2,356,591. and the bank balance was $3,138,981. Of the bank balance, $250,000. was covered by federal depository insurance and $2,888,981. 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 Upper Deerfield Board of Education by the inclusion of $100. On September 26, 2000 and $160,000. on July 26, 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.

NOTE 3.CAPITAL RESERVE ACCOUNT (Continued)

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:26-9.1(d), 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	$363,021.
Interest earnings	314.
Deposits	
Approved at April, 2010 election	0.
Approved by Board Resolution	0.
Withdrawals	(331,632.)
Ending balance, June 30, 2011	$31,703.

The June 30, 2011 LRPF balance of local support costs of uncompleted capital projects at June 30, 2011 is $1,081,446.

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 unanticipated 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	$695,858.
Deposits	
Approved at April, 2010 election	0.
Approved by Board Resolution June, 2011	300,000.
Withdrawals	(140,000.)
Ending balance June 30, 2011	$855,858.

The June 30, 2011 maximum maintenance reserve amount is $1,049,963.

NOTE 5. FIXED ASSETS

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

	Beginning Balance	Additions	Retirements	Adjustments	Ending Balance
Governmental Activities:					
Capital Assets that are not Being Depreciated:					
Land	$312,269.	$	$	$	$312,269.
Construction in Progress	1,773,862.	267,945	(1,773,862.)		267,945.
Total Capital Assets not being Depreciated	2,086,131.	267,945.	(1,773,862.)	0.	580,214.
Bldg & Bldg Improve	18,122,452.	2,515,030.			20,637,482.
Site Improvements	695,611.				695,611.
Machinery & Equip.	4,080,005.	89,743.		(77,948.)	4,091,800.
Totals at Historical Cost	22,898,068.	2,604,773.	0.	(77,948.)	25,424,893.
Less: Accum Deprec for:					
Bldg & Bldg Improve	(4,592,003.)	(418,847.)		9,939.	(5,000,911.)
Site Improvements	(485,189.)	(37,920.)		2,473.	(520,636.)
Machinery & Equip	(3,516,763.)	(84,975.)		110,138.	(3,491,600.)
Total Accum Deprec	(8,593,955.)	(541,742.)	0.	122,550.	(9,013,147.)
Total Capital Assets being Depreciated net of Accum Depreciation	14,304,113.	2,063,031.	0.	44,602.	16,411,746.
Government Activities Capital Assets, net	$16,390,244.	$2,330,976.	$(1,773,862.)	$44,602.	$16,991,960.
Business-type Activities:					
Equipment	$149,858.	$16,681.	$	$	$166,539.
Less Accum Dep for:					
Equipment	(134,886.)	(5,528.)			(140,414.)
Business-type Activ Capital Assets, net	$14,972.	$11,153.	$	$	$26,125.

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

Instruction:	
Regular	$(297,958.)
Special Education	(54,174.)
Support Services:	
Student and Instruction Related Services	(54,174.)
School Administration	(59,592.)
General and Business Administrative Services	(59,592.)
Plant Operations and Maintenance	(16,252.)
Total Depreciation Expense	$(541,742.)

NOTE 6.INVENTORY

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food and Supplies	$6,152.
Commodities	203.
	$6,355.

For value of Federal donated commodities as reflected on Schedule A, The Schedule of Expenditures of Federal Awards is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 7.OPERATING LEASES

The District had operating leases for copying equipment during the year ended June 30, 2011. The total operating lease payments made during the year were $18,825. The leases expire on various dates. Future minimum payments due on the leases are as follows:

June 30, 2012	$19,662.
June 30, 2013	19,662.
June 30, 2014	16,318.
June 30, 2015	14,647.
June 30, 2016	838.
TOTAL	$71,127.

NOTE 8. LONG-TERM DEBT

During the fiscal year ended June 30, 2011, the following changes occurred in liabilities reported in the general long-term debt account group.

Type of Debt	Balance June 30, 2010	Issued	Retired	Balance June 30, 2011	Amounts Due Within 1 Year
Governmental Activities:					
Compensated absences payable	$258,570.	$35,908.	$(67,740.)	$226,738.	$
Bonds payable	4,672,445.		(340,429.)	4,332,016.	362,136.
Capital leases payable	25,901.		(11,860.)	14,041.	14,041.
Accrued interest on bonds	77,252.		(5,773.)	71,479.	71,479.
TOTAL	$5,034,168.	$35,908.	$(425,802.)	$4,644,274.	$447,656.

The District has no long-term debt to be repaid from business-type activities.

A.Bonds Payable:

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

NOTE 8. LONG-TERM DEBT (Cont'd)
A.Bonds Payable: (Cont'd)

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

	Principal	Interest	Total
Year ending June 30,			
2012	$362,136.	$169,640.	$531,776.
2013	378,975.	155,087.	534,062.
2014	400,905.	139,847.	540,752.
2015	410,000.	125,048.	535,048.
2016	410,000.	108,976.	518,976.
2017-2021	1,990,000.	307,132.	2,297,132.
2022	380,000.	14,896.	394,896.
	$4,332,016.	$1,020,626.	$5,352,642.

B.Bonds Authorized But Not Issued:

As of June 30, 2011, the Board had no authorized but not issued bonds.

C.Capital Leases Payable:

During the year ended June 30, 2009, the Board entered into a capital lease agreement to purchase office equipment. The lease is for a term of 4 years. The agreement calls for monthly payments of $1,225., which includes interest at a rate of 8.56% per annum. Future payments required under this lease are as follows:

Year Ended	Payment
June 30, 2012	$14,700.
TOTAL	14,700.
Less: Amount representing interest	659.
	$14,041.

NOTE 9.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 9.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 9.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	$209,544.	0%	$209,544.
June 30, 2010	149,232.	0%	149,239.
June 30, 2009	129,874.	0%	129,874.

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	$442,415.	100%	$ 0.
June 30, 2010	409,711.	100%	0.
June 30, 2009	389,536.	100%	0.

During the fiscal year ended June 30, 2011, the State of New Jersey contributed $442,415. 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 $472,850. 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 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 10.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.

NOTE 10.POST RETIREMENT BENEFITS (Continued)

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS, TPAF, 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 11.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 administrator is as follows:

Great American Plan Administrators

NOTE 12.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.

The District participates in the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GSCCDJIF). The Fund pools together member district resources, and, through consultation with insurance professionals, purchase coverages which include workers' compensation, property, general automobile, and school board legal liability, and boiler and machinery insurances.

As a member of the Fund, the Board is obligated for the prompt payment of any and all sums due to the Fund in accordance with its By-laws, statutes or regulations. However, the Board is not obligated for claims and expenses of another member district that are not covered by the Fund, or for that portion of any claim or liability which exceeds the Fund's limits of coverage.

A detailed schedule of the insurance coverages provided by the Fund is included in the statistical section of the District's Comprehensive Annual Financial Report.

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

Fiscal Year	District Contributions	Employee Contributions	Interest Income	Amount Reimbursed	Ending Balance
2010-2011	$95,366.	$12,944.	$970.	$132,438.	$125,172.
2009-2010	0.	15,464.	923.	12,393.	148,330.
2008-2009	0.	14,188.	921.	8,340.	144,336.

NOTE 13. OTHER INFORMATION

Estate of Charles F. Seabrook, Deceased

The Board of Education received funds during the school years 1971-1972 to 2010-2011 from the Estate of Charles F. Seabrook, deceased. These funds represent the Board's share of interest on the principal held in trust. There will be additional sums received in future years.

Funds from this source are restricted to the construction of a building for school purposes, or addition thereto or the equipment of any building for school purposes, as required by N.J.S.A. 18A:20-4.

During 2010-2011, the school district received the sum of $75,081. from the estate. This amount has been included in an expendable trust fund and is available to be applied to future expenditures as described in the above paragraph.

During 2010-2011 the school district expended $3,478. from this trust fund.

NOTE 14.INTERFUND RECEIVABLES AND PAYABLES

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

	Due to:						
Due From:	General	Capital Project	Debt Service	Enterprise	Internal Service	Fiduciary	Total
General	$	$	$	$	$	$18.	$18.
Capital Projects			4,874.				4,874.
Debt Service							0.
Enterprise	2,078.						2,078.
Internal Service	1,286.						1,286.
Fiduciary							0.
Total	$3,364.	$0.	$4,874.	$0.	$0.	$18.	$8,256.

The balances resulted from the time lag between the dates that:

1. Interfund goods and services are provided or reimbursable expenditures occur;
2. Transactions are recorded in the accounting system, and;
3. Payments between funds are made.

The amount due from the Capital Projects Fund to the Debt Service Fund is a result of transferring the interest earned in the Capital Projects Fund.

NOTE 15.COMPENSATED ABSENCES

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

NOTE 15.COMPENSATED ABSENCES (Continued)

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.

In the district-wide *Statement of Net Assets,* the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

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 16.FUND BALANCE APPROPRIATED

General Fund - Of the $654,610. General Fund balance at June 30, 2011, $65,746. is reserved for encumbrances; $0. is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 ($0. of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012); $31,703. has been reserved in the Capital Reserve Account; $855,858. has been reserved in the Maintenance Reserve Account; $0. has been appropriated and included as anticipated revenue for the year ending June 30, 2012; and $(298,697.) is unreserved and undesignated.

NOTE 17.DEFICIT FUND BALANCES

The District has a deficit fund balance of $(24,836.) 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 the subsequent fiscal year, the school district can not recognize the last state aid payment 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.* 22-44.2 any negative unreserved, undesignated special revenue fund balance that is reported as a direct result from a delay in the June payment 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 $(24,836.) is equal to the June state aid payments.

NOTE 18.CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended, 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 $0.

REQUIRED SUPPLEMENTARY INFORMATION–PART II

BUDGETARY COMPARISON SCHEDULES

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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	$ 5,972,696.	$	$ 5,972,696.	$ 5,972,696.	$
Tuition	11,735.		11,735.	123,610.	111,875.
Interest earned	11,400.		11,400.	16,474.	5,074.
Miscellaneous	42,265.		42,265.	51,610.	9,345.
Total local sources	6,038,096.	0.	6,038,096.	6,164,390.	126,294.
State sources:					
Equalization aid	5,410,709.	(126,700.)	5,284,009.	5,284,009.	
Special education aid	300,326.	126,700.	427,026.	427,026.	
On behalf TPAF pension contribution (non-budgeted)				442,415.	442,415.
Reimbursed TPAF social security contribution (non-budgeted)				472,850.	472,850.
Additional non-public transportation aid				8,004.	8,004.
Total state sources	5,711,035.	0.	5,711,035.	6,634,304.	923,269.
Federal sources:					
Medical assistance program	25,026.		25,026.	38,416.	13,390.
Total federal sources	25,026.	0.	25,026.	38,416.	13,390.
Total revenues	11,774,157.	0.	11,774,157.	12,837,110.	1,062,953.

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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:					
Kindergarten-salaries of teachers	$ 304,000.	$(9,513.)	$ 294,487.	$ 293,977.	$ 510.
Grades 1-5-Salaries of teachers	1,850,195.	(80,798.)	1,769,397.	1,757,611.	11,786.
Grades 6-8-salaries of teachers	1,325,481.	29,562.	1,355,043.	1,348,615.	6,428.
Home instruction:					
Salaries of teachers	5,000.	8,271.	13,271.	13,271.	
Purchased prof/educ services	6,500.	15,500.	22,000.	19,091.	2,909.
Regular programs-undistributed instruction:					
Other salaries for instruction	30,660.		30,660.	30,376.	284.
Purchased technical services	59,500.	(17,500.)	42,000.	31,974.	10,026.
General supplies	169,850.	18,526.	188,376.	165,102.	23,274.
Textbooks	6,500.	(3,442.)	3,058.		3,058.
Other objects	1,450.		1,450.	1,111.	339.
Total regular programs - instruction	3,759,136.	(39,394.)	3,719,742.	3,661,128.	58,614.
Special education-instruction:					
Learning and/or learning disabilities:					
Salaries of teachers	195,997.	428.	196,425.	195,527.	898.
Other salaries for instruction	60,932.	2,751.	63,683.	62,682.	1,001.
General supplies	7,500.	(5,750.)	1,750.	820.	930.
Total special education-multiple dis	264,429.	(2,571.)	261,858.	259,029.	2,829.
Auditory impairments:					
Salaries of teachers	114,478.	(114,478.)			
Total auditory impairments	114,478.	(114,478.)	0.	0.	0.
Behavior disabilities:					
Salaries of teachers		112,307.	112,307.	108,412.	3,895.
Other salaries for instruction	95,092.	(50,387.)	44,705.	42,990.	1,715.
General suppliles	1,000.	(529.)	471.	366.	105.
Total behavior disabilities	96,092.	61,391.	157,483.	151,768.	5,715.

