

LODI SCHOOL DISTRICT
County of Bergen, New Jersey

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2011
(With Independent Auditors' Reports Thereon)

**LODI SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2011
 Table of Contents**

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1-3
Organizational Chart	4
Roster of Officials	5
Consultants and Advisors	6
 FINANCIAL SECTION	
Independent Auditor's Report	8-10
Management's Discussion and Analysis	12-26
Basic Financial Statements	
A. District Wide Financial Statement	
A-1 Comparative Statement of Net Assets	28
A-2 Statement of Activities	29
B. Fund Financial Statements	
Governmental Funds:	
B-1 Balance Sheet	31
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	32
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Balances of Governmental Funds to the Statement of Activities	33
Proprietary Funds:	
B-4 Statement of Net Assets	34
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets	35
B-6 Statement of Cash Flows	36
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	37
B-8 Statement of Changes in Fiduciary Net Assets (N/A)	38
Notes to Financial Statements	
Note 1 - Summary of Significant Accounting Policies	39-44
Note 2 - Cash and Cash Equivalents and Investments	45
Note 3 - Capital Assets	46
Note 4 - Operating Leases and Other Commitments	47
Note 5 - Long-Term Debt	48-50
Note 6 - Retirement Plans	51-53
Note 7 - Post-Retirement Benefits	54
Note 8 - Compensated Absences	55
Note 9 - Deferred Compensation	56
Note 10 - Capital Reserve Account	57
Note 11 - Risk Management	58
Note 12 - Interfund Receivables and Payables	59
Note 13 - Retained Earnings - Food Service Enterprise Fund	60
Note 14 - Fund Balance Appropriated	61
Note 15 - Calculation of Excess Surplus	62
Note 16 - Reconciliation of Budgetary Basis General Fund Balance to GAAP Basis	63
Note 17 - Contingent Liabilities	64
Note 18 - Subsequent Events	65

**LODI SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2011
 Table of Contents**

	<u>Page</u>
FINANCIAL SECTION (Continued)	
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	68-77
C-2 Budgetary Comparison Schedule - Special Revenue Fund	78
C-3 Budget-to-GAAP Reconciliation - Notes to Required Supplementary Information	79
Other Supplementary Information	
D. School Level Schedules:	
D-1 Combining Balance Sheet (N/A)	81
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual (N/A)	82
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual (N/A)	83
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures - Special Revenue Fund - Budgetary Basis	85-88
E-2 Demonstrably Effective Program Aid Statement of Expenditures - Budgetary Basis (N/A)	89
E-3 Early Childhood Program Aid Schedule of Expenditures - Budgetary Basis (N/A)	90
E-4 Distance Learning Network Aid Schedule of Expenditures - Budgetary Basis (N/A)	91
E-5 Instructional Supplement Aid Schedule of Expenditures - Budgetary Basis (N/A)	92
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	94
F-2 Summary Schedule of Project Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	95
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Lodi High School Window Replacement	96
F-2b Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Thomas Jefferson Middle School Heating Upgrades	97
F-2c Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Wilson Elementary School Cafeteria Relocation	98
F-2d Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Wilson Elementary School Window Replacement	99
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Assets	101
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	102
G-3 Combining Statement of Cash Flows	103
Internal Service Fund:	
G-4 Combining Statement of Net Assets (N/A)	104
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (N/A)	105
G-6 Combining Statement of Cash Flows (N/A)	106
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Assets	108
H-2 Combining Statement of Changes in Fiduciary Net Assets (N/A)	109
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	110
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	111
I. Long-Term Debt:	
I-1 Statement of Serial Bonds	113
I-2 Statement of Obligations Under Capital Leases	114
I-3 Debt Service Fund Budgetary Comparison Schedule	115

**LODI SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2011
 Table of Contents**

Page

STATISTICAL SECTION

Introduction to Statistical Section

Financial Trends

J-1	Net Assets by Component	117
J-2	Changes in Net Assets	118-119
J-3	Fund Balances - Governmental Funds	120
J-4	Changes in Fund Balances - Governmental Funds	121
J-5	General Fund Other Local Revenue by Source	122

Revenue Capacity Information

J-6	Assessed Value and Estimated Actual Value of Taxable Property	123
J-7	Direct and Overlapping Property Tax Rates	124
J-8	Principal Property Taxpayers	125
J-9	Municipal Property Tax Levies and Collections	126

Debt Capacity Information

J-10	Ratio of Outstanding Debt by Type	127
J-11	Ratio of Gross and Net Debt to County Equalized Valuations and Debt Per Capita	128
J-12	Direct and Overlapping Governmental Activities Debt	129
J-13	Legal Debt Margin	130

Demographic and Economic Information

J-14	Demographic and Economic Statistics	131
J-15	Principal Employers (N/A)	132

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	133
J-17	Operating Statistics	134
J-18	School Building Information	135
J-19	Schedule of Allowable Maintenance Expenditures by School Facility	136
J-20	Insurance Schedule	137-141

SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	143-145
K-2	Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and New Jersey OMB Circular 04-04	146-148
K-3	Schedule of Expenditures of Federal Awards, Schedule A	149
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	150
K-5	Notes to the Schedules of Awards and Financial Assistance	151-152
K-6	Schedule of Findings and Questioned Costs	153-157
K-7	Summary Schedule of Prior Audit Findings (N/A)	158

LODI SCHOOL DISTRICT

Comprehensive Annual Financial Report

Introductory Section

LODI BOARD OF EDUCATION
8 HUNTER STREET
LODI, NEW JERSEY 07644

December 5, 2011

Honorable President and Members of the Board of Education
Lodi School District, County of Bergen, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Lodi 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 Lodi Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial 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 of 1984 and the U.S. Office of Management and Budget Circular A-133 "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the 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: The Lodi School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Lodi 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 12. These include regular as well as special education for handicapped youngsters.

2. ECONOMIC CONDITION AND OUTLOOK: The Lodi area is substantially developed which both residential and industrial taxpayers. The situation is expected to continue, which suggests that its tax base will remain stable.

LODI BOARD OF EDUCATION
8 HUNTER STREET
LODI, NEW JERSEY 07644

3. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting 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 part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

4. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

5. **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.

6. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the act.

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

LODI BOARD OF EDUCATION
8 HUNTER STREET
LODI, NEW JERSEY 07644

8. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Di Maria & Di Maria LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 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.

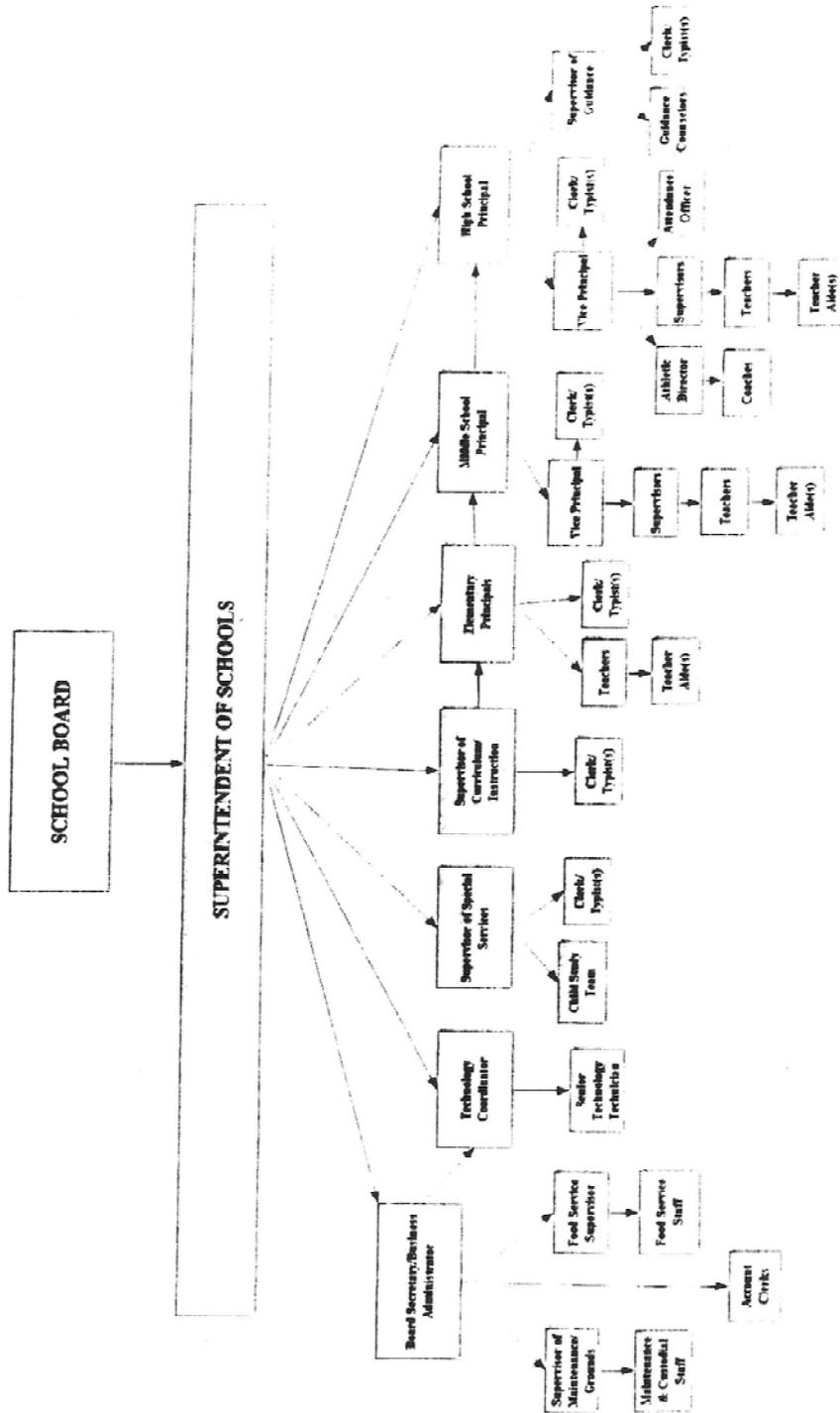
9. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,

Frank Quatrone
Superintendent

Joseph Capizzi
Board Secretary/School Business Administrator

District Organizational Plan and Flow Chart



(16)

LODI SCHOOL DISTRICT
Roster of Officials
Fiscal Year Ended June 30, 2011

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joseph J. Licata - President	2012
Jerome Manzetti - Vice President	2013
Daniel Cody III	2012
Michael J. Nardino	2012
Carole L. D' Amico	2013
Vincent Caruso	2014
Nicholas Vara	2013
Robert Marra	2014
Dr. Robert Siconolfi	2014

Other Officials

Frank Quatrone, Superintendent

Joseph Capizzi, Board Secretary/School Business Administrator

LODI SCHOOL DISTRICT
Consultants and Advisors
Fiscal Year Ended June 30, 2011

Independent Audit Firm
Di Maria & Di Maria, LLP
245 Union Street
Lodi, New Jersey 07644

Attorney
Alisa N. Di Chiara, Esq.
45 Essex Street
Hackensack, New Jersey 07601

Official Depositories
Bank of America, N.A.
TD Bank
The Bank of New York, Mellon

LODI SCHOOL DISTRICT
Comprehensive Annual Financial Report
Financial Section

245 Union Street
Leonia, New Jersey 07644
Voice 973.779.6890
Facsimile 973.779.6891

Independent Auditors' Report

The Honorable President and Members of the Board of Education
Lodi School District County of Bergen, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Board of Education of the Lodi School District, in the County of Bergen, 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 Lodi 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Lodi Board of Education, in the County of Bergen, 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.

Independent Auditors' Report (Continued)

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2011 on our consideration of the Lodi 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 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.

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

Di Maria & Di Maria LLP

Independent Auditors' Report (Continued)

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.

DI MARIA & DI MARIA LLP

Frank Di Maria

**Frank Di Maria
Licensed Public School Accountant
PSA No. CS 01168**

December 5, 2011

REQUIRED SUPPLEMENTAL INFORMATION - PART I

**LODI BOARD OF EDUCATION
LODI, NEW JERSEY**

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

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

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued in June 1999. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

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

The assets of the Lodi Board of Education exceeded its liabilities at the close of the fiscal year by \$ 28,827,449 (net assets).

The District's total net assets increased \$ 700,792.

Overall district revenues were \$ 57,354,496. General revenues accounted for \$ 52,710,748 or 92% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$ 8,963,513 or 16% of total revenues.

Overall district expenses were \$ 57,884,763. Governmental activities accounted for \$ 56,466,996 or 98% of all expenses. Business-type activities accounted for \$ 1,417,767 or 2% of all expenses.

The school district had \$ 56,466,996 in expenses for governmental activities; only \$ 7,595,953 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$ 48,339,179 were adequate to provide for these programs.

As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$ 6,122,032 a decrease of \$ 480,264 when compared to the previous year ending fund balance at June 30, 2010 of \$ 6,602,296.

The General Fund unreserved undesignated fund balance at June 30, 2011 was (\$ 22,765) a decrease of \$ 76,408 when compared with the ending unreserved undesignated fund balance at June 30, 2010 of \$ 53,643.

The General Fund unreserved, undesignated budgetary fund balance at June 30, 2011 was \$ 1,004,083 which represents a decrease of \$ 350,506 when compared to the ending fund balance at June 30, 2010 of \$ 1,354,589.

**LODI BOARD OF EDUCATION
LODI, NEW JERSEY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts - Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are *district wide financial statements* that provide both short-term and long-term information about the District's overall financial status.

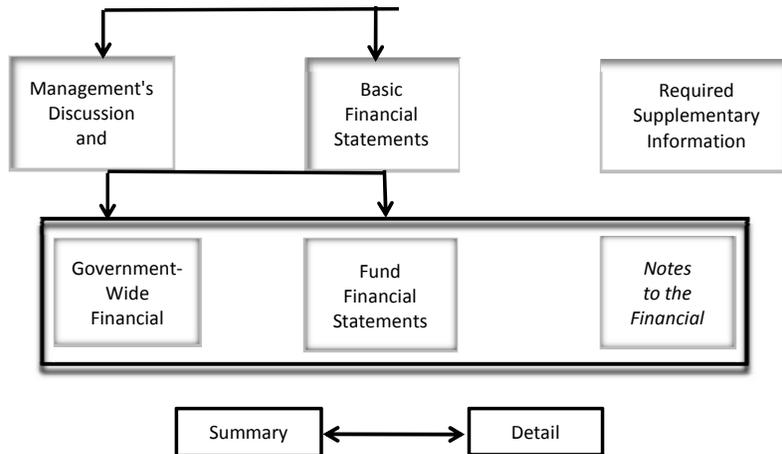
The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

The *governmental funds statements* tell how basic services were financed in the short term as well as what remains for future spending.

Proprietary funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain the information in the statements and provide more detailed data. The following illustration shows how the various parts of this annual report are arranged and related to one another.



**LODI BOARD OF EDUCATION
LODI, NEW JERSEY**

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

The following table 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.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as Regular and Special Education Instruction and Building maintenance	Activities the district operates similar to private businesses: Enterprise Fund	Instances in which the district administers resources held in trust, such as Unemployment, Payroll Agency and Student Activities
Required financial statements	Statements of net assets Statement of activities	Balance Sheet Statement of Revenues, Expenditures and changes in fund balances	Statement of Net Assets Statement of revenue, expenses, and changes in fund net assets Statement of cash flows	Statements of Fiduciary assets and liabilities
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be 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
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and dedications during the year, regardless of when cash is received or paid

District-wide financial statements

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

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

**LODI BOARD OF EDUCATION
LODI, NEW JERSEY**

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

District-wide financial statements (continued)

Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

Governmental activities - Most of the District's basic services are included here, such as regular and special education, transportation, administration and plant operations and maintenance. Property taxes and state aids finance most of these activities.

Business type activities - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund is included under this category.

Fund financial statements

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

Some funds are required by State law and bond covenants.

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

The District has four kinds of funds:

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

2. *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.

**LODI BOARD OF EDUCATION
LODI, NEW JERSEY**

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

Fund financial statements (continued)

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

- Food Service (Cafeteria)

4. *Fiduciary funds* - The District is the trustee, or *fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the basic financial statements

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

Other Information

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

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

DISTRICT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$ 28,827,449 as of June 30, 2011 and \$ 28,126,657 as of June 30, 2010.

**LODI BOARD OF EDUCATION
LODI, NEW JERSEY**

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

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

**Net Assets
As of June 30, 2011 and 2010**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current Assets	\$ 6,587,260	\$ 7,084,303	\$ 458,888	\$ 544,523	\$ 7,046,148	\$ 7,628,826
Capital Assets	33,454,281	32,794,158	182,679	189,848	33,636,960	32,984,006
Total Assets	40,041,541	39,878,461	641,567	734,371	40,683,108	40,612,832
Long-Term Liabilities	11,390,431	11,961,367	-	-	11,390,431	11,961,367
Other Liabilities	465,228	482,007	-	42,801	465,228	524,808
Total Liabilities	11,855,659	12,443,374	\$ -	42,801	11,855,659	12,486,175
Net Assets						
Invested in capital assets, net of related debt	26,118,850	28,464,158	182,679	189,848	26,301,529	28,654,006
Restricted	908,335	1,844,026	-	-	908,335	1,844,026
Unrestricted (Deficit)	1,158,697	(2,873,097)	458,888	501,722	1,617,585	(2,371,375)
Total Net Assets	\$ 28,185,882	\$ 27,435,087	\$ 641,567	\$ 691,570	\$ 28,827,449	\$ 28,126,657

A small portion of the District's Net Assets, less than one percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is in a deficit position and is a result of how the district expenses its long-term liabilities for governmental activities such as compensated absences and claims and judgments on the District-wide financial statements. These long-term liabilities are recorded and expensed for governmental activities at the time the liabilities are incurred regardless of when payment is due. However, the revenue for these long-term liabilities of governmental activities is not raised until these liabilities are included in the District budget when compensated absences and claims and judgments for governmental activities are due and payable.

**LODI BOARD OF EDUCATION
LODI, NEW JERSEY**

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

**Change in Net Assets
For The Years Ended June 30, 2011 and 2010**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues						
Program Revenues						
Charges for Services	\$ -	\$ 20,644	\$ 655,407	\$ 627,622	\$ 655,407	\$ 648,266
Operating Grants and Contribution	7,450,173	7,130,171	712,153	749,603	8,162,326	7,879,774
Capital Grants and Contributions	145,780	4,497,414	-	-	145,780	4,497,414
General Revenues						
Property Taxes	37,525,554	33,705,497	-	-	37,525,554	33,705,497
State and Federal Aid	10,633,027	9,463,078	-	-	10,633,027	9,463,078
Other	180,598	(640,892)	204	232	180,802	(640,660)
Total Revenues	55,935,132	54,175,912	1,367,764	1,377,457	57,302,896	55,553,369
Expenses						
Instruction						
Regular	13,338,540	13,253,883	-	-	13,338,540	13,253,883
Special Education	3,287,555	3,847,221	-	-	3,287,555	3,847,221
Basic Skills	716,730	752,408	-	-	716,730	752,408
Bilingual	499,185	475,285	-	-	499,185	475,285
School Sponsored Activities & Athletics	421,727	464,497	-	-	421,727	464,497
Community Service	-	2,584	-	-	-	2,584
Undistributed Expenditures						
Instruction	9,515,926	9,024,107	-	-	9,515,926	9,024,107
Attendance and Social Work Services	69,208	66,669	-	-	69,208	66,669
Health Services	538,067	552,208	-	-	538,067	552,208
Students Related Services	545,551	562,509	-	-	545,551	562,509
Students - Extraordinary	455,638	404,975	-	-	455,638	404,975
Students - Regular	975,493	946,073	-	-	975,493	946,073
Students - Special	825,103	837,020	-	-	825,103	837,020
Improvement of Instruction	271,519	259,817	-	-	271,519	259,817
Educational Media Services/School Library	687,345	643,349	-	-	687,345	643,349
Instructional Staff Training Services	15,144	13,154	-	-	15,144	13,154
General Administration	706,773	654,528	-	-	706,773	654,528
School Administration	2,184,867	2,152,492	-	-	2,184,867	2,152,492
Central Services	508,947	453,531	-	-	508,947	453,531
Information Technology	199,532	177,022	-	-	199,532	177,022
Required Maintenance for School Facilities	1,395,635	1,020,280	-	-	1,395,635	1,020,280
Operation and Maintenance of Plant Services	2,637,217	2,596,543	-	-	2,637,217	2,596,543
Care and Upkeep of Grounds	19,500	12,088	-	-	19,500	12,088
Security	100,000	-	-	-	100,000	-
Student Transportation	2,058,984	2,148,972	-	-	2,058,984	2,148,972
Allocated and Unallocated Employee Benefits	7,736,773	7,837,051	-	-	7,736,773	7,837,051
TPAF Pension	1,293,180	1,284,268	-	-	1,293,180	1,284,268
TPAF Social Security	1,471,994	1,535,231	-	-	1,471,994	1,535,231
Capital Outlay						
Interest Deposit to Capital Reserve	-	-	-	-	-	-
Equipment	104,868	(86,602)	-	-	104,868	(86,602)
Facilities Acquisition and Construction Services	1,315,018	1,669,771	-	-	1,315,018	1,669,771
Charter Schools	994,608	-	-	-	994,608	-

**LODI BOARD OF EDUCATION
LODI, NEW JERSEY**

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

Debt Service						
Interest on Bonds	52,228	66,928	-	-	52,228	66,928
Interest - Comm. LPA	241,482	256,156	-	-	241,482	256,156
Food Services	-	-	1,417,767	1,532,889	1,417,767	1,532,889
Total Expenses	<u>55,184,337</u>	<u>53,884,018</u>	<u>1,417,767</u>	<u>1,532,889</u>	<u>56,602,104</u>	<u>55,416,907</u>
Change in Net Assets	750,795	291,894	(50,003)	(155,432)	700,792	136,462
Net Assets, Beginning of Year	<u>27,435,087</u>	<u>27,143,193</u>	<u>691,570</u>	<u>847,002</u>	<u>28,126,657</u>	<u>27,990,195</u>
Net Assets, End of Year	<u>\$ 28,185,882</u>	<u>\$ 27,435,087</u>	<u>\$ 641,567</u>	<u>\$ 691,570</u>	<u>\$ 28,827,449</u>	<u>\$ 28,126,657</u>

**LODI BOARD OF EDUCATION
LODI, NEW JERSEY**

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

Governmental Activities - The District's total governmental activities' revenues, which includes State and Federal grants, were \$ 55,986,732 and \$ 55,251,736 for the years ended June 30, 2011 and June 30, 2010, respectively. Property taxes of \$ 37,525,554 and \$ 33,705,497 represented 67% and 61% of the revenues for the fiscal years ended June 30, 2011 and 2010, respectively. Another significant portion of revenues came from state aid; total state, federal and local aid and grants was \$ 18,228,974 and \$ 21,090,663 which represented 33% and 38% of the revenues for the fiscal years ended June 30, 2011 and 2010, respectively. State, federal and local aid and grants are reported as operating and capital grants and contributions if specific to a program or as general revenues if not specific to a program. In addition, other miscellaneous income is earned which includes items such as interest, prior year refunds and other miscellaneous items.

The total cost of all governmental activities programs and services were \$ 56,466,996 and \$ 54,271,733 for the years ended June 30, 2011 and 2010. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$ 18,263,737 and \$ 18,795,878 (32% and 35%) of total expenditures for the fiscal years ended June 30, 2011 and 2010, respectively. Support services, totaled \$ 38,203,259 and \$ 35,475,855 (68% and 65%) of total expenditures.

Total governmental activities revenues for the year ended June 30, 2011 did not exceed expenses, decreasing net assets by (\$ 480,264) over the previous year from \$ 6,602,296 at June 30, 2010 to \$ 6,122,032 at June 30, 2011.

