

**LODI SCHOOL DISTRICT**  
**County of Bergen, New Jersey**

**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2012**  
**(With Independent Auditors' Reports Thereon)**

**LODI SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended June 30, 2012  
 Table of Contents**

---

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1-3
Organizational Chart	4
Roster of Officials	5
Consultants and Advisors	6
<b>FINANCIAL SECTION</b>	
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	51-55
Note 7 - Post-Retirement Benefits	56
Note 8 - Compensated Absences	57
Note 9 - Deferred Compensation	58
Note 10 - Capital Reserve Account	59
Note 11 - Risk Management	60
Note 12 - Interfund Receivables and Payables	61
Note 13 - Retained Earnings - Food Service Enterprise Fund	62
Note 14 - Fund Balance Appropriated	63
Note 15 - Calculation of Excess Surplus	64
Note 16 - Reconciliation of Budgetary Basis General Fund Balance to GAAP Basis	65
Note 17 - Contingent Liabilities	66
Note 18 - Subsequent Events	67

**LODI SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended June 30, 2012  
 Table of Contents**

---

	<u>Page</u>
<b>FINANCIAL SECTION (Continued)</b>	
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	70-79
C-2 Budgetary Comparison Schedule - Special Revenue Fund	80
C-3 Budget-to-GAAP Reconciliation - Notes to Required Supplementary Information	81
Other Supplementary Information	
D. School Level Schedules:	
D-1 Combining Balance Sheet (N/A)	83
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual (N/A)	84
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual (N/A)	85
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures - Special Revenue Fund - Budgetary Basis	87-89
E-2 Demonstrably Effective Program Aid Statement of Expenditures - Budgetary Basis (N/A)	90
E-3 Early Childhood Program Aid Schedule of Expenditures - Budgetary Basis (N/A)	91
E-4 Distance Learning Network Aid Schedule of Expenditures - Budgetary Basis (N/A)	92
E-5 Instructional Supplement Aid Schedule of Expenditures - Budgetary Basis (N/A)	93
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	95
F-2 Summary Schedule of Project Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	96
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Assets	98
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	99
G-3 Combining Statement of Cash Flows	100
Internal Service Fund:	
G-4 Combining Statement of Net Assets (N/A)	101
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (N/A)	102
G-6 Combining Statement of Cash Flows (N/A)	103
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Assets	105
H-2 Combining Statement of Changes in Fiduciary Net Assets (N/A)	106
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	107
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	108
I. Long-Term Debt:	
I-1 Statement of Serial Bonds	110
I-2 Statement of Obligations Under Capital Leases	111
I-3 Debt Service Fund Budgetary Comparison Schedule	112

**LODI SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended June 30, 2012  
 Table of Contents**

---

	<u>Page</u>
<b>STATISTICAL SECTION</b>	
Introduction to Statistical Section	
Financial Trends	
J-1 Net Assets by Component	114
J-2 Changes in Net Assets	115-116
J-3 Fund Balances - Governmental Funds	117
J-4 Changes in Fund Balances - Governmental Funds	118
J-5 General Fund Other Local Revenue by Source	119
Revenue Capacity Information	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	120
J-7 Direct and Overlapping Property Tax Rates	121
J-8 Principal Property Taxpayers	122
J-9 Municipal Property Tax Levies and Collections	123
Debt Capacity Information	
J-10 Ratio of Outstanding Debt by Type	124
J-11 Ratio of Gross and Net Debt to County Equalized Valuations and Debt Per Capita	125
J-12 Direct and Overlapping Governmental Activities Debt	126
J-13 Legal Debt Margin	127
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	128
J-15 Principal Employers (N/A)	129
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	130
J-17 Operating Statistics	131
J-18 School Building Information	132
J-19 Schedule of Allowable Maintenance Expenditures by School Facility	133
J-20 Insurance Schedule	134
<b>SINGLE AUDIT SECTION</b>	
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>	136-138
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	139-141
K-3 Schedule of Expenditures of Federal Awards, Schedule A	142
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	143
K-5 Notes to the Schedules of Awards and Financial Assistance	144-145
K-6 Schedule of Findings and Questioned Costs	146-150
K-7 Summary Schedule of Prior Audit Findings (N/A)	151

LODI SCHOOL DISTRICT

Comprehensive Annual Financial Report

Introductory Section

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

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December 5, 2012

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, 2012, 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

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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, 2012.

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

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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.