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

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Multiple disabilities:					
General supplies	$ 96,517.	$ 59,658.	$ 156,175.	$ 149,742.	$ 6,433.
Total multiple disabilities	96,517.	59,658.	156,175.	149,742.	6,433.
Resource room/resource center:					
Salaries of teachers	548,959.	1,345.	550,304.	545,943.	4,361.
Other salaries for instruction	154,910.	31,932.	186,842.	181,870.	4,972.
General supplies	9,850.	(661.)	9,189.	7,625.	1,564.
Textbooks	2,500.		2,500.		2,500.
Total resource room/resource center	716,219.	32,616.	748,835.	735,438.	13,397.
Total special education instruction	1,287,735.	36,616.	1,324,351.	1,295,977.	28,374.
Basic skills/remedial instruction:					
Other salaries for instruction	28,989.	(13,146.)	15,843.	1,440.	14,403.
Total basic skills/remedial instruction	28,989.	(13,146.)	15,843.	1,440.	14,403.
Bilingual education-instruction:					
Salaries of teachers	60,744.		60,744.	60,744.	
General supplies	700.		700.		700.
Total bilingual education-instuction	61,444.	0.	61,444.	60,744.	700.
Other instructional programs - instruction:					
Salaries	73,057.		73,057.	73,057.	
Total instructional programs-instruction	73,057.	0.	73,057.	73,057.	0.
Total instruction	5,210,361.	(15,924.)	5,194,437.	5,092,346.	102,091.

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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 within state-regular	$ 12,000.	$ 29,461.	$41,461.	$41,461.	$
Tuition-other LEAs within state-special	21,000.	(4,136.)	16,864.	16,864.	
Tuition-co special services/reg day schools	95,938.	(84,883.)	11,055.	11,055.	
Tuition priv schools handicapped w/state	181,276.	(171,299.)	9,977.	9,977.	
Tuition -other	39,000.	(1,449.)	37,551.	33,682.	3,869.
Total instruction	349,214.	(232,306.)	116,908.	113,039.	3,869.
Attendance and social work services:					
Purchased prof/tech services	1,000.	(200.)	800.		800.
Total attendance and social work services	1,000.	(200.)	800.	0.	800.
Health services:					
Salaries	228,800.		228,800.	225,153.	3,647.
Purchased prof. and technical services	2,500.		2,500.	350.	2,150.
Other purchased services	100.		100.		100.
Supplies and materials	4,150.	165.	4,315.	3,516.	799.
Other objects	100.		100.	85.	15.
Total health services	235,650.	165.	235,815.	229,104.	6,711.
Speech, OT, PT and related services:					
Salaries	85,400.	(16,229.)	69,171.	69,171.	
Purchased prof/educational services	10,950.	13,920.	24,870.	24,870.	
Supplies and materials	1,000.	(410.)	590.	390.	200.
Total speech, OT, PT and related services	97,350.	(2,719.)	94,631.	94,431.	200.
Guidance:					
Salaries of other professional staff	227,000.	1,000.	228,000.	227,137.	863.
Other purchased prof/technical services	11,650.	2,456.	14,106.	11,847.	2,259.
Supplies and materials	3,000.	2,200.	5,200.	5,191.	9.
Total guidance	241,650.	5,656.	247,306.	244,175.	3,131.

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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 teams:					
Salaries of other professional staff	$ 268,200.	$(62,000.)	$ 206,200.	$ 205,513.	$ 687.
Salaries of sec/clerical assistants	51,300.		51,300.	50,519.	781.
Purchased prof/educational services	5,000.	11,000.	16,000.	12,515.	3,485.
Purchased prof/tech services	6,000.	400.	6,400.	6,400.	
Miscellaneous purchased services	5,500.	3,644.	9,144.	9,144.	
Supplies and materials	7,800.	(4,378.)	3,422.	2,083.	1,339.
Other objects	100.		100.		100.
Total other sup services-students-special services	343,900.	(51,334.)	292,566.	286,174.	6,392.
Improve of instruct serv/other support serv-instruct staff					
Salaries of other professional staff	1,046.		1,046.		1,046.
Purchased prof/educ services	500.		500.		500.
Total improvement of instructional services	1,546.	0.	1,546.	0.	1,546.
Educational media services/school library:					
Salaries	138,646.	700.	139,346.	138,862.	484.
Purchased professional and technical services	3,850.	(2,500.)	1,350.	350.	1,000.
Other purchased services	400.		400.		400.
Supplies and materials	12,155.	2,386.	14,541.	14,017.	524.
Other objects	50.		50.		50.
Total educational media services/school library	155,101.	586.	155,687.	153,229.	2,458.
Instructional staff training services:					
Purchased prof/educational services	3,000.		3,000.		3,000.
Other purchased services	10,500.		10,500.	5,199.	5,301.
Supplies and materials	500.		500.		500.
Other objects	350.		350.		350.
Total instructional staff training services	14,350.	0.	14,350.	5,199.	9,151.

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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	$ 196,135.	$(48,530.)	$ 147,605.	$ 146,770.	$ 835.
Legal services	4,000.	(1,000.)	3,000.	2,608.	392.
Audit fees	24,500.	20,500.	45,000.	22,750.	22,250.
Architectural/engineering services	5,000.	(2,000.)	3,000.		3,000.
Other purchased professional services	5,300.	18,639.	23,939.	20,739.	3,200.
Communications/telephone	32,200.	5,100.	37,300.	35,348.	1,952.
BOE other purchased services	2,500.	(1,500.)	1,000.	477.	523.
Other purchased services	54,950.	24,909.	79,859.	79,859.	
General supplies	8,500.		8,500.	8,496.	4.
BOE in house training/meeting supplies	750.	(750.)			
Miscellaneous expenditures	4,480.	152.	4,632.	4,632.	
BOE membership dues and fees	7,150.	2,329.	9,479.	9,479.	
Total support services-general administration	345,465.	17,849.	363,314.	331,158.	32,156.
Support services school administration:					
Salaries of principals/asst.	316,000.		316,000.	315,750.	250.
Salaries of other professional staff	109,000.	5,904.	114,904.	114,904.	
Salaries of secretarial assistants	168,587.	(4,830.)	163,757.	161,998.	1,759.
Other purchased services	26,450.	4,200.	30,650.	29,374.	1,276.
Supplies and materials	15,220.	(4,110.)	11,110.	11,026.	84.
Other objects	7,000.		7,000.	6,408.	592.
Total support services school administration	642,257.	1,164.	643,421.	639,460.	3,961.
Undistributed expenditures - central services					
Salaries	217,300.		217,300.	215,804.	1,496.
Purchased technical services	13,500.	1,300.	14,800.	14,800.	
Miscellaneous purchased services	1,250.	638.	1,888.	1,888.	
Supplies and materials	9,000.	(2,500.)	6,500.	5,168.	1,332.
Miscellaneous expenditures	2,300.	180.	2,480.	2,480.	
Total undistributed expenditures - central services	243,350.	(382.)	242,968.	240,140.	2,828.

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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 - admin info tech					
Salaries	$ 79,604.	$	$ 79,604.	$ 78,227.	$ 1,377.
Purchased professional services	5,200.	(4,618.)	582.	90.	492.
Other purchased services	450.		450.	35.	415.
Supplies and materials	8,500.	2,000.	10,500.	9,887.	613.
Other objects	100.		100.	9.	91.
Total undistributed expenditures - admin info tech	93,854.	(2,618.)	91,236.	88,248.	2,988.
Allowable maintenance for school facilities:					
Cleaning, repair and maintenance services	117,688.	17,905.	135,593.	129,936.	5,657.
General supplies	22,500.	8,000.	30,500.	21,083.	9,417.
Total allowable maintenance for school facilities	140,188.	25,905.	166,093.	151,019.	15,074.
Other operation and maintenance of plant services:					
Salaries	556,968.	(91,176.)	465,792.	450,789.	15,003.
Salaries of non-instructional aides		87,300.	87,300.	87,144.	156.
Purchased professional and technical services	10,000.	(2,600.)	7,400.	6,405.	995.
Cleaning, repair and maintenance of services	40,000.	21,575.	61,575.	58,902.	2,673.
Other purchased property services	21,000.		21,000.	18,064.	2,936.
Insurance	57,200.	50,699.	107,899.	107,899.	
General supplies	76,500.	(12,500.)	64,000.	58,371.	5,629.
Energy (natural gas)	110,000.	(27,000.)	83,000.	79,423.	3,577.
Energy (electricity)	331,703.	10,075.	341,778.	329,730.	12,048.
Energy (oil)	6,000.	395.	6,395.	6,395.	
Energy (gasoline)	2,000.		2,000.	2,000.	
Other objects	1,979.		1,979.	532.	1,447.
Total other operation and mainten of plant services	1,213,350.	36,768.	1,250,118.	1,205,654.	44,464.
Care and upkeep of grounds:					
Salaries	40,490.	755.	41,245.	40,331.	914.
Total care and upkeep of grounds	40,490.	755.	41,245.	40,331.	914.
Total operation and maintenance of plant services	1,394,028.	63,428.	1,457,456.	1,397,004.	60,452.

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

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Students transportation services:					
Management fee-ESC transportation programs	$ 20,423.	$(8,563.)	$ 11,860.	$ 11,860.	$
Contracted services between home/school-vendors	50,000.	20,200.	70,200.	70,020.	180.
Contracted services not home/school-vendors	3,500.		3,500.	1,894.	1,606.
Contracted services-home/school-joint agreements	317,000.		317,000.	315,053.	1,947.
Contracted services reg stud-ESCs	2,000.		2,000.		2,000.
Contracted services spec ed-ESCs	165,000.	(58,952.)	106,048.	103,204.	2,844.
Contracted services-aid in lieu of payments	63,800.	(18,274.)	45,526.	45,526.	
Total student transportation services	621,723.	(65,589.)	556,134.	547,557.	8,577.
Unallocated Benefits:					
Social security contribution	126,705.	16,566.	143,271.	143,271.	
Other retirement contributions-regular	153,116.	58,881.	211,997.	209,762.	2,235.
Unemployment compensation	1,000.	94,366.	95,366.	95,366.	
Workmen's compensation	80,500.	81,835.	162,335.	162,335.	
Health benefits	1,605,340.	(12,708.)	1,592,632.	1,592,608.	24.
Tuition reimbursement	25,000.	12,272.	37,272.	37,272.	
Other employee benefits	35,000.	45,801.	80,801.	77,545.	3,256.
Total unallocated benefits	2,026,661.	297,013.	2,323,674.	2,318,159.	5,515.
On behalf TPAF pension contributions (non-budgeted)				442,415.	(442,415.)
Reimbursed TPAF soc sec contributions (non-budgeted)				472,850.	(472,850.)
Total undistributed expenditures	6,807,099.	30,713.	6,837,812.	7,602,342.	(764,530.)
Total expenditures-current expense	12,017,460.	14,789.	12,032,249.	12,694,688.	(662,439.)
CAPITAL OUTLAY:					
Equipment:					
Grades 6-8		31,638.	31,638.		31,638.
Special education instruction:					
Learning and learning disabilities		3,640.	3,640.	3,640.	
Undistributed expenditures:					
Required maintenance for school facilities		64,895.	64,895.	64,895.	
Custodial services		21,208.	21,208.	21,208.	
Total equipment	0.	121,381.	121,381.	89,743.	31,638.