The cost of all *governmental activities* this year was \$ 56,466,996 an increase of \$ 2,195,263 (4%) over the previous year.

Federal and state governments subsidized certain programs with operating and capital grants and contributions of \$ 18,228,974 a decrease of \$ 2,861,689. The District also realized increases in Federal and State aid for operating grants and contributions of \$ 320,002 (4%)

District's costs in the amount of \$ 37,525,554, were provided from property taxes, an increase of \$ 3,820,057 (11%). This increase was a result of additional property taxes levied to finance increases in District operating costs.

District's costs in the amount of \$ 10,633,027 were provided from unrestricted federal and state aid an increase of \$ 1,169,949 (12%). The increase was the result of an increase in unrestricted State Aid allocated to most New Jersey Districts.

Other general revenues totaling \$ 232,204 were provided from miscellaneous local sources, a decrease of \$ 223,372.

For the most part, increases in expenses for 2011 closely paralleled inflation and the growth in the demand for services. Significant increases were noted in student and instruction related services functions which were mainly attributable to costs associated with increased expenses for support services to special services to special education students. Another significant area of increased expenses was also noted in the instruction for special education function for expenses associated with increased tuition costs for out-of-district placement of classified students.

**LODI BOARD OF EDUCATION
LODI, NEW JERSEY**

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

Net Cost of Governmental Activities - The District's total cost of services were \$ 55,184,337 and \$ 53,884,018 for the fiscal years ended June 30, 2011 and 2010, respectively. After applying program revenues, derived from charges for services and operating grants and contributions of \$ 7,450,173 and \$ 7,150,815 and capital grants and contribution of \$ 145,780 and \$ 4,497,414, for the years ended June 30, 2011 and 2010, respectively; the net cost of services of the District were \$ 47,588,384 and \$ 42,235,789 for the fiscal years ended June 30, 2011 and 2010, respectively.

	Total and Net Cost of Governmental Activities			
	<u>Program Revenues</u>		<u>Net (Expense) Revenue of Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Instruction				
Regular	\$ 1,366,538	\$ 3,467,502	\$ (11,972,002)	\$ (9,786,381)
Special Education	3,242,173	2,001,955	(45,382)	(1,845,266)
Basic Skills	-	-	(716,730)	(752,408)
Bilingual	-	-	(499,185)	(475,285)
School Sponsored				
Activities & Athletics	-	-	(421,727)	(464,497)
Community Service	-	-	-	(2,584)
Undistributed Expenditures				
Instruction	-	1,668,002	(9,515,926)	(7,356,105)
Attendance and Social				
Work Services	-	-	(69,208)	(66,669)
Health Services	-	13,356	(538,067)	(538,852)
Students Related Services	-	-	(545,551)	(562,509)
Students - Extraordinary	-	-	(455,638)	(404,975)
Students - Regular	-	-	(975,493)	(946,073)
Students - Special	-	-	(825,103)	(837,020)
Improvement of Instruction	-	-	(271,519)	(259,817)
Educational Media				
Services/School Library	-	-	(687,345)	(643,349)
Instructional Staff Training				
Services	-	-	(15,144)	(13,154)
General Administration	-	-	(706,773)	(654,528)
School Administration	-	-	(2,184,867)	(2,152,492)
Central Services	-	-	(508,947)	(453,531)
Information Technology	-	-	(199,532)	(177,022)
Required Maintenance for				
School Facilities	-	-	(1,395,635)	(1,020,280)
Operation and				
Maintenance of Plant				
Services	2	-	(2,637,215)	(2,596,543)
Care and Upkeep of				
Grounds	-	-	(19,500)	(12,088)
Security	-	-	(100,000)	-
Student Transportation	-	413,386	(2,058,984)	(1,735,586)
Allocated and Unallocated				
Employee Benefits	76,282	64,358	(7,660,491)	(7,772,693)
TPAF Pension	1,293,180	1,284,268	-	-
TPAF Social Security	1,471,994	1,535,231	-	-
Capital Outlay				
Interest Deposit to Capital				
Reserve	-	-		
Equipment	-	-	(104,868)	86,602
Facilities Acquisition and				
Construction Services	4	1,087,140	(1,315,014)	(582,631)
Charter Schools	-	-	(994,608)	-
Debt Service				
Interest on Bonds	95,213	66,928	42,985	-
Interest - Comm. LPA	50,567	46,103	(190,915)	(210,053)
Total	\$ 7,595,953	\$ 11,648,229	\$ (47,588,384)	\$ (42,235,789)

**LODI BOARD OF EDUCATION
LODI, NEW JERSEY**

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

Business-Type-Activities - The District's total business-type activities revenues were \$ 1,367,764 and \$ 1,377,457 for the years ended June 30, 2011 and June 30, 2010. Charges for services accounted for 48% and 46% of total revenues and operating grants and contributions accounted for 52% and 54% of total revenue for the years ended June 30, 2011 and 2010. There were no capital grants received for years ended June 30, 2011 or 2010.

The total cost of all business-type activities programs and services were \$ 1,417,767 and \$ 1,532,889 for the years ended June 30, 2011 and 2010. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District.

The business-type activities revenues for the year ended June 30, 2011 did not surpass expenses, decreasing net assets by \$ 50,003 below the previous year from \$ 691,570 at June 30, 2010 to \$ 641,567 at June 30, 2011. The cost of business-type activities this year was \$ 1,417,767, a decrease of \$ 115,122 (8%) from the previous year.

Some of the cost was paid by users of the District's food service program for a total of \$ 655,407, an increase of \$ 27,785 (4%).

The Federal and State governments subsidized the food service program with grants and contributions of \$ 712,357, a decrease of \$ 37,246 (5%).

Increases in expenses reflected the increased cost of sales (i.e., food and supply costs) associated with higher food prices offset by decreases caused by reduced participation in the program.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$ 6,122,032 for the year ended June 30, 2011 compared to a fund balance of \$ 6,602,296 for the year ended June 30, 2010, a decrease in the balance of \$ 480,264 for the year.

Revenues for the District's governmental funds were \$ 55,986,732 and \$ 55,251,736, while total expenses were \$ 56,466,996 and \$ 54,271,733 for the fiscal years ended June 30, 2011 and 2010, respectively.

**LODI BOARD OF EDUCATION
LODI, NEW JERSEY**

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

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in the providing educational services to students from pre-kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

The following schedule presents a comparison of General Fund Revenues for the fiscal years ended June 30, 2011 and 2010:

	June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2011</u>	<u>2010</u>		
Local Sources				
Property Tax Levy	\$ 36,689,654	\$ 32,883,496	\$ 3,806,158	12%
Miscellaneous	232,235	455,524	(223,289)	-49%
State Sources	15,712,577	14,670,844	1,041,733	7%
Federal Sources	76,282	2,152,816	(2,076,534)	-96%
Total General Fund Revenues	<u>\$ 52,710,748</u>	<u>\$ 50,162,680</u>	<u>\$ 2,548,068</u>	5%

Local property taxes increased by \$ 3,806,158 or 12% over the previous year. State aid revenues increased \$ 1,041,733, or 7%, predominantly attributable to a change in the State funding formula and adjustments made to aid during the year. Also, Federal aid revenues decreased significantly by \$ 2,076,534 due to the one time prior year receipt of aid issued under the American Recovery and Reinvestment Act (ARRA).

The following schedule presents a comparison of General Fund expenditures for the fiscal years ended June 30, 2011 and 2010:

	June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2011</u>	<u>2010</u>		
Instruction	\$ 18,263,737	\$ 18,795,878	\$ (532,141)	-3%
Support Services	34,143,332	33,316,825	826,507	2%
Debt Services	933,710	938,084	(4,374)	0%
Capital Outlay	3,074,617	145,203	2,929,414	2017%
Total Expenditures	<u>\$ 56,415,396</u>	<u>\$ 53,195,990</u>	<u>\$ 3,219,406</u>	6%

Total General Fund expenditures increased \$ 3,329,406 or 6% from the previous year. The increase can be attribute to contractual increases in salaries and wages, health benefits and special education tuition costs.

**LODI BOARD OF EDUCATION
LODI, NEW JERSEY**

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

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

Revenues of the Special Revenue Fund were \$ 2,294,335 and \$ 3,066,832 for the years ended June 30, 2011 and 2010. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 72% and 80% of the total revenues for the years ended June 30, 2011 and 2010.

Total Special Revenue Fund revenues decreased \$ 772,497 or 25% from the previous year. State sources increased \$ 14,817 or 2% and Federal sources decreased by \$ 787,314 or 32%.

Expenditures of the Special Revenue Fund were \$ 2,294,335 and \$ 3,066,832 for the fiscal years ended June 30, 2011 and 2010. Instructional expenditures were \$ 2,294,335 and \$ 3,066,832 or 100% and 100% and expenditures for the support services were \$ 0 and \$ 0 or 0% and 0% of the total amounts expended for the years ended June 30, 2011 and 2010, respectively.

Proprietary Funds

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the budgetary basis and encumbrance accounting. The most significant mandated revenue recognition of certain deferred state aid payments for budgetary purposes only. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times through appropriation transfers between budget line items.

Implementing budgets for specially funded projects, which include both Federal and State grants.

Reinstating prior year purchase orders being carried over as encumbrances.

Increases in appropriations for significant unbudgeted costs.

**LODI BOARD OF EDUCATION
LODI, NEW JERSEY**

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

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

General Fund budgetary revenues exceeded General Fund budgetary and other financing uses increasing budgetary fund balance \$ 1,081,335 from the previous year. After deducting statutory reserves and designations, the unreserved/undesignated budgetary fund balance decreased \$ 350,506 from a \$ 1,354,589 balance at June 30, 2010 to a \$ 1,004,083 fund balance at June 30, 2011.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2011 and 2010 amounted to \$ 33,636,960 and \$ 32,984,006 (net of accumulated depreciation). The capital assets consist of land, land improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal years 2010-2011 and 2009-2010 amounted to \$ 1,581,491 and \$ 1,625,969 for governmental activities and \$ 31,022 and \$ 26,741 for business-type activities. This decrease in governmental activity depreciation was due to disposals of machinery & equipment and reductions in depreciation expense for various building improvements.

Capital Assets at June 30, 2011 and 2010
(Net of Accumulated Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land and Land Improvements	\$ 6,258,000	\$ 6,258,000	\$ -	\$ -	\$ 6,258,000	\$ 6,258,000
Building and Building Improvements	26,820,270	26,175,683	-	-	26,820,270	26,175,683
Machinery and Equipment	376,011	360,475	182,679	189,848	558,690	550,323
Construction in Progress	-	-	-	-	-	-
Total Net Assets	\$ 33,454,281	\$ 32,794,158	\$ 182,679	\$ 189,848	\$ 33,636,960	\$ 32,984,006

Additional information on the District's capital assets is presented in Note 3 of this report.

LONG TERM LIABILITIES

At June 30, 2011 and 2010, the District's long-term liabilities consisted of bonds payable of \$ 740,000 and \$ 1,105,000 , capital lease payable of \$ 4,055,000 and \$ 4,330,000 and compensated absences payable of \$ 6,595,431 and \$ 6,526,367, respectively.

Additional information on the District's long term liabilities is presented in Note 5 of this report.

**LODI BOARD OF EDUCATION
LODI, NEW JERSEY**

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

While many factors influence the District's future, the availability of State funding, special education needs, capital improvements and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2011 - 2012 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs, as well as, increased special education tuition costs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

SECTION "A" - DISTRICT WIDE FINANCIAL STATEMENTS

**LODI SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011**

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash	\$ 4,563,641	\$ 421,308	\$ 4,984,949
Investments	-	-	-
Receivables, (Net)	1,115,316	37,580	1,152,896
Restricted Assets:			
Capital Reserve Account	508,301	-	508,301
Emergency Reserve Account	400,002	-	400,002
Capital Assets, (Net)	33,454,281	182,679	33,636,960
Total Assets	\$ 40,041,541	\$ 641,567	\$ 40,683,108
<u>LIABILITIES</u>			
Accounts Payable	\$ 368,378	\$ -	\$ 368,378
Deferred Revenue	96,850	-	96,850
Non-Current Liabilities:			
Due Within One Year	490,000	-	490,000
Due Beyond One Year	10,900,431	-	10,900,431
Total liabilities	\$ 11,855,659	\$ -	\$ 11,855,659
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	26,118,850	\$ 182,679	\$ 26,301,529
Restricted for:			
Debt Service	32	-	32
Capital Projects	508,301	-	508,301
Emergencies	400,002	-	400,002
Unrestricted	1,158,697	458,888	1,617,585
Total Net Assets	\$ 28,185,882	\$ 641,567	\$ 28,827,449

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**LODI SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Functions/Programs	Program Expenses				Program Revenues				Net (Expense) Revenue & Changes in Net Assets			
	Budgetary Basis	Adjustments	Depreciation	Total	Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions	Total	Governmental Activities	Business-type Activities	Total	
<i>Governmental Activities:</i>												
Current Expense:												
Instruction:												
Regular Programs	\$ 13,338,540	\$ -	-	\$ 13,338,540	\$ -	\$ 1,366,538	\$ -	\$ 1,366,538	\$ (11,972,002)	\$ -	\$ (11,972,002)	
Special Education	3,287,555	-	-	3,287,555	-	3,242,173	-	3,242,173	(45,382)	-	(45,382)	
Basic Skills - Remedial Instruction	716,730	-	-	716,730	-	-	-	-	(716,730)	-	(716,730)	
Bilingual Education - Instruction	499,185	-	-	499,185	-	-	-	-	(499,185)	-	(499,185)	
School Sponsored Cocurricular Activities	117,587	-	-	117,587	-	-	-	-	(117,587)	-	(117,587)	
School Sponsored Athletics	304,140	-	-	304,140	-	-	-	-	(304,140)	-	(304,140)	
Community Service Programs	-	-	-	-	-	-	-	-	-	-	-	
Undistributed Expenditures:												
Instruction	9,515,926	-	-	9,515,926	-	-	-	-	(9,515,926)	-	(9,515,926)	
Attendance and Social Work Services	69,208	-	-	69,208	-	-	-	-	(69,208)	-	(69,208)	
Health Services	538,067	-	-	538,067	-	-	-	-	(538,067)	-	(538,067)	
Other Support Services - Students Related Services	545,551	-	-	545,551	-	-	-	-	(545,551)	-	(545,551)	
Other Support Services - Students Extraordinary Services	455,638	-	-	455,638	-	-	-	-	(455,638)	-	(455,638)	
Other Support Services - Students Regular	975,493	-	-	975,493	-	-	-	-	(975,493)	-	(975,493)	
Other Support Services - Students Special	825,103	-	-	825,103	-	-	-	-	(825,103)	-	(825,103)	
Improvement of Instruction Services	271,519	-	-	271,519	-	-	-	-	(271,519)	-	(271,519)	
Educational Media Services/School Library	687,345	-	-	687,345	-	-	-	-	(687,345)	-	(687,345)	
Instructional Staff Training Services	15,144	-	-	15,144	-	-	-	-	(15,144)	-	(15,144)	
Support Services - General Administration	706,773	-	-	706,773	-	-	-	-	(706,773)	-	(706,773)	
Support Services - School Administration	2,184,867	-	-	2,184,867	-	-	-	-	(2,184,867)	-	(2,184,867)	
Central Services	508,947	-	-	508,947	-	-	-	-	(508,947)	-	(508,947)	
Administrative Information Technology	199,532	-	-	199,532	-	-	-	-	(199,532)	-	(199,532)	
Required Maintenance for School Facilities	1,395,635	-	-	1,395,635	-	-	-	-	(1,395,635)	-	(1,395,635)	
Operation and Maintenance of Plant Services	2,637,217	-	-	2,637,217	-	2	-	2	(2,637,215)	-	(2,637,215)	
Care and Upkeep of Grounds	19,500	-	-	19,500	-	-	-	-	(19,500)	-	(19,500)	
Security	100,000	-	-	100,000	-	-	-	-	(100,000)	-	(100,000)	
Student Transportation Services	2,058,984	-	-	2,058,984	-	-	-	-	(2,058,984)	-	(2,058,984)	
Allocated and Unallocated Employee Benefits	7,667,709	69,064	-	7,736,773	-	76,282	-	76,282	(7,660,491)	-	(7,660,491)	
TPAF Pension	1,293,180	-	-	1,293,180	-	1,293,180	-	1,293,180	-	-	-	
TPAF Social Security	1,471,994	-	-	1,471,994	-	1,471,994	-	1,471,994	-	-	-	
Capital Outlay:												
Interest Deposit to Capital Reserve	-	-	-	-	-	-	-	-	-	-	-	
Equipment	34,435	14,893	55,540	104,868	-	-	-	-	(104,868)	-	(104,868)	
Facilities Acquisition and Construction Services	2,045,574	(2,256,507)	1,525,951	1,315,018	-	4	-	4	(1,315,014)	-	(1,315,014)	
Charter Schools	994,608	-	-	994,608	-	-	-	-	(994,608)	-	(994,608)	
Debt Service:												
Principal Payments - Commissioner Approved LPA	275,000	(275,000)	-	-	-	-	-	-	-	-	-	
Interest Payments - Commissioner Approved LPA	241,482	-	-	241,482	-	-	50,567	50,567	(190,915)	-	(190,915)	
Interest on Early Retirement Bonds	52,228	-	-	52,228	-	-	95,213	95,213	42,985	-	42,985	
Bond Principal	365,000	(365,000)	-	-	-	-	-	-	-	-	-	
Total Governmental Activities	\$ 56,415,396	\$ (2,812,550)	\$ 1,581,491	\$ 55,184,337	\$ -	\$ 7,450,173	\$ 145,780	\$ 7,595,953	\$ (47,588,384)	\$ -	\$ (47,588,384)	
<i>Business-Type Activities:</i>												
Food Service	\$ 1,386,745	\$ -	\$ 31,022	\$ 1,417,767	\$ 655,407	\$ 712,153	\$ -	\$ 1,367,560	\$ -	\$ (50,207)	\$ (50,207)	
Total Primary Government	\$ 57,802,141	\$ (2,812,550)	\$ 1,612,513	\$ 56,602,104	\$ 655,407	\$ 8,162,326	\$ 145,780	\$ 8,963,513	\$ (47,588,384)	\$ (50,207)	\$ (47,638,591)	
									General Revenues:			
									Local Tax Levy	-	37,525,554	
									Unrestricted Miscellaneous Revenues	204	232,402	
									State Aid	10,633,027	10,633,027	
									Transfers	(51,600)	(51,600)	
									Change in Net Assets	\$ 750,795	\$ (50,003)	\$ 700,792
									Net Assets—Beginning	27,435,087	691,570	28,126,657
									Net Assets—Ending	\$ 28,185,882	\$ 641,567	\$ 28,827,449

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

SECTION "B" - FUND FINANCIAL STATEMENTS

LODI SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
ASSETS					
Cash	\$ 4,649,874	\$ (230,312)	\$ 144,047	\$ 32	\$ 4,563,641
Capital Reserve Account	508,301	-	-	-	508,301
Emergency Reserve Account	400,002	-	-	-	400,002
Interfund Receivable	111,840	-	17	-	111,857
Intergovernmental Receivable - State	428,045	32,082	217,096	-	677,223
Intergovernmental Receivable - Federal	23,955	302,281	-	-	326,236
Total Assets	\$ 6,122,017	\$ 104,051	\$ 361,160	\$ 32	\$ 6,587,260
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfunds Payable	\$ 17	\$ -	\$ 111,840	\$ -	\$ 111,857
Accounts Payable	-	-	249,320	-	249,320
Intergovernmental Payable - State	-	7,201	-	-	7,201
Deferred Revenue - Reserve for Encumbrances	-	96,850	-	-	96,850
Total Liabilities	\$ 17	\$ 104,051	\$ 361,160	\$ -	\$ 465,228
Fund Balances:					
Capital Reserve	\$ 508,301	\$ -	\$ -	\$ -	\$ 508,301
Emergency Reserve	400,002	-	-	-	400,002
Reserve for Encumbrances	2,276,094	-	-	-	2,276,094
Reserved Fund Balance - Excess Surplus from FY2011	1,590,260	-	-	-	1,590,260
Reserved Fund Balance - Excess Surplus from FY2010	1,042,765	-	-	-	1,042,765
Designated for Subsequent Years' Expenditures	327,343	-	-	14	327,357
Undesignated	(22,765)	-	-	18	(22,747)
Total Fund Balances	\$ 6,122,000	\$ -	\$ -	\$ 32	\$ 6,122,032
Total Liabilities and Fund Balances	\$ 6,122,017	\$ 104,051	\$ 361,160	\$ 32	\$ 6,587,260

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.	33,454,281
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.	(11,390,431)
Net assets of governmental activities	<u>\$ 28,185,882</u>

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

	General	Special Revenue	Capital Projects	Debt Service	Total
REVENUES					
Local Sources:					
Local Tax Levy	\$ 36,689,654	\$ -	\$ -	\$ 835,900	\$ 37,525,554
Tuition - Other LEAs	-	-	-	-	-
Interest on Capital Reserve Funds	4	-	-	-	4
Interest on Emergency Reserve Funds	2	-	-	-	2
Unrestricted Miscellaneous Revenues	232,229	-	(48)	17	232,198
Total Local Sources	\$ 36,921,889	\$ -	\$ (48)	\$ 835,917	\$ 37,757,758
State Sources	15,712,577	642,992	50,567	95,213	16,501,349
Federal Sources	76,282	1,651,343	-	-	1,727,625
Total Revenues	\$ 52,710,748	\$ 2,294,335	\$ 50,519	\$ 931,130	\$ 55,986,732
EXPENDITURES					
Current Expense:					
Instruction:					
Regular Programs	\$ 11,972,002	\$ 1,366,538	\$ -	\$ -	\$ 13,338,540
Special Education	2,359,758	927,797	-	-	3,287,555
Basic Skills - Remedial Instruction	716,730	-	-	-	716,730
Bilingual Education	499,185	-	-	-	499,185
School Sponsored Cocurricular/Extra Curricular Activities	117,587	-	-	-	117,587
School Sponsored Athletics	304,140	-	-	-	304,140
Community Service Programs	-	-	-	-	-
Undistributed Expenditures:					
Instruction	9,515,926	-	-	-	9,515,926
Attendance and Social Work Services	69,208	-	-	-	69,208
Health Services	538,067	-	-	-	538,067
Other Support Services - Students - Related Services	545,551	-	-	-	545,551
Other Support Services - Students - Extraordinary Services	455,638	-	-	-	455,638
Other Support Services - Students - Regular	975,493	-	-	-	975,493
Other Support Services - Students - Special	825,103	-	-	-	825,103
Improvement of Instruction Services	271,519	-	-	-	271,519
Educational Media Services/School Library	687,345	-	-	-	687,345
Instructional Staff Training Services	15,144	-	-	-	15,144
Support Services - General Administration	706,773	-	-	-	706,773
Support Services - School Administration	2,184,867	-	-	-	2,184,867
Central Services	508,947	-	-	-	508,947
Administrative Information Technology	199,532	-	-	-	199,532
Required Maintenance for School Facilities	1,395,635	-	-	-	1,395,635
Operation and Maintenance of Plant Services	2,637,217	-	-	-	2,637,217
Care and Upkeep of Grounds	19,500	-	-	-	19,500
Security	100,000	-	-	-	100,000
Student Transportation Services	2,058,984	-	-	-	2,058,984
Allocated and Unallocated Employee Benefits	7,667,709	-	-	-	7,667,709
TPAF Pension	1,293,180	-	-	-	1,293,180
TPAF Social Security	1,471,994	-	-	-	1,471,994
Capital Outlay:					
Interest Deposit to Capital Reserve	-	-	-	-	-
Equipment	34,435	-	-	-	34,435
Facilities Acquisition and Construction Services	122,124	-	1,923,450	-	2,045,574
Charter Schools	994,608	-	-	-	994,608
Debt Service:					
Principal Payments - Commissioner Approved LPA	-	-	-	275,000	275,000
Interest Payments - Commissioner Approved LPA	-	-	-	241,482	241,482
Interest on Early Retirement Bonds	-	-	-	52,228	52,228
Bond Principal	-	-	-	365,000	365,000
Total Expenditures	\$ 51,263,901	\$ 2,294,335	\$ 1,923,450	\$ 933,710	\$ 56,415,396
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,446,847	\$ -	\$ (1,872,931)	\$ (2,580)	\$ (428,664)
OTHER FINANCING SOURCES (USES)					
Operating Transfers	(91,414)	-	39,814	-	(51,600)
Net Change In Fund Balances	\$ 1,355,433	\$ -	\$ (1,833,117)	\$ (2,580)	\$ (480,264)
Fund Balances - July 1	4,766,567	-	1,833,117	2,612	6,602,296
Fund Balances - June 30	\$ 6,122,000	\$ -	\$ -	\$ 32	\$ 6,122,032

**LODI SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Total Net Change in Fund Balances - Governmental Funds (B-2) \$ (480,264)

Amounts reported for governmental activities in the statement
Investment Earnings

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	(1,581,491)
Capital Outlays	698,859
Fixed Asset Adjustments	1,542,755

Repayment of bond principal 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.