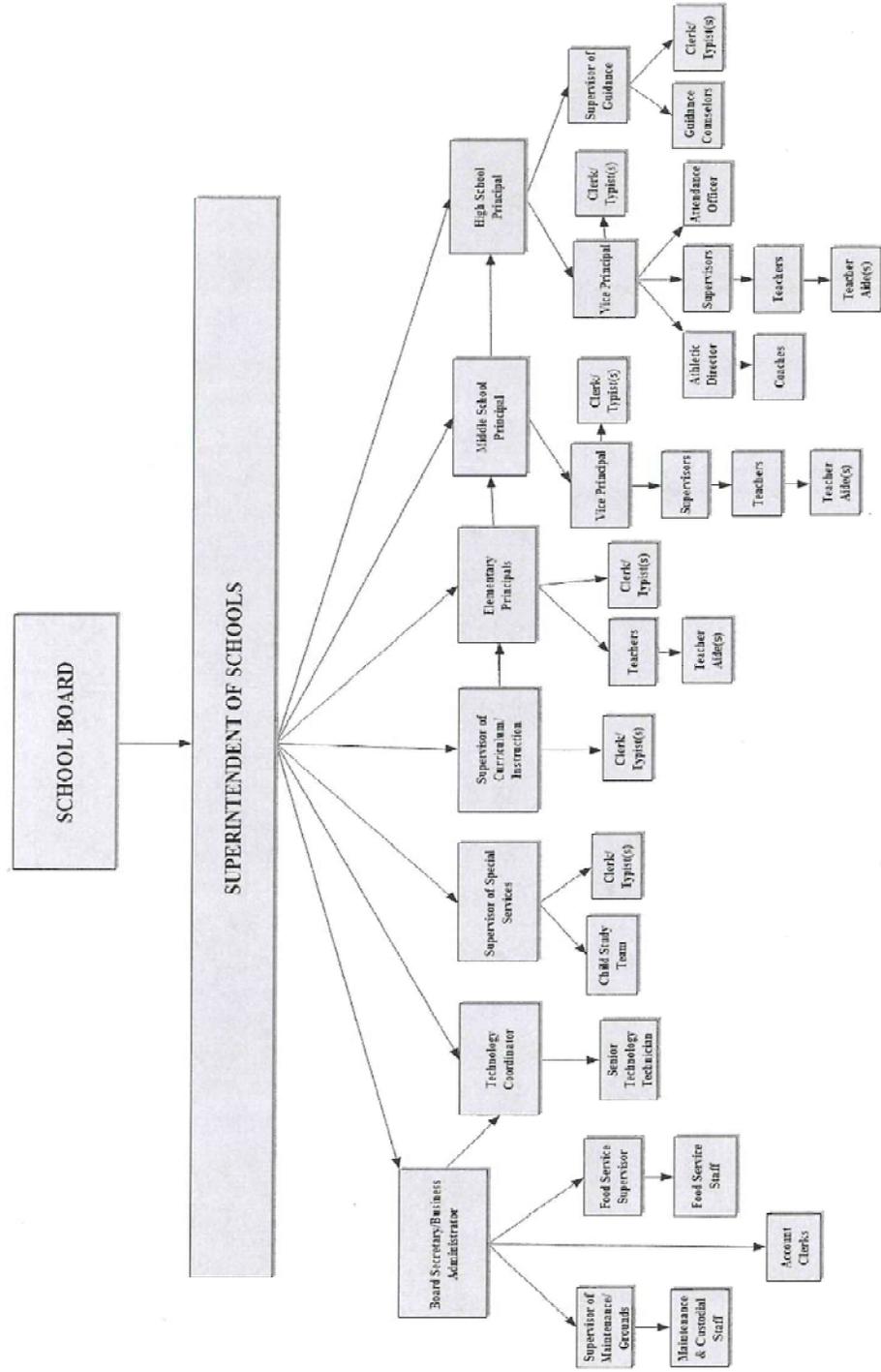
Respectfully submitted,

Frank Quatrone  
Superintendent

Joseph Capizzi  
Board Secretary/School Business Administrator

**LODI SCHOOL DISTRICT**  
**Organizational Chart**  
**Fiscal Year Ended June 30, 2012**

District Organizational Plan and Flow Chart



**LODI SCHOOL DISTRICT**  
**Roster of Officials**  
**Fiscal Year Ended June 30, 2012**

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<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joseph J. Licata - President	2015
Jerome Manzetti - Vice President	2013
Philip F. Carbonetti	2015
Michael J. Nardino	2015
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, 2012**

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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, 2012, 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 Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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, 2012, 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, 2012 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***

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### **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, 2012

REQUIRED SUPPLEMENTAL INFORMATION - PART I

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

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

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, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued in June 1999. Certain comparative information between the current year (2011-2012) and the prior year (2010-2011) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2011-2012 fiscal year include the following:

The assets of the Lodi Board of Education exceeded its liabilities at the close of the fiscal year by \$ 27,530,625 (net assets).

The District's total net assets decreased \$ 1,296,824.

Overall district revenues were \$ 59,148,185. General revenues accounted for \$ 54,812,661 or 93% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$ 4,335,524 or 7% of total revenues.

Overall district expenses were \$ 59,987,197. Governmental activities accounted for \$ 58,477,613 or 97% of all expenses. Business-type activities accounted for \$ 1,509,584 or 3% of all expenses.