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

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Facilities acquisition and construction services:					
Other objects	$ 71,632.	$	$ 71,632.	$ 71,632.	$
Total facilities acquisition and construction services	71,632.	0.	71,632.	71,632.	0.
Total capital outlay expendiutres	71,632.	121,381.	193,013.	161,375.	31,638.
Transfer of funds to Charter Schools	35,297.	(35,297.)	0.	0.	0.
Total expenditures	12,124,389.	100,873.	12,225,262.	12,856,063.	(630,801.)
Excess (deficiency) of revenues over (under) expenditures	(350,232.)	(100,873.)	(451,105.)	(18,953.)	432,152.
Other financing sources:					
Operating transfers out:					
Capital reserve - transfer to capital projects fund	(260,000.)		(260,000.)	(260,000.)	
Total other financing sources	(260,000.)	0.	(260,000.)	(260,000.)	0.
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(610,232.)	(100,873.)	(711,105.)	(278,953.)	432,152.
Fund balances, July 1	1,488,206.		1,488,206.	1,488,206.	
Fund balances, June 30	$ 877,974.	$(100,873.)	$ 777,101.	$ 1,209,253.	$ 432,152.

Recapitulation:	
Restricted Fund Balance:	
Capital reserve	31,703.
Maintenance reserve	855,858.
Committed Fund Balance:	
Year-end encumbrances	65,746.
Assigned Fund Balance:	
Year-end encumbrances	255,946.
Unassigned Fund Balance	1,209,253.
Reconciliation to Government Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	(554,543.)
Fund Balance per Governmental Funds (GAAP)	$654,610.

EXHIBIT C-2

UPPER 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:					
State sources	$ 290,754.	$	$ 290,754.	$ 244,882.	$(45,872.)
Federal sources	881,338.		881,338.	881,338.	
Total revenues	1,172,092.	0.	1,172,092.	1,126,220.	(45,872.)
EXPENDITURES:					
Instruction:					
Salaries of teachers	522,498.		522,498.	485,726.	36,772.
Other salaries for instruction	176,182.		176,182.	175,759.	423.
Purchased professional/technical services	6,000.		6,000.	550.	5,450.
Other purchased services	177,499.		177,499.	179,244.	(1,745.)
General supplies	31,343.		31,343.	33,372.	(2,029.)
Total instruction	913,522.	0.	913,522.	874,651.	38,871.
Support Services:					
Salaries of other professional staff	29,039.		29,039.	29,039.	
Pers serv - employee benefits	136,771.		136,771.	139,414.	(2,643.)
Purchased prof/educ services	32,937.		32,937.	31,728.	1,209.
Other purchased services	55,763.		55,763.	48,911.	6,852.
Supplies and materials	4,060.		4,060.	2,477.	1,583.
Total support services	258,570.	0.	258,570.	251,569.	7,001.
Total expenditures	1,172,092.	0.	1,172,092.	1,126,220.	45,872.
Total outflows	1,172,092.	0.	1,172,092.	1,126,220.	45,872.
Excess (deficiency) of revenues over (under) expenditures	$ 0.	$ 0.	$ 0.	$ 0.	$ 0.

EXHIBIT C-3

UPPER 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
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	$ 12,837,110.	$ 1,126,220.
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Add Prior Year Encumbrance		14,915.
Less Current Year Encumbrance		0.
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	639,711.	24,126.
State aid payment recognized for budgetary purposes not recognized for GAAP statements until the subsequent year.	(554,643.)	(24,836.)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	$ 12,922,178.	$ 1,140,425.
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 13,116,063.	$ 1,126,220.
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.		
Add Prior Year Encumbrance		14,915.
Less Current Year Encumbrance		0.
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund	(260,000.)	0.
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 12,856,063.	$ 1,141,135.

SCHOOL LEVEL SCHEDULES

N/A

SPECIAL REVENUE FUND

UPPER 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 I Part D ARRA	Title II Part A	Title II Part D	Title II Part D Basic
Revenues:						
State sources	$	$	$	$	$	$
Federal sources	408,115.	92,865.	62.	68,433.	900.	224,391.
Total revenues	$ 408,115.	$ 92,865.	$ 62.	$ 68,433.	$ 900.	$ 224,391.
Expenditures:						
Instruction:						
Salaries of teachers	$ 162,883.	$ 48,287.	$	$ 44,293.	$	$ 19,000.
Other salaries for instruction	112,678.					
Purchased prof/tech services	550.					
Other purchased services						171,745.
General supplies	22,612.		62.			900.
Total instruction	298,723.	48,287.	62.	44,293.	0.	191,645.
Support services:						
Salaries of other prof. staff		29,039.				
Pers. serv.-employee benefits	66,287.	11,839.		20,457.		1,018.
Purchased prof/educ serv.						31,728.
Other purchased services	40,628.	3,700.		3,683.	900.	
Supplies & materials	2,477.					
Total support services	109,392.	44,578.	0.	24,140.	900.	32,746.
Total expenditures	$ 408,115.	$ 92,865.	$ 62.	$ 68,433.	$ 900.	$ 224,391.

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

	IDEA Part B Basic ARRA	IDEA Part B Pre-School	Pre-School ARRA	REAP	Pre-School Program	Totals 2011
Revenues:						
State sources	$	$	$	$	$ 244,882.	$ 244,882.
Federal sources	80,775.	5,427.	370.			881,338.
Total revenues	$ 80,775.	$ 5,427.	$ 370.	$ 0.	$ 244,882.	$ 1,126,220.
Expenditures:						
Instruction:						
Salaries of teachers	$ 54,795.	$	$	$	$ 156,468.	$ 485,726.
Other salaries for instruction		5,149.			57,932.	175,759.
Purchased prof/tech services						550.
Other purchased services	7,499.					179,244.
General supplies	9,428.		370.			33,372.
Total instruction	71,722.	5,149.	370.	0.	214,400.	874,651.
Support services:						
Salaries of other prof. staff						29,039.
Pers. serv.-employee benefits	9,053.	278.			30,482.	139,414.
Purchased prof/educ serv.						31,728.
Other purchased services						48,911.
Supplies & materials						2,477.
Total support services	9,053.	278.	0.	0.	30,482.	251,569.
Total expenditures	$ 80,775.	$ 5,427.	$ 370.	$ 0.	$ 244,882.	$ 1,126,220.

EXHIBIT E-2

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
STATEMENT OF DEMONSTRABLY EFFECTIVE PROGRAM
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Total		
	Budgeted	Actual	Variance
Expenditures:			
Instruction:			
Salaries-teachers	$ 186,027.	$ 156,468.	$ 29,559.
Other salaries for instruction	61,182.	57,932.	3,250.
Total instruction	247,209.	214,400.	32,809.
Support services:			
Personal services-employee benefits	43,545.	30,482.	13,063.
Total support services	43,545.	30,482.	13,063.
Total expenditures	$ 290,754.	$ 244,882.	$ 45,872.

Calculation of Budget and Carryover

Total revised 2010-2011 Pre-School Education Aid Allocation	$ 248,360.
Add: Actual Pre-School Carryover (June 30, 2010)	48,736.
Add: Budgeted Transfer from the General Fund 2010-2011	0.
Total Pre-School Education Aid Funds available for 2010-2011 Budget	297,096.
Less: 2010-2011 Budgeted Pre-School Education Aid	(290,754.)
Prior Year Budget Carryover	0.
Available and Unbudgeted Pre-School Education Aid Funds as of June 30, 2011	6,342.
Add: June 30, 2011 Unexpended Pre-School Education Aid	45,872.
2010-2011 Carryover-Pre-School Education Aid/Pre-School	$ 52,214.
2010-2011 Pre-School Education Aid Carryover Budgeted for Pre-School Pgms. 2011-2012	$ 6,342.

CAPITAL PROJECTS FUND

EXHIBIT F-1

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2011

Issue/Project Title	Revised Appropriations	Expenditures to Date		Unexpended Balance
		Prior Year	Current Year	June 30, 2011
5300-050-09-1001 Charles F. Seabrook Elementary School: HVAC, Roof, Security	$ 2,211,048.	$ 1,601,318.	$ 541,367.	$ 68,363.
5300-060-09-1002 Elizabeth F. Moore Elementary School: HVAC, Roof, Security	475,262.	10,899.	181,406.	282,957.
5300-070-09-1003 Woodruff Elementary School: HVAC, Roof, Door/Window Replalcement	488,360.	161,645.	292,139.	34,576.
TOTAL	$ 3,174,670.	$ 1,773,862.	$ 1,014,912.	$ 385,896.

EXHIBIT F-2

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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	$ 0.
Transfer from capital reserve	260,000.
Transfer from capital outlay	0.
Interest	2,749.
Total revenues and other financing sources	262,749.
Expenditures and Other Financing Uses:	
Construction services	$ 965,751.
Purchased professional/technical services	49,161.
Transfer to debt service fund	2,749.
Total expenditures and other financing uses	1,017,661.
Excess (deficiency) of revenues over (under) expenditures	(754,912.)
Fund balance - beginning	1,140,808.
Fund balance - ending	$ 385,896.

EXHIBIT F-2a

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
CHARLES F. SEABROOK ELEMENTARY SCHOOL: HVAC, ROOF, SECURITY
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	$ 1,138,793.	$	$ 1,138,793.	$ 1,138,793.
Transfer from capital reserve	562,179.	40,076.	602,255.	602,255.
Transfer from capital outlay	470,000.		470,000.	470,000.
Total revenues	2,170,972.	40,076.	2,211,048.	2,211,048.
Expenditures and Other Financing Uses:				
Construction services	1,464,274.	514,377.	1,978,651.	1,860,311.
Purchased professional/technical services	137,044.	24,090.	161,134.	347,837.
Other		2,900.	2,900.	2,900.
Total expenditures	1,601,318.	541,367.	2,142,685.	2,211,048.
Excess (deficiency) or revenues over (under) expenditures	$ 569,654.	$(501,291.)	$ 68,363.	$ 0.