640,000

Employee Benefits:

Accrued Compensated Absences	(289,646)
Paid Compensated Absences	220,582

Other Adjustments

-

Change in net assets of governmental activities \$ 750,795

**LODI SCHOOL DISTRICT
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2011**

	<u>Business-Type Activities</u>
	<u>Food Service Enterprise Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 421,308
Intergovernmental Receivable - State	855
Accounts Receivable	36,725
Total Current Assets	<u>\$ 458,888</u>
Non-Current Assets:	
Machinery and Equipment, (Net)	<u>\$ 182,679</u>
Total Assets	<u>\$ 641,567</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 182,679
Unrestricted	458,888
Total Net Assets	<u>\$ 641,567</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**LODI SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Business-Type Activities</u> <u>Food Service Enterprise Fund</u>
<u>OPERATING REVENUES</u>	
Charges for Services:	
Daily Sales	\$ 638,017
Other Sales	17,390
	<u>\$ 655,407</u>
<u>OPERATING EXPENSES</u>	
Other Purchased Services	\$ 1,207,264
Depreciation	31,022
Miscellaneous Expenditures	179,481
	<u>\$ 1,417,767</u>
Operating Income (Loss)	<u>\$ (762,360)</u>
<u>NON-OPERATING REVENUES</u>	
Local Sources:	
Interest Earned	\$ 204
State Sources:	
State School Lunch Program	17,083
Federal Sources:	
School Breakfast Program	54,026
National School Lunch Program	638,760
Special Milk Program	2,284
	<u>\$ 712,357</u>
Change in Net Assets	\$ (50,003)
Total Net Assets - Beginning	691,570
Total Net Assets - Ending	<u>\$ 641,567</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**LODI SCHOOL DISTRICT
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Business-Type Activities</u>
	<u>Food Service Enterprise Fund</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Receipts from Sales	\$ 658,398
Payments for Contracted Services	(1,250,065)
Payments for Miscellaneous Expenses	(179,481)
Net Cash Provided (Used) by Operating Activities	<u>\$ (771,148)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Purchase and Retirement of Capital Assets	<u>\$ (23,853)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Cash Flows from State and Federal Reimbursements	<u>\$ 749,253</u>
Net Increase/(Decrease) in Cash	<u>\$ (45,748)</u>
Cash, July 1	467,056
Cash, June 30	<u>\$ 421,308</u>
	-
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:	
Operating Loss	<u>\$ (762,360)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:	
Depreciation Expense	31,022
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	2,991
Increase (Decrease) in Accounts Payable	(42,801)
Total Adjustments	<u>(8,788)</u>
Net Cash Provided by (Used For) Operating Activities	<u>\$ (771,148)</u>
	-

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**LODI SCHOOL DISTRICT
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET ASSETS
 AS OF JUNE 30, 2011**

	<u>Agency Fund</u>
<u>ASSETS</u>	
Cash	<u>64,267</u>
<u>LIABILITIES</u>	
Due to Student Groups Payroll, Deductions and Withholdings Payable	64,234 33
Total Liabilities	<u>\$ 64,267</u>
<u>NET ASSETS</u>	
Unrestricted	<u>\$ -</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**LODI SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Not Applicable

LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Board of Education (Board) of the Lodi School District (District) have been prepared in conformity with generally accepted 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 Lodi School District is a Type II School District located in Bergen County, New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The District includes seven school facilities, all located in the Borough of Lodi which support the following programs:

Regular Programs:

- Preschool
- Kindergarten
- Grades 1 - 5
- Grades 6 - 8
- Grades 9 - 12

Special Education Program:

- Learning and/or Language Disabilities

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 the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the Board exercises operating control.

There were no additional entities required to be included in the reporting entity under the criteria, as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Fund Accounting

The accounts of the district are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types --

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

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

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.)

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.

LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Proprietary Fund Type --

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (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.

Fiduciary Fund Types --

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of others as their agent. Agency funds are custodial in nature and do not involve a measurement of results of operations.

C. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and expenses are recorded at the time liabilities are incurred.

**LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 1 - Summary of Significant Accounting Policies (Continued)

D. 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 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. 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. All budget amendments must be approved by School Board resolution. Budget amendments were approved during the fiscal year ended June 30, 2011.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of 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.

**LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 1 - Summary of Significant Accounting Policies (Continued)

E. 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.

F. 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.

G. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in first-out (FIFO) method.

H. Fixed Assets

The general fixed assets acquired or constructed prior to June 30, 1999, are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company.

General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

I. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2011, the amount earned by these employees but not disbursed was \$0.

J. Deferred Revenue

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned. See note 1(e) regarding the special revenue fund.

K. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

L. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not appropriatable for expenditure or legally segregated for a specific future use.

M. Memorandum Only - Total Columns

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund elimination's have not been made in the aggregation of this data.

N. Comparative Data

Comparative total data for the prior year has been presented in order to provide an understanding of changes on the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

**LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 2 - Cash and Cash Equivalents and Investments

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

	<u>Cash</u>	<u>Investments</u>
Checking/Money Market Accounts	\$4,984,949	\$ -
	<u>\$4,984,949</u>	<u>\$ -</u>

LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 3 - Capital Assets

The following schedule is a summarization of the changes in general fixed assets by source for the fiscal year ended June 30, 2011:

	Beginning Balance	Additions	Disposals	Adjustments	Ending Balance
<i>Governmental Activities --</i>					
Capital Assets not being Depreciated:					
Sites	\$ 6,258,000	\$ -	\$ -	\$ -	\$ 6,258,000
Construction in Progress	-	-	-	-	-
	<u>\$ 6,258,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,258,000</u>
Capital Assets being Depreciated:					
Site Improvements	\$ 741,080	\$ -	\$ -	\$ 33,850	\$ 774,930
Building Improvements	46,940,493	664,424	-	1,603,304	49,208,221
Machinery and Equipment	1,088,681	34,435	(49,328)	15,643	1,089,431
	<u>\$ 48,770,254</u>	<u>\$ 698,859</u>	<u>\$ (49,328)</u>	<u>\$ 1,652,797</u>	<u>\$ 51,072,582</u>
	<u>\$ 55,028,254</u>	<u>\$ 698,859</u>	<u>\$ (49,328)</u>	<u>\$ 1,652,797</u>	<u>\$ 57,330,582</u>
Less Accumulated Depreciation:					
Site Improvements	\$ (348,205)	\$ (35,712)	\$ -	\$ (8,853)	\$ (392,770)
Building Improvements	(21,157,685)	(1,490,239)	-	(122,187)	(22,770,111)
Machinery and Equipment	(728,206)	(55,540)	-	70,326	(713,420)
	<u>\$ (22,234,096)</u>	<u>\$ (1,581,491)</u>	<u>\$ -</u>	<u>\$ (60,714)</u>	<u>\$ (23,876,301)</u>
Net Assets for Governmental Activities	<u>\$ 32,794,158</u>	<u>\$ (882,632)</u>	<u>\$ (49,328)</u>	<u>\$ 1,592,083</u>	<u>\$ 33,454,281</u>

Business Type Activities --

	Beginning Balance	Additions	Disposals	Adjustments	Ending Balance
Capital Assets being Depreciated:					
Machinery and Equipment	\$ 420,533	\$ 23,853	\$ -	\$ -	\$ 444,386
Less Accumulated Depreciation For:					
Machinery and Equipment	\$ (230,685)	\$ (31,022)	\$ -	\$ -	\$ (261,707)
Net Assets for Business Type Activities	<u>\$ 189,848</u>	<u>\$ (7,169)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,679</u>

LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 4 - Operating Leases and Other Commitments

In accordance with GAAP, the District does not include non-capitalized (operating) leases or other similar commitments in the financial statements. As of June 30, 2011, the District had not entered into any such agreements which would be considered material for subsequent year's obligation disclosure. The District has entered into such agreements which have been deemed immaterial to the financial statements for small office equipment, etc. Detailed information concerning these insignificant obligations is on file with the School Business Office.

LODI SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2011

Note 5 - Long-Term Debt

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

	Beginning Balance	Issued	Retired	Adjustments	Ending Balance
Bonds Payable	\$ 1,105,000	\$ -	\$ (365,000)	\$ -	\$ 740,000
Capital Leases Payable	4,330,000	-	(275,000)	-	4,055,000
Compensated Absences Payable	6,526,367	289,646	(220,582)	-	6,595,431
	<u>\$ 11,961,367</u>	<u>\$ 289,646</u>	<u>\$ (860,582)</u>	<u>\$ -</u>	<u>\$ 11,390,431</u>

	Amounts Due within One Year	Long-Term Portion	Ending Balance
Bonds Payable	\$ 195,000	\$ 545,000	\$ 740,000
Capital Leases Payable	295,000	3,760,000	4,055,000
Compensated Absences Payable	-	6,595,431	6,595,431
	<u>\$ 490,000</u>	<u>\$ 10,900,431</u>	<u>\$ 11,390,431</u>

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. As of June 30, 2011, the Board had \$740,000 of bonds payable. As of June 30, 2011, the Board had not authorized the issuance of any additional bonds.

LODI SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2011

Note 5 - Long-Term Debt (Continued)

B. Capital Leases Payable

Future Minimum Lease Payments - Future minimum lease payments for the fiscal years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2011 are:

Year Ending June 30	Amount
2012	\$ 520,976
2013	519,174
2014	516,518
2015	517,872
2016	518,098
2017	517,193
2018	515,011
2019	521,498
2020	516,418
2021	520,056
2022	<u>257,126</u>
Total Minimum Lease Payment	5,439,940
Less Amount Representing Interest	(1,384,940)
Present Value of Lease Payments	<u>\$ 4,055,000</u>

Optional Prepayment - The Certificates maturing on or after March 15, 2009 are subject to prepayment on or after March 15, 2008 at the option of the Board as a whole at any time or in part on any Interest Payment Date at a redemption price expressed as a percentage of the principal portion of the basic rent represented by the Certificates or portion thereof to be redeemed set opposite such period in the following table plus accrued interest to the date of redemption.

<u>Period (both dates inclusive)</u>	<u>Redemption Price</u>
March 15, 2008 to March 14, 2009	100.50%
March 15, 2009 and thereafter	100.00%

Mandatory Prepayment - The Certificates are subject to mandatory prepayment at a redemption price equal to their principal amount plus accrued interest to the redemption date:

(A) In whole or from time to time in part (in inverse order of maturities and within a maturity (by lot), on any interest payment date, from the net proceeds of insurance or condemnation proceedings, together with any available revenues permitted to be applied to the purpose, if the Board determines not to repair, restore or reconstruct the Project or the affected portion thereof or,

(B) In whole, at any time, with the consent of the Insurer, from moneys received by the Agent on the exercise of its rights under the Agent Agreement with respect to an event of default or an event of non-appropriation.

LODI SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2011

Note 5 - Long-Term Debt (Continued)

The annual debt service requirement for long-term obligation requirements to maturity, including principal and interest as of June 30, 2011 are as follows:

Year Ended June 30,	2003 Pension Refunding Bonds		Commissioner Approved Lease Purchase Agreement		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2012	\$ 195,000	\$ 35,985	\$ 295,000	\$ 225,976	\$ 490,000
2013	205,000	26,723	310,000	209,174	515,000	235,897
2014	220,000	16,780	325,000	191,518	545,000	208,298
2015	120,000	6,000	345,000	172,872	465,000	178,872
2016	-	-	365,000	153,098	365,000	153,098
2017	-	-	385,000	132,193	385,000	132,193
2018	-	-	405,000	110,011	405,000	110,011
2019	-	-	435,000	86,498	435,000	86,498
2020	-	-	455,000	61,418	455,000	61,418
2021	-	-	485,000	35,056	485,000	35,056
2022	-	-	250,000	7,126	250,000	7,126
	<u>\$ 740,000</u>	<u>\$ 85,488</u>	<u>\$ 4,055,000</u>	<u>\$ 1,384,940</u>	<u>\$ 4,795,000</u>	<u>\$ 1,470,428</u>

**LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 6 - Retirement Plans

The State of New Jersey Public Employees' Retirement System (the System; PERS) is a cost-sharing multiple-employer contributory defined benefit plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The System is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

At June 30, 2009 and 2008, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2009	2008
State of New Jersey	1	1
County Agencies	65	65
Municipalities	584	583
School Districts	566	561
Other Public Agencies	484	486
Total	<u>1,700</u>	<u>1,696</u>

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System 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 pension fund or local jurisdiction's pension fund. The System's Board of Trustees is primarily responsible for the administration of the System.

According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the System. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of 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 service credit, as defined, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

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

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired, as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal 2012.

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

**LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 6 - Retirement Plans (Continued)

Membership

Membership in the System consisted of the following at June 30, 2009 and 2008, the dates of the most recent actuarial valuations:

	<u>2009</u>	<u>2008</u>
Retirees and beneficiaries currently receiving benefits and employees entitled to benefits but not yet receiving them	138,619	134,555
Active Members:		
Vested	144,698	142,280
Non-Vested	172,151	176,902
Total Active Members	<u>316,849</u>	<u>319,182</u>
Total	<u>455,468</u>	<u>453,737</u>

The State of New Jersey Teachers' Pension and Annuity Fund (the Fund; TPAF) is a cost-sharing contributory defined benefit plan with a special funding situation which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The Fund is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

The Fund's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the Fund 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. The Fund's Board of Trustees is primarily responsible for the administration of the Fund.

According to the State of New Jersey Administrative Code, all obligations of the Fund will be assumed by the State of New Jersey should the Fund terminate.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. The TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the Fund. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of 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 service credit, as defined, or they may elect deferred retirement after achieving ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

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 credited to the members' accounts.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired, as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits (COLA) after 24 months of retirement.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the TPAF eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

**LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 6 - Retirement Plans (Continued)

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of TPAF from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF to 1/60 from 1/55, and it provided that new members of TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also requires the State to make its full pension contribution, defined as 1/7th of the required amount beginning in fiscal 2012.

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

Membership in the Fund consisted of the following at June 30, 2009 and 2008, the dates of the most recent actuarial valuations:

	2009	2008
Retirees and beneficiaries currently receiving benefits and employees entitled to benefits but not yet receiving them	78,782	76,068
Active Members:		
Vested	78,829	76,368
Non-Vested	78,280	79,719
Total Active Members	157,109	156,087
Total	235,891	232,155
Contributing Employers	35	38

Public Employees Retirement System:

Year	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
2010-11	\$ 355,001	100%	\$ 355,001
2009-10	283,547	100%	283,547
2008-09	217,260	100%	217,260
2007-08	178,906	100%	178,906
2006-07	100,557	100%	100,557
2005-06	53,808	100%	53,808
2004-05	20,599	100%	20,599
2003-04	-	-	-
2002-03	-	-	-
2001-02	-	-	-
2000-01	-	-	-

Teachers' Pension and Annuity Fund:

Year	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
2010-11	\$ 1,293,180	100%	\$ - (On-Behalf)
2009-10	1,284,268	100%	- (On-Behalf)
2008-09	1,268,110	100%	- (On-Behalf)
2007-08	2,809,547	100%	- (On-Behalf)
2006-07	2,740,444	100%	- (On-Behalf)
2005-06	1,320,610	100%	- (On-Behalf)
2004-05	997,719	100%	- (On-Behalf)
2003-04	911,626	100%	- (On-Behalf)
2002-03	644,891	100%	- (On-Behalf)
2001-02	-	-	- (On-Behalf)
2000-01	422,616	100%	- (On-Behalf)

**LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 7 - Post-Retirement Benefits

Chapter 384 of P.L. 1987 and Chapter 6 of P.L. 1990 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, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

**LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 8 - 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.

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.

The 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.

**LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 9 - Deferred Compensation

The Board offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Section 457 and 403(b). The plans permit 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.

**LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 10 - Capital Reserve Account

A capital reserve account was established by the Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve was as follows:

	<u>2011</u>	<u>2010</u>
Beginning Balance	\$ 8,297	\$ 508,217
Increases:		
Local Funds Transferred to Capital Projects Fund	500,000	-
Interest Earned	4	80
Local Funds Returned From Capital Projects Fund	-	-
Decreases:		
Budgeted Withdrawals for DOE approved projects from LRFP	-	(500,000)
Ending Balance	<u>\$ 508,301</u>	<u>\$ 8,297</u>

**LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 11 - Risk Management

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

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

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

LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 12 - Interfund Receivables and Payables

Interfund balances as of June 30 were as follows:

	2011		2010	
	Interfund Receivable	Interfund Payable	Interfund Receivable	Interfund Payable
General Fund	\$ 111,840	\$ 17	\$ -	\$ -
Special Revenue Fund	-	-	-	-
Capital Projects Fund	17	111,840	-	-
Debt Service Fund	-	-	-	-
Enterprise Fund	-	-	-	-
Trust and Agency Fund	-	-	-	-
	\$ 111,857	\$ 111,857	\$ -	\$ -

LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 13 - Retained Earnings - Food Services Enterprise Fund

The Food Service Enterprise Fund has a cumulative retained earnings at June 30 as follows:

	<u>2011</u>	<u>2010</u>
Retained Earnings	<u>\$ 641,567</u>	<u>\$ 691,570</u>

LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 14 - Fund Balance Appropriated

General Fund -- The following is an analysis of the General Fund balance at June 30:

	<u>2011</u>	<u>2010</u>
Capital Reserve	\$ 508,301	\$ 8,297
Emergency Reserve	400,002	-
Reserve for Encumbrances	2,276,094	1,833,565
Reserved Fund Balance - Excess Surplus FY 2011	1,590,260	-
Reserved Fund Balance - Excess Surplus FY 2010	1,042,765	1,042,765
Reserved Fund Balance - Excess Surplus FY 2009	-	1,322,534
Designated for Subsequent Years' Expenditures	327,343	505,763
Undesignated	(22,765)	53,643
	<u>\$ 6,122,000</u>	<u>\$ 4,766,567</u>

LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 15 - Calculation of Excess Surplus

The designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. 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 was as follows:

	<u>2011</u>	<u>2010</u>
Excess Fund Balance	<u>\$ 1,590,260</u>	<u>\$ 1,042,765</u>

LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 16 - Reconciliation of Budgetary Basis General Fund Balance to GAAP Basis General Fund Balance

	<u>2011</u>	<u>2010</u>
Total Fund Balance, June 30 - Budgetary Basis	\$ 7,148,848	\$ 6,067,513
Less: Final Delayed State Aid Payment	(1,026,848)	(1,300,946)
Total Fund Balance, June 30 - GAAP Basis	<u>\$ 6,122,000</u>	<u>\$ 4,766,567</u>

**LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 17 - Contingent Liabilities

The Board is involved with a potential claim which could be material to its operations.

**LODI SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 18 - Subsequent Events

We have evaluated subsequent events through December 5, 2011, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION - PART II

SECTION "C" - BUDGETARY COMPARISON SCHEDULES

LODI SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Prior Year Encumbrances	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)	Encumbered
REVENUES									
Local Sources:									
	10-1210	\$ 36,689,654	\$ -	\$ -	\$ -	\$ 36,689,654	\$ 36,689,654	\$ -	
	10-1320	23,110	-	-	-	23,110	-	(23,110)	
		120	-	-	-	120	4	(116)	
		-	-	-	-	-	2	2	
		133,000	-	-	-	133,000	232,229	99,229	
	Total Local Sources	\$ 36,845,884	\$ -	\$ -	\$ -	\$ 36,845,884	\$ 36,921,889	\$ 76,005	
State Sources:									
	10-3131	\$ 323,307	\$ -	\$ -	\$ -	\$ 323,307	\$ 355,587	\$ 32,280	
	10-3132	917,845	-	-	-	917,845	1,958,789	1,040,944	
	10-3176	11,399,873	-	-	-	11,399,873	10,358,929	(1,040,944)	
		-	-	-	-	-	1,293,180	1,293,180	
		-	-	-	-	-	1,471,994	1,471,994	
	Total State Sources	\$ 12,641,025	\$ -	\$ -	\$ -	\$ 12,641,025	\$ 15,438,479	\$ 2,797,454	
Federal Sources:									
	10-4200	\$ 47,097	\$ -	\$ -	\$ -	\$ 47,097	\$ 76,282	\$ 29,185	
	Total Revenues	\$ 49,534,006	\$ -	\$ -	\$ -	\$ 49,534,006	\$ 52,436,650	\$ 2,902,644	

LODI SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Prior Year Encumbrances	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)	Encumbered
EXPENDITURES									
Instruction									
Regular Programs:									
Local Contribution - Transfer to Special Revenue	11-105-100-930	\$ 63,495	\$ -	\$ -	\$ (52,252)	11,243	\$ -	\$ 11,243	\$ -
Kindergarten - Salaries of Teachers	11-110-100-101	842,618	-	1,465	22,821	866,904	848,689	18,215	2,346
Grades 1-5 - Salaries of Teachers	11-120-100-101	3,815,374	-	60,410	(93,273)	3,782,511	3,726,306	56,205	36,566
Grades 6-8 - Salaries of Teachers	11-130-100-101	2,630,165	-	42,023	(58,870)	2,613,318	2,581,188	32,130	31,076
Grades 9-12 - Salaries of Teachers	11-140-100-101	4,025,880	-	23,129	142,520	4,191,529	3,898,242	293,287	283,796
Regular Programs - Home Instruction:									
Salaries of Teachers	11-150-100-101	51,200	-	26,961	(5,000)	73,161	69,540	3,621	3,621
Regular Programs - Undistributed Instruction:									
Other Salaries for Instruction	11-190-100-106	17,621	-	34	52,315	69,970	67,635	2,335	2,336
Purchased Technical Services	11-190-100-340	63,420	-	-	2,846	66,266	65,772	494	-
Other Purchased Services	11-190-100-500	274,178	-	6,054	9,800	290,032	264,926	25,106	4,236
General Supplies	11-190-100-610	327,126	-	22,327	1,463	350,916	318,864	32,052	19,448
Textbooks	11-190-100-640	117,898	-	41,697	199,683	359,278	130,490	228,788	222,335
Other Objects	11-190-100-800	800	-	-	-	800	350	450	-
Total Regular Programs		\$ 12,229,775	\$ -	\$ 224,100	\$ 222,053	\$ 12,675,928	\$ 11,972,002	\$ 703,926	\$ 605,760
Special Education - Learning and/or Language Disabilities:									
Salaries of Teachers	11-204-100-101	\$ 909,530	\$ -	\$ 5,505	\$ (21,209)	\$ 893,826	\$ 889,449	\$ 4,377	\$ 4,377
Other Salaries for Instruction	11-204-100-106	169,010	-	-	(14,346)	154,664	152,560	2,104	2,103
General Supplies	11-204-100-610	27,800	-	449	(3,500)	24,749	21,086	3,663	465
Textbooks	11-204-100-640	6,120	-	-	-	6,120	4,062	2,058	-
		\$ 1,112,460	\$ -	\$ 5,954	\$ (39,055)	\$ 1,079,359	\$ 1,067,157	\$ 12,202	\$ 6,945
Special Education - Resource Room/Resource Center:									
Salaries of Teachers	11-213-100-101	\$ 1,163,664	\$ -	\$ 748	\$ (18,039)	\$ 1,146,373	\$ 1,144,700	\$ 1,673	\$ 1,672
Other Salaries for Instruction	11-213-100-106	101,406	-	-	(18,807)	82,599	82,232	367	366
Other Purchased Services	11-213-100-500	1,464	-	191	-	1,655	1,361	294	114
General Supplies	11-213-100-610	8,000	-	474	(700)	7,774	6,194	1,580	620
Textbooks	11-213-100-640	9,000	-	1,657	-	10,657	7,153	3,504	-
		\$ 1,283,534	\$ -	\$ 3,070	\$ (37,546)	\$ 1,249,058	\$ 1,241,640	\$ 7,418	\$ 2,772