The school district had \$ 58,477,613 in expenses for governmental activities; only \$ 8,636,650 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$ 49,186,876 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 \$ 5,467,945 a decrease of \$ 654,087 when compared to the previous year ending fund balance at June 30, 2011 of \$ 6,122,032.

The General Fund unreserved undesignated fund balance at June 30, 2012 was \$ (103,843) a decrease of \$ 81,078 when compared with the ending unreserved undesignated fund balance at June 30, 2011 of \$ (22,765).

The General Fund unreserved, undesignated budgetary fund balance at June 30, 2012 was \$ 1,122,107 which represents an increase of \$ 118,024 when compared to the ending fund balance at June 30, 2011 of \$ 1,004,083.

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

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

**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.

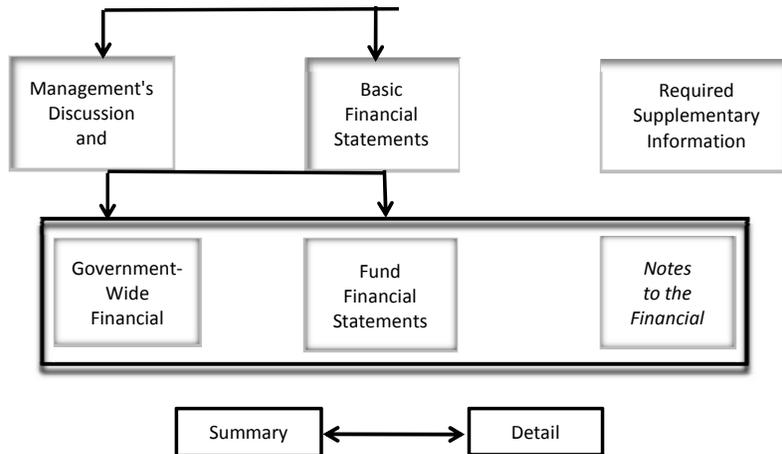
The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

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, 2012**

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, 2012**

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

Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, 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, 2012**

**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 \$ 27,530,625 as of June 30, 2012 and \$ 28,827,449 as of June 30, 2011.

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

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

By far the largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that 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, 2012 and 2011**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current Assets	\$ 5,717,512	\$ 6,587,260	\$ 285,454	\$ 458,888	\$ 6,002,966	\$ 7,046,148
Capital Assets	32,378,260	33,454,281	180,828	182,679	32,559,088	33,636,960
<b>Total Assets</b>	<b>38,095,772</b>	<b>40,041,541</b>	<b>466,282</b>	<b>641,567</b>	<b>38,562,054</b>	<b>40,683,108</b>
Long-Term Liabilities	10,772,222	11,390,431	-	-	10,772,222	11,390,431
Other Liabilities	249,567	465,228	9,640	-	259,207	465,228
<b>Total Liabilities</b>	<b>11,021,789</b>	<b>11,855,659</b>	<b>\$ 9,640</b>	<b>0</b>	<b>11,031,429</b>	<b>11,855,659</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	28,618,260	26,118,850	180,828	182,679	28,799,088	26,301,529
Restricted	1,122,405	908,335	-	-	1,122,405	908,335
Unrestricted (Deficit)	(2,666,682)	1,158,697	275,814	458,888	(2,390,868)	1,617,585
<b>Total Net Assets</b>	<b>\$ 27,073,983</b>	<b>\$ 28,185,882</b>	<b>\$ 456,642</b>	<b>\$ 641,567</b>	<b>\$ 27,530,625</b>	<b>\$ 28,827,449</b>