Additional project information:	
Project Number	5300-050-09-1001
Grant Date/Letter of Notification	02/26/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 2,170,972.
Additional Authorized Cost	$ 40,076.
Revised Authorized Cost	$ 2,211,048.
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	96.91%
Original Target Completion Date	August, 2009
Revised Target Completion Date	November, 2010

EXHIBIT F-2b

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
ELIZABETH F. MOORE SCHOOL: HVAC, ROOF, SECURITY
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	$ 150,828.	$	$ 150,828.	$ 150,828.
Transfer from capital reserve	136,707.	187,727.	324,434.	324,434.
Total revenues	287,535.	187,727.	475,262.	475,262.
Expenditures and other financing uses:				
Construction services	1,433.	172,210.	173,643.	420,730.
Purchased professional/technical services	9,466.	8,146.	17,612.	53,482.
Other		1,050.	1,050.	1,050.
Total expenditures and other financing uses	10,899.	181,406.	192,305.	475,262.
Excess (deficiency) or revenues over (under) expenditures	$ 276,636.	$ 6,321.	$ 282,957.	$ 0.
Additional project information:				
Project Number	5300-060-09-1002			
Grant Date/Letter of Notification	02/26/09			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	$ 287,535.			
Additional Authorized Cost	$ 187,727.			
Revised Authorized Cost	$ 475,262.			
Percentage Increase Over Original Authorized Cost	N/A			
Percentage Completion	59.54%			
Original Target Completion Date	August, 2009			
Revised Target Completion Date	November, 2010			

EXHIBIT F-2c

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
WOODRUFF ELEMENTARY SCHOOL: HVAC, ROOF, DOOR/WINDOW REPLACEMENT
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	$ 239,282.	$	$ 239,282.	$ 239,282.
Transfer from capital reserve	216,881.	32,197.	249,078.	249,078.
Total revenues	456,163.	32,197.	488,360.	488,360.
Expenditures and other financing uses:				
Construction services	156,339.	279,164.	435,503.	395,534.
Purchased professional/technical services	5,306.	11,125.	16,431.	90,976.
Other		1,850.	1,850.	1,850.
Total expenditures and other financing uses	161,645.	292,139.	453,784.	488,360.
Excess (deficiency) or revenues over (under) expenditures	$ 294,518.	$(259,942.)	$ 34,576.	$ 0.
Additional project information:				
Project Number	5300-070-09-1003			
Grant Date/Letter of Notification	02/26/09			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	$ 456,163.			
Additional Authorized Cost	$ 32,197.			
Revised Authorized Cost	$ 488,360.			
Percentage Increase Over Original Authorized Cost	N/A			
Percentage Completion	92.92%			
Original Target Completion Date	August, 2009			
Revised Target Completion Date	November, 2010			

PROPRIETARY FUNDS

ENTERPRISE FUNDS

EXHIBIT G-1

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

	Food Service Fund	Community Education and Recreation Fund	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	$ 67,627.	$ 33,870.	$ 101,497.
Accounts receivable:			
Interfund	155.		155.
Other	12,619.	1,643.	14,262.
Inventories	6,355.		6,355.
Total current assets	86,756.	35,513.	122,269.
Fixed assets:			
Equipment	161,157.	2,810.	163,967.
Accumulated depreciation	(135,031.)	(2,810.)	(137,841.)
Total fixed assets	26,126.	0.	26,126.
Total assets	$ 112,882.	$ 35,513.	$ 148,395.
LIABILITIES:			
Current liabilities:			
Interfund payable	$	$ 2,233.	$ 2,233.
Accounts payable	1,164.		1,164.
Deferred revenue		14,142.	14,142.
Total current liabilities	1,164.	16,375.	17,539.
NET ASSETS:			
Invested in capital assets net of related debt	26,126.		26,126.
Unrestricted	85,592.	19,138.	104,730.
Total net assets	$ 111,718.	$ 19,138.	$ 130,856.

EXHIBIT G-2

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

	Food Service Fund	Community Education and Recreation Fund	Total
OPERATING REVENUES:			
Local Sources:			
Daily sales-reimbursable programs	$ 93,274.	$	$ 93,274.
Daily sales-non-reimbursable programs	31,602.		31,602.
Child care fees		33,594.	33,594.
Summer camp		12,955.	12,955.
Charges for services	74,232.		74,232.
Total local sources	199,108.	46,549.	245,657.
Total operating revenues	199,108.	46,549.	245,657.
OPERATING EXPENSES:			
Salaries	184,118.	79,915.	264,033.
Payroll taxes and fringe benefits	35,379.	6,112.	41,491.
Supplies	27,958.	10,807.	38,765.
Insurance	13,075.		13,075.
Office expense		628.	628.
Management fees	20,600.		20,600.
Depreciation	5,527.		5,527.
Miscellaneous	2,826.	30.	2,856.
Cost of sales	195,191.		195,191.
Repairs and maintenance	17,823.		17,823.
Total operating expenses	502,497.	97,492.	599,989.
Operating income/(loss)	(303,389.)	(50,943.)	(354,332.)
NON-OPERATING REVENUES:			
State sources:			
State school lunch program	4,668.		4,668.
Federal sources:			
National school breakfast program	87,650.		87,650.
National school lunch program	184,718.		184,718.
Food distribution program	23,594.		23,594.
Interest revenue	640.	504.	1,144.
Total non-operating revenues	301,270.	504.	301,774.
Change in net assets	(2,119.)	(50,439.)	(52,558.)
NET ASSETS - JULY 1	113,837.	69,577.	183,414.
NET ASSETS - JUNE 30	$ 111,718.	$ 19,138.	$ 130,856.

EXHIBIT G-3

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Service Fund	Community Education and Recreation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	$ 124,304.	$ 47,463.	$ 171,767.
Payments to employees		(86,783.)	(86,783.)
Cash payments to suppliers	(468,699.)	(11,466.)	(480,165.)
Other receipts (payments)	110,313.		110,313.
Net cash provided (used) by operating activities	(234,082.)	(50,786.)	(284,868.)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
State sources	5,573.		5,573.
Federal sources	290,595.		290,595.
Net cash provided by noncapital financing activities	296,168.	0.	296,168.
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of equipment	(16,681.)		(16,681.)
Interest on investments	640.	504.	1,144.
Net cash provided by investing activities	(16,041.)	504.	(15,537.)
Net increase/(decrease) in cash and cash equivalents	46,045.	(50,282.)	(4,237.)
Cash and cash equivalents - July 1	21,582.	84,152.	105,734.
Cash and cash equivalents - June 30	$ 67,627.	$ 33,870.	$ 101,497.
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	$(303,389.)	$(50,943.)	$(354,332.)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	5,527.		5,527.
Federal commodities	23,594.		23,594.
Change in assets and liabilties:			
(Increase)/decrease in accounts receivable	2,840.	12,102.	14,942.
(Increase)/decrease in inventory	3,513.		3,513.
(Increase)/decrease in interfund receivable	33,778.		33,778.
Increase/(decrease) in accounts payable	55.		55.
Increase/(decrease) in interfund payable		(756.)	(756.)
Increase/(decrease) in deferred revenue		(11,189.)	(11,189.)
Net cash provided/(used) by operating activities	$(234,082.)	$(50,786.)	$(284,868.)

INTERNAL SERVICE FUND

EXHIBIT G-4

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

	Joint Pupil Transportation Internal Service Fund	Total
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 106,584.	$ 106,584.
Accounts receivable	85,064.	85,064.
Total current assets	191,648.	191,648.
Fixed assets:		
Equipment	2,572.	2,572.
Accumulated depreciatioon	(2,572.)	(2,572.)
Total fixed assets	0.	0.
Total assets	$ 191,648.	$ 191,648.
LIABILITIES:		
Current liabilities:		
Accounts payable	$ 169,758.	$ 169,758.
Interfund payable	1,286.	1,286.
Total current liabilities	171,044.	171,044.
Total liabilities	171,044.	171,044.
NET ASSETS:		
Unrestricted	20,604.	20,604.
Total net assets	$ 20,604.	$ 20,604.

EXHIBIT G-5

UPPER 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

	Joint Pupil Transportation Internal Service Fund	Total
OPERATING REVENUES:		
Charges for services	$ 1,765,951.	$ 1,765,951.
Total operating revenues	1,765,951.	1,765,951.
OPERATING EXPENSES:		
Transportation costs	1,697,577.	1,697,577.
Supplies	4,250.	4,250.
Salaries	62,760.	62,760.
Payroll taxes and fringe benefits	19,648.	19,648.
Office expense	1,184.	1,184.
Miscellaneous	716.	716.
Total operating expenses	1,786,135.	1,786,135.
Operating income/(loss)	(20,184.)	(20,184.)
Nonoperating revenues:		
Interest revenue	1,341.	1,341.
Total nonoperating revenues	1,341.	1,341.
Change in net assets	(18,843.)	(18,843.)
NET ASSETS - JULY 1	39,447.	39,447.
NET ASSETS - JUNE 30	$ 20,604.	$ 20,604.

EXHIBIT G-6

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

	Joint Pupil Transportation Internal Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	$ 1,802,645.	$ 1,802,645.
Payments to employees	(62,760.)	(62,760.)
Payments to employees benefits	(19,648.)	(19,648.)
Payments to suppliers	(1,703,727.)	(1,703,727.)
Net cash provided (used) by operating activities	16,510.	16,510.
CASH FLOWS FOR INVESTING ACTIVITIES:		
Interest on investments	1,341.	1,341.
Net cash provided (used) by financing activities	1,341.	1,341.
Net increase/(decrease) in cash and cash equivalents	17,851.	17,851.
Cash and cash equivalents - July 1	88,733.	18,733.
Cash and cash equivalents - June 30	$ 106,584.	$ 106,584.
Reconciliation of operating income/(loss) to net cash provided/ (used) by operating activities:		
Operating income/(loss)	$(20,184.)	$(20,184.)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities:		
(Increase)/decrease in accounts receivable	36,694.	36,694.
Net cash provided (used in) operating activities	$ 16,510.	$ 16,510.

FIDUCIARY FUND

EXHIBIT H-1

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

	Student Activity	Payroll	CF Seabrook Will Expend. Trust Fund	Unemployment Compensation Trust	Total
ASSETS:					
Cash and cash equivalents	$ 50,775.	$ 5,890.	$ 816,961.	$ 127,894.	$ 1,001,520.
Due from Unemployment		2,722.			2,722.
Due from General		18.			18.
Total assets	$ 50,775.	$ 8,630.	$ 816,961.	$ 127,894.	$ 1,004,260.
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Due to student groups	$ 50,775.	$	$	$	$ 50,775.
Payroll deductions and withholdings		8,630.			8,630.
Due to Payroll/Agency				2,722.	2,722.
Total liabilities	$ 50,775.	$ 8,630.	$ 0.	$ 2,722.	$ 62,127.
NET ASSETS:	$ 0.	$ 0.	$ 816,961.	$ 125,172.	$ 942,133.
Total net assets	$ 0.	$ 0.	$ 816,961.	$ 125,172.	$ 942,133.

EXHIBIT H-2

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

	Unemployment Compensation Trust	CF Seabrook Will Expendable Trust Fund	Total
ADDITIONS:			
Contributions:			
Plan member	$ 12,944.	$	$ 12,944.
Other		75,081.	75,081.
Board contribution	95,366.		95,366.
Total contributions	108,310.	75,081.	183,391.
Investment earnings:			
Interest	970.	7,784.	8,754.
Net investment earnings	970.	7,784.	8,754.
Total additions	109,280.	82,865.	192,145.
DEDUCTIONS:			
Unemployment claims	132,438.		132,438.
Other expenses		3,477.	3,477.
Total deductions	132,438.	3,477.	135,915.
Change in net assets	(23,158.)	79,388.	56,230.
NET ASSETS, JULY 1	148,330.	737,573.	885,903.
NET ASSETS, JUNE 30	$ 125,172.	$ 816,961.	$ 942,133.

EXHIBIT H-3

UPPER 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
Elementary Schools	$44,517.	$106,806.	$ 100,548.	$50,775.
Total	$44,517.	$106,806.	$ 100,548.	$50,775.

EXHIBIT H-4

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

	Cash Balance July 1, 2010	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2011
ASSETS:				
Cash and cash equivalents	$(998.)	$ 11,004,487.	$ 10,997,599.	$ 5,890.
Due from Unemployment	4,188.		1,466.	2,722.
Due from General		18.		18.
Total assets	$ 3,190.	$ 11,004,505.	$ 10,999,065.	$ 8,630.
LIABILITIES:				
Net salaries, payroll deductions and withholdings	$ 3,188.	$ 11,004,505.	$ 10,999,063.	$ 8,630.
Due to General	2.		2.	
Total liabilities	$ 3,190.	$ 11,004,505.	$ 10,999,065.	$ 8,630.