LODI SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

Account Number	Original Budget	Budget Amendments	Prior Year Encumbrances	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)	Encumbered	
<u>EXPENDITURES (Continued)</u>									
<u>Instruction</u>									
Home Instruction:									
Purchased Professional - Educational Services	11-219-100-320	\$ 38,066	\$ -	\$ 31,601	\$ 1,100	\$ 70,767	\$ 50,961	\$ 19,806	\$ 5,182
Total Special Education		\$ 2,434,060	\$ -	\$ 40,625	\$ (75,501)	\$ 2,399,184	\$ 2,359,758	\$ 39,426	\$ 14,899
Basic Skills/Remedial:									
Salaries of Teachers	11-230-100-101	\$ 738,463	\$ -	\$ -	\$ 39,432	\$ 777,895	\$ 714,644	\$ 63,251	\$ -
General Supplies	11-230-100-610	6,050	-	-	-	6,050	2,086	3,964	-
Textbooks	11-230-100-640	2,000	-	-	-	2,000	-	2,000	-
Other Objects	11-230-100-800	-	-	-	-	-	-	-	-
		\$ 746,513	\$ -	\$ -	\$ 39,432	\$ 785,945	\$ 716,730	\$ 69,215	\$ -
Bilingual Education:									
Salaries of Teachers	11-240-100-101	\$ 515,140	\$ -	\$ -	\$ (18,950)	\$ 496,190	\$ 495,952	\$ 238	\$ -
Other Purchased Services	11-240-100-500	750	-	-	-	750	-	750	-
General Supplies	11-240-100-610	2,500	-	-	-	2,500	2,500	-	-
Textbooks	11-240-100-640	300	-	-	-	300	-	300	-
Other Objects	11-240-100-800	850	-	-	-	850	733	117	-
		\$ 519,540	\$ -	\$ -	\$ (18,950)	\$ 500,590	\$ 499,185	\$ 1,405	\$ -
School Sponsored Cocurricular Activities:									
Salaries	11-401-100-100	\$ 136,936	\$ -	\$ 5,286	\$ -	\$ 142,222	\$ 112,244	\$ 29,978	\$ 22,242
Purchased Services	11-401-100-500	600	-	-	2,199	2,799	2,355	444	192
Supplies and Materials	11-401-100-600	5,150	-	30	-	5,180	2,229	2,951	-
Other Objects	11-401-100-800	775	-	-	-	775	759	16	-
		\$ 143,461	\$ -	\$ 5,316	\$ 2,199	\$ 150,976	\$ 117,587	\$ 33,389	\$ 22,434
School Sponsored Athletics:									
Salaries	11-402-100-100	\$ 239,468	\$ -	\$ 2,186	\$ (1,441)	\$ 240,213	\$ 235,982	\$ 4,231	\$ 3,486
Purchased Services	11-402-100-500	8,200	-	-	(1,589)	6,611	1,853	4,758	-
Supplies and Materials	11-402-100-600	55,750	-	312	4,569	60,631	60,630	1	-
Other Objects	11-402-100-800	6,575	-	-	-	6,575	5,675	900	-
		\$ 309,993	\$ -	\$ 2,498	\$ 1,539	\$ 314,030	\$ 304,140	\$ 9,890	\$ 3,486
Community Service Programs:									
Supplies and Materials	11-800-330-600	\$ 7,500	\$ -	\$ -	\$ -	\$ 7,500	\$ -	\$ 7,500	\$ -
Total Instruction		\$ 16,390,842	\$ -	\$ 272,539	\$ 170,772	\$ 16,834,153	\$ 15,969,402	\$ 864,751	\$ 646,579

LODI SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Prior Year Encumbrances	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)	Encumbered
<u>EXPENDITURES (Continued)</u>									
<u>Undistributed Expenditures</u>									
Instruction:									
Tuition to Other LEAs Within the State - Regular	11-000-100-561	\$ -	\$ -	\$ -	\$ 15,931	\$ 15,931	\$ 14,109	\$ 1,822	\$ 1,007
Tuition to Other LEAs Within the State - Special	11-000-100-562	4,803,453	-	-	(393,369)	4,410,084	4,201,235	208,849	2,079
Tuition to County Vocational School District - Regular	11-000-100-563	647,920	-	-	20,305	668,225	653,338	14,887	-
Tuition to County Vocational School District - Special	11-000-100-564	892,500	-	-	-	892,500	861,050	31,450	-
Tuition to CSSD & Regional Day Schools	11-000-100-565	2,508,100	-	-	(4,305)	2,503,795	2,500,792	3,003	-
Tuition to Private Schools for the Handicapped - Within State	11-000-100-566	1,580,984	-	-	(108,500)	1,472,484	1,180,472	292,012	-
Tuition to State Facilities	11-000-100-568	53,521	-	-	-	53,521	53,521	-	-
Tuition - Other	11-000-100-569	81,900	-	-	-	81,900	51,409	30,491	-
		<u>\$ 10,568,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (469,938)</u>	<u>\$ 10,098,440</u>	<u>\$ 9,515,926</u>	<u>\$ 582,514</u>	<u>\$ 3,086</u>
Attendance and Social Work:									
Salaries	11-000-211-100	\$ 65,877	\$ -	\$ -	\$ 1,731	\$ 67,608	\$ 67,608	\$ -	\$ -
Other Purchased Services	11-000-211-500	1,600	-	-	-	1,600	1,600	-	-
		<u>\$ 67,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,731</u>	<u>\$ 69,208</u>	<u>\$ 69,208</u>	<u>\$ -</u>	<u>\$ -</u>
Health Services:									
Salaries	11-000-213-100	\$ 522,736	\$ -	\$ 7,957	\$ (5,600)	\$ 525,093	\$ 501,357	\$ 23,736	\$ 6,936
Purchased Professional and Technical Services	11-000-213-300	14,625	-	-	11,925	26,550	22,050	4,500	4,500
Supplies and Materials	11-000-213-600	15,187	-	2,457	-	17,644	14,660	2,984	58
		<u>\$ 552,548</u>	<u>\$ -</u>	<u>\$ 10,414</u>	<u>\$ 6,325</u>	<u>\$ 569,287</u>	<u>\$ 538,067</u>	<u>\$ 31,220</u>	<u>\$ 11,494</u>
Other Support Services Students - Related Services:									
Salaries	11-000-216-100	\$ 369,874	\$ -	\$ 2,631	\$ (103,039)	\$ 269,466	\$ 264,515	\$ 4,951	\$ 2,423
Purchased Professional - Educational Services	11-000-216-320	185,700	-	38,275	74,170	298,145	279,654	18,491	16,825
Supplies and Materials	11-000-216-600	2,000	-	-	-	2,000	1,382	618	-
		<u>\$ 557,574</u>	<u>\$ -</u>	<u>\$ 40,906</u>	<u>\$ (28,869)</u>	<u>\$ 569,611</u>	<u>\$ 545,551</u>	<u>\$ 24,060</u>	<u>\$ 19,248</u>
Other Support Services Students - Extraordinary Services:									
Salaries	11-000-217-100	\$ 142,270	\$ -	\$ 12,550	\$ 1,362	\$ 156,182	\$ 140,646	\$ 15,536	\$ 15,536
Purchased Professional - Educational Services	11-000-217-320	300,000	-	62,995	15,438	378,433	314,992	63,441	24,594
		<u>\$ 442,270</u>	<u>\$ -</u>	<u>\$ 75,545</u>	<u>\$ 16,800</u>	<u>\$ 534,615</u>	<u>\$ 455,638</u>	<u>\$ 78,977</u>	<u>\$ 40,130</u>
Other Support Services Students - Regular:									
Salaries of Other Professional Staff	11-000-218-104	\$ 838,054	\$ -	\$ -	\$ 630	\$ 838,684	\$ 838,684	\$ -	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-218-105	60,908	-	-	-	60,908	60,908	-	-
Purchased Professional - Educational Services	11-000-218-320	400	-	-	-	400	-	400	-
Purchased Professional and Technical Services	11-000-218-390	80,000	-	5,110	2,020	87,130	54,452	32,678	9,635
Supplies and Materials	11-000-218-600	42,600	-	2,710	(5,750)	39,560	21,449	18,111	2,415
		<u>\$ 1,021,962</u>	<u>\$ -</u>	<u>\$ 7,820</u>	<u>\$ (3,100)</u>	<u>\$ 1,026,682</u>	<u>\$ 975,493</u>	<u>\$ 51,189</u>	<u>\$ 12,050</u>

LODI SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

Account Number	Original Budget	Budget Amendments	Prior Year Encumbrances	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)	Encumbered	
<u>EXPENDITURES (Continued)</u>									
<u>Undistributed Expenditures (Continued)</u>									
Other Support Services Students - Special:									
Salaries of Other Professional Staff	11-000-219-104	\$ 631,164	\$ -	\$ -	\$ -	\$ 631,164	\$ 631,163	\$ 1	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-219-105	106,940	-	-	-	106,940	106,940	-	-
Other Salaries	11-000-219-110	3,520	-	-	-	3,520	2,765	755	755
Purchased Professional - Educational Services	11-000-219-320	45,000	-	4,892	8,113	58,005	52,537	5,468	5,461
Purchased Professional and Technical Services	11-000-219-390	20,000	-	3,875	2,887	26,762	23,895	2,867	2,800
Miscellaneous Purchased Services	11-000-219-592	1,695	-	242	2,002	3,939	3,218	721	607
Supplies and Materials	11-000-219-600	7,200	-	-	94	7,294	4,585	2,709	1,105
		<u>\$ 815,519</u>	<u>\$ -</u>	<u>\$ 9,009</u>	<u>\$ 13,096</u>	<u>\$ 837,624</u>	<u>\$ 825,103</u>	<u>\$ 12,521</u>	<u>\$ 10,728</u>
Improvement of Instruction Services - Other Support Services:									
Salaries of Supervisor of Instruction	11-000-221-102	\$ 245,430	\$ -	\$ -	\$ -	\$ 245,430	\$ 245,430	\$ -	\$ -
Purchased Professional - Educational Services	11-000-221-320	16,800	-	-	443	17,243	17,243	-	-
Supplies and Materials	11-000-221-600	8,000	-	718	129	8,847	8,846	1	-
Other Objects	11-000-221-800	100	-	-	-	100	-	100	-
		<u>\$ 270,330</u>	<u>\$ -</u>	<u>\$ 718</u>	<u>\$ 572</u>	<u>\$ 271,620</u>	<u>\$ 271,519</u>	<u>\$ 101</u>	<u>\$ -</u>
Educational Media Services/School Library:									
Salaries	11-000-222-100	\$ 555,374	\$ -	\$ -	(1,128)	\$ 554,246	\$ 554,074	\$ 172	\$ -
Other Purchased Services	11-000-222-500	14,688	-	232	435	15,355	14,181	1,174	232
Supplies and Materials	11-000-222-600	115,710	-	1,066	-	116,776	109,256	7,520	5,148
Other Objects	11-000-222-800	9,942	-	-	-	9,942	9,834	108	-
		<u>\$ 695,714</u>	<u>\$ -</u>	<u>\$ 1,298</u>	<u>\$ (693)</u>	<u>\$ 696,319</u>	<u>\$ 687,345</u>	<u>\$ 8,974</u>	<u>\$ 5,380</u>
Instructional Staff Training Services:									
Other Purchased Services	11-000-223-500	\$ 17,000	\$ -	228	-	\$ 17,228	\$ 13,404	\$ 3,824	\$ -
Supplies and Materials	11-000-223-600	2,000	-	-	-	2,000	1,740	260	-
		<u>\$ 19,000</u>	<u>\$ -</u>	<u>\$ 228</u>	<u>\$ -</u>	<u>\$ 19,228</u>	<u>\$ 15,144</u>	<u>\$ 4,084</u>	<u>\$ -</u>

LODI SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Prior Year Encumbrances	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)	Encumbered
<u>EXPENDITURES (Continued)</u>									
<u>Undistributed Expenditures (Continued)</u>									
Support Services - General Administration:									
Salaries	11-000-230-100	\$ 420,574	\$ -	\$ 1,186	\$ -	\$ 421,760	\$ 414,250	\$ 7,510	\$ 2,422
Legal Services	11-000-230-331	20,000	-	-	(2,500)	17,500	4,604	12,896	-
Audit Fees	11-000-230-332	40,234	-	-	-	40,234	39,733	501	-
Other Purchased Professional Services	11-000-230-339	2,600	-	-	-	2,600	2,395	205	-
Communications/Telephone	11-000-230-530	106,975	-	9,536	(11,000)	105,511	103,389	2,122	1,558
BOE Other Purchased Services	11-000-230-585	-	-	24	5,975	5,999	-	5,999	-
Other Purchased Services	11-000-230-590	89,785	-	23,138	7,225	120,148	113,848	6,300	-
General Supplies	11-000-230-610	12,500	-	120	(700)	11,920	4,649	7,271	6,107
Judgments Against The School District	11-000-230-820	-	-	-	1,000	1,000	1,000	-	-
Miscellaneous Expenditures	11-000-230-890	4,315	-	-	-	4,315	2,409	1,906	44
BOE Membership Dues and Fees	11-000-230-895	22,000	-	-	-	22,000	20,496	1,504	-
		\$ 718,983	\$ -	\$ 34,004	\$ -	\$ 752,987	\$ 706,773	\$ 46,214	\$ 10,131
Support Services - School Administration:									
Salaries of Principals/Assistant Principals	11-000-240-103	\$ 1,178,202	\$ -	\$ -	\$ 35	\$ 1,178,237	\$ 1,178,237	\$ -	\$ -
Salaries of Other Professional Staff	11-000-240-104	378,368	-	-	550	378,918	378,368	550	-
Salaries of Secretarial and Clerical Assistants	11-000-240-105	571,792	-	2,630	(4,655)	569,767	557,265	12,502	8,372
Other Purchased Services	11-000-240-500	11,910	-	309	733	12,952	4,947	8,005	309
Supplies and Materials	11-000-240-600	65,810	-	4,810	808	71,428	62,860	8,568	5,786
Other Objects	11-000-240-800	3,238	-	1,483	-	4,721	3,190	1,531	1,145
		\$ 2,209,320	\$ -	\$ 9,232	\$ (2,529)	\$ 2,216,023	\$ 2,184,867	\$ 31,156	\$ 15,612
Central Services:									
Salaries	11-000-251-100	\$ 399,535	\$ -	\$ 728	\$ 4,376	\$ 404,639	\$ 404,629	\$ 10	\$ 8
Purchased Professional Services	11-000-251-330	29,210	-	122	48,343	77,675	69,454	8,221	8,082
Miscellaneous Purchased Services	11-000-251-592	19,406	-	208	376	19,990	17,273	2,717	262
Supplies and Materials	11-000-251-600	13,000	-	164	1,020	14,184	13,401	783	710
Other Objects	11-000-251-890	4,425	-	-	(235)	4,190	4,190	-	-
		\$ 465,576	\$ -	\$ 1,222	\$ 53,880	\$ 520,678	\$ 508,947	\$ 11,731	\$ 9,062
Administrative Information Technology:									
Salaries	11-000-252-100	\$ 176,024	\$ -	\$ -	\$ 17,476	\$ 193,500	\$ 193,500	\$ -	\$ -
Other Purchased Services	11-000-252-500	3,800	-	-	417	4,217	4,217	-	-
Supplies and Materials	11-000-252-600	500	-	-	1,422	1,922	1,815	107	-
		\$ 180,324	\$ -	\$ -	\$ 19,315	\$ 199,639	\$ 199,532	\$ 107	\$ -

LODI SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Prior Year Encumbrances	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)	Encumbered
<u>EXPENDITURES (Continued)</u>									
<u>Undistributed Expenditures (Continued)</u>									
Required Maintenance for School Facilities:									
Salaries	11-000-261-100	\$ 207,635	\$ -	\$ 1,106	\$ -	\$ 208,741	\$ 207,632	\$ 1,109	\$ 1,108
Cleaning, Repair and Maintenance Services	11-000-261-420	667,134	-	343,628	785,900	1,796,662	1,136,294	660,368	533,232
General Supplies	11-000-261-610	35,000	-	568	16,800	52,368	51,709	659	458
		<u>\$ 909,769</u>	<u>\$ -</u>	<u>\$ 345,302</u>	<u>\$ 802,700</u>	<u>\$ 2,057,771</u>	<u>\$ 1,395,635</u>	<u>\$ 662,136</u>	<u>\$ 534,798</u>
Other Operations and Maintenance of Plant Services:									
Salaries	11-000-262-100	\$ 1,455,065	\$ -	\$ 5,514	\$ (55,672)	\$ 1,404,907	\$ 1,368,302	\$ 36,605	\$ 36,605
Purchased Professional and Technical Services	11-000-262-300	28,126	-	-	19,675	47,801	45,389	2,412	2,400
Cleaning, Repair and Maintenance Services	11-000-262-420	85,721	-	8,894	130,414	225,029	211,640	13,389	10,316
Other Purchased Property Services	11-000-262-490	22,000	-	2,075	2,896	26,971	25,277	1,694	1,634
Insurance	11-000-262-520	191,375	-	-	(19,246)	172,129	170,750	1,379	-
Miscellaneous Purchased Services	11-000-262-590	4,200	-	-	400	4,600	4,518	82	-
General Supplies	11-000-262-610	105,300	-	910	(8,500)	97,710	80,000	17,710	1,440
Energy (Electricity)	11-000-262-622	450,904	-	44,492	84,000	579,396	511,487	67,909	61,673
Energy (Natural Gas)	11-000-262-621	498,923	-	101,244	(174,900)	425,267	216,661	208,606	67,909
Energy (Gasoline)	11-000-262-626	8,000	-	-	-	8,000	-	8,000	-
Other Objects	11-000-262-800	3,420	-	-	-	3,420	3,193	227	-
		<u>\$ 2,853,034</u>	<u>\$ -</u>	<u>\$ 163,129</u>	<u>\$ (20,933)</u>	<u>\$ 2,995,230</u>	<u>\$ 2,637,217</u>	<u>\$ 358,013</u>	<u>\$ 181,977</u>
Care and Upkeep of Grounds:									
General Supplies	11-000-263-610	\$ 17,750	\$ -	\$ -	\$ 4,500	22,250	19,500	2,750	303
Security:									
Purchased Professional and Technical Services	11-000-266-300	\$ -	\$ -	\$ -	\$ 100,000	100,000	100,000	-	-
Student Transportation Services:									
Contracted Services (Between Home and School) - Vendors	11-000-270-512	\$ -	\$ -	\$ -	\$ 4,860	4,860	4,860	-	-
Contracted Services (Other Between Home and School) - V	11-000-270-512	72,616	-	2,530	(100)	75,046	71,742	3,304	713
Contracted Services (Between Home and School) - Joint Ag	11-000-270-513	111,243	-	11,360	2,019	124,622	98,125	26,497	14,015
Contracted Services (Special Education) - Vendors	11-000-270-514	1,500	-	-	-	1,500	362	1,138	-
Contracted Services (Special Education) - Joint Agreements	11-000-270-515	1,924,113	-	108,702	58,221	2,091,036	1,883,895	207,141	207,142
		<u>\$ 2,109,472</u>	<u>\$ -</u>	<u>\$ 122,592</u>	<u>\$ 65,000</u>	<u>\$ 2,297,064</u>	<u>\$ 2,058,984</u>	<u>\$ 238,080</u>	<u>\$ 221,870</u>

LODI SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Prior Year Encumbrances	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)	Encumbered
<u>EXPENDITURES (Continued)</u>									
<u>Undistributed Expenditures (Continued)</u>									
Employee Benefits:									
Social Security Contributions	11-000-291-220	\$ 364,472	\$ -	\$ 2,111	\$ 32,000	\$ 398,583	\$ 394,983	\$ 3,600	\$ 3,600
Other Retirement Contributions - PERS	11-000-291-241	296,886	-	-	58,472	355,358	355,357	1	-
Unemployment Compensation	11-000-291-250	66,100	-	1,757	20,000	87,857	83,195	4,662	4,662
Workmen's Compensation	11-000-291-260	136,633	-	-	-	136,633	133,737	2,896	-
Health Benefits	11-000-291-270	8,301,464	-	-	(1,412,404)	6,889,060	6,205,985	683,075	-
Tuition Reimbursement	11-000-291-280	20,000	-	13,480	-	33,480	2,880	30,600	10,600
Other Employee Benefits	11-000-291-290	163,608	-	683,735	318,561	1,165,904	491,572	674,332	534,784
		<u>\$ 9,349,163</u>	<u>\$ -</u>	<u>\$ 701,083</u>	<u>\$ (983,371)</u>	<u>\$ 9,066,875</u>	<u>\$ 7,667,709</u>	<u>\$ 1,399,166</u>	<u>\$ 553,646</u>
TPAF Pension (On-Behalf - Non-Budgeted)		\$ -	\$ -	\$ -	\$ -	\$ -	1,293,180	(1,293,180)	-
TPAF Social Security (Reimbursed - Non-Budgeted)		\$ -	\$ -	\$ -	\$ -	\$ -	1,471,994	(1,471,994)	-
Total Undistributed Expenditures		<u>\$ 33,824,163</u>	<u>\$ -</u>	<u>\$ 1,522,502</u>	<u>\$ (425,514)</u>	<u>\$ 34,921,151</u>	<u>\$ 34,143,332</u>	<u>\$ 777,819</u>	<u>\$ 1,629,515</u>
Total Expenditures - Current Expense		<u>\$ 50,215,005</u>	<u>\$ -</u>	<u>\$ 1,795,041</u>	<u>\$ (254,742)</u>	<u>\$ 51,755,304</u>	<u>\$ 50,112,734</u>	<u>\$ 1,642,570</u>	<u>\$ 2,276,094</u>