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, 2012**

**Change in Net Assets  
For The Years Ended June 30, 2012 and 2011**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 21,549	\$ -	\$ 548,607	\$ 655,407	\$ 570,156	\$ 655,407
Operating Grants and Contribution	8,615,101	7,450,173	776,024	712,153	9,391,125	8,162,326
Capital Grants and Contributions	-	145,780	-	-	-	145,780
<b>General Revenues</b>						
Property Taxes	37,849,957	37,525,554	-	-	37,849,957	37,525,554
State and Federal Aid	11,168,711	10,633,027	-	-	11,168,711	10,633,027
Other	168,208	180,598	28	204	168,236	180,802
<b>Total Revenues</b>	<b>57,823,526</b>	<b>55,935,132</b>	<b>1,324,659</b>	<b>1,367,764</b>	<b>59,148,185</b>	<b>57,302,896</b>
<b>Expenses</b>						
<b>Instruction</b>						
Regular	14,324,283	13,338,540	-	-	14,324,283	13,338,540
Special Education	3,289,839	3,287,555	-	-	3,289,839	3,287,555
Basic Skills	753,153	716,730	-	-	753,153	716,730
Bilingual	514,433	499,185	-	-	514,433	499,185
School Sponsored Activities & Athletics	472,499	421,727	-	-	472,499	421,727
Community Service	-	-	-	-	-	-
<b>Undistributed Expenditures</b>						
Instruction	9,666,112	9,515,926	-	-	9,666,112	9,515,926
Attendance and Social Work Services	73,448	69,208	-	-	73,448	69,208
Health Services	535,847	538,067	-	-	535,847	538,067
Students Related Services	502,053	545,551	-	-	502,053	545,551
Students - Extraordinary	509,352	455,638	-	-	509,352	455,638
Students - Regular	1,027,559	975,493	-	-	1,027,559	975,493
Students - Special	920,344	825,103	-	-	920,344	825,103
Improvement of Instruction	280,047	271,519	-	-	280,047	271,519
Educational Media Services/School Library	676,383	687,345	-	-	676,383	687,345
Instructional Staff Training Services	10,603	15,144	-	-	10,603	15,144
General Administration	831,457	706,773	-	-	831,457	706,773
School Administration	2,268,377	2,184,867	-	-	2,268,377	2,184,867
Central Services	492,997	508,947	-	-	492,997	508,947
Information Technology	184,798	199,532	-	-	184,798	199,532
Required Maintenance for School Facilities	1,534,717	1,395,635	-	-	1,534,717	1,395,635
Operation and Maintenance of Plant Services	2,501,422	2,637,217	-	-	2,501,422	2,637,217
Care and Upkeep of Grounds	6,618	19,500	-	-	6,618	19,500
Security	-	100,000	-	-	-	100,000
Student Transportation	1,695,122	2,058,984	-	-	1,695,122	2,058,984
<b>Allocated and Unallocated</b>						
Employee Benefits	9,372,171	7,736,773	-	-	9,372,171	7,736,773
TPAF Pension	1,859,612	1,293,180	-	-	1,859,612	1,293,180
TPAF Social Security	1,519,469	1,471,994	-	-	1,519,469	1,471,994
<b>Capital Outlay</b>						
Interest Deposit to Capital Reserve	-	-	-	-	-	-
Equipment	85,718	104,868	-	-	85,718	104,868
Facilities Acquisition and Construction Services	1,451,963	1,315,018	-	-	1,451,963	1,315,018
Charter Schools	1,313,067	994,608	-	-	1,313,067	994,608

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

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

Debt Service						
Interest on Bonds	35,985	52,228	-	-	35,985	52,228
Interest - Comm. LPA	225,977	241,482	-	-	225,977	241,482
Food Services	-	-	1,509,584	1,417,767	1,509,584	1,417,767
<b>Total Expenses</b>	<b>58,935,425</b>	<b>55,184,337</b>	<b>1,509,584</b>	<b>1,417,767</b>	<b>60,445,009</b>	<b>56,602,104</b>
<b>Change in Net Assets</b>	<b>(1,111,899)</b>	<b>750,795</b>	<b>(184,925)</b>	<b>(50,003)</b>	<b>(1,296,824)</b>	<b>700,792</b>
<b>Net Assets, Beginning of Year</b>	<b>28,185,882</b>	<b>27,435,087</b>	<b>641,567</b>	<b>691,570</b>	<b>28,827,449</b>	<b>28,126,657</b>
<b>Net Assets, End of Year</b>	<b>\$ 27,073,983</b>	<b>\$ 28,185,882</b>	<b>\$ 456,642</b>	<b>\$ 641,567</b>	<b>\$ 27,530,625</b>	<b>\$ 28,827,449</b>

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

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

**Governmental Activities** - The District's total governmental activities' revenues, which includes State and Federal grants, were \$ 57,823,526 and \$ 55,986,732 for the years ended June 30, 2012 and June 30, 2011, respectively. Property taxes of \$ 37,849,957 and \$ 37,525,554 represented 65% and 67% of the revenues for the fiscal years ended June 30, 2012 and 2011, respectively. Another significant portion of revenues came from state aid; total state, federal and local aid and grants was \$ 19,718,093 and \$ 18,228,974 which represented 35% and 33% of the revenues for the fiscal years ended June 30, 2012 and 2011, 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 \$ 58,477,613 and \$ 56,466,996 for the years ended June 30, 2012 and 2011. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$ 19,354,207 and \$ 18,263,737 (33% and 32%) of total expenditures for the fiscal years ended June 30, 2012 and 2011, respectively. Support services, totaled \$ 39,123,406 and \$ 38,203,259 (67% and 68%) of total expenditures.

Total governmental activities revenues for the year ended June 30, 2012 did not exceed expenses, decreasing net assets by (\$654,087) over the previous year from \$ 6,122,032 at June 30, 2011 to \$ 5,467,945 at June 30, 2012.

The cost of all *governmental activities* this year was \$ 58,477,613 an increase of \$ 2,010,617 (4%) over the previous year.

Federal and state governments subsidized certain programs with operating and capital grants and contributions of \$ 19,718,093 an increase of \$ 1,489,119. The District also realized increases in Federal and State aid for operating grants and contributions of \$ 1,164,928 (16%)

District's costs in the amount of \$ 37,849,957, were provided from property taxes, an increase of \$ 324,403 (1%). This increase was a result of additional property taxes levied to finance increases in District operating costs.