LONG-TERM DEBT

EXHIBIT I-1

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
SCHEDULE OF SERIAL BONDS
JUNE 30, 2011

Issue	Date of Issue	Amount Original Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
To upgrade the existing HVAC system at the Seabrook School; the removal and replacement of the Woodruff School's existing underground storage heating oil tanks, and the replacement of existing exit/fire doors at the Moore and Seabrook Schools		$		$		$	$	$	$
New Jersey Economic Development Authority; Safe School's Loan Fund	8/18/1993	203,375.	7/15/00-7/15/13	10,704.	1.50%	42,815.		10,704.	32,111.
Small Project Loan Fund	8/18/1993	610,125.	7/15/2010	39,725.	5.288%	169,628.		39,724.	129,904.
			7/15/2011	41,432.					
			7/15/2012	43,271.					
			7/15/2013	45,201.					
School Refunding Bonds Series 2007	3/14/2007	4,785,000.	2/1/2011	290,000.	3.92%	4,460,000.		290,000.	4,170,000.
			2/1/2012	310,000.					
			2/1/2013	325,000.					
			2/1/2014	345,000.					
			2/1/2015	410,000.					
			2/1/2016	410,000.					
			2/1/2017	405,000.					
			2/1/2018	400,000.					
			2/1/2019	400,000.					
			2/1/2020	395,000.					
			2/1/2021	390,000.					
			2/1/2022	380,000.					
						$ 4,672,443.	$ 0.	$ 340,428.	$ 4,332,015.

EXHIBIT I-2

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2011

Purpose	Date of Lease	Term of Lease	Amount of Original Issue Principal	Amount of Original Issue Interest	Interest Rate Payable	Amount Outstanding June 30, 2010	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2011
Photocopying equipment	07/00/08	4 years	$ 50,000.	$		$ 25,901.	$ 0.	$ 11,860.	$ 14,041.
Total						$ 25,901.	$ 0.	$ 11,860.	$ 14,041.

EXHIBIT I-3

UPPER 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	$ 502,767.	$	$ 502,767.	$ 502,767.	$
State sources:					
Debt service aid - type II	20,975.		20,975.	20,975.	
Total revenues	523,742.	0.	523,742.	523,742.	0.
EXPENDITURES:					
Regular debt service:					
Interest	183,314.		183,314.	183,314.	
Redemption of principal	340,429.		340,429.	340,428.	1.
Total regular debt service	523,743.	0.	523,743.	523,742.	1.
Total expenditures	523,743.	0.	523,743.	523,742.	1.
Excess (deficiency) of revenues over (under) expenditures	(1.)	0.	(1.)	0.	1.
Other financing sources/(uses)				2,749.	2,749.
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(1.)		(1.)	2,749.	2,750.
Fund balance, July 1	2,125.		2,125.	2,125.	
Fund balance, June 30	$ 2,124.	$ 0.	$ 2,124.	$ 4,874.	$ 2,750.

STATISTICAL SECTION

FINANCIAL TRENDS

EXHIBIT J-1

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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	$ 9,631,956.	$ 9,566,983.	$ 9,928,648.	$ 10,099,245.	$ 9,976,856.	$ 10,122,496.	$ 11,691,900.	$ 12,645,903.
Restricted	343,487.	305,116.	1,047,231.	1,550,826.	2,486,877.	2,646,418.	1,704,222.	1,278,028.
Unrestricted	(115,303.)	614,328.	(51,869.)	(65,160.)	(229,602.)	(530,006.)	(541,293.)	(518,548.)
Total governmental activities net assets	$ 9,860,140.	$ 10,486,427.	$ 10,924,010.	$ 11,584,911.	$ 12,234,131.	$ 12,238,908.	$ 12,854,829.	$ 13,405,383.
Business-Type Activities:								
Invested in capital assets, net of related debt	$ 13,270.	$ 20,403.	$ 17,549.	$ 13,716.	$ 18,779.	$ 14,186.	$ 14,972.	$ 26,126.
Unrestricted	135,746.	162,410.	153,453.	157,677.	146,649.	141,837.	168,442.	104,730.
Total business-type activites net assets	$ 149,016.	$ 182,813.	$ 171,002.	$ 171,393.	$ 165,428.	$ 156,023.	$ 183,414.	$ 130,856.
District-Wide:								
Invested in capital assets, net of related debt	$ 9,645,226.	$ 9,587,386.	$ 9,946,197.	$ 10,112,961.	$ 9,995,635.	$ 10,136,682.	$ 11,706,872.	$ 12,672,029.
Restricted	343,487.	305,116.	1,047,231.	1,550,826.	2,486,877.	2,646,418.	1,704,222.	1,278,028.
Unrestricted	20,443.	776,738.	101,584.	92,517.	(82,953.)	(388,169.)	(372,851.)	(413,818.)
Total District Net Assets	$ 10,009,156.	$ 10,669,240.	$ 11,095,012.	$ 11,756,304.	$ 12,399,559.	$ 12,394,931.	$ 13,038,243.	$ 13,536,239.

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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	$ 4,484,292.	$ 4,109,936.	$ 4,408,328.	$ 4,544,935.	$ 4,884,288.	$ 4,794,918.	$ 5,129,876.	$ 4,669,408.
Special education	1,003,200.	1,002,674.	1,019,459.	1,065,948.	1,078,417.	1,313,521.	1,297,296.	1,350,151.
Other special instruction	30,894.	91,901.	102,931.	166,587.	108,812.	112,740.	110,440.	62,184.
Other instruction	42,642.	45,112.	47,208.	49,674.	52,535.	56,929.	68,946.	73,057.
Adult/continuing education programs	3,180.	3,548.	3,111.					
Support Services:								
Tuition	247,199.	263,273.	289,314.	203,602.	293,482.	316,305.	484,764.	292,283.
Student & instruction related services	1,377,959.	1,075,458.	1,125,350.	1,130,013.	1,179,986.	1,173,186.	1,272,412.	1,178,641.
General & business administrative services	599,669.	565,148.	565,759.	699,841.	708,777.	701,855.	698,165.	713,208.
School administrative services	707,139.	660,607.	676,306.	593,271.	607,181.	619,696.	587,864.	693,122.
Plant operations & maintenance	1,150,320.	1,214,400.	1,227,663.	1,440,494.	1,442,634.	1,536,756.	1,508,952.	1,413,256.
Pupil transportation	1,510,742.	1,965,600.	2,057,351.	482,291.	523,268.	609,672.	715,493.	547,557.
Employee benefits	2,108,137.	2,369,948.	2,853,425.	3,063,610.	3,209,734.	2,973,745.	2,902,165.	3,341,006.
Interest on long-term debt	341,669.	297,022.	304,619.	242,423.	217,116.	204,928.	191,052.	183,341.
Internal service fund				1,630,909.	1,697,393.	1,727,684.	1,785,407.	1,786,135.
New Jersey Debt Service Assessment								71,632.
Amortization of Debt Issurance Cost				3,934.	7,867.	7,867.	7,867.	7,867.
Total governmental activities	13,607,042.	13,664,627.	14,680,844.	15,317,532.	16,011,490.	16,149,802.	16,760,699.	16,382,848.
Business-type activities:								
Food service	335,912.	454,109.	516,814.	484,830.	486,360.	473,346.	470,766.	502,497.
Child care	99,020.	88,960.	90,209.	106,164.	110,572.	117,599.	113,026.	97,492.
Total business-type activities expense	434,932.	543,069.	607,023.	590,994.	596,932.	590,945.	583,792.	599,989.
Total primary government	$ 14,041,974.	$ 14,207,696.	$ 15,287,867.	$ 15,908,526.	$ 16,608,422.	$ 16,740,747.	$ 17,344,491.	$ 16,982,837.
Program Revenues								
Governmental Activities:								
Charges for Services:								
Pupil transportation	$ 1,128,510.	$ 1,525,171.	$ 1,572,411.	$	$	$	$	
Central and other support services				1,636,492.	1,701,703.	1,729,942.	1,764,002.	1,765,951.
Operating grants & contributions	778,704.	788,437.	976,173.	1,327,019.	1,405,088.	851,205.	897,762.	915,265.
Total governmental activities program revenues	1,907,214.	2,313,608.	2,548,584.	2,963,511.	3,106,791.	2,581,147.	2,661,764.	2,681,216.
Business-type activities:								
Charges for services:								
Food service	173,486.	215,251.	227,664.	229,202.	206,592.	207,795.	215,143.	199,108.
Child care				97,850.	95,769.			
Community education & recreation	131,382.	109,793.	105,831.			86,685.	75,872.	46,549.
Operating grants & contributions	156,831.	248,799.	253,790.	253,403.	281,510.	285,680.	319,110.	300,630.
Total business type activities program revenues	461,699.	573,843.	587,285.	580,455.	583,871.	580,160.	610,125.	546,287.
Total district program revenues	$ 2,368,913.	$ 2,887,451.	$ 3,135,869.	$ 3,543,966.	$ 3,690,662.	$ 3,161,307.	$ 3,271,889.	$ 3,227,503.

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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 activities	$(11,699,828.)	$(11,351,019.)	$(12,132,260.)	$(12,354,021.)	$(12,904,699.)	$(13,568,655.)	$(14,098,935.)	$(13,701,632.)
Business-type activities	26,767.	30,774.	(19,738.)	(10,539.)	(13,061.)	(10,785.)	26,333.	(53,702.)
Total district-wide net expense	$(11,673,061.)	$(11,320,245.)	$(12,151,998.)	$(12,364,560.)	$(12,917,760.)	$(13,579,440.)	$(14,072,602.)	$(13,755,334.)
General Revenues & Other Changes In Net Assets								
Governmental activities:								
Property taxes levied for general purposes, net	$ 4,258,139.	$ 4,619,364.	$ 5,160,100.	$ 5,303,126.	$ 5,629,286.	$ 5,876,634.	$ 5,968,400.	$ 5,972,696.
Taxes levied for debt service	426,624.	524,028.	531,135.	474,126.	489,082.	496,464.	505,584.	502,767.
Grants and contributions	6,603,005.	6,616,445.	6,560,601.	6,738,158.	7,196,828.	7,046,636.	8,123,586.	7,536,337.
Tuition received	113,223.	109,816.	69,715.	100,418.	106,711.	112,174.	36,836.	123,610.
Investment earnings	9,192.	42,995.	99,659.	128,317.	100,518.	23,510.	16,492.	20,564.
Miscellaneous income	48,375.	50,653.	53,787.	32,590.	31,494.	18,014.	63,958.	51,610.
Bond premium				1,333.				
Fixed assets acquired from fiduciary funds				136,801.				
Donation of land from Upper Deerfield Township				101,000.				
Capital assets acquired by fiduciary fund			175,921.					
Adjustment to beginning accrued interest			(120,013.)					44,602.
Prior year adjustment	(13,731.)							
Refunding fund credit to principal		14,005.						
Transfers			38,938.	(947.)				
Total governmental activities	11,444,827.	11,977,306.	12,569,843.	13,014,922.	13,553,919.	13,573,432.	14,714,856.	14,252,186.
Business-type activities:								
Investment earnings	332.	3,023.	7,927.	10,930.	7,096.	1,380.	1,058.	1,144.
Total business-type activities	332.	3,023.	7,927.	10,930.	7,096.	1,380.	1,058.	1,144.
Total district-wide	$ 11,445,159.	$ 11,980,329.	$ 12,577,770.	$ 13,025,852.	$ 13,561,015.	$ 13,574,812.	$ 14,715,914.	$ 14,253,330.
Change in net assets								
Governmental activities	(255,001.)	626,287.	437,583.	660,901.	649,220.	4,777.	615,921.	550,554.
Business-type activities	27,099.	33,797.	(11,811.)	391.	(5,965.)	(9,405.)	27,391.	(52,558.)
Total district	$(227,902.)	$ 660,084.	$ 425,772.	$ 661,292.	$ 643,255.	$(4,628.)	$ 643,312.	$ 497,996.