LODI SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

Account Number	Original Budget	Budget Amendments	Prior Year Encumbrances	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)	Encumbered
<u>EXPENDITURES (Continued)</u>								
<u>Capital Outlay</u>								
Interest Deposit to Capital Reserve	\$ 120	\$ -	\$ -	\$ -	\$ 120	\$ -	\$ 120	\$ -
Equipment:								
Grades 9-12	\$ -	\$ -	\$ -	\$ 3,100	\$ 3,100	\$ 3,028	\$ 72	\$ -
Undistributed Expenditures - School Administration	-	-	-	6,026	6,026	6,026	-	-
School Facilities	-	-	-	25,381	25,381	25,381	-	-
	\$ -	\$ -	\$ -	\$ 34,507	\$ 34,507	\$ 34,435	\$ 72	\$ -
Facilities Acquisition and Construction Services:								
Construction Services	\$ -	\$ -	\$ 38,524	\$ 180,421	\$ 218,945	\$ 107,359	\$ 111,586	\$ -
Other Objects	14,765	-	-	-	14,765	14,765	-	-
	\$ 14,765	\$ -	\$ 38,524	\$ 180,421	\$ 233,710	\$ 122,124	\$ 111,586	\$ -
Total Capital Outlay	\$ 14,885	\$ -	\$ 38,524	\$ 214,928	\$ 268,337	\$ 156,559	\$ 111,778	\$ -
<u>Charter Schools</u>								
Transfer of Funds to Charter Schools	\$ 1,080,813	\$ -	\$ -	\$ -	\$ 1,080,813	\$ 994,608	\$ 86,205	\$ -

LODI SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Prior Year Encumbrances	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)	Encumbered
Total Expenditures		\$ 51,310,703	\$ -	\$ 1,833,565	\$ (39,814)	\$ 53,104,454	\$ 51,263,901	\$ 1,840,553	\$ 2,276,094
Excess (Deficiency) of Revenues Over (Under) Expenditures		\$ (1,776,697)	\$ -	\$ (1,833,565)	\$ 39,814	\$ (3,570,448)	\$ 1,172,749	\$ 4,743,197	
Other Financing Sources (Uses):									
Operating Transfers:									
From (To) Trust and Agency Funds	11-4XX-100-930	\$ (51,600)	\$ -	\$ -	\$ -	\$ (51,600)	\$ (51,600)	\$ -	\$ -
Capital Outlay - Transfer to Capital Projects Fund	12-000-400-932	-	-	-	(39,814)	(39,814)	(39,814)	-	-
		\$ (51,600)	\$ -	\$ -	\$ (39,814)	\$ (91,414)	\$ (91,414)	\$ -	\$ -
Excess (Deficiency) of Revenues Over (Under) Expenditures and Expenditures and Other Financing Uses		\$ (1,828,297)	\$ -	\$ (1,833,565)	\$ -	\$ (3,661,862)	\$ 1,081,335	\$ 4,743,197	
Fund Balances, July 1		6,067,513	-	-	-	6,067,513	6,067,513	-	-
Fund Balances, June 30		\$ 4,239,216	\$ -	\$ (1,833,565)	\$ -	\$ 2,405,651	\$ 7,148,848	\$ 4,743,197	
<u>Recapitulation of Excess (Deficiency) of Revenues Under Expenditures:</u>									
Adjustment for Prior Year Encumbrances		\$ -	\$ -	\$ (1,833,565)	\$ -	\$ (1,833,565)	\$ (1,833,565)	\$ -	\$ -
Budgeted Fund Balance - Original		(1,828,297)	-	-	-	(1,828,297)	(1,828,297)	-	-
Results of Operations		-	-	-	-	-	4,743,197	4,743,197	-
Budgeted Withdrawal From Capital Reserve		-	-	-	-	-	-	-	-
		\$ (1,828,297)	\$ -	\$ (1,833,565)	\$ -	\$ (3,661,862)	\$ 1,081,335	\$ 4,743,197	

Recapitulation of Fund Balance (Budgetary Basis):

Capital Reserve	508,301
Emergency Reserve	400,002
Reserve for Encumbrances	2,276,094
Reserved Fund Balance - Excess Surplus from FY2011	1,590,260
Reserved Fund Balance - Excess Surplus from FY2010	1,042,765
Designated for Subsequent Year's Expenditures	327,343
Unreserved - Undesignated	1,004,083
	<u>7,148,848</u>

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payment(s) not recognized on GAAP basis	(1,026,848)
Fund Balance per Governmental Funds (GAAP) (Exhibit B-1)	<u>6,122,000</u>

LODI SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 Fiscal Year Ended June 30, 2011

	Original Budget	Modifications	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)
REVENUES					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	641,353	-	641,353	641,353	-
Federal Sources	1,634,683	-	1,634,683	1,634,683	-
Total Revenues	\$ 2,276,036	\$ -	\$ 2,276,036	\$ 2,276,036	\$ -
EXPENDITURES					
Instruction:					
Salaries of Teachers	100-100 \$ 860,441	\$ -	\$ 860,441	\$ 860,441	\$ -
Other Salaries for Instruction	100-106 85,273	-	85,273	85,273	-
Purchased Professional & Technical Services	100-300 5,950	-	5,950	5,950	-
Other Purchased Services	100-500 -	-	-	-	-
Contract to Charter	100-560 37,698	-	37,698	37,698	-
Tuition	100-562 785,157	-	785,157	785,157	-
General Supplies	100-610 46,057	-	46,057	46,057	-
Textbooks	100-640 9,511	-	9,511	9,511	-
Other Objects	100-800 -	-	-	-	-
Total Instruction	\$ 1,830,087	\$ -	\$ 1,830,087	\$ 1,830,087	\$ -
Support Services:					
Salaries of Program Directors	200-100 \$ 50,900	\$ -	\$ 50,900	\$ 50,900	\$ -
Salaries of Other Professional Staff	200-110 14,200	-	14,200	14,200	-
Personal Services - Employee Benefits	200-200 235,046	-	235,046	235,046	-
Purchased Professional & Technical Services	200-300 144,864	-	144,864	144,864	-
Purchased Professional - Educational Services	200-329 939	-	939	939	-
Purchased Property Services	200-400 -	-	-	-	-
Other Purchased Services	200-500 -	-	-	-	-
Travel	200-580 -	-	-	-	-
Supplies and Materials	200-600 -	-	-	-	-
Other Objects	200-890 -	-	-	-	-
Indirect Costs	200-860 -	-	-	-	-
Total Support Services	\$ 445,949	\$ -	\$ 445,949	\$ 445,949	\$ -
Facilities Acquisition and Construction Services:					
Buildings	400-720 \$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	400-731 -	-	-	-	-
Non-Instructional Equipment	400-732 -	-	-	-	-
Total Facilities Acquisition and Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 2,276,036	\$ -	\$ 2,276,036	\$ 2,276,036	\$ -

LODI SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE
 Fiscal Year Ended June 30, 2011

**Note 1 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 basis) "revenue" from the budgetary comparison schedule (C-1)/(E-1)	\$ 52,436,650	\$ 2,276,036
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	18,299
State aid payment recognized for GAAP purposes, not recognized for budgetary statements	1,300,946	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(1,026,848)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	\$ 52,710,748	\$ 2,294,335
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 51,263,901	\$ 2,276,036
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	18,299
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 51,263,901	\$ 2,294,335

SECTION "D" - SCHOOL LEVEL SCHEDULES

**LODI SCHOOL DISTRICT
COMBINING BALANCE SHEET
GENERAL FUND**

Not Applicable

**LODI SCHOOL DISTRICT
BLENDED RESOURCE FUND - SCHEDULE OF EXPENDITURES TO BE
ALLOCATED BETWEEN RESOURCE TYPE - ACTUAL
GENERAL FUND**

Not Applicable

**LODI SCHOOL DISTRICT
BLENDED RESOURCE FUND - SCHEDULE OF BLENDED EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND**

Not Applicable

SECTION "E" - SPECIAL REVENUE FUND

**LODI SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGETARY BASIS
SPECIAL REVENUE FUND**

	231 FY2011	232 FY2011	270 FY2011	273 FY2011	241 FY2011	280 FY2011	250 FY2011 I.D.E.A. Basic	251 FY2011 I.D.E.A. Preschool
	Title I	Title I - SI	Title II - Part A	Title II - Part D	Title III	Title IV		
REVENUES								
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-	-	-
Federal Sources	419,965	-	127,447	939	59,333	-	769,329	26,471
Total Revenues	\$ 419,965	\$ -	\$ 127,447	\$ 939	\$ 59,333	\$ -	\$ 769,329	\$ 26,471
EXPENDITURES								
Instruction:								
Salaries of Teachers	100-101 \$ 275,490	\$ -	\$ 95,788	\$ -	\$ 40,652	\$ -	\$ -	\$ -
Other Salaries for Instruction	100-106 -	-	-	-	-	-	-	-
Purchased Professional & Technical Services	100-300 3,000	-	-	-	-	-	-	-
Other Purchased Services	100-500 -	-	-	-	-	-	-	-
Contract to Charter	100-560 -	-	-	-	-	-	-	-
Tuition	100-562 -	-	-	-	-	-	758,686	26,471
General Supplies	100-610 30,393	-	-	-	-	-	-	-
Textbooks	100-640 -	-	-	-	-	-	-	-
Other Objects	100-800 -	-	-	-	-	-	-	-
Total Instruction	\$ 308,883	\$ -	\$ 95,788	\$ -	\$ 40,652	\$ -	\$ 758,686	\$ 26,471
Support Services:								
Salaries of Program Directors	200-103 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries of Other Professional Staff	200-110 4,400	-	-	-	9,800	-	-	-
Personal Services - Employee Benefits	200-200 55,434	-	31,659	-	8,881	-	-	-
Purchased Professional & Technical Services	200-300 51,248	-	-	-	-	-	10,643	-
Purchased Professional - Educational Services	200-329 -	-	-	939	-	-	-	-
Purchased Property Services	200-400 -	-	-	-	-	-	-	-
Other Purchased Services	200-500 -	-	-	-	-	-	-	-
Travel	200-580 -	-	-	-	-	-	-	-
Supplies and Materials	200-600 -	-	-	-	-	-	-	-
Other Objects	200-890 -	-	-	-	-	-	-	-
Indirect Costs	200-860 -	-	-	-	-	-	-	-
Total Support Services	\$ 111,082	\$ -	\$ 31,659	\$ 939	\$ 18,681	\$ -	\$ 10,643	\$ -
Facilities Acquisition and Construction Services:								
Buildings	400-720 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	400-731 -	-	-	-	-	-	-	-
Non-Instructional Equipment	400-732 -	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 419,965	\$ -	\$ 127,447	\$ 939	\$ 59,333	\$ -	\$ 769,329	\$ 26,471

**LODI SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGETARY BASIS
SPECIAL REVENUE FUND**

	361 Carl D. Perkins Grant	450 FY2011 ARRA Title I - Part A	451 FY2011 I.D.E.A. Part B	452 FY2011 ARRA Preschool	218 Early Childhood Program Aid	Demonstrably Effective Program Aid	431 Character Education Aid	Targeted At-Risk Aid
REVENUES								
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	583,168	-	-	-
Federal Sources	19,583	79,619	131,997	-	-	-	-	-
Total Revenues	\$ 19,583	\$ 79,619	\$ 131,997	\$ -	\$ 583,168	\$ -	\$ -	\$ -
EXPENDITURES								
Instruction:								
Salaries of Teachers	100-101 \$ -	\$ 66,349	\$ -	\$ -	\$ 382,162	\$ -	\$ -	\$ -
Other Salaries for Instruction	100-106 -	-	-	-	85,273	-	-	-
Purchased Professional & Technical Services	100-300 2,950	-	-	-	-	-	-	-
Other Purchased Services	100-500 -	-	-	-	-	-	-	-
Contract to Charter	100-560 -	-	-	-	-	-	-	-
Tuition	100-562 -	-	-	-	-	-	-	-
General Supplies	100-610 15,664	-	-	-	-	-	-	-
Textbooks	100-640 -	-	-	-	-	-	-	-
Other Objects	100-800 -	-	-	-	-	-	-	-
Total Instruction	\$ 18,614	\$ 66,349	\$ -	\$ -	\$ 467,435	\$ -	\$ -	\$ -
Support Services:								
Salaries of Program Directors	200-103 \$ 900	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries of Other Professional Staff	200-110 -	-	-	-	-	-	-	-
Personal Services - Employee Benefits	200-200 69	13,270	10,000	-	115,733	-	-	-
Purchased Professional & Technical Services	200-300 -	-	71,997	-	-	-	-	-
Purchased Professional - Educational Services	200-329 -	-	-	-	-	-	-	-
Purchased Property Services	200-400 -	-	-	-	-	-	-	-
Other Purchased Services	200-500 -	-	-	-	-	-	-	-
Travel	200-580 -	-	-	-	-	-	-	-
Supplies and Materials	200-600 -	-	-	-	-	-	-	-
Other Objects	200-890 -	-	-	-	-	-	-	-
Indirect Costs	200-860 -	-	-	-	-	-	-	-
Total Support Services	\$ 969	\$ 13,270	\$ 131,997	\$ -	\$ 115,733	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Services:								
Buildings	400-720 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	400-731 -	-	-	-	-	-	-	-
Non-Instructional Equipment	400-732 -	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 19,583	\$ 79,619	\$ 131,997	\$ -	\$ 583,168	\$ -	\$ -	\$ -

**LODI SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGETARY BASIS
SPECIAL REVENUE FUND**

	N.J. Non-Public Auxiliary Services				N.J. Non-Public Handicapped Services		
	502				507	506	
	Compensatory Education	E.S.L.	Transportation	Home Instruction	Examination & Classification	Corrective Speech	Supplementary Instruction
REVENUES							
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	20,346	-	-	-	9,570	-	7,782
Federal Sources	-	-	-	-	-	-	-
Total Revenues	\$ 20,346	\$ -	\$ -	\$ -	\$ 9,570	\$ -	\$ 7,782
EXPENDITURES							
Instruction:							
Salaries of Teachers	100-101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Salaries for Instruction	100-106	-	-	-	-	-	-
Purchased Professional & Technical Services	100-300	-	-	-	-	-	-
Other Purchased Services	100-500	-	-	-	-	-	-
Contract to Charter	100-560	20,346	-	-	9,570	-	7,782
Tuition	100-562	-	-	-	-	-	-
General Supplies	100-610	-	-	-	-	-	-
Textbooks	100-640	-	-	-	-	-	-
Other Objects	100-800	-	-	-	-	-	-
Total Instruction		\$ 20,346	\$ -	\$ -	\$ 9,570	\$ -	\$ 7,782
Support Services:							
Salaries of Program Directors	200-103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries of Other Professional Staff	200-110	-	-	-	-	-	-
Personal Services - Employee Benefits	200-200	-	-	-	-	-	-
Purchased Professional & Technical Services	200-300	-	-	-	-	-	-
Purchased Professional - Educational Services	200-329	-	-	-	-	-	-
Purchased Property Services	200-400	-	-	-	-	-	-
Other Purchased Services	200-500	-	-	-	-	-	-
Travel	200-580	-	-	-	-	-	-
Supplies and Materials	200-600	-	-	-	-	-	-
Other Objects	200-890	-	-	-	-	-	-
Indirect Costs	200-860	-	-	-	-	-	-
Total Support Services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Services:							
Buildings	400-720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	400-731	-	-	-	-	-	-
Non-Instructional Equipment	400-732	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 20,346	\$ -	\$ -	\$ 9,570	\$ -	\$ 7,782

**LODI SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND
EXPENDITURES - BUDGETARY BASIS
SPECIAL REVENUE FUND**

E-1

	501			509			Reconciliation to GAAP Basis		
	N.J. Non-Public Textbook Aid	N.J. Non-Public Nursing Services	N.J. Non-Public Technology Aid	Total	plus 6/30/10 encumbrances	(less) 6/30/11 encumbrances	GAAP Basis		
REVENUES									
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	9,511	10,976	-	641,353	7,897	(6,258)	642,992		
Federal Sources	-	-	-	1,634,683	107,251	(90,591)	1,651,343		
Total Revenues	\$ 9,511	\$ 10,976	\$ -	\$ 2,276,036	\$ 115,148	\$ (96,849)	\$ 2,294,335		
EXPENDITURES									
Instruction:									
Salaries of Teachers	100-101	\$ -	\$ -	\$ -	860,441		(1,149)		
Other Salaries for Instruction	100-106	-	-	-	85,273		(2,098)		
Purchased Professional & Technical Services	100-300	-	-	-	5,950		(3,000)		
Other Purchased Services	100-500	-	-	-	-		-		
Contract to Charter	100-560	-	-	-	37,698		(3,011)		
Tuition	100-562	-	-	-	785,157		-		
General Supplies	100-610	-	-	-	46,057		(9,751)		
Textbooks	100-640	9,511	-	-	9,511		-		
Other Objects	100-800	-	-	-	-		-		
Total Instruction	\$ 9,511	\$ -	\$ -	\$ 1,830,087	\$ 46,044	\$ (19,009)	\$ 1,857,122		
Support Services:									
Salaries of Program Directors	200-103	\$ -	\$ -	\$ -	50,900		-		
Salaries of Other Professional Staff	200-110	-	-	-	14,200		-		
Personal Services - Employee Benefits	200-200	-	-	-	235,046		(76,776)		
Purchased Professional & Technical Services	200-300	-	10,976	-	144,864		(1,064)		
Purchased Professional - Educational Services	200-329	-	-	-	939		-		
Purchased Property Services	200-400	-	-	-	-		-		
Other Purchased Services	200-500	-	-	-	-		-		
Travel	200-580	-	-	-	-		-		
Supplies and Materials	200-600	-	-	-	-		-		
Other Objects	200-890	-	-	-	-		-		
Indirect Costs	200-860	-	-	-	-		-		
Total Support Services	\$ -	\$ 10,976	\$ -	\$ 445,949	\$ 69,104	\$ (77,840)	\$ 437,213		
Facilities Acquisition and Construction Services:									
Buildings	400-720	\$ -	\$ -	\$ -	-		-		
Instructional Equipment	400-731	-	-	-	-		-		
Non-Instructional Equipment	400-732	-	-	-	-		-		
Total Facilities Acquisition and Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Total Expenditures	\$ 9,511	\$ 10,976	\$ -	\$ 2,276,036	\$ 115,148	\$ (96,849)	\$ 2,294,335		

**LODI SCHOOL DISTRICT
SCHEDULE OF DEPA - BUDGETARY BASIS
SPECIAL REVENUE FUND**

Not Applicable

**LODI SCHOOL DISTRICT
SCHEDULE OF ECPA - BUDGETARY BASIS
SPECIAL REVENUE FUND**

Not Applicable

**LODI SCHOOL DISTRICT
SCHEDULE OF DISTANCE LEARNING NETWORK AID - BUDGETARY BASIS
SPECIAL REVENUE FUND**

Not Applicable

**LODI SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL SUPPLEMENT AID - BUDGETARY BASIS
SPECIAL REVENUE FUND**

Not Applicable

SECTION "F" - CAPITAL PROJECTS FUND

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

F-1

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2011</u>
			<u>Prior Years</u>	<u>Current Year</u>	
#2740-050-09-1003 Lodi HS - Rehabilitation: Window Replacement	06/16/09	\$ 42,521	\$ 4,832	\$ 37,689	\$ -
#2740-067-09-1004 Jefferson MS - Rehabilitation: Heating Upgrades	06/16/09	1,245,219	85,591	1,159,628	-
#2740-100-09-1001 Wilson ES - Rehabilitation: Cafeteria Relocation	06/29/09	446,976	26,379	420,597	-
#2740-100-10-1001 Wilson ES - Rehabilitation: Window Replacement	07/23/10	305,536	-	305,536	-
		<u>\$ 2,040,252</u>	<u>\$ 116,802</u>	<u>\$ 1,923,450</u>	<u>\$ -</u>

**LODI SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Account Number</u>		
<u>REVENUES</u>			
Additional State Building Aid - EDA Grant	30-3255	\$	50,567
Municipal Surplus	30-1220		-
Earnings on Investments	30-1510		-
Bond Principal	30-5110		-
Bond Premium	30-5120		-
Capital Outlay Transferred to Capital Projects			39,814
Capital Reserve Transferred to Capital Projects			-
Other Financing Sources			(48)
Total Revenues		\$	90,333
<u>EXPENDITURES</u>			
Capital Project Equipment	30-XXX-XXX-73X	\$	-
Salaries	30-000-4XX-100		-
Legal Services	30-000-4XX-331		-
Other Purchased Professional and Technical Services	30-000-4XX-390		51,551
Construction Services	30-000-4XX-450		1,867,425
General Supplies	30-000-4XX-610		-
Land and Improvements	30-000-4XX-710		-
Lease Purchase Agreements - Principal	30-000-4XX-721		-
Buildings Other than Lease Purchase Agreements	30-000-4XX-722		-
Other Objects	30-000-4XX-800		4,474
Total Expenditures		\$	1,923,450
Excess (Deficiency) of Revenues Over (Under) Expenditures		\$	(1,833,117)

LODI SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 LODI HIGH SCHOOL - REHABILITATION: WINDOW REPLACEMENT
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Period	Totals	Revised Authorized Cost
REVENUES				
Additional State Building Aid - EDA Grant	\$ 42,373	\$ (18,666)	\$ 23,707	\$ 23,707
Municipal Surplus	-	-	-	-
Earnings on Investments	-	-	-	-
Bond Principal	-	-	-	-
Bond Premium	-	-	-	-
Capital Outlay Transferred to Capital Projects	33,627	(14,813)	18,814	18,814
Capital Reserve Transferred to Capital Projects	-	-	-	-
Other Financing Sources	-	-	-	-
Total Revenues	\$ 76,000	\$ (33,479)	\$ 42,521	\$ 42,521
EXPENDITURES				
Capital Project Equipment	\$ -	\$ -	\$ -	\$ -
Salaries	-	-	-	-
Legal Services	-	-	-	-
Other Purchased Professional and Technical Services	2,388	716	3,104	3,104
Construction Services	2,090	36,710	38,800	38,800
General Supplies	-	-	-	-
Land and Improvements	-	-	-	-
Lease Purchase Agreements - Principal	-	-	-	-
Buildings Other than Lease Purchase Agreements	-	-	-	-
Other Objects	354	263	617	617
Total Expenditures	\$ 4,832	\$ 37,689	\$ 42,521	\$ 42,521
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 71,168	\$ (71,168)	\$ -	\$ -

Additional Project Information:

Project Number	2740-050-09-1003
Grant Date/Letter of Notification	06/16/09
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$ 76,000
Additional Authorized Cost	\$ (33,479)
Revised Authorized Cost	\$ 42,521
Percentage Increase/(Decrease) Over Original Authorized Cost	-44%
Percentage Completion	100%
Original Target Completion Date	08/20/10
Revised Target Completion Date	11/10/10

LODI SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 JEFFERSON MIDDLE SCHOOL - REHABILITATION: HEATING UPGRADES
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Period	Totals	Revised Authorized Cost
REVENUES				
Additional State Building Aid - EDA Grant	\$ 767,085	\$ (72,819)	\$ 694,266	\$ 694,266
Municipal Surplus	-	-	-	-
Earnings on Investments	-	-	-	-
Bond Principal	-	-	-	-
Bond Premium	-	-	-	-
Capital Outlay Transferred to Capital Projects	108,742	(57,789)	50,953	50,953
Capital Reserve Transferred to Capital Projects	500,000	-	500,000	500,000
Other Financing Sources	48	(48)	-	-
Total Revenues	\$ 1,375,875	\$ (130,656)	\$ 1,245,219	\$ 1,245,219
EXPENDITURES				
Capital Project Equipment	\$ -	\$ -	\$ -	\$ -
Salaries	-	-	-	-
Legal Services	12,768	-	12,768	12,768
Other Purchased Professional and Technical Services	70,662	20,462	91,124	91,124
Construction Services	-	1,139,057	1,139,057	1,139,057
General Supplies	-	-	-	-
Land and Improvements	-	-	-	-
Lease Purchase Agreements - Principal	-	-	-	-
Buildings Other than Lease Purchase Agreements	-	-	-	-
Other Objects	2,161	109	2,270	2,270
Total Expenditures	\$ 85,591	\$ 1,159,628	\$ 1,245,219	\$ 1,245,219
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,290,284	\$ (1,290,284)	\$ -	\$ -

Additional Project Information:

Project Number	2740-067-09-1004
Grant Date/Letter of Notification	06/16/09
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$ 2,366,000
Additional Authorized Cost	\$ (1,120,781)
Revised Authorized Cost	\$ 1,245,219
Percentage Increase/(Decrease) Over Original Authorized Cost	-47%
Percentage Completion	100%
Original Target Completion Date	09/30/10
Revised Target Completion Date	05/24/11

LODI SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 WILSON ELEMENTARY SCHOOL - REHABILITATION: CAFETERIA RELOCATION
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Period	Totals	Revised Authorized Cost
REVENUES				
Additional State Building Aid - EDA Grant	\$ 277,682	\$ (28,468)	\$ 249,214	\$ 249,214
Municipal Surplus	-	-	-	-
Earnings on Investments	-	-	-	-
Bond Principal	-	-	-	-
Bond Premium	-	-	-	-
Capital Outlay Transferred to Capital Projects	220,362	(22,600)	197,762	197,762
Capital Reserve Transferred to Capital Projects	-	-	-	-
Other Financing Sources	-	-	-	-
Total Revenues	\$ 498,044	\$ (51,068)	\$ 446,976	\$ 446,976
EXPENDITURES				
Capital Project Equipment	\$ -	\$ -	\$ -	\$ -
Salaries	-	-	-	-
Legal Services	-	-	-	-
Other Purchased Professional and Technical Services	24,960	8,037	32,997	32,997
Construction Services	-	412,458	412,458	412,458
General Supplies	-	-	-	-
Land and Improvements	-	-	-	-
Lease Purchase Agreements - Principal	-	-	-	-
Buildings Other than Lease Purchase Agreements	-	-	-	-
Other Objects	1,419	102	1,521	1,521
Total Expenditures	\$ 26,379	\$ 420,597	\$ 446,976	\$ 446,976
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 471,665	\$ (471,665)	\$ -	\$ -

Additional Project Information:

Project Number	2740-100-09-1001
Grant Date/Letter of Notification	06/29/09
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$ 498,044
Additional Authorized Cost	\$ (51,068)
Revised Authorized Cost	\$ 446,976
Percentage Increase/(Decrease) Over Original Authorized Cost	-10%
Percentage Completion	100%
Original Target Completion Date	08/20/10
Revised Target Completion Date	08/20/10

LODI SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 WILSON ELEMENTARY SCHOOL - REHABILITATION: WINDOW REPLACEMENT
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Period	Totals	Revised Authorized Cost
REVENUES				
Additional State Building Aid - EDA Grant	\$ -	\$ 170,520	\$ 170,520	\$ 170,520
Municipal Surplus	-	-	-	-
Earnings on Investments	-	-	-	-
Bond Principal	-	-	-	-
Bond Premium	-	-	-	-
Capital Outlay Transferred to Capital Projects	-	135,016	135,016	135,016
Capital Reserve Transferred to Capital Projects	-	-	-	-
Other Financing Sources	-	-	-	-
Total Revenues	\$ -	\$ 305,536	\$ 305,536	\$ 305,536
EXPENDITURES				
Capital Project Equipment	\$ -	\$ -	\$ -	\$ -
Salaries	-	-	-	-
Legal Services	-	-	-	-
Other Purchased Professional and Technical Services	-	22,336	22,336	22,336
Construction Services	-	279,200	279,200	279,200
General Supplies	-	-	-	-
Land and Improvements	-	-	-	-
Lease Purchase Agreements - Principal	-	-	-	-
Buildings Other than Lease Purchase Agreements	-	-	-	-
Other Objects	-	4,000	4,000	4,000
Total Expenditures	\$ -	\$ 305,536	\$ 305,536	\$ 305,536
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	2740-100-10-1001
Grant Date/Letter of Notification	07/23/10
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$ 498,330
Additional Authorized Cost	\$ (192,794)
Revised Authorized Cost	\$ 305,536
Percentage Increase/(Decrease) Over Original Authorized Cost	-39%
Percentage Completion	0%
Original Target Completion Date	08/19/11
Revised Target Completion Date	01/01/12

SECTION "G" - ENTERPRISE FUNDS

**LODI SCHOOL DISTRICT
 ENTERPRISE FUND
 COMBINING STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2011**

	<u>Food Service Enterprise Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 421,308
Intergovernmental Receivable - State	855
Accounts Receivable	<u>36,725</u>
Total Current Assets	<u>\$ 458,888</u>
Non-Current Assets:	
Machinery and Equipment, (Net)	<u>\$ 182,679</u>
Total Assets	<u>\$ 641,567</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 182,679
Unrestricted	458,888
Total Net Assets	<u><u>\$ 641,567</u></u>

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

	<u>Food Service Enterprise Fund</u>
<u>OPERATING REVENUES</u>	
Charges for Services:	
Daily Sales	\$ 638,017
Other Sales	17,390
	<u>\$ 655,407</u>
<u>OPERATING EXPENSES</u>	
Other Purchased Services	\$ 1,207,264
Depreciation	31,022
Miscellaneous Expenditures	179,481
	<u>\$ 1,417,767</u>
Operating Income (Loss)	<u>\$ (762,360)</u>
<u>NON-OPERATING REVENUES</u>	
Local Sources:	
Interest Earned	\$ 204
State Sources:	
State School Lunch Program	17,083
Federal Sources:	
School Breakfast Program	54,026
National School Lunch Program	638,760
Special Milk Program	2,284
	<u>\$ 712,357</u>
Change in Net Assets	\$ (50,003)
Total Net Assets - Beginning	691,570
Total Net Assets - Ending	<u>\$ 641,567</u>

**LODI SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Food Service Enterprise Fund</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Receipts from Sales	\$ 658,398
Payments for Contracted Services	(1,250,065)
Payments for Miscellaneous Expenses	(179,481)
Net Cash Provided (Used) by Operating Activities	<u>\$ (771,148)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Purchase and Retirement of Capital Assets	<u>\$ (23,853)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Cash Flows from State and Federal Reimbursements	<u>\$ 749,253</u>
Net Increase/(Decrease) in Cash	<u>\$ (45,748)</u>
Cash, July 1	467,056
Cash, June 30	<u>\$ 421,308</u>
	-
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:	
Operating Loss	<u>\$ (762,360)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:	
Depreciation Expense	31,022
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	2,991
Increase (Decrease) in Accounts Payable	(42,801)
Total Adjustments	<u>(8,788)</u>
Net Cash Provided by (Used For) Operating Activities	<u>\$ (771,148)</u>
	0

**LODI SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUND**

Not Applicable

**LODI SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUND**

Not Applicable

**LODI SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND**

Not Applicable

SECTION "H" - FIDUCIARY FUNDS

**LODI SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011**

	<u>Agency Funds</u>		
	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 64,234	\$ 33	64,267
<u>LIABILITIES</u>			
Due to Student Groups	\$ 64,234	\$ -	64,234
Payroll, Deductions and Withholdings Payable	-	33	33
Total Liabilities	<u>\$ 64,234</u>	<u>\$ 33</u>	<u>\$ 64,267</u>
<u>NET ASSETS</u>			
Unrestricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LODI SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Not Applicable

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

	Balance July 1, 2010	Cash Receipts	Cash Disbursements	Balance June 30, 2011
Student Activity Funds:				
Wilson School	\$ 200	\$ 254	\$ 254	\$ 200
Columbus School	126	1,995	1,995	126
Washington School	1,031	2,519	2,746	804
Hilltop School	54	641	641	54
Roosevelt School	72	75	75	72
Thomas Jefferson Middle School	14,255	97,465	98,796	12,924
Lodi High School	58,292	168,215	182,838	43,669
Student Athletics	3,785	57,533	54,933	6,385
	<u>\$ 77,815</u>	<u>\$ 328,697</u>	<u>\$ 342,278</u>	<u>\$ 64,234</u>

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

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<u>ASSETS</u>				
Cash:				
Net Payroll Account	\$ 37	\$ 14,041,315	\$ 14,041,352	\$ -
Payroll Agency Account	116	27,111,671	27,111,754	33
	<u>\$ 153</u>	<u>\$ 41,152,986</u>	<u>\$ 41,153,106</u>	<u>\$ 33</u>
<u>LIABILITIES</u>				
Payroll, Deductions and Withholdings Payable	<u>\$ 153</u>	<u>\$ 41,152,986</u>	<u>\$ 41,153,106</u>	<u>\$ 33</u>

SECTION "I" - LONG-TERM DEBT

LODI SCHOOL DISTRICT
 SCHEDULE OF SERIAL BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Amount Outstanding June 30, 2010</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2011</u>
2003 Pension Refunding Bonds	3/1/2003	\$ 3,275,000	\$ 1,105,000	\$ -	\$ 365,000	\$ 740,000

<u>Annual Maturities</u>		
<u>Date</u>	<u>Interest Rate</u>	<u>Amount</u>
03/01/12	4.750%	\$ 195,000
03/01/13	4.850%	205,000
03/01/14	4.900%	220,000
03/01/15	5.000%	120,000
		<u>\$ 740,000</u>

LODI SCHOOL DISTRICT
 SCHEDULE OF CAPITAL LEASES PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Series	Interest Rate	Amount of Original Issue	Amount Outstanding June 30, 2010	Issued Current Year	Retired Current Year	Adjustments	Amount Outstanding June 30, 2011
Renovations, Additions, Alterations to							
Various Schools	4.00-5.70%	\$ 6,600,000	\$ 4,330,000	\$ -	\$ 275,000	\$ -	\$ 4,055,000

Annual Maturities	
Year	Amount
2012	\$ 295,000
2013	310,000
2014	325,000
2015	345,000
2016	365,000
2017	385,000
2018	405,000
2019	435,000
2020	455,000
2021	485,000
2022	250,000
	<u>\$ 4,055,000</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable / (Unfavorable)
REVENUES					
Local Sources:					
Local Tax Levy	\$ 835,900	\$ -	\$ 835,900	\$ 835,900	\$ -
Miscellaneous	-	-	-	17	17
	<u>\$ 835,900</u>	<u>\$ -</u>	<u>\$ 835,900</u>	<u>\$ 835,917</u>	<u>\$ 17</u>
State Sources:					
Debt Service Aid Type II	\$ 95,213	\$ -	\$ 95,213	\$ 95,213	\$ -
Total Revenues	<u>\$ 931,113</u>	<u>\$ -</u>	<u>\$ 931,113</u>	<u>\$ 931,130</u>	<u>\$ 17</u>
EXPENDITURES					
Regular Debt Service					
Principal Payments - Commissioner Approved LPA	\$ 275,000	\$ -	\$ 275,000	\$ 275,000	\$ -
Interest Payments - Commissioner Approved LPA	241,483	-	241,483	241,482	1
Interest on Early Retirement Bonds	52,228	-	52,228	52,228	-
Redemption of Principal	365,000	-	365,000	365,000	-
Total Expenditures	<u>\$ 933,711</u>	<u>\$ -</u>	<u>\$ 933,711</u>	<u>\$ 933,710</u>	<u>\$ 1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,598)	-	(2,598)	(2,580)	18
Fund Balances, July 1	2,612	-	2,612	2,612	-
Fund Balances, June 30	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ 32</u>	<u>\$ 18</u>
Recapitulation of Excess (Deficiency) of Revenues Under Expenditures:					
Budgeted Fund Balance - Original	\$ (2,598)	\$ -	\$ (2,598)	\$ (2,598)	\$ -
Results of Operations	-	-	-	18	18
	<u>\$ (2,598)</u>	<u>\$ -</u>	<u>\$ (2,598)</u>	<u>\$ (2,580)</u>	<u>\$ 18</u>

LODI SCHOOL DISTRICT
Comprehensive Annual Financial Report
Statistical Section

LODI SCHOOL DISTRICT
Net Assets by Component
(Unaudited)

	2011	2010	2009	2008	2007
Governmental Activities:					
Invested in Capital Assets, Net of Related Debt	\$26,118,850	\$28,464,158	\$29,637,205	\$30,508,317	\$36,677,297
Restricted	908,335	1,844,026	513,877	14,630	5,402
Unrestricted	1,158,697	(2,873,097)	(3,007,889)	(3,735,367)	(11,380,203)
Total Governmental Activities	\$28,185,882	\$27,435,087	\$27,143,193	\$26,787,580	\$25,302,496
Business-Type Activities:					
Invested in Capital Assets, Net of Related Debt	\$ 182,679	\$ 189,848	\$ 134,320	\$ 146,612	\$ 172,463
Restricted	-	-	-	-	-
Unrestricted	458,888	501,722	712,682	627,411	571,712
Total Business-Type Activities	\$ 641,567	\$ 691,570	\$ 847,002	\$ 774,023	\$ 744,175
District-Wide:					
Invested in Capital Assets, Net of Related Debt	\$26,301,529	\$28,654,006	\$29,771,525	\$30,654,929	\$36,849,760
Restricted	908,335	1,844,026	513,877	14,630	5,402
Unrestricted	1,617,585	(2,371,375)	(2,295,207)	(3,107,956)	(10,808,491)
Total District-Wide	\$28,827,449	\$28,126,657	\$27,990,195	\$27,561,603	\$26,046,671

LODI SCHOOL DISTRICT
Changes in Net Assets
(Unaudited)

	2011	2010	2009	2008
Expenses				
Governmental Activities:				
Instruction				
Regular Programs	\$ 13,338,540	\$ 13,253,883	\$ 11,643,014	\$ 10,745,449
Special Education	3,287,555	3,847,221	2,881,295	5,053,381
Basic Skills - Remedial Instruction	716,730	752,408	588,740	628,545
Bilingual Education	499,185	475,285	539,860	531,679
School Sponsored Cocurricular Activities	117,587	164,858	165,541	141,471
School Sponsored Athletics	304,140	299,639	273,545	278,092
Other Instructional Programs	-	-	-	5,935
Community Service Programs/Operations	-	2,584	-	-
Undistributed Expenditures:				
Instruction	9,515,926	9,024,107	9,198,858	8,086,324
Attendance and Social Work	69,208	66,669	62,128	60,850
Health Services	538,067	552,208	532,201	544,008
Other Support Services - Students Related Services	545,551	562,509	516,255	492,258
Other Support Services - Students Extraordinary Services	455,638	404,975	352,860	301,997
Other Support Services - Students Regular	975,493	946,073	908,779	553,016
Other Support Services - Students Special	825,103	837,020	808,760	721,714
Improvement of Instructional Services	271,519	259,817	249,117	159,852
Educational Media Services/School Library	687,345	643,349	571,962	286,547
Instructional Staff Training Services	15,144	13,154	7,928	11,171
Support Services - General Administration	706,773	654,528	637,171	616,025
Support Services - School Administration	2,184,867	2,152,492	2,104,365	2,036,344
Central Services	508,947	453,531	498,762	433,591
Administrative Information Technology	199,532	177,022	170,406	162,623
Required Maintenance for School Facilities	1,395,635	1,020,280	1,165,856	878,744
Operation and Maintenance of Plant Services	2,637,217	2,596,543	2,850,967	2,825,690
Care and Upkeep of Grounds	19,500	12,088	-	-
Security	100,000	-	-	-
Student Transportation Services	2,058,984	2,148,972	1,794,386	1,722,660
Allocated and Unallocated Employee Benefits	7,736,773	7,837,051	6,571,661	5,796,119
TPAF Pension	1,293,180	1,284,268	1,268,110	2,809,547
TPAF Social Security	1,471,994	1,535,231	552,399	1,440,856
Sub-Total	52,476,133	51,977,765	46,914,926	47,324,488
Capital Outlay	1,419,886	1,583,169	1,654,454	1,773,175
Charter Schools	994,608	-	-	-
Debt Service	293,710	323,084	349,132	373,996
Total Governmental Activities Expenses	\$ 55,184,337	\$ 53,884,018	\$ 48,918,512	\$ 49,471,659
Business-Type Activities:				
Food Service	\$ 1,417,767	\$ 1,532,889	\$ 1,224,747	\$ 1,187,309
Total District Expenses	\$ 56,602,104	\$ 55,416,907	\$ 50,143,259	\$ 50,658,968
Program Revenues				
Governmental Activities:				
Charges for Services	\$ -	\$ 20,644	\$ 12,707	\$ -
Operating Grants and Contributions	7,450,173	7,130,171	6,088,796	11,694,112
Capital Grants and Contributions	145,780	4,497,414	-	-
Total Governmental Activities Program Revenues	\$ 7,595,953	\$ 11,648,229	\$ 6,101,503	\$ 11,694,112
Business-Type Activities:				
Charges for Services	\$ 655,407	\$ 627,622	\$ 642,538	\$ 596,386
Operating Grants and Contributions	712,153	749,603	650,914	608,552
Capital Grants and Contributions	-	-	-	-
Total business type activities program revenues	1,367,560	1,377,225	1,293,452	1,204,938
Total district program revenues	\$ 8,963,513	\$ 13,025,454	\$ 7,394,955	\$ 12,899,050

LODI SCHOOL DISTRICT
Changes in Net Assets
(Unaudited)

	2011	2010	2009	2008
Net (Expense)/Revenue				
Governmental Activities	\$ (47,588,384)	\$ (42,235,789)	\$ (42,817,009)	\$ (37,777,547)
Business-Type Activities	(50,207)	(155,664)	68,705	17,629
Total District-Wide	<u>\$ (47,638,591)</u>	<u>\$ (42,391,453)</u>	<u>\$ (42,748,304)</u>	<u>\$ (37,759,918)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Local Tax Levy	37,525,554	33,705,497	32,514,298	32,701,525
Unrestricted Miscellaneous Revenues	232,198	434,851	139,993	607,413
State Sources	10,633,027	9,463,078	11,575,701	6,556,476
Federal Sources	-	-	51,553	29,775
Interest Earned on Capital Reserve Funds	-	-	57	204
LPA Adjustments	-	-	606	-
Transfers	(51,600)	(1,075,743)	(1,109,586)	(632,762)
Total Governmental Activities	<u>\$ 48,339,179</u>	<u>\$ 42,527,683</u>	<u>\$ 43,172,622</u>	<u>\$ 39,262,631</u>
Business-Type Activities:				
Unrestricted Miscellaneous Revenues	\$ 204	\$ 232	\$ 4,274	\$ 12,219
Transfers	-	-	-	-
Total business-type activities	<u>\$ 204</u>	<u>\$ 232</u>	<u>\$ 4,274</u>	<u>\$ 12,219</u>
Total district-wide	<u>\$ 48,339,383</u>	<u>\$ 42,527,915</u>	<u>\$ 43,176,896</u>	<u>\$ 39,274,850</u>
Change in Net Assets				
Governmental Activities	\$ 750,795	\$ 291,894	\$ 355,613	\$ 1,485,084
Business-Type Activities	(50,003)	(155,432)	72,979	29,848
Total District	<u>\$ 700,792</u>	<u>\$ 136,462</u>	<u>\$ 428,592</u>	<u>\$ 1,514,932</u>
Net Assets - Beginning	28,126,657	27,990,195	27,561,603	26,046,671
Net Assets - Ending	<u>\$ 28,827,449</u>	<u>\$ 28,126,657</u>	<u>\$ 27,990,195</u>	<u>\$ 27,561,603</u>

LODI SCHOOL DISTRICT
Fund Balances - Governmental Funds
(Unaudited)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund					
Reserved	\$6,144,765	\$4,712,924	\$5,766,148	\$5,323,649	\$3,039,725
Unreserved	(22,765)	53,643	(149,515)	415,663	442,843
Total General Fund	<u>\$6,122,000</u>	<u>\$4,766,567</u>	<u>\$5,616,633</u>	<u>\$5,739,312</u>	<u>\$3,482,568</u>
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ 3	\$ -	\$ -
Unreserved, reported in:					
Special Revenue Fund	-	-	-	-	-
Capital Projects Fund	-	1,833,117	-	880	1,436
Debt Service Fund	32	2,612	5,657	5,590	3,966
Permanent Fund	-	-	-	-	-
Total all Other Governmental	<u>\$ 32</u>	<u>\$1,835,729</u>	<u>\$ 5,660</u>	<u>\$ 6,470</u>	<u>\$ 5,402</u>
Total Governmental Funds	<u>\$6,122,032</u>	<u>\$6,602,296</u>	<u>\$5,622,293</u>	<u>\$5,745,782</u>	<u>\$3,487,970</u>

LODI SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
(Unaudited)

	2011	2010	2009	2008	2007
REVENUES					
Local Sources:					
Local Tax Levy	\$ 37,525,554	\$ 33,705,497	\$ 32,514,298	\$ 32,701,525	\$ 31,679,127
Tuition - Individuals	-	7,111	526	-	-
Tuition - Other LEAs	-	13,533	12,181	12,350	15,170
Interest on Capital Reserve Funds	4	81	57	204	104
Interest on Emergency Reserve Funds	2	-	-	-	-
Unrestricted Miscellaneous Revenues	232,198	434,851	139,993	595,063	486,227
Total Local Sources	\$ 37,757,758	\$ 34,161,073	\$ 32,667,055	\$ 33,309,142	\$ 32,180,628
State Sources	16,501,349	16,499,190	16,295,245	16,849,532	15,160,494
Federal Sources	1,727,625	4,591,473	1,420,805	1,430,831	1,376,156
Transfers from Operating Budget	-	-	-	-	-
Total Revenues	\$ 55,986,732	\$ 55,251,736	\$ 50,383,105	\$ 51,589,505	\$ 48,717,278
EXPENDITURES					
Current Expense:					
Instruction:					
Regular Programs - Instruction	\$ 13,338,540	\$ 13,253,883	\$ 11,643,014	\$ 10,745,449	\$ 13,714,561
Special Education - Instruction	3,287,555	3,847,221	2,881,295	5,053,381	2,493,921
Basic Skills - Remedial Instruction	716,730	752,408	588,740	628,545	863,457
Bilingual Education - Instruction	499,185	475,285	539,860	531,679	504,066
School Sponsored Cocurricular Activities - Instruction	117,587	164,858	165,541	141,471	142,725
School Sponsored Athletics - Instruction	304,140	299,639	273,545	278,092	272,328
Community Service Programs	-	2,584	-	5,935	3,842
Undistributed Expenditures:					
Instruction	9,515,926	9,024,107	9,198,858	8,086,324	6,307,304
Attendance and Social Work Services	69,208	66,669	62,128	60,850	59,124
Health Services	538,067	552,208	532,201	544,008	505,855
Other Support Services - Students Related Services	545,551	562,509	516,255	492,258	447,177
Other Support Services - Students Extraordinary Services	455,638	404,975	352,860	301,997	277,312
Other Support Services - Students - Regular	975,493	946,073	908,779	553,016	723,386
Other Support Services - Students - Special	825,103	837,020	808,760	721,714	659,452
Improvement of Instruction Services	271,519	259,817	249,117	159,852	135,422
Educational Media Services/School Library	687,345	643,349	571,962	286,547	302,835
Instructional Staff Training Services	15,144	13,154	7,928	11,171	8,675
Support Services - General Administration	706,773	654,528	637,171	616,025	735,993
Support Services - School Administration	2,184,867	2,152,492	2,104,365	2,036,344	1,969,012
Central Services	508,947	453,531	498,762	433,591	424,400
Administrative Information Technology	199,532	177,022	170,406	162,623	157,013
Required Maintenance for School Facilities	1,395,635	1,020,280	1,165,856	878,744	859,268
Operation and Maintenance of Plant Services	2,637,217	2,596,543	2,850,967	2,825,690	2,614,882
Care and Upkeep of Grounds	19,500	12,088	-	-	-
Security	100,000	-	-	-	-
Student Transportation Services	2,058,984	2,148,972	1,794,386	1,722,660	1,627,480
Allocated and Unallocated Employee Benefits	7,667,709	7,971,989	7,591,875	5,792,371	7,218,632
TPAF Pension	1,293,180	1,284,268	1,268,110	2,809,547	2,740,444
TPAF Social Security	1,471,994	1,535,231	552,399	1,440,856	1,362,966
	52,407,069	52,112,703	47,935,140	47,320,740	47,131,532
Capital Outlay:					
Interest Deposit to Capital Reserve	-	81	-	-	-
Equipment	34,435	19,682	21,559	66,918	36,437
Facilities Acquisition and Construction Services	2,045,574	125,440	511,783	382,277	17,843
	2,080,009	145,203	533,342	449,195	54,280
Charter Schools					
	994,608	-	-	-	-
Debt Service:					
Principal Payments - Commissioner Approved LPA	275,000	264,997	249,394	235,000	223,970
Interest Payments - Commissioner Approved LPA	241,482	256,159	269,169	282,673	293,174
Interest on Early Retirement Bonds	52,228	66,928	79,963	91,323	100,778
Bond Principal	365,000	350,000	330,000	320,000	305,000
	933,710	938,084	928,526	928,996	922,922
Total Expenditures	\$ 56,415,396	\$ 53,195,990	\$ 49,397,008	\$ 48,698,931	\$ 48,108,734
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (428,664)	\$ 2,055,746	\$ 986,097	\$ 2,890,574	\$ 608,544
OTHER FINANCING SOURCES (USES)					
Operating Transfers	(51,600)	(1,075,743)	(1,109,586)	(632,762)	(48,609)
Net Change In Fund Balances	\$ (480,264)	\$ 980,003	\$ (123,489)	\$ 2,257,812	\$ 559,935
Fund Balances - July 1	6,602,296	5,622,293	5,745,782	3,487,970	2,928,035
Fund Balances - June 30	\$ 6,122,032	\$ 6,602,296	\$ 5,622,293	\$ 5,745,782	\$ 3,487,970