District's costs in the amount of \$ 11,168,711 were provided from unrestricted federal and state aid an increase of \$ 535,684 (5%). The increase was the result of an increase in unrestricted State Aid allocated to most New Jersey Districts.

Other general revenues totaling \$ 168,208 were provided from miscellaneous local sources, a decrease of \$ 63,990.

For the most part, increases in expenses for 2012 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, 2012**

**Net Cost of Governmental Activities** - The District's total cost of services were \$ 58,935,425 and \$ 55,184,337 for the fiscal years ended June 30, 2012 and 2011, respectively. After applying program revenues, derived from charges for services and operating grants and contributions of \$ 8,636,650 and \$ 7,450,173 and capital grants and contribution of \$ 0 and \$ 145,780, for the years ended June 30, 2012 and 2011, respectively; the net cost of services of the District were \$ 50,298,775 and \$ 47,588,384 for the fiscal years ended June 30, 2012 and 2011, respectively.

	<b>Total and Net Cost of Governmental Activities</b>			
	<u>Program Revenues</u>		<u>Net (Expense) Revenue of Services</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Instruction				
Regular	\$ 1,885,676	\$ 1,366,538	\$ (12,438,607)	\$ (11,972,002)
Special Education	3,186,522	3,242,173	(103,317)	(45,382)
Basic Skills	-	-	(753,153)	(716,730)
Bilingual	-	-	(514,433)	(499,185)
School Sponsored Activities & Athletics	-	-	(472,499)	(421,727)
Community Service	-	-	-	-
Undistributed Expenditures				
Instruction	-	-	(9,666,112)	(9,515,926)
Attendance and Social Work Services	-	-	(73,448)	(69,208)
Health Services	-	-	(535,847)	(538,067)
Students Related Services	-	-	(502,053)	(545,551)
Students - Extraordinary	-	-	(509,352)	(455,638)
Students - Regular	-	-	(1,027,559)	(975,493)
Students - Special	-	-	(920,344)	(825,103)
Improvement of Instruction Educational Media	-	-	(280,047)	(271,519)
Services/School Library	-	-	(676,383)	(687,345)
Instructional Staff Training Services	-	-	(10,603)	(15,144)
General Administration	-	-	(831,457)	(706,773)
School Administration	-	-	(2,268,377)	(2,184,867)
Central Services	-	-	(492,997)	(508,947)
Information Technology	-	-	(184,798)	(199,532)
Required Maintenance for School Facilities	-	-	(1,534,717)	(1,395,635)
Operation and Maintenance of Plant Services	619	2	(2,500,803)	(2,637,215)
Care and Upkeep of Grounds	-	-	(6,618)	(19,500)
Security	-	-	-	(100,000)
Student Transportation	-	-	(1,695,122)	(2,058,984)
Allocated and Unallocated				
Employee Benefits	75,246	76,282	(9,296,925)	(7,660,491)
TPAF Pension	1,859,612	1,293,180	-	-
TPAF Social Security	1,519,469	1,471,994	-	-
Capital Outlay				
Interest Deposit to Capital Reserve	-	-	-	-
Equipment	-	-	(85,718)	(104,868)
Facilities Acquisition and Construction Services	21	4	(1,451,942)	(1,315,014)
Charter Schools	-	-	(1,313,067)	(994,608)
Debt Service				
Interest on Bonds	-	95,213	(35,985)	42,985
Interest - Comm. LPA	109,485	50,567	(116,492)	(190,915)
<b>Total</b>	<b>\$ 8,636,650</b>	<b>\$ 7,595,953</b>	<b>\$ (50,298,775)</b>	<b>\$ (47,588,384)</b>

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

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

**Business-Type-Activities** - The District's total business-type activities revenues were \$ 1,324,459 and \$ 1,367,764 for the years ended June 30, 2012 and June 30, 2011. Charges for services accounted for 41% and 48% of total revenues and operating grants and contributions accounted for 59% and 52% of total revenue for the years ended June 30, 2012 and 2011. There were no capital grants received for years ended June 30, 2012 or 2011.

The total cost of all business-type activities programs and services were \$ 1,509,584 and \$ 1,417,767 for the years ended June 30, 2012 and 2011. 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, 2012 did not surpass expenses, decreasing net assets by \$ 184,925 below the previous year from \$ 641,567 at June 30, 2011 to \$ 456,642 at June 30, 2012. The cost of business-type activities this year was \$ 1,509,584, an increase of \$ 91,817 (6%) from the previous year.

Some of the cost was paid by users of the Districts food service program for a total of \$ 548,607, a decrease of \$ 106,800 (16%).

The Federal and State governments subsidized the food service program with grants and contributions of \$ 776,052, an increase of \$ 63,695 (9%).

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 \$ 5,467,945 for the year ended June 30, 2012 compared to a fund balance of \$ 6,122,032 for the year ended June 30, 2011, a decrease in the balance of \$ 654,087 for the year.