EXHIBIT J-3

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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	$ 394,222.	$ 811,669.	$ 968,540.	$ 1,544,118.	$ 2,485,304.	$ 1,307,291.	$ 1,191,469.	$ 953,307.
Unreserved	48,256.	181,968.	293,215.	197,569.	(1,152.)	(241,065.)	(342,974.)	(298,697.)
Total general fund	$ 442,478.	$ 993,637.	$ 1,261,755.	$ 1,741,687.	$ 2,484,152.	$ 1,066,226.	$ 848,495.	$ 654,610.
All Other Governmental Funds								
Reserved	$	$	$ 6,580.	$	$	$	$ 1,006,092.	
Unreserved, reported in:								
Special revenue fund	(52,404.)	(52,404.)	(52,404.)	(52,404.)	(61,479.)	(23,343.)	(24,126.)	(24,836.)
Capital projects fund	130,792.	225,020.			1,573.	1,339,126.	(463,747.)	319,847.
Debt service fund	4,737.	36,662.	41,797.	6,708.		1.	2,125.	4,874.
Total all other governmental funds	$ 83,125.	$ 209,278.	$(4,027.)	$(45,696.)	$(59,906.)	$ 1,315,784.	$ 520,344.	$ 299,885.

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Tax levy	$ 3,349,134.	$ 3,978,041.	$ 4,684,763.	$ 5,143,392.	$ 5,691,235.	$ 5,777,252.	$ 6,118,368.	$ 6,373,998.	$ 6,473,984.	$ 6,475,463.
Tuition charges	90,566.	90,345.	113,223.	109,816.	69,715.	100,418.	106,711.	111,274.	36,836.	123,610.
Interest earnings	235,331.	43,057.	8,810.	40,036.	92,649.	118,064.	94,223.	22,437.	14,779.	19,223.
Miscellaneous	31,923.	476,581.	48,375.	50,653.	53,787.	32,590.	31,494.	18,014.	63,958.	51,610.
State sources	6,226,170.	6,229,870.	6,611,721.	6,700,654.	6,810,710.	7,381,428.	7,947,357.	7,174,695.	7,132,273.	7,516,933.
Federal sources	603,946.	712,728.	769,988.	704,228.	726,064.	683,749.	654,559.	723,146.	1,889,075.	934,669.
Total revenue	10,537,070.	11,530,622.	12,236,880.	12,748,779.	13,444,160.	14,093,501.	14,952,712.	14,423,564.	15,610,905.	15,121,508.
Expenditures										
Instruction:										
Regular instruction	3,858,517.	4,182,936.	4,262,280.	3,910,367.	4,234,899.	4,288,892.	4,634,969.	4,534,584.	4,866,000.	4,371,450.
Special education instruction	807,497.	888,725.	953,566.	958,804.	985,357.	1,016,771.	1,030,438.	1,266,187.	1,249,318.	1,295,977.
Other special instruction	82,724.	84,464.	76,716.	140,561.	153,250.	166,587.	108,812.	112,740.	110,440.	62,184.
Other instruction						49,674.	52,535.	56,929.	68,946.	73,057.
Support Services:										
Tuition	375,330.	341,514.	247,199.	263,273.	289,314.	203,602.	293,482.	316,305.	484,764.	292,283.
Student & instruction related services	716,882.	743,567.	1,328,325.	1,030,877.	1,091,248.	1,080,836.	1,132,007.	1,125,852.	1,224,434.	1,124,467.
General administration	334,733.	346,141.	391,096.	600,431.	637,983.	645,746.	656,001.	659,066.	651,826.	659,546.
School administration services	423,419.	512,139.	531,088.	507,138.	527,436.	539,176.	554,405.	576,908.	541,526.	639,460.
Plant operations & maintenance	870,122.	1,006,281.	1,112,425.	1,181,863.	1,219,241.	1,425,742.	1,428,240.	1,522,556.	1,494,559.	1,397,004.
Pupil transportation	407,135.	416,853.	378,185.	442,969.	488,527.	482,291.	523,268.	609,672.	715,493.	547,557.
Other support services	659,031.	748,200.	247,462.	37.						
Employee benefits	1,337,554.	1,871,230.	2,180,182.	2,378,138.	2,863,933.	3,072,315.	3,253,634.	2,873,655.	2,983,760.	3,372,838.
Special schools										
Capital outlay	6,880,233.	5,333,055.	1,012,214.	189,884.	384,647.	148,482.	37,022.	338,122.	1,702,501.	1,170,487.
Debt service:										
Principal	38,468.	533,889.	240,648.	227,828.	243,061.	264,410.	305,812.	312,297.	333,805.	340,428.
Interest & other charges	133,773.	239,494.	341,669.	297,022.	309,389.	272,047.	213,832.	210,927.	196,704.	189,114.
Total expenditures	16,927,418.	17,248,488.	13,303,055.	12,129,192.	13,428,285.	13,656,571.	14,224,457.	14,515,800.	16,624,076.	15,535,852.

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Excess (deficiency) of revenues over/(under) expenditures	$(6,390,348.)	$(5,717,866.)	$(1,066,175.)	$ 619,587.	$ 15,875.	$ 436,930.	$ 728,255.	$(92,236.)	$(1,013,171.)	$(414,344.)
Other Financing Sources/(Uses):										
Bond premium						1,333.				
Proceeds from sale of bonds	6,172,000.									
Capital leases (non-budgeted)				57,725.				50,000.		
Donation of land from Upper Deerfield						101,000.				
Donation of land from Upper Deerfield						(101,000.)				
Proceeds from sale of assets				(14,774.)						
Transfers in			96,991.	206,361.	50,061.			1,385,767.	2,124.	262,749.
Transfers out			(110,722.)	(191,587.)	(11,123.)			(1,385,767.)	(2,124.)	(262,749.)
Total other financing sources/(uses)	6,172,000.	0.	(13,731.)	57,725.	38,938.	1,333.	0.	50,000.		
Net change in fund balances	$(218,348.)	$(5,717,866.)	$(1,079,906.)	$ 677,312.	$ 54,813.	$ 438,263.	$ 728,255.	$(42,236.)	$(1,013,171.)	$(414,344.)
Debt Service as a Percentage of Noncapital Expenditures	1.71%	6.49%	4.74%	4.40%	4.24%	3.97%	3.66%	3.69%	3.56%	3.69%

Source: District records

EXHIBIT J-5

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30	Tuition	Interest on Investments	Rent	Refund of Prior Years Expenditures	Telephone/ Energy Rebates	Contrib.	Misc.	Settlement	Auction	Total
2002	$ 90,566.	$ 34,534.	$ 2,670.	$ 3,592.	$	$	$ 5,738.	$ 13,000.	$ 6,923.	$ 157,023.
2003	90,345.	43,057.	3,260.	21,167.			2,154.	450,000.		609,983.
2004	113,223.	4,073.	2,100.	39,634.			6,641.			165,671.
2005	109,816.	33,449.	2,100.	22,508.	15,960.	5,000.	5,085.			193,918.
2006	69,715.	87,516.	2,483.	30,626.			20,678.			211,018.
2007	100,418.	118,064.					32,590.			251,072.
2008	106,711.	94,223.	4,030.	6,316.			21,148.			232,428.
2009	112,174.	22,437.	4,347.	3,824.			9,843.			152,625.
2010	36,836.	12,655.	4,595.	35,153.	22,677.		1,533.			113,449.
2011	123,610.	16,474.	5,393.	789.	26,548.		18,880.			191,694.

Source: District records

REVENUE CAPACITY

EXHIBIT J-6

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year	Net Assessed Valuation Taxable	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
2001	$ 376,848,238.	$ 361,431,359.	104.27%
2002	380,351,093.	368,835,910.	103.12%
2003	384,445,670.	394,538,896.	97.44%
2004	391,223,338.	413,492,516.	94.61%
2005	399,407,924.	464,315,523.	86.02%
2006	414,074,483.	528,714,356.	78.32%
2007	421,881,678.	588,207,884.	71.72%
2008	433,113,262.	728,773,880.	59.43%
2009	434,564,399.	757,247,096.	57.39%
2010	419,994,185.	683,593,123.	61.44%

Source: Abstract of Ratables, County Board of Taxation

EXHIBIT J-7

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per $100 of Assessed Value)

Fiscal Year Ended June 30,	Upper Deerfield Township School Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Cumberland Regional School Dist.	Cumberland County	
2001	$0.869	$0.009	$0.878	$0.502	$0.914	$2.294
2002	0.953	0.011	0.964	0.547	0.924	2.435
2003	0.977	0.150	1.127	0.573	0.996	2.696
2004	1.143	0.114	1.257	0.595	1.026	2.878
2005	1.219	0.138	1.357	0.647	1.210	3.214
2006	1.256	0.129	1.385	0.714	1.326	3.425
2007	1.297	0.113	1.410	0.746	1.376	3.532
2008	1.329	0.114	1.443	0.739	1.601	3.783
2009	1.363	0.116	1.479	0.735	1.566	3.780
2010	1.419	0.123	1.542	0.707	1.467	3.716

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 calculated 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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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
Cedar-Carll's Corner, LLC	$ 7,400,800.		1.76%			
KMT Properties, LLC	6,948,100.		1.65%			
Seabrook Bros. & Sons	4,507,300.		1.07%	16,275,600.	1	4.50%
Clement Papas Co., Inc.	4,466,700.		1.06%	6,464,100.	3	1.79%
Upper Deerfield Adult Living, LLC	4,355,000.		1.04%			
Upper Deerfield Station LP	4,020,000.		0.96%			
Founders Realty III	4,000,000.		0.95%			
Seabrook Housing Corp.	2,444,400.		0.58%	4,607,700.	5	1.27%
Upper Deerfield Leasing, LLC	2,270,700.		0.54%			
Johnson Farm Enterprises	1,898,900.		0.45%			
Seabrook Associates				13,822,100.	2	3.82%
Commercial Dev. Co.				6,236,000.	4	1.73%
Gilmar Assoc.				4,088,500.	6	1.13%
Upper Deerfield Estates				3,582,000.	7	0.99%
Owen Minor				3,149,200.	8	0.87%
Atlantic Electric				1,993,500.	9	0.55%
Perdue Farm, Inc.				1,872,300.	10	0.52%
Total	$ 42,311,900.		10.07%	$ 62,091,000.		17.18%

Source: Municipal Tax Assessor

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied For And Collections	Collected Within the Fiscal Year of the Levy (a)		Collection in Subsequent Year
		Amount	Percentage of Levy	
2002	$ 3,349,134.	$ 3,349,134.	100.00%	$
2003	3,978,041.	3,978,041.	100.00%	
2004	4,684,763.	4,684,763.	100.00%	
2005	5,143,392.	5,143,392.	100.00%	
2006	5,691,235.	5,691,235.	100.00%	
2007	5,777,252.	5,777,252.	100.00%	
2008	5,947,810.	5,947,810.	100.00%	
2009	6,373,098.	6,373,098.	100.00%	
2010	6,473,984.	6,473,984.	100.00%	
2011	6,475,463.	6,475,463.	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

EXHIBIT J-10

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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	$ 6,735,803.	$	$	$	$	$ 6,735,803.	3.44%	$ 883.
2003	6,496,309.					6,496,309.	3.22%	842.
2004	6,255,661.					6,255,661.	2.93%	800.
2005	6,013,828.		50,623.			6,064,451.	2.74%	769.
2006	5,770,767.		36,323.			5,807,090.	2.62%	726.
2007	5,624,357.		21,893.			5,646,250.	2.45%	706.
2008	5,318,545.		7,331.			5,325,876.	2.23%	660.
2009	5,006,248.		38,774.			5,045,022.	1.92%	609.
2010	4,672,443.		25,901.			4,698,344.	1.77%	565.
2011	4,332,016.		14,041.			4,346,057.	N/A	567.