LODI SCHOOL DISTRICT
General Fund Other Local Revenue By Source
(Unaudited)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Interest on</u> <u>Capital Reserve</u> <u>Funds</u>	<u>Interest on</u> <u>Emergency</u> <u>Reserve</u> <u>Funds</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Sale of</u> <u>Assets</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Credits &</u> <u>Adjustments</u>	<u>Total</u>
2011	\$ 3,131	\$ 4	\$ 2	\$ -	\$ 19,442	\$ -	\$ 209,680	\$ (30)	\$ 232,229
2010	2,955	81	-	-	208,743	-	223,020	-	434,799
2009	47,977	-	-	-	410	-	91,184	-	139,571
2008	165,103	204	-	12,350	637	1,250	424,299	-	603,843
2007	192,591	104	-	15,170	26	-	118,853	174,426	501,170

LODI SCHOOL DISTRICT
Assessed Value and Estimated
Actual Value of Taxable Property
(Unaudited)

Description	2010		2009		2008		2007		2006	
	# of Parcels	Value								
Net Valuations Taxable:										
Vacant Land	73	\$ 9,257,200	78	\$ 6,849,400	79	\$ 7,274,700	83	\$ 12,173,700	102	\$ 12,064,400
Residential	4443	1,418,646,900	4436	1,416,454,300	4440	1,416,914,100	4426	1,410,476,800	4399	1,391,425,900
Farm (Regular)	0	-	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-	0	-
Commercial	302	262,212,400	305	263,971,900	309	267,186,800	309	253,309,900	313	261,751,100
Industrial	112	124,511,800	114	131,949,300	114	131,949,300	115	134,837,300	108	127,848,000
Apartments	92	136,831,600	92	136,929,100	92	137,836,600	91	137,552,000	91	138,552,000
Sub-Total	5022	1,951,459,900	5025	1,956,154,000	5034	1,961,161,500	5024	1,948,349,700	5013	1,931,641,400
Personal Property		3,965,260		2,068,996		2,042,681		1,840,005		2,004,136
Net Valuations Taxable		1,955,425,160		1,958,222,996		1,963,204,181		1,950,189,705		1,933,645,536
County Equalization Adjustment		429,437,233		543,017,102		482,436,119		391,892,452		136,097,460
County Equalized Valuation		<u>\$ 2,384,862,393</u>		<u>\$ 2,501,240,098</u>		<u>\$ 2,445,640,300</u>		<u>\$ 2,342,082,157</u>		<u>\$ 2,069,742,996</u>
County Equalization Ratio		<u>82.53%</u>		<u>78.78%</u>		<u>80.78%</u>		<u>83.79%</u>		<u>93.42%</u>
Average Residential Assessment		<u>\$ 319,299</u>		<u>\$ 319,309</u>		<u>\$ 319,125</u>		<u>\$ 318,680</u>		<u>\$ 316,305</u>
Total County Equalized Valuations		<u>\$ 183,412,099,706</u>		<u>\$ 187,580,071,463</u>		<u>\$ 182,767,512,263</u>		<u>\$ 172,863,500,734</u>		<u>\$ 153,984,695,626</u>
Municipal Percentage										
County Equalized Valuations		<u>1.30%</u>		<u>1.33%</u>		<u>1.34%</u>		<u>1.35%</u>		<u>1.34%</u>

LODI SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
(Unaudited)

	2010	2009	2008	2007	2006
Net Valuations Taxable	\$1,955,425,160	\$1,958,222,996	\$1,963,204,181	\$1,950,189,705	\$1,933,645,536
<u>TAX REQUIREMENTS</u>					
County	\$ 4,538,528	\$ 4,534,510	\$ 4,264,738	\$ 4,010,583	\$ 3,651,048
County Open Space	59,622	250,124	244,564	234,208	206,974
Local School	35,615,525	33,109,897	32,600,375	32,197,863	30,833,980
Municipal	17,251,268	17,291,197	17,615,984	16,842,440	15,179,732
Total	<u>\$ 57,464,943</u>	<u>\$ 55,185,728</u>	<u>\$ 54,725,661</u>	<u>\$ 53,285,094</u>	<u>\$ 49,871,734</u>
<u>TAX RATES</u>					
County	0.233	0.232	0.218	0.206	0.189
County Open Space	0.003	0.013	0.013	0.010	0.010
Local School	1.821	1.691	1.661	1.651	1.595
Municipal	0.882	0.883	0.898	0.873	0.786
Total	<u>2.939</u>	<u>2.819</u>	<u>2.790</u>	<u>2.74</u>	<u>2.58</u>

LODI SCHOOL DISTRICT
Principal Property Taxpayers
(Unaudited)

Taxpayer		2010 Assessed Valuation	As a Percent of Total 2010 Net Valuations \$1,955,425,160
1.	Cedar Wright Gardens (8 Properties)	\$ 36,652,800	1.87%
2.	Vornado Realty Trust (2 Properties)	20,879,700	1.07%
3.	Parker Properties c/o The Home Depot (3 Properties)	16,766,600	0.86%
4.	Rothman, Leonard & Mildred (2 Properties)	13,154,700	0.67%
5.	Vornado Lodi Delaware LLC (3 Properties)	12,415,400	0.63%
6.	Lodi Market, LLC	11,345,700	0.58%
7.	Kmart Corp. Property Tax Compliance	10,973,400	0.56%
8.	240 Associates c/o David F. Bolger	8,000,000	0.41%
9.	Vista Garden Associates, LLC (2 Properties)	7,790,900	0.40%
10.	McCain Ellio's Foods, Inc.	7,280,500	0.37%
		\$ 145,259,700	

LODI SCHOOL DISTRICT
Municipal Property Tax Levies and Collections
(Unaudited)

	<u>SFY 2009</u>	<u>SFY 2009</u>	<u>SFY 2009</u>	<u>SFY 2008</u>	<u>SFY 2007</u>
Total Tax Levy	<u>\$57,473,612</u>	<u>\$27,708,519</u>	<u>\$55,266,054</u>	<u>\$54,494,788</u>	<u>\$52,015,213</u>
Total Credits	<u>\$57,394,145</u>	<u>\$26,967,075</u>	<u>\$55,120,268</u>	<u>\$54,240,351</u>	<u>\$51,881,507</u>
% of Tax Levy Collected	<u>99.86%</u>	<u>97.32%</u>	<u>99.74%</u>	<u>99.53%</u>	<u>99.74%</u>
Tax Title Liens	\$ 100,572	\$ 292,868	\$ 284,219	\$ 258,175	\$ 225,592
Delinquent Taxes	16,723	685,244	2,183	2,634	7,117
Total Delinquent	<u>\$ 117,295</u>	<u>\$ 978,112</u>	<u>\$ 286,402</u>	<u>\$ 260,809</u>	<u>\$ 232,709</u>
Tax Levy	<u>\$57,473,612</u>	<u>\$27,708,519</u>	<u>\$55,266,054</u>	<u>\$54,494,788</u>	<u>\$52,015,213</u>
% of Delinquencies to Tax Levy	<u>0.20%</u>	<u>3.53%</u>	<u>0.52%</u>	<u>0.48%</u>	<u>0.45%</u>
Foreclosed Property: Assessed Valuation	<u>\$ 18,247</u>				

LODI SCHOOL DISTRICT
Ratio of Outstanding Debt By Type
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities		Total District	Borough Population	Outstanding Debt Per Capita	(County) Per Capita Income	Percentage of Personal Income
	General Obligation Bonds	Certificates of Participation					
2011	\$ 740,000	\$ 4,055,000	\$ 4,795,000	24,136	199	64,388	0.31%
2010	1,105,000	4,330,000	5,435,000	23,766	229	64,388	0.36%
2009	1,455,000	4,595,000	6,050,000	23,766	255	64,388	0.40%
2008	1,785,000	4,845,000	6,630,000	23,705	280	68,541	0.41%
2007	2,105,000	5,080,000	7,185,000	23,747	303	67,113	0.45%
2006	2,410,000	5,305,000	7,715,000	23,822	324	63,021	0.51%
2005	2,705,000	5,520,000	8,225,000	23,929	344	56,963	0.60%
2004	2,995,000	5,725,000	8,720,000	24,016	363	54,669	0.66%

LODI SCHOOL DISTRICT
Ratio of Gross and Net Debt to County Equalized Valuations and Debt Per Capita
(Unaudited)

	2010	2009	2008	2007	2006
Population	23,766	23,766	23,705	23,747	23,822
County Equalized Valuations	\$2,384,862,393	\$2,501,240,098	\$2,445,640,300	\$2,342,082,157	\$2,069,742,996
Net Debt - December 31	\$ 23,562,127	\$ 24,217,428	\$ 24,239,241	\$ 16,329,820	\$ 15,493,826
Gross Debt Per Capita	\$ 991	\$ 1,019	\$ 1,023	\$ 688	\$ 650
Ratio of Gross Debt to Equalized Valuations	0.99%	0.97%	0.99%	0.70%	0.75%

LODI SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
(Unaudited)

DIRECT DEBT

	<u>December 31, 2010</u>	<u>December 31, 2009</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Municipal Debt (Net)	\$ 22,457,127	\$ 22,762,428	\$ 22,784,241	\$ 14,544,820	\$ 13,388,826
Local School Debt	1,105,000	1,455,000	1,455,000	1,785,000	2,105,000
	<u>\$ 23,562,127</u>	<u>\$ 24,217,428</u>	<u>\$ 24,239,241</u>	<u>\$ 16,329,820</u>	<u>\$ 15,493,826</u>

OVERLAPPING DEBT

	<u>December 31, 2009</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>	<u>December 31, 2007</u>	<u>December 31, 2006</u>
(1) County Debt:					
Municipal Equalized Valuations	\$ 2,384,862,393	\$ 2,501,240,098	\$ 2,445,640,300	\$ 2,342,082,157	\$ 2,069,742,996
Total County Equalized Valuations	\$ 183,412,099,706	\$ 187,580,071,463	\$ 182,767,512,263	\$ 172,863,500,734	\$ 153,984,695,626
	1.30%	1.33%	1.34%	1.35%	1.34%
X's Outstanding County Debt	1,248,273,490	1,138,505,430	1,102,573,565	1,087,757,268	825,597,736
	<u>\$ 16,227,555</u>	<u>\$ 15,142,122</u>	<u>\$ 14,774,486</u>	<u>\$ 14,684,723</u>	<u>\$ 11,063,010</u>

(2) Passaic Valley Sewerage Authority Debt

Municipal Sewer Flow Charges	\$ 1,552,420	\$ 1,525,632	\$ 1,465,106	\$ 1,434,906	\$ 1,367,245
Total Flow Charges	\$ 129,963,014	\$ 127,525,062	\$ 125,403,855	\$ 121,388,216	\$ 118,930,095
	1.19%	1.20%	1.17%	1.18%	1.15%
X's Outstanding Debt	355,234,494	305,533,465	293,890,682	305,405,498	316,172,356
	<u>\$ 4,227,290</u>	<u>\$ 3,666,402</u>	<u>\$ 3,438,521</u>	<u>\$ 3,603,785</u>	<u>\$ 3,635,982</u>

LODI SCHOOL DISTRICT
Legal Debt Margin
(Unaudited)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Equalized Valuation Basis	\$ 2,351,342,268	\$ 2,423,856,737	\$ 2,402,224,264	\$ 2,256,079,114	\$ 2,042,779,832
Municipal Borrowing Power:					
3 1/2% of Equalized Valuation Basis	\$ 82,296,979	\$ 84,834,986	\$ 84,077,849	\$ 78,962,769	\$ 71,497,294
Net Debt	<u>22,457,127</u>	<u>22,762,428</u>	<u>22,784,241</u>	<u>14,544,820</u>	<u>13,388,826</u>
Remaining Borrowing Power	<u>\$ 59,839,852</u>	<u>\$ 62,072,558</u>	<u>\$ 61,293,608</u>	<u>\$ 64,417,949</u>	<u>\$ 58,108,468</u>
School Borrowing Power:					
4% of Equalized Valuation Basis	\$ 94,053,691	\$ 96,954,269	\$ 96,088,971	\$ 90,243,165	\$ 81,711,193
Net School Debt	<u>1,105,000</u>	<u>1,455,000</u>	<u>1,455,000</u>	<u>1,785,000</u>	<u>2,105,000</u>
School Borrowing Margin Available	<u>\$ 92,948,691</u>	<u>\$ 95,499,269</u>	<u>\$ 94,633,971</u>	<u>\$ 88,458,165</u>	<u>\$ 79,606,193</u>

LODI SCHOOL DISTRICT
Demographic and Economic Statistics
(Unaudited)

	2010	2009	2008	2007	2006	2005	2004
Average Labor Force Estimates by Municipality:							
Labor Force	13,407	13,492	13,284	13,104	13,107	12,937	12,866
Employment	12,042	12,150	12,536	12,535	12,476	12,336	12,209
Unemployment	1,364	1,341	749	568	630	602	657
Unemployment Rate	10.2%	9.9%	5.6%	4.3%	4.8%	4.6%	5.1%
Per Capital Personal Income by County	\$ 64,388	\$ 64,388	\$ 68,541	\$ 67,113	\$ 63,021	\$ 56,963	\$ 54,669

Estimates as of July 1,

	2010	2009	2008	2007	2006	2005	2004
Subcounty Population Estimates:							
Lodi BORO	23,766	23,766	23,705	23,747	23,822	23,929	24,016
County of Bergen	895,250	895,250	889,915	885,664	884,581	887,322	890,232

**LODI SCHOOL DISTRICT
Principal Employers
(Unaudited)**

Not Available

LODI SCHOOL DISTRICT
Full-Time Equivalent District Employees By Function/Program
(Unaudited)

		<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Function/Program</u>					
Instruction:					
Regular Programs	1XX	208	208	230	222
Special Education	2XX	13	13	12	12
Basic Skills - Remedial Instruction	230	10	10	10	10
Bilingual Education	240	8	8	8	11
School Sponsored Cocurricular/Extra Curricular Activities	401	-	-	-	-
School Sponsored Athletics	402	2	2	2	2
Community Services Programs	800	-	-	-	-
		<u>241</u>	<u>241</u>	<u>262</u>	<u>257</u>
Undistributed Expenditures:					
Instruction	100			-	-
Attendance and Social Work Services	211	1	1	1	1
Health Services	213	7	7	7	8
Other Support Services - Students - Related Services	216	-	-	-	-
Other Support Services - Students - Extraordinary Services	217	-	-	-	-
Other Support Services - Students - Regular	218	19	19	10	9
Other Support Services - Students - Special	219	20	20	9	8
Improvement of Instruction Services	221	2	2	4	4
Educational Media Services/School Library	222	7	7	7	4
Instructional Staff Training Services	223	-	-	-	-
Support Services - General Administration	230	6	6	6	6
Support Services - School Administration	240	24	24	23	23
Central Services	251	5	5	5	5
Administrative Information Technology	252	2	2	3	2
Required Maintenance for School Facilities	261	33	33	30	31
Operation and Maintenance of Plant Services	262	-	-	-	-
Student Transportation Services	270	-	-	-	-
Allocated and Unallocated Employee Benefits	291	-	-	-	-
		<u>126</u>	<u>126</u>	<u>105</u>	<u>101</u>
		<u>367</u>	<u>367</u>	<u>367</u>	<u>358</u>

LODI SCHOOL DISTRICT
Operating Statistics
(Unaudited)

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Average Daily Enrollment</u>	<u>% Change</u>	<u>Average Daily Attendance</u>	<u>Student Attendance Percentage</u>
2011	3,273.7	\$ 50,112,734	\$ 15,308	0.44%	241	3,273.7	1.73%	3,073.4	93.90%
2010	3,218.1	49,045,871	15,241	6.28%	241	3,218.1	0.61%	3,043.5	94.60%
2009	3,198.6	45,868,377	14,340	5.66%	262	3,198.6	1.13%	3,022.1	94.50%
2008	3,162.9	42,925,660	13,572	-1.10%	257	3,162.9	-0.39%	2,978.0	94.20%
2007	3,175.3	43,573,173	13,723	6.79%	254	3,175.3	1.59%	3,011.3	94.80%
2006	3,125.6	40,164,981	12,850		254	3,125.6		2,968.4	95.00%

Student/Faculty Ratios

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Columbus	10.4 to 1	10.3 to 1	12.4 to 1	15.4 to 1	16.0 to 1	15.3 to 1	14.9 to 1	16.1 to 1
Hilltop	15.4 to 1	10.8 to 1	10.2 to 1	14.6 to 1	14.9 to 1	15.4 to 1	15.7 to 1	15.6 to 1
Roosevelt	16.3 to 1	15.6 to 1	14.7 to 1	14.6 to 1	16.0 to 1	14.3 to 1	14.0 to 1	14.5 to 1
Washington	16.0 to 1	11.7 to 1	15.4 to 1	15.7 to 1	14.3 to 1	15.6 to 1	17.6 to 1	17.1 to 1
Wilson	10.7 to 1	14.6 to 1	14.0 to 1	14.6 to 1	14.6 to 1	13.8 to 1	14.9 to 1	15.6 to 1
Thomas Jefferson Middle School	12.7 to 1	11.8 to 1	12.4 to 1	12.2 to 1	11.6 to 1	12.0 to 1	11.4 to 1	12.4 to 1
Lodi High School	12.4 to 1	12.0 to 1	12.2 to 1	12.0 to 1	12.1 to 1	12.5 to 1	11.8 to 1	12.0 to 1

LODI SCHOOL DISTRICT
School Building Information
(Unaudited)

	2011	2010	2009	2008
<u>Elementary Schools</u>				
Columbus:				
Maximum Capacity	289.80	289.80	289.80	289.80
Average Daily Enrollment	254.80	263.90	250.40	246.50
Gross Square Footage	42,400	42,400	42,400	42,400
Hilltop:				
Maximum Capacity	420.00	420.00	420.00	420.00
Average Daily Enrollment	397.30	379.10	401.40	399.50
Gross Square Footage	54,340	54,340	54,340	54,340
Roosevelt:				
Maximum Capacity	142.80	142.80	142.80	142.80
Average Daily Enrollment	155.70	162.30	161.50	150.90
Gross Square Footage	18,150	18,150	18,150	18,150
Washington:				
Maximum Capacity	414.30	414.30	414.30	414.30
Average Daily Enrollment	420.40	414.10	393.80	380.60
Gross Square Footage	58,170	58,170	58,170	58,170
Wilson:				
Maximum Capacity	400.80	400.80	400.80	400.80
Average Daily Enrollment	339.80	350.70	365.60	345.00
Gross Square Footage	53,640	53,640	53,640	53,640
<u>Middle Schools</u>				
Thomas Jefferson Middle School:				
Maximum Capacity	651.10	651.10	651.10	651.10
Average Daily Enrollment	802.00	764.80	734.70	759.20
Gross Square Footage	86,700	86,700	86,700	86,700
<u>High Schools</u>				
Lodi High School:				
Maximum Capacity	836.40	836.40	836.40	836.40
Average Daily Enrollment	903.70	883.20	891.20	881.20
Gross Square Footage	139,800	139,800	139,800	139,800
<u>District Totals:</u>				
Maximum Capacity	3,155.20	3,155.20	3,155.20	3,155.20
Enrollment	3,273.70	3,218.10	3,198.60	3,162.90
Gross Square Footage	453,200	453,200	453,200	453,200

LODI SCHOOL DISTRICT
Schedule of Allowable Maintenance Expenditures by School Facility (District)
(Unaudited)

<u>School Facility</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Lodi High School	\$ 395,045	\$ 333,061	\$ 448,831	\$ 322,879	\$ 258,111	\$ 181,879	\$ 166,872	\$ 216,575	\$ 117,064
Columbus School	119,666	54,186	48,607	50,159	78,268	55,283	50,738	76,516	67,301
Hilltop School	369,802	241,163	72,725	88,815	102,863	74,131	68,167	43,293	41,671
Thomas Jefferson Middle School	183,390	201,323	251,587	173,092	154,295	110,443	101,177	76,611	125,744
Lincoln School	69,773	23,570	44,429	34,187	34,288	25,137	23,327	26,649	20,711
Roosevelt School	51,485	24,464	19,775	41,781	34,288	25,140	23,030	28,083	23,316
Washington School	82,805	53,030	195,658	102,086	102,863	75,089	68,496	68,691	68,931
Wilson School	123,669	89,483	84,244	65,745	94,291	69,199	63,596	122,065	42,691
	<u>\$ 1,395,635</u>	<u>\$ 1,020,280</u>	<u>\$ 1,165,856</u>	<u>\$ 878,744</u>	<u>\$ 859,267</u>	<u>\$ 616,301</u>	<u>\$ 565,403</u>	<u>\$ 658,483</u>	<u>\$ 507,429</u>

**LODI SCHOOL DISTRICT
Insurance Schedule (District)
(Unaudited)**

28



**New Jersey School Boards Association Insurance Group
North Jersey Educational Insurance Fund
Package Policy Declarations**

Policy Number: P901AB
Premium: \$128,644

Named Insured:
Lodi Board of Education
8 Hunter Street
P.O. Box 815
Lodi, NJ 07644

Agent:
NATHAN LANE AGENCY, INC.
545 GOFFLE ROAD
WYCKOFF, NJ 07481

Policy Term: 07/01/2010 to 07/01/2011 12:01 AM Eastern Standard Time

Article I - Property

Blanket Real and Personal Property	300,000,000 per occurrence
Blanket Extra Expense	\$50,000,000
Blanket Valuable Papers and Records	\$10,000,000
Demolition and Increased Cost of Construction	\$10,000,000 per occurrence
Loss of Rents	Not Covered
Loss of Business Income/Tuition	Not Covered
Builders' Risk	Not Covered
Fire Department Service Charge	\$10,000
Arson Reward	\$10,000
Pollutant Cleanup and Removal	\$250,000
Fine Arts	Not Covered
Sublimits: Flood Zones Prefix A & V	\$10,000,000 per occurrence \$10,000,000 NJSBAIG annual aggregate
All Other Flood Zones	\$50,000,000 per occurrence/NJSBAIG annual aggregate
Earthquake	\$50,000,000 per occurrence \$50,000,000 NJSBAIG annual aggregate
Terrorism	\$1,000,000 per occurrence \$1,000,000 NJSBAIG annual aggregate
Deductibles:	
Real & Personal	\$5,000 per occurrence
Extra Expense	\$5,000 per occurrence
Valuable Papers	\$5,000 per occurrence
Flood Deductibles:	
Zones Prefix A & V	\$500,000 per building \$500,000 per building contents
All Other Flood Zones	\$10,000 per member/per occurrence subject to a maximum retained deductible of \$1,000,000 to NJSBAIG