Revenues for the District's governmental funds were \$ 57,823,526 and \$ 55,986,732, while total expenses were \$ 58,477,613 and \$ 56,466,996 for the fiscal years ended June 30, 2012 and 2011, respectively.

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

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

**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, 2012 and 2011:

	June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2012</u>	<u>2011</u>		
Local Sources				
Property Tax Levy	\$ 37,194,051	\$ 36,689,654	\$ 504,397	1%
Miscellaneous	190,393	232,235	(41,842)	-18%
State Sources	16,909,973	15,712,577	1,197,396	8%
Federal Sources	518,244	76,282	441,962	579%
Total General Fund Revenues	<u>\$ 54,812,661</u>	<u>\$ 52,710,748</u>	<u>\$ 2,101,913</u>	4%

Local property taxes increased by \$ 504,397 or 1% over the previous year. State aid revenues increased \$ 1,197,396, or 8%, predominantly attributable to a change in the State funding formula and adjustments made to aid during the year. Also, Federal aid revenues increased significantly by \$ 441,962 due to the receipt of aid issued under the Education Jobs Fund.

The following schedule presents a comparison of General Fund expenditures for the fiscal years ended June 30, 2012 and 2011:

	June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2012</u>	<u>2011</u>		
Instruction	\$ 17,108,737	\$ 18,263,737	\$(1,155,000)	-6%
Support Services	38,371,444	33,000,164	5,371,280	16%
Debt Services	-	-	-	N/A
Capital Outlay	-	-	-	N/A
Total Expenditures	<u>\$ 55,480,181</u>	<u>\$ 51,263,901</u>	<u>\$ 4,216,280</u>	8%

Total General Fund expenditures increased \$ 4,216,280 or 8% 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, 2012**

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

Revenues of the Special Revenue Fund were \$ 2,245,470 and \$ 2,294,335 for the years ended June 30, 2012 and 2011. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 70% and 72% of the total revenues for the years ended June 30, 2012 and 2011.

Total Special Revenue Fund revenues decreased \$ 48,865 or 2% from the previous year. State sources decreased \$ 31,057 or 5% and Federal sources decreased by \$ 82,887 or 5%.

Expenditures of the Special Revenue Fund were \$ 2,245,470 and \$ 2,294,335 for the fiscal years ended June 30, 2012 and 2011. Instructional expenditures were \$ 2,245,470 and \$ 2,294,335 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, 2012 and 2011, 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, 2012**

**GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)**

General Fund budgetary revenues did not exceed General Fund budgetary and other financing uses decreasing budgetary fund balance \$ 468,418 from the previous year. After deducting statutory reserves and designations, the unreserved/undesignated budgetary fund balance increased \$ 118,024 from a \$ 1,004,083 balance at June 30, 2011 to a \$ 1,122,107 fund balance at June 30, 2012.

**CAPITAL ASSETS**

The District's investment in capital assets for its governmental and business type activities as of June 30, 2012 and 2011 amounted to \$ 32,559,088 and \$ 33,636,960 (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 2011-2012 and 2010-2011 amounted to \$ 1,757,538 and \$ 1,581,491 for governmental activities and \$ 33,907 and \$ 31,022 for business-type activities. This increase in governmental activity depreciation was due to additions relating for various building improvements.

Capital Assets at June 30, 2012 and 2011  
(Net of Accumulated Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land and Land Improvements	\$ 6,258,000	\$ 6,258,000	\$ -	\$ -	\$ 6,258,000	\$ 6,258,000
Building and Building Improvements	25,788,876	26,820,270	-	-	25,788,876	26,820,270
Machinery and Equipment	331,384	376,011	180,828	182,679	512,212	558,690
Construction in Progress	-	-	-	-	-	-
<b>Total Net Assets</b>	<b>\$ 32,378,260</b>	<b>\$ 33,454,281</b>	<b>\$ 180,828</b>	<b>\$ 182,679</b>	<b>\$ 32,559,088</b>	<b>\$ 33,636,960</b>

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

**LONG TERM LIABILITIES**

At June 30, 2012 and 2011, the District's long-term liabilities consisted of bonds payable of \$ 545,000 and \$ 740,000 , capital lease payable of \$ 3,760,000 and \$ 4,055,000 and compensated absences payable of \$ 6,467,222 and \$ 6,595,431, 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, 2012**

**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 2012 - 2013 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, 2012**