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
2002	$ 6,735,803.	$	$ 6,735,803.	1.77%	$ 883.
2003	6,496,309.		6,496,309.	1.69%	842.
2004	6,255,661.		6,255,661.	1.34%	800.
2005	6,013,828.		6,013,828.	1.50%	763.
2006	5,770,767.		5,770,767.	1.39%	721.
2007	5,624,357.		5,624,357.	1.36%	697.
2008	5,318,545.		5,318,545.	1.26%	642.
2009	5,006,248.		5,006,248.	1.16%	602.
2010	4,672,443.		4,672,443.	1.08%	610.
2011	4,332,016.		4,332,016.	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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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:			
Upper Deerfield Township	$	100.000%	$
County of Cumberland - Township's Share	63,759,034.	7.092%	4,521,791.
Other Debt			
Cumberland Regional School District - Township's Share	4,611,685.	100.000%	4,611,685.
Subtotal, Overlapping Debt			9,133,476.
Upper Deerfield Township School District Direct Debt			4,332,016.
Total Direct & Overlapping Debt			$ 13,465,492.

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 Upper 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.

EXHIBIT J-13

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	$ 10,419,506.	$ 10,842,873.	$ 11,297,054.	$ 12,142,939.	$ 13,346,330.	$ 15,050,233.	$ 17,582,381.	$ 19,917,861.	$ 21,105,554.	$ 20,757,371.
Total Net Debt Applicable to Limit	6,735,803.	6,496,309.	6,255,661.	6,013,828.	5,770,767.	5,624,357.	5,318,545.	5,006,248.	4,672,443.	4,332,016.
Legal Debt Margin	$ 3,683,703.	$ 4,346,564.	$ 5,041,393.	$ 6,129,111.	$ 7,575,563.	$ 9,425,876.	$ 12,263,836.	$ 14,911,613.	$ 16,433,111.	$ 16,425,355.
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	64.65%	59.91%	55.37%	49.53%	43.24%	37.37%	30.25%	25.13%	22.14%	20.87%

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized Valuation Basis	
2010	$ 659,486,767.
2009	682,630,907.
2008	733,619,395.
	$ 2,075,737,069.
Average Equalized Valuation of Taxable Property	$ 691,912,356.
Debt Limit - 3 % of Average Equalization Value)	20,757,371. (a)
Total Net Debt Applicable to Limit	4,332,016.
Legal Debt Margin	$ 16,425,355.

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

(a) Limit set by 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-14

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2001	7,572	$ 185,915,316.	$ 24,553.	6.90%
2002	7,624	196,028,288.	25,712.	7.80%
2003	7,705	200,923,285.	26,077.	8.00%
2004	7,806	210,114,102.	26,917.	6.20%
2005	7,868	221,476,332.	28,149.	4.40%
2006	8,000	230,672,000.	28,834.	5.10%
2007	8,068	238,804,732.	29,599.	4.60%
2008	8,282	262,713,322.	31,721.	5.60%
2009	8,317	265,121,009.	31,877.	9.70%
2010	7,660	N/A	N/A	10.40%

Source:

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income has been estimated based upon the municipal population and per capita personal income presented

c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis

d Unemployment data provided by the NJ Dept. of Labor and Workforce Development

EXHIBIT J-15

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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
Walmart Wawa Shop-Rite Seabrook Brothers & Sons, Inc. Acme Johnson Farms	INFORMATION NOT AVAILABLE					

Source: Top Employer of Cumberland County

OPERATING INFORMATION

EXHIBIT J-16

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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	78	80	82	81	81	81	83	83	80	79
Special Education	11	13	14	14	14	14	14	14	24	24
Other Special Education	13	13	13	12	12	12	12	12	5	1
Support Services:										
Student & Instruction Related Services	18	20	20	18	18	18	18	19	17	15
General Administrative Services	4	4	4	4	4	4	4	4	2	2
School Administrative Services	3	4	4	3	3	3	3	3	6	5
Other Administrative Services	3	3	3	3	3	3	3	3	0	0
Central Services	0	0	0	0	0	0	0	0	3	3
Administrative Information Technology	0	0	0	0	0	0	0	0	1	1
Plant Operations & Maintenance	17	17	19	15	15	15	15	15	14	12
Pupil Transportation	0	0	0	0	0	0	0	0	0	0
Other support services	2	2	2	2	2	2	2	2	2	2
Total	149	156	161	152	152	152	154	155	154	144

Source: District Personnel Records

EXHIBIT J-17

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change In Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2002	865	$ 9,874,944.	$ 11,416.	10.21%	92	9.0	9.7	891	847	5.44%	95.06%
2003	854	11,142,050.	13,047.	14.28%	92	8.9	9.6	877	827	(1.57)%	94.30%
2004	844	11,708,524.	13,873.	6.33%	91	8.9	9.6	893	844	1.82%	94.51%
2005	853	11,414,458.	13,382.	(3.54)%	91	9.0	9.7	911	861	2.02%	94.51%
2006	824	12,491,188.	15,159.	13.28%	90	8.8	9.5	888	839	(2.52)%	94.48%
2007	833	12,971,632.	15,572.	2.72%	90	8.9	9.6	912	861	2.70%	94.41%
2008	889	13,667,791.	15,374.	(1.27)%	92	10.1	8.7	893	843	(2.08)%	94.40%
2009	874	13,654,454.	15,623.	1.62%	92	10.4	8.7	888	840	(0.56)%	94.59%
2010	935	14,417,706.	15,420.	(1.30)%	94	9.5	8.6	931	877	4.84%	94.19%
2011	891	13,841,623.	15,535.	0.75%	87	10.3	10.1	898	852	(3.54)%	94.88%

Sources: District records

Note: Enrollment based on annual October district count.

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

District Building	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Elementary:										
C.F. Seabrook Elementary School (1957)										
Square Feet	70,666	70,666	70,666	70,666	70,666	70,666	70,666	70,666	70,666	70,666
Capacity (Students)	437	437	437	437	437	437	437	437	437	437
Enrollment	327	395	432	460	435	449	449	443	438	416
Elizabeth Moore Elementary School (1923)										
Square Feet	48,894	48,894	48,894	48,894	48,894	48,894	48,894	48,894	48,894	48,894
Capacity (Students)	297	297	297	297	297	297	297	297	297	297
Enrollment	268	182	159	171	184	196	196	179	197	181
Middle School:										
Woodruff Middle School (1975)										
Square Feet	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000
Capacity (Students)	259	259	259	259	259	259	259	259	259	259
Enrollment	300	288	297	279	276	274	274	278	283	293
Other:										
Central Administration (1936)										
Square Feet	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Facility Building (2006)										
Square Feet					5,000	5,000	5,000	5,000	5,000	5,000

Number of Schools at June 30, 2011:
Elementary = 2
Middle School = 1
Other = 2

Source: District Facilities Office

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

EXHIBIT J-19

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

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

*School Facilities Project #(s)	Administration	Seabrook	Moore	Woodruff	Total
2002	N/A	N/A	N/A	N/A	N/A
2003		18,801.	27,490.	19,554.	65,845.
2004		33,457.	23,640.	45,838.	102,935.
2005	4,649.	87,046.	40,071.	29,467.	161,233.
2006	14,519.	51,982.	33,810.	69,544.	169,855.
2007	30,540.	129,146.	61,013.	57,051.	277,750.
2008	33,239.	156,573.	73,893.	56,305.	320,010.
2009	38,756.	139,502.	74,587.	69,711.	322,556.
2010	41,383.	90,749.	48,650.	58,029.	238,811.
2011	26,000.	48,490.	39,637.	36,892.	151,019.
Total School Facilities	$ 189,086.	$ 755,746.	$ 422,791.	$ 442,391.	$ 1,810,014.

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2011
UNAUDITED

The Board of Education of the Township of Upper Deerfield is a member of the Gloucester Cumberland Salem School Districts Joint Insurance Fund (GCSSDJIF)

The GCSSDJIF is a Joint Insurance Fund as defined under the Provisions of NJSA 18A:18B 1-10. The Fund was formed by its member districts on July 1, 1998 to provide a long-term alternative to the conventional insurance market as a means of stabilizing the otherwise cyclical nature of insurance expenditures. It achieves this goal by pooling together member district resources, deciding on what insurance coverage it will offer and/or purchase and at what retention, and by hiring professionals to run the Fund.

The Fund's underwriting includes workers' compensation, property, general liability, automobile liability, crime, educator's legal liability, boiler and machinery and pollution legal liability insurances.

The coverages provided to members of the GCSSDJIF for the period of July 1, 2010 to June 30, 2011 are as follows:

2010-2011

I. Property, Inland Marine and Automobile Physical Damages	
A. Limit of Liability:	$150,000,000 Per Occurrence
1. GCSSDJIF Self Insured Retention	$200,500 Per Occurrence
2. Member District Deductible	$500 Per Occurrence
3. Perils Included	"All Risk"
B. Property Valuation	
1. Buildings and Contents	Replacement Cost
2. Contractors Equipment	Actual Cash Value
3. Automobiles	Actual Cash Value
II. Boiler and Machinery	
A. Limit of Liability	$125,000,000
1. GCSSDJIF Self Insured Retention	None
2. Member District Deductible	$1,000
III. Crime	
A. Limits of Liability	$500,000
1. GCSSDJIF Self Insured Retention	$200,500
2. Member District Deductible	$500
IV. General and Automobile Liaiblity	
A. Limit of Liability:	$10,000,000
1. GCSSDJIF Self Insured Retention (SIR)	$150,000
2. Member District Deductible	None
V. Workers' Compensation	
A. Limits of Liability:	Statutory
1. GCSSDJIF Self Insured Retention	$250,000
2. Member District Deductible	None

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2011
UNAUDITED

VI. Educator's Legal Liability	
A. Limits of Liability:	$10,000,000
1. GCSSDJIF Self Insured Retention	$100,000
2. Member District Deductible	None
VII. Pollution Legal Liability	
A. Limits of Liability:	$3,000,000
1. GCSSDJIF Self Insured Retention	None
2. Member District Deductible	$25,000
Excess and Reinsurance Carriers Involved	
Property and Crime	SPELLJIF, Selective Ins. Co. of America
General Liability and Automobile Liability	SPELLJIF, Selective Ins. Co. of America
Workers Compensation	SPELLJIF, Selective Ins. Co. of America
Educators Legal Liability	SPELLJIF, ACE-USA/Illinois Union Insurance Co.
Group Purchase of Primary Insurance Coverage Carrier Array	
Boiler and Machinery	Travelers Insurance Company
Pollution Legal Liabiality	Ace American Insurance Company
Surety Bonds	
Board Secretary - Bruce Harbinson	$ 150,000.
Treasurer - Susan Robostello	$ 250,000.
Storage Tank Insurance	Zurich Insurance Company
A. Limits of Liability:	$1,000,000
1. Deductible	$5,000
Student Accident Insurance	National Union Fire Insurance Co.
A. Limits of Liability:	$500,000

SINGLE AUDIT SECTION

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- New Jersey Society of Certified Public Accountants

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the Board of Education of the Upper Deerfield Township School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated September 24, 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 the Upper 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 Upper Deerfield Township's Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Upper Deerfield Township'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 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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Upper 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

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Compliance and Other Matters (Continued)

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 management of Upper Deerfield Township Board of Education in a separate letter dated September 24, 2011.

This report is intended for the information and use of the audit committee, management, the Upper 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

September 24, 2011

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MEMBERS:
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- New Jersey Society of Certified Public Accountants

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

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
Upper Deerfield Township School District
County of Cumberland, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Upper 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 federal and state programs for the fiscal year ended June 30, 2011. Upper Deerfield Township Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Upper Deerfield Township Board of Education's management. Our responsibility is to express an opinion on the Upper 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Upper 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 Upper Deerfield Township Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Upper 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 federal and state programs for the fiscal year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as items 2011-01.

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Internal Control Over Compliance

The management of the Board of Education of the Upper Deerfield Township School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Upper Deerfield Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Upper 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 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 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 would not necessarily identify all deficiencies in internal control that might be 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.

Upper Deerfield Township Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Upper Deerfield Township Board of Education's responses and, accordingly, we express no opinion on the responses.