**LODI SCHOOL DISTRICT
Insurance Schedule (District)
(Unaudited)**

Article II - Electronic Data Processing

Blanket Hardware/Software		\$1,202,096 per occurrence
Blanket Extra Expense		Included
Coverage Extensions:	Transit	\$25,000
	Loss of Income	\$10,000
	Terrorism	Included in Property
Deductible		\$1,000 per occurrence
Flood		\$1,000,000 per occurrence
Flood Deductibles	Zones A & V	\$500,000 per building content
	All Other Flood Zones	\$10,000 per member/per occurrence subject to a maximum retained deductible of \$1,000,000 to NJSBAIG

Article III - Equipment Breakdown

Combined Single Limit per Accident for Property Damage and Business Income		\$100,000,000
SubLimits:	Property Damage	Included
	Off Premises Property Damage	\$100,000
	Business Income	Included
	Extra Expense	\$10,000,000
	Service Interruption	\$10,000,000
	Perishable Goods	\$500,000
	Data Restoration	\$100,000
	Contingent Business Income	\$100,000
	Demolition	\$1,000,000
	Ordinance or Law	\$1,000,000
	Expediting Expenses	\$500,000
	Hazardous Substances	\$500,000
	Newly Acquired Locations (60 days notice)	\$250,000
	Terrorism	Included
	Interruption of Service Waiting Period 24 Hours	
Deductibles:	\$5,000 per Accident for Property Damage	
	12 Hours per Accident for Business Interruption/Extra Expense	
	Newly Acquired Locations Waiting Period 60 Days	

**LODI SCHOOL DISTRICT
Insurance Schedule (District)
(Unaudited)**



**New Jersey School Boards Association Insurance Group
North Jersey Educational Insurance Fund
Package Policy Declarations**

Policy Number: P901AB

Article IV - Crime

Insuring Agreements	Limits	Deductibles
Insuring Agreement 1 - Public Employee Dishonesty with Faithful Performance	\$100,000	\$500
Insuring Agreement 2 - Theft, Disappearance and Destruction - Loss of Money & Securities On or Off Premises	\$10,000	\$500
Insuring Agreement 3 - Theft, Disappearance and Destruction - Money Orders & Counterfeit Paper Currency	\$100,000	\$500
Insuring Agreement 4 - Forgery or Alteration	\$25,000	\$500
Insuring Agreement 5 - Computer Fraud	Not covered	Not covered
Public Officials Bond:	Not Covered	Not Covered

Article V - Comprehensive General Liability

Bodily Injury and Property Damage	\$16,000,000 Combined Single Limit for Bodily Injury & Property Damage
Bodily Injury from Products and Completed Operations	\$16,000,000 annual aggregate
Sexual Abuse	\$16,000,000 per occurrence \$17,000,000 annual pool aggregate
Personal Injury and Advertising Injury	\$16,000,000 per occurrence \$16,000,000 annual aggregate
Employee Benefits Liability	\$16,000,000 per occurrence/annual aggregate
Employee Benefits Liability Deductible	\$1,000 each claim
Premises Medical Payments	\$10,000 per accident \$5,000 limit per person
Terrorism	\$1,000,000 per occurrence/annual NJSBAIG aggregate

**LODI SCHOOL DISTRICT
Insurance Schedule (District)
(Unaudited)**



Policy Number: P901AB

**New Jersey School Boards Association Insurance Group
North Jersey Educational Insurance Fund
Package Policy Declarations**

Article VI - Automobile

Liability

Symbol 1 Any Auto		
Combined Single Limit for Bodily Injury and Property Damage	\$16,000,000	per accident
Symbol 6 Uninsured/Underinsured Motorists - Private Passenger Auto	\$1,000,000	Combined Single Limit
Symbol 6 Uninsured/Underinsured Motorists - All Other Vehicles	\$15,000	Bodily Injury Per Person
	\$30,000	Bodily Injury Per Accident
	\$5,000	Property Damage Per Accident
Symbol 5 Personal Injury Protection (including pedestrians)	\$250,000	
Medical Payments	\$10,000	private passenger vehicles
	\$5,000	all other vehicles
Terrorism	\$1,000,000	per occurrence/annual NJSBAIG aggregate
Deductible		\$0
Physical Damage (Scheduled vehicles only)		
Symbol 7 Comprehensive	\$1,000	deductible
Collision	\$1,000	deductible
Hired Car Physical Damage \$75,000 Limit	\$1,000	deductible
Replacement Cost		Not Covered
Garage Keepers		Included

LODI SCHOOL DISTRICT
Insurance Schedule (District)
(Unaudited)

28



Fidelity and Deposit Companies

1600 McConnor Parkway
10th Floor, Surety Intake Center
Schaumburg IL 60173
Toll Free Phone No: 1-800-664-0939

Bond No. 06205716

CONTINUATION CERTIFICATE
For Miscellaneous Terms Bonds

Principal: JOSEPH CAPIZZI

and the Fidelity and Deposit Company of Maryland, as Surety in a certain Bond No. 06205716, with an effective date of the 30TH day of JUNE, 2010 in the penalty of: Three Hundred Twenty Five Thousand and Zero Cents Dollars (\$ 325,000.00)

In Favor of: LODI BOARD OF EDUCATION

do hereby continue said bond in force for the further term(s) of 1 year(s) beginning on the 30TH day of JUNE, 2010 and ending on the 30TH day of JUNE, 2011.

BOARD SECRETARY BOND

PROVIDED, however, that said bond, as continued hereby, shall be subject to all its terms and conditions, except as herein modified, and that the liability of the said Fidelity and Deposit Company of Maryland under said bond and any and all continuations thereof shall in no event exceed in the aggregate the above named penalty, and that this certificate shall not be valid unless signed by said Principal.

Signed, sealed and dated this 4TH day of MAY, 2010.

Witness: Carol M. Stetler _____ (SEAL)
Principal

Principal (SEAL)

Principal (SEAL)



FIDELITY AND DEPOSIT COMPANY OF MARYLAND

BY: Theodore G. Martinez
THEODORE G. MARTINEZ, Attorney-in-fact

LPM 90001 Ed.(07/03)

LODI SCHOOL DISTRICT

Comprehensive Annual Financial Report

Single Audit Section

Di Maria & Di Maria LLP
Accountants and Consultants

245 Union Street
Lodi, New Jersey 07644
Voice 973.779.6890
Facsimile 973.779.6891

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With Government Auditing Standards**

Honorable President and Members of the Board of Education
Lodi School District, County of Bergen, New Jersey

We have audited the financial statements of the Board of Education of the Lodi School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated December 5, 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

Management of the Lodi Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Lodi 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 Lodi Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lodi Board of Education's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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.

Di Maria & Di Maria LLP

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* (Continued)**Internal Control Over Financial Reporting (Continued)**

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lodi Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

We noted certain matters that we reported to the Board of Education of the Lodi School District in a separate report entitled, Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance dated December 5, 2011.

Di Maria & Di Maria LLP

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* (Continued)

This report is intended solely for the information and use of the audit committee, management, the Lodi 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.

**DI MARIA & DI MARIA LLP
Public Accountants and Consultants**

Frank Di Maria

**Frank Di Maria
Licensed Public School Accountant
PSA No. CS 01168**

December 5, 2011

Di Maria & Di Maria LLP
Accountants and Consultants

245 Union Street
Lodi, New Jersey 07644
Voice 973.779.6890
Facsimile 973.779.6891

**Report on Compliance With Requirements That Could Have a Direct and
Material Effect on Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133 and New Jersey OMB
Circular 04-04**

Honorable President and Members of the Board of Education
Lodi School District, County of Bergen, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Lodi School District, in the County of Bergen, 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 could have a direct and material effect on each of Lodi Board of Education's major federal and state programs for the year ended June 30, 2011. Lodi 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 Lodi Board of Education's management. Our responsibility is to express an opinion on the Lodi 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; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; 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.

Di Maria & Di Maria LLP

Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 (Continued)**Compliance (Continued)**

An audit includes examining, on a test basis, evidence about the Lodi 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 Lodi Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Lodi School District, in the County of Bergen, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

Management of the Board of Education of the Lodi 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 Lodi 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lodi Board of Education's internal control over compliance.

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

Di Maria & Di Maria LLP

Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 (Continued)**Internal Control Over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Lodi 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 Lodi Board of Education's response and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the audit committee, management, the Lodi 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.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank Di Maria

Frank Di Maria
Licensed Public School Accountant
PSA No. CS 01168

December 5, 2011

LODI SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Fiscal Year Ended June 30, 2011

K-3

Federal Domestic Assistance Program Title	Catalog of	Federal C.F.D.A. Number	State Aid/Grant Program Titles	State Grant Number	Award Amount	Grant Period		Balance June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2011	Deferred Revenue June 30, 2011	Due to Grantor at June 30, 2011										
						From	To																			
General Fund																										
Medical Assistance Program		93.778	Special Education Medicaid Initiative	N/A	\$ 76,282	09/01/10	06/30/11	\$ -	\$ -	\$ 52,327	\$ (76,282)	\$ -	\$ -	\$ (23,955)	\$ -	\$ -										
Medical Assistance Program		93.778	Special Education Medicaid Initiative	N/A	64,358	09/01/09	06/30/10	(12,659)	-	12,659	-	-	-	-	-	-										
								Total General Fund	\$	(12,659)	\$	-	\$	64,986	\$	(76,282)	\$	-	\$	(23,955)	\$	-	\$	-		
Special Revenue Fund																										
Title I Grants to Local Educational Agencies		84.010	Title I	NCLB 274009	231	\$ 419,965	09/01/10	08/31/11	\$ -	\$ -	\$ 222,660	\$ (419,965)	\$ -	\$ -	\$ (197,305)	\$ -	\$ -									
Title I Grants to Local Educational Agencies		84.010	Title I	NCLB 274010	231	425,553	09/01/09	08/31/10	(193,180)	-	193,180	-	-	-	-	-										
English Language Acquisition Grants		84.365	Title III	NCLB 274009	241	59,333	09/01/10	08/31/11	-	-	30,692	(59,333)	-	-	(28,641)	-	-									
English Language Acquisition Grants		84.365	Title III	NCLB 274010	241	42,828	09/01/09	08/31/10	(19,330)	-	19,330	-	-	-	-	-										
Special Education - Grants to States		84.027	I.D.E.A. Part B - Basic	IDEA 274009	250	769,329	09/01/10	08/31/11	-	-	767,200	(769,329)	-	-	(2,129)	-	-									
Special Education - Grants to States		84.027	I.D.E.A. Part B - Basic	IDEA 274010	250	756,328	09/01/09	08/31/10	(7,566)	-	7,566	-	-	-	-	-										
Special Education - Grants to States		84.027	I.D.E.A. Part B - Preschool	IDEA 274010	251	26,471	09/01/10	08/31/11	-	-	26,471	(26,471)	-	-	-	-										
Improving Teacher Quality State Grants		84.367	Title II, Part A	NCLB 274009	270	127,447	09/01/10	08/31/11	-	-	76,302	(127,447)	-	-	(51,145)	-	-									
Improving Teacher Quality State Grants		84.367	Title II, Part A	NCLB 274010	270	131,424	09/01/09	08/31/10	(38,372)	-	38,372	-	-	-	-	-										
Improving Teacher Quality State Grants		84.367	Title II, Part D	NCLB 274009	273	939	09/01/10	08/31/11	-	-	-	(939)	-	-	(939)	-	-									
Improving Teacher Quality State Grants		84.367	Title II, Part D	NCLB 274010	273	4,178	09/01/09	08/31/10	(2,445)	-	2,445	-	-	-	-	-										
Safe and Drug-Free Schools and Communities		84.184	Title IV	NCLB 274010	280	9,173	09/01/09	08/31/10	(7,378)	-	7,378	-	-	-	-	-										
Carl D. Perkins Grant		84.243A	Carl D. Perkins Grant	PERK274009	361	19,583	09/01/10	08/31/11	-	-	18,614	(19,583)	-	-	(969)	-	-									
Carl D. Perkins Grant		84.243A	Carl D. Perkins Grant	PERK274010	361	22,991	09/01/09	08/31/10	(20,041)	-	20,041	-	-	-	-	-										
ARRA - Title I Part A		84.389	ARRA - Title I Part A		450	308,673	09/01/09	08/31/11	(26,334)	-	92,149	(79,619)	-	-	(13,804)	-	-									
ARRA - IDEA Part B		84.391	ARRA - IDEA Part B		451	874,861	09/01/09	08/31/11	(6,248)	-	130,896	(131,997)	-	-	(7,349)	-	-									
								Total Special Revenue Fund	\$	(320,894)	\$	-	\$	1,653,296	\$	(1,634,683)	\$	-	\$	(302,281)	\$	-	\$	-		
Enterprise Fund																										
School Breakfast Program		10.553	School Breakfast Program	N/A	\$ 54,026	07/01/10	06/30/11	\$ -	\$ -	\$ 54,026	\$ (54,026)	\$ -	\$ -	\$ -	\$ -	\$ -										
School Breakfast Program		10.553	School Breakfast Program	N/A	64,474	07/01/09	06/30/10	(3,322)	-	3,322	-	-	-	-	-	-										
National School Lunch Program		10.555	National School Lunch Program	N/A	638,760	07/01/10	06/30/11	-	-	638,760	(638,760)	-	-	-	-	-										
National School Lunch Program		10.555	National School Lunch Program	N/A	621,813	07/01/09	06/30/10	(32,882)	-	32,882	-	-	-	-	-	-										
Special Milk Program for Children		10.556	Special Milk Program for Children	N/A	2,284	07/01/10	06/30/11	-	-	2,284	(2,284)	-	-	-	-	-										
Special Milk Program for Children		10.556	Special Milk Program for Children	N/A	1,707	07/01/09	06/30/10	(117)	-	117	-	-	-	-	-	-										
								Total Enterprise Fund	\$	(36,321)	\$	-	\$	731,391	\$	(695,070)	\$	-	\$	(326,236)	\$	-	\$	-		
								Total Federal Financial Awards	\$	(369,874)	\$	-	\$	2,449,673	\$	(2,406,035)	\$	(326,236)	\$	-	\$	(326,236)	\$	-	\$	-

* Indicates Major Program

LODI SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 For the Fiscal Year Ended June 30, 2011

K-4

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of	(Accounts	Deferred	Due to
			From	To						Prior Years Balances	Receivable) June 30, 2011	Revenue June 30, 2011	Grantor at June 30, 2011
General Fund													
Equalization Aid	11-495-034-5120 -078	\$10,358,929	09/01/10	06/30/11	\$ -	\$ -	\$10,358,929	\$(10,358,929)	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education Categorical Aid	11-495-034-5120 -089	1,958,789	09/01/10	06/30/11	-	-	1,958,789	(1,958,789)	*	-	-	-	-
Extraordinary Special Education Costs Aid	11-100-034-5120 -473	355,587	09/01/10	06/30/11	-	-	-	(355,587)	*	-	(355,587)	-	-
Extraordinary Special Education Costs Aid	10-100-034-5120 -473	520,874	09/01/09	06/30/10	(520,874)	-	520,874	-	-	-	-	-	-
Teachers' Pension and Annuity Fund – Post Retirement Medical	11-495-034-5095 -001	1,235,034	09/01/10	06/30/11	-	-	1,235,034	(1,235,034)	*	-	-	-	-
Teacher's Pension and Annuity Fund – Non-Contributory Insurance	11-495-034-5095 -007	58,146	09/01/10	06/30/11	-	-	58,146	(58,146)	*	-	-	-	-
Social Security Tax	11-495-034-5095 -002	1,471,994	09/01/10	06/30/11	-	-	1,399,536	(1,471,994)	*	-	(72,458)	-	-
Social Security Tax	10-495-034-5095 -002	1,598,413	09/01/09	06/30/10	63,182	-	72,332	(135,514)	-	-	-	-	-
					Total General Fund	\$ (457,692)	\$ -	\$15,603,640	\$(15,573,993)	\$ -	\$ (428,045)	\$ -	\$ -
Special Revenue Fund													
Preschool Education Aid (State Share)	11-495-034-5120 -086 218	536,250	09/01/10	06/30/11	\$ -	\$ -	\$ 536,250	\$(536,250)	*	\$ -	\$ -	\$ -	\$ -
Preschool Education Aid (Local Share)	11-495-034-5120 -086 218	32,082	09/01/10	06/30/11	-	-	-	(32,082)	*	-	(32,082)	-	-
Preschool Education Aid (Carry-Over)	11-495-034-5120 -086 218	14,836	09/01/10	06/30/11	-	14,836	-	(14,836)	*	-	-	-	-
Preschool Education Aid	10-495-034-5120 -086 218	536,250	09/01/09	06/30/10	11,838	(14,836)	-	-	2,998	-	-	-	-
N.J. Non-Public Textbook Aid	11-100-034-5120 -064 501	9,549	09/01/10	06/30/11	-	-	9,549	(9,511)	-	-	-	-	38
N.J. Non-Public Textbook Aid	10-100-034-5120 -064 501	11,262	09/01/09	06/30/10	1,348	-	-	-	-	(1,348)	-	-	-
N.J. Non-Public Auxiliary Services Aid - Compensatory Education	11-100-034-5120 -067 502	21,769	09/01/10	06/30/11	-	-	21,769	(20,346)	-	-	-	-	1,423
N.J. Non-Public Auxiliary Services Aid - Compensatory Education	10-100-034-5120 -067 502	33,877	09/01/09	06/30/10	1,828	-	-	-	-	(1,828)	-	-	-
N.J. Non-Public Handicapped Aid - Supplemental Instruction	11-100-034-5120 -066 506	9,033	09/01/10	06/30/11	-	-	9,033	(7,782)	-	-	-	-	1,251
N.J. Non-Public Handicapped Aid - Supplemental Instruction	10-100-034-5120 -066 506	15,132	09/01/09	06/30/10	6,211	-	-	-	-	(6,211)	-	-	-
N.J. Non-Public Handicapped Aid - Initial Examination & Classification	11-100-034-5120 -066 507	13,720	09/01/10	06/30/11	-	-	13,720	(9,570)	-	-	-	-	4,150
N.J. Non-Public Handicapped Aid - Initial Examination & Classification	10-100-034-5120 -066 507	20,474	09/01/09	06/30/10	1,330	-	-	-	-	(1,330)	-	-	-
N.J. Non-Public Handicapped Aid - Corrective Speech	10-100-034-5120 -066 508	1,793	09/01/09	06/30/10	1,793	-	-	-	-	(1,793)	-	-	-
N.J. Non-Public Nursing Aid	11-100-034-5120 -070 509	11,315	09/01/10	06/30/11	-	-	11,315	(10,976)	-	-	-	-	339
					Total Special Revenue Fund	\$ 24,348	\$ -	\$ 601,636	\$(641,353)	\$ 2,998	\$ (12,510)	\$ (32,082)	\$ -
Debt Service Fund													
Debt Service Aid - State Support	11-495-034-5120 -017	\$ 95,213	09/01/10	06/30/11	\$ -	\$ -	\$ 95,213	\$(95,213)	\$ -	\$ -	\$ -	\$ -	\$ -
Enterprise Fund													
State School Breakfast Program	10-100-010-3350 -021	\$ 4,040	09/01/09	06/30/10	\$ (202)	\$ -	\$ 202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State School Lunch Program	11-100-010-3350 -023	17,083	09/01/10	06/30/11	-	-	16,228	(17,083)	-	-	(855)	-	-
State School Lunch Program	10-100-010-3350 -023	27,309	09/01/09	06/30/10	(1,432)	-	1,432	-	-	-	-	-	-
					Total Enterprise Fund	\$ (1,634)	\$ -	\$ 17,862	\$(17,083)	\$ -	\$ (855)	\$ -	\$ -
					Total State Financial Assistance	\$ (434,978)	\$ -	\$16,318,351	\$(16,327,642)	\$ 2,998	\$ (12,510)	\$ (460,982)	\$ -

* Indicates Major Program

**LODI SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
Fiscal Year Ended 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, Lodi 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 General-Purpose 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments 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 \$274,098 for the general fund and \$18,299 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 presented on the following page:

LODI SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
Fiscal Year Ended June 30, 2011

Note 3 - Relationship to General-Purpose Financial Statements (Continued)

	Federal	State	Total
General Fund	\$ 76,282	\$ 15,573,993	\$ 15,650,275
Special Revenue Fund	1,634,683	641,353	2,276,036
Debt Service Fund	-	95,213	95,213
Enterprise Fund	695,070	17,083	712,153
Total Awards and Financial Assistance	<u>\$ 2,406,035</u>	<u>\$ 16,327,642</u>	<u>\$ 18,733,677</u>

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 - Federal and State Loans Outstanding

The District did not have any federal and state loans outstanding at of June 30, 2011.

Note 6 - 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.

**LODI SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2011**

Section I -- Summary of Auditors' Results

Financial Statements

A) Type of auditors' report issued:	Unqualified		
B) Internal control over financial reporting:			
1. Material weakness(es) identified?	_____ yes	<u> X </u> no	
2. Reportable condition(s) identified that are not considered to be material weakness(es)?	_____ yes	<u> X </u> none reported	
C) Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no	

**LODI SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2011**

Section I -- Summary of Auditors' Results (Continued)

Federal Awards

A) Internal control over major programs:

1. Material weakness(es) identified? _____ yes X no
2. Reportable condition(s) identified that are
not considered to be material weakness(es)? _____ yes X none reported

B) Type of auditors' report issued on compliance for major progra Unqualified

C) Any audit findings disclosed that are required
to be reported in accordance with .510(a) of Circular A-133? _____ yes X no

D) Identification of major programs:

<u>Name of Program</u>	<u>CFDA Number</u>
Title I Grants to Local Educational Agencies	84.010
Special Education - Grants to States	84.027
National School Lunch Program	10.555

E) Dollar threshold used to distinguish between
type A and type B programs: \$300,000

F) Auditee qualified as low-risk auditee? X yes _____ no

**LODI SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2011**

Section I -- Summary of Auditors' Results (Continued)

State Awards

A) Internal control over major programs:

1. Material weakness(es) identified? _____ yes X no
2. Reportable condition(s) identified that are
not considered to be material weakness(es)? _____ yes X none reported

B) Type of auditors' report issued on compliance for major progra Unqualified

C) Any audit findings disclosed that are required to be reported
in accordance with NJ OMB Circular Letter 04-04? _____ yes X no

D) Identification of major programs:

<u>Name of State Program</u>	<u>GMIS Number</u>
Equalization Aid	11-495-034-5120 -078
Preschool Education Aid	11-495-034-5120 -086
Special Education Aid	11-495-034-5120 -089
Extraordinary Special Education Costs Aid	11-100-034-5120 -473
Teacher's Pension and Annuity Fund - Post Retirement Medical	11-495-034-5095 -001
Social Security Tax	11-495-034-5095 -002

E) Dollar threshold used to distinguish between
type A and type B programs: \$489,829

F) Auditee qualified as low-risk auditee? X yes _____ no

**LODI SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2011**

Section II -- Financial Statement Findings

There were no matters identified.

**LODI SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2011**

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

Current Year

Federal Awards:

There were no matters identified.

State Awards:

There were no matters identified.

**LODI SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Fiscal Year Ended June 30, 2011**

Not Applicable - No Prior Audit Findings