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS</u></b>			
Cash	\$ 3,737,497	\$ 262,386	\$ 3,999,883
Receivables, (Net)	871,075	23,068	894,143
Restricted Assets:			
Capital Reserve Account	708,322	-	708,322
Emergency Reserve Account	400,618	-	400,618
Capital Assets, (Net)	32,378,260	180,828	32,559,088
<b>Total Assets</b>	<b>\$ 38,095,772</b>	<b>\$ 466,282</b>	<b>\$ 38,562,054</b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 156,949	\$ 9,640	\$ 166,589
Deferred Revenue	92,618	-	92,618
Non-Current Liabilities:			
Due Within One Year	515,000	-	515,000
Due Beyond One Year	10,257,222	-	10,257,222
<b>Total liabilities</b>	<b>\$ 11,021,789</b>	<b>\$ 9,640</b>	<b>\$ 11,031,429</b>
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets, Net of Related Debt	28,618,260	\$ 180,828	\$ 28,799,088
Restricted for:			
Debt Service	13,465	-	13,465
Capital Projects	708,322	-	708,322
Emergencies	400,618	-	400,618
Unrestricted	(2,666,682)	275,814	(2,390,868)
<b>Total Net Assets</b>	<b>\$ 27,073,983</b>	<b>\$ 456,642</b>	<b>\$ 27,530,625</b>

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, 2012**

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	\$ 14,324,283	\$ -	-	\$ 14,324,283	\$ 21,549	\$ 1,864,127	\$ -	\$ 1,885,676	\$ (12,438,607)	\$ -	\$ (12,438,607)
Special Education	3,289,839	-	-	3,289,839	-	3,186,522	-	3,186,522	(103,317)	-	(103,317)
Basic Skills - Remedial Instruction	753,153	-	-	753,153	-	-	-	-	(753,153)	-	(753,153)
Bilingual Education - Instruction	514,433	-	-	514,433	-	-	-	-	(514,433)	-	(514,433)
School Sponsored Cocurricular Activities	125,756	-	-	125,756	-	-	-	-	(125,756)	-	(125,756)
School Sponsored Athletics	346,743	-	-	346,743	-	-	-	-	(346,743)	-	(346,743)
Community Service Programs	-	-	-	-	-	-	-	-	-	-	-
Undistributed Expenditures:											
Instruction	9,666,112	-	-	9,666,112	-	-	-	-	(9,666,112)	-	(9,666,112)
Attendance and Social Work Services	73,448	-	-	73,448	-	-	-	-	(73,448)	-	(73,448)
Health Services	535,847	-	-	535,847	-	-	-	-	(535,847)	-	(535,847)
Other Support Services - Students Related Services	502,053	-	-	502,053	-	-	-	-	(502,053)	-	(502,053)
Other Support Services - Students Extraordinary Services	509,352	-	-	509,352	-	-	-	-	(509,352)	-	(509,352)
Other Support Services - Students Regular	1,027,559	-	-	1,027,559	-	-	-	-	(1,027,559)	-	(1,027,559)
Other Support Services - Students Special	920,344	-	-	920,344	-	-	-	-	(920,344)	-	(920,344)
Improvement of Instruction Services	280,047	-	-	280,047	-	-	-	-	(280,047)	-	(280,047)
Educational Media Services/School Library	676,383	-	-	676,383	-	-	-	-	(676,383)	-	(676,383)
Instructional Staff Training Services	10,603	-	-	10,603	-	-	-	-	(10,603)	-	(10,603)
Support Services - General Administration	831,457	-	-	831,457	-	-	-	-	(831,457)	-	(831,457)
Support Services - School Administration	2,268,377	-	-	2,268,377	-	-	-	-	(2,268,377)	-	(2,268,377)
Central Services	492,997	-	-	492,997	-	-	-	-	(492,997)	-	(492,997)
Administrative Information Technology	184,798	-	-	184,798	-	-	-	-	(184,798)	-	(184,798)
Required Maintenance for School Facilities	1,534,717	-	-	1,534,717	-	-	-	-	(1,534,717)	-	(1,534,717)
Operation and Maintenance of Plant Services	2,501,422	-	-	2,501,422	-	619	-	619	(2,500,803)	-	(2,500,803)
Care and Upkeep of Grounds	6,618	-	-	6,618	-	-	-	-	(6,618)	-	(6,618)
Security	-	-	-	-	-	-	-	-	-	-	-
Student Transportation Services	1,695,122	-	-	1,695,122	-	-	-	-	(1,695,122)	-	(1,695,122)
Allocated and Unallocated Employee Benefits	9,500,380	(128,209)	-	9,372,171	-	75,246	-	75,246	(9,296,925)	-	(9,296,925)
TPAF Pension	1,859,612	-	-	1,859,612	-	1,859,612	-	1,859,612	-	-	-
TPAF Social Security	1,519,469	-	-	1,519,469	-	1,519,469	-	1,519,469	-	-	-
Capital Outlay:											
Interest Deposit to Capital Reserve	-	-	-	-	-	-	-	-	-	-	-
Equipment	16,240	9,951	59,527	85,718	-	-	-	-	(85,718)	-	(85,718)
Facilities Acquisition and Construction Services	445,420	(691,468)	1,698,011	1,451,963	-	21	-	21	(1,451,942)	-	(1,451,942)
Charter Schools	1,313,067	-	-	1,313,067	-	-	-	-	(1,313,067)	-	(1,313,067)
Debt Service:											
Principal Payments - Commissioner Approved LPA	295,000	(295,000)	-	-	-	-	-	-	-	-	-
Interest Payments - Commissioner Approved LPA	225,977	-	-	225,977	-	109,485	-	109,485	(116,492)	-	(116,492)
Interest on Early Retirement Bonds	35,985	-	-	35,985	-	-	-	-	(35,985)	-	(35,985)
Bond Principal	195,000	(195,000)	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 58,477,613</b>	<b>\$ (1,299,726)</b>	<b>\$ 1,757,538</b>	<b>\$ 58,935,425</b>	<b>\$ 21,549</b>	<b>\$ 8,615,101</b>	<b>\$ -</b>	<b>\$ 8,636,650</b>	<b>\$ (50,298,775)</b>	<b>\$ -</b>	<b>\$ (50,298,775)</b>
<i>Business-Type Activities:</i>											
Food Service	\$ 1,475,677	\$ -	\$ 33,907	\$ 1,509,584	\$ 548,607	\$ 776,024	\$ -	\$ 1,324,631	\$ -	\$ (184,953)	\$ (184,953)
<b>Total Primary Government</b>	<b>\$ 59,953,290</b>	<b>\$ (1,299,726)</b>	<b>\$ 1,791,445</b>	<b>\$ 60,445,009</b>	<b>\$ 570,156</b>	<b>\$ 9,391,125</b>	<b>\$ -</b>	<b>\$ 9,961,281</b>	<b>\$ (50,298,775)</b>	<b>\$ (184,953)</b>	<b>\$ (50,483,728)</b>
									General Revenues:		
									Local Tax Levy	-	37,849,957
									Unrestricted Miscellaneous Revenues	28	168,236
									State Aid	-	11,168,711
									Transfers	-	-
									Change in Net Assets	\$ (1,111,899)	\$ (184,925)
									Net Assets—Beginning	28,185,882	28,827,449
									Net Assets—Ending	\$ 27,073,983	\$ 27,530,625