This report is intended for the information and use of the audit committee, management, the Upper Deerfield Township Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and it 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

September 24, 2011

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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	Program or Award Amount	Grant Period From/To	Balance 6/30/2010	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjust-ments	Repay't of Prior Years Balances	Balance at June 30, 2011 Accounts Receivable	Deferred Revemue	Due to Grantor
U.S. Department of Education:													
General Fund:													
Medical Assistance Program	93.778	N/A	$ 68,416.	7/1/10-6/30/11	$	$	$ 28,853.	$(38,416.)	$	$	(9,563.)	$	$
Total General Fund					0.	0.	28,853.	(38,416.)	0.	0	(9,563.)	0.	0.
U.S. Department of Education Passed													
Through State Dept. of Education:													
Special Revenue Fund:													
Title I, Part A	84.010	NCLB-530011	391,399.	9/1/10-8/31/11			94,075.	(391,399.)			(297,324.)		
Title I, Part A	84.010	NCLB-530010	375,911.	9/1/09-8/31/10	(269,702.)		286,418.	(16,716.)					
Title I, Part A, School Improve-Reall	84.010	NCLB-530009	60,033.	9/1/09-8/31/10	(60,248.)		60,248.						
Title II, Part A	84.168	NCLB-530011	67,129.	9/1/10-8/31/11			15,819.	(67,129.)			(51,310.)		
Title II, Part A	84.168	NCLB-530010	76,409.	9/1/09-8/31/10	(59,652.)		60,956.	(1,304.)					
Title II, Part D	84.168	NCLB-530011	900.	9/1/10-8/31/11				(900.)			(900.)		
Title II, Part D	84.168	NCLB-530010	3,742.	9/1/09-8/31/10	(3,742.)		3,742.						
Title IV	84.186	NCLB-530010	5,494.	9/1/09-8/31/10	(3,297.)		3,297.						
Title I, Part A-ARRA	84.010	NCLB-530010/ARRA	193,176.	7/1/09-8/31/11	(76,183.)		143,590.	(92,865.)			(25,458.)		
Title I, Part A-SIA-ARRA	84.010	NCLB-530010/ARRA	3,877.	7/1/09-8/31/11	(563.)		625.	(62.)					
I.D.E.A. Part A Basic	84.027	FT-530011	224,391.	9/1/10-8/31/11			88,188.	(224,391.)			(136,203.)		
I.D.E.A. Part A, Basic	84.027	FT-530010	211,876.	9/1/09-8/31/10	(148,703.)		148,703.						
I.D.E.A. Part A, Pre-School	84.176	PS-530011	5,427.	9/1/10-8/31/11			1,287.	(5,427.)			(4,140.)		
I.D.E.A. Part A, Pre-School	84.176	PS-530010	4,957.	9/1/09-8/31/10	(3,726.)		3,726.						
I.D.E.A. Part A, Basic-ARRA	84.027	FT-530010/ARRA	210,877.	7/1/09-8/31/11	(26,481.)		88,105.	(80,775.)			(19,151.)		
I.D.E.A. Part A, Pre-School-ARRA	84.176	PS-530010/ARRA	7,588.	7/1/09-8/31/11	(394.)		764.	(370.)					
Total Special Revenue Fund					(652,691.)	0.	999,543.	(881,338.)	0.	0.	(534,486.)	0.	0.
U.S. Department of Agriculture Passed													
Through State Dept. of Education:													
Enterprise Fund:													
Food Distribution Program	10.550	N/A	28,427.	7/1/09-6/30/10	2,808.			(2,808.)					
Food Distribution Program	10.550	N/A	23,594.	7/1/10-6/30/11			23,594.	(23,391.)				203.	
National School Breakfast Pgm	10.553	N/A	101,225.	7/1/09-6/30/10	(7,037.)		7,037.						
National School Breakfast Pgm	10.553	N/A	87,650.	7/1/10-6/30/11			87,650.	(87,650.)					
National School Lunch Pgm	10.555	N/A	175,790.	7/1/09-6/30/10	(11,190.)		11,190.						
National School Lunch Pgm	10.555	N/A	184,718.	7/1/10-6/30/11			184,718.	(184,718.)					
Total Enterprise Fund					(15,419.)	0.	314,189.	(298,567.)	0.	0	0.	203.	0.
Total Federal Financial Awards					$(668,110.)	$ 0.	$ 1,342,585.	$(1,218,321.)	$ 0.	$ 0.	$(544,049.)	$ 203.	$ 0.

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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 6/30/10 Deferred Revenue Accts. Rec.	Balance at 6/30/10 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	$5,284,009.	7/1/10-6/30/11	$	$	$	$5,284,009.	$(5,284,009.)	$
Special Ed Categorical Aid	11-495-034-5120-089	427,026.	7/1/10-6/30/11				427,026.	(427,026.)	
On Behalf Reimb TPAF Pens.	11-495-034-5095-001	442,415.	7/1/10-6/30/11				442,415.	(442,415.)	
Reimb TPAF Soc Sec Cont.	11-495-034-5095-002	472,850.	7/1/10-6/30/11				472,850.	(472,850.)	
Additional Non-Public Trans	10-495-034-5120	8,651.	7/1/09-6/30/10	(8,651.)			8,651.		
Additional Non-Public Trans	11-495-034-5120	8,004.	7/1/10-6/30/11					(8,004.)	
Total General Fund				(8,651.)	0.	0.	6,634,951.	(6,634,304.)	0.
Special Revenue Fund:									
Pre-School Education Aid	10-495-034-5120-086	241,264.	7/1/09-6/30/10	48,736.		(48,736.)			
Pre-School Education Aid	11-495-034-5120-086	248,360.	7/1/10-6/30/11			48,736.	248,360.	(244,882.)	
Total Special Revenue Fund				48,736.	0.	0.	248,360.	(244,882.)	0.
Capital Projects Fund:									
Educ Facilities Constr & Financing Act									
School Add & Renovation	5300-050-09-1001	1,138,793.		(68,389.)			201,282.	(153,281.)	
School Add & Renovation	5300-060-09-1002	150,828.		(5,717.)				(95,157.)	
School Add & Renovation	5300-070-09-1003	239,282.		(84,798.)				(283,976.)	
Total Capital Projects Fund				(158,904.)	0.	0.	201,282.	(532,414.)	0.
Debt Service Fund:									
Debt Service Aid Type II	11-495-034-5120-125	20,975.	7/1/10-6/30/11				20,975.	(20,975.)	
Total Debt Service Fund				0.	0.	0.	20,975.	(20,975.)	0.
State Dept. of Agriculture:									
Enterprise Fund:									
Nat'l School Lunch Pgm.	10-100-010-3350-023	7,698.	7/1/10-6/30/11	(492.)			492.		
Nat'l School Lunch Pgm.	11-100-010-3350-023	4,668.	7/1/08-6/30/09				4,668.	(4,668.)	
Nat'l School Breakfast Pgm	10-100-010-3350-021	5,970.	7/1/10-6/30/11	(492.)			492.		
Total Enterprise Fund				(984.)	0.	0.	5,652.	(4,668.)	0.
Total State Financial Assistance				$(119,803.)	$ 0.	$ 0.	$ 7,111,220.	$(7,437,243.)	$ 0.

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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	MEMO Cumulative Total Expend.
State Dept. of Education:								
General Fund:								
Equalization Aid	11-495-034-5120-078	$5,284,009.	7/1/10-6/30/11	$	$	$	$511,940.	$ 5,284,009.
Special Ed Categorical Aid	11-495-034-5120-089	427,026.	7/1/10-6/30/11				42,703.	427,026.
On Behalf Reimb TPAF Pens.	11-495-034-5095-001	442,415.	7/1/10-6/30/11					442,415.
Reimb TPAF Soc Sec Cont.	11-495-034-5095-002	472,850.	7/1/10-6/30/11					472,850.
Additional Non-Public Trans	10-495-034-5120	8,651.	7/1/09-6/30/10					
Additional Non-Public Trans	11-495-034-5120	8,004.	7/1/10-6/30/11	(8,004.)				8,004.
Total General Fund				(8,004.)	0.	0.	554,643.	6,634,304.
Special Revenue Fund:								
Pre-School Education Aid	10-495-034-5120-086	241,264.	7/1/09-6/30/10				24,126.	
Pre-School Education Aid	11-495-034-5120-086	248,360.	7/1/10-6/30/11		52,214.			244,882.
Total Special Revenue Fund				0.	52,214.	0.	24,126.	244,882.
Capital Projects Fund:								
Educ Facilities Constr & Financing Act								
School Add & Renovation	5300-050-09-1001	1,138,793.		(20,388.)				153,281.
School Add & Renovation	5300-060-09-1002	150,828.		(100,874.)				95,157.
School Add & Renovation	5300-070-09-1003	239,282.		(368,774.)				283,976.
Total Capital Projects Fund				(490,036.)	0.	0.	0.	532,414.
Debt Service Fund:								
Debt Service Aid Type II	11-495-034-5120-125	20,975.	7/1/10-6/30/11					20,975.
Total Debt Service Fund				0.	0.	0.	0.	20,975.
State Dept. of Agriculture:								
Enterprise Fund:								
Nat'l School Lunch Pgm.	10-100-010-3350-023	7,698.	7/1/10-6/30/11					
Nat'l School Lunch Pgm.	11-100-010-3350-023	4,668.	7/1/08-6/30/09					4,668.
Nat'l School Breakfast Pgm	10-100-010-3350-021	5,970.	7/1/10-6/30/11					
Total Enterprise Fund				0.	0.	0.	0.	4,668.
Total State Financial Assistance				$(498,040.)	$ 52,214.	$ 0.	$ 578,769.	$ 7,437,243.

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

Upper Deerfield Township School District
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2011

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, Upper 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 with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting.. These bases of accounting are described in Note 1 to the Board's basic financial statements. 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 preparation of, the basic financial statements.

NOTE 3.RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on 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 N.J.S.A. 18A:22-4.2. 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 special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A., 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $85,068. for the general fund and $14,205. for the special revenue fund. See *Note 1 (the Notes to Required Supplementary Information)* for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	$38,416.	$6,719,372.	$6,757,788.
Special Revenue Fund	896,253.	244,172.	1,140,425.
Capital Project Fund		532,414.	532,414.
Debt Service Fund		20,975.	20,975.
Enterprise Fund	295,962.	4,668.	300,630.
Total Financial Assis.	$1,230,631.	$7,521,601.	$8,752,232.

Upper Deerfield Township School District
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2011

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.

UPPER 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 noticed?		__Yes	x No

Federal Awards

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
Type of auditor's report issued on compliance for major programs:		Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?		__Yes	x No

Identification of major programs:

CFDA Number(s)	**Name of Federal Program or Cluster**
84.010	NCLB Title I A

Dollar threshold used to distinguish between Type A and Type B programs: $300,000.

Auditee qualified as low-risk auditee? x Yes ___No

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

Section I – Summary of Auditor's Results
(Continued)

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 04-04?	___Yes	x No

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-086	Pre-School Education Aid
5300-050-09-1001, 1002, 1003	Construction Grant

Section II – Financial Statement Findings

None

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

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

FEDERAL AWARDS

Finding: 2011-01

Information on the federal program:
NCLB Title I A CDFA No. 84.010

Criteria or specific requirement:
OMB Circular A-87, Attachment B requires that salaries charged to a federal program be supported by periodic certifications that the employees worked on the program.

Condition:
Salaries for support personnel being charged to the federal program were not supported by periodic certifications as required.

Questioned Costs:
None

Context:
Salaries of teachers charged to the program were supported by periodic certifications. Salaries of teacher aides charged to the program were not supported by periodic certifications.

Effect:
The required documentation to support the salaries of teacher aides charged to the program was not available.

Cause:
District officials were not aware that the documentation requirements pertained to teacher aide salaries.

Recommendation:
That all salaries charged to the program be supported by periodic certifications as required.

Views of responsible officials and planned corrective action:
The district officials concur with the finding and will make the necessary corrections to provide the required supporting documentation.

STATE AWARDS
None

UPPER 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

None