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, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
<b>ASSETS</b>					
Cash:					
General Account	\$ 3,688,199	\$ (28,190)	\$ -	\$ 13,463	\$ 3,673,472
Capital Projects Account	-	-	64,023	-	64,023
Debt Service Reserve Account	-	-	-	2	2
Capital Reserve Account	708,322	-	-	-	708,322
Emergency Reserve Account	400,618	-	-	-	400,618
Interfund Receivable	98,138	-	-	-	98,138
Intergovernmental Receivable - State	480,220	-	34,115	-	514,335
Intergovernmental Receivable - Federal	69,947	179,619	-	-	249,566
Tuition Receivable	9,036	-	-	-	9,036
Total Assets	<u>\$ 5,454,480</u>	<u>\$ 151,429</u>	<u>\$ 98,138</u>	<u>\$ 13,465</u>	<u>\$ 5,717,512</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Interfunds Payable	\$ -	\$ -	\$ 98,138	\$ -	\$ 98,138
Intergovernmental Payable - State	-	58,811	-	-	58,811
Deferred Revenue - Reserve for Encumbrances	-	92,618	-	-	92,618
Total Liabilities	<u>\$ -</u>	<u>\$ 151,429</u>	<u>\$ 98,138</u>	<u>\$ -</u>	<u>\$ 249,567</u>
Fund Balances:					
Capital Reserve	\$ 708,322	\$ -	\$ -	\$ -	\$ 708,322
Emergency Reserve	400,618	-	-	-	400,618
Reserve for Encumbrances	1,774,253	-	-	-	1,774,253
Reserved Fund Balance - Excess Surplus from FY2012	580,428	-	-	-	580,428
Reserved Fund Balance - Excess Surplus from FY2011	1,590,260	-	-	-	1,590,260
Designated for Subsequent Years' Expenditures	504,442	-	-	18	504,460
Undesignated	(103,843)	-	-	13,447	(90,396)
Total Fund Balances	<u>\$ 5,454,480</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,465</u>	<u>\$ 5,467,945</u>
Total Liabilities and Fund Balances	<u>\$ 5,454,480</u>	<u>\$ 151,429</u>	<u>\$ 98,138</u>	<u>\$ 13,465</u>	<u>\$ 5,717,512</u>

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. 32,378,260

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. (10,772,222)

Net assets of governmental activities \$ 27,073,983

LODI SCHOOL DISTRICT  
 GOVERNMENTAL FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2012

	General	Special Revenue	Capital Projects	Debt Service	Total
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 37,194,051	\$ -	\$ -	\$ 655,906	\$ 37,849,957
Tuition - Other LEAs	21,549	-	-	-	21,549
Interest on Capital Reserve Funds	21	-	-	-	21
Interest on Emergency Reserve Funds	619	-	-	-	619
Unrestricted Miscellaneous Revenues	168,204	65,079	-	4	233,287
Total Local Sources	\$ 37,384,444	\$ 65,079	\$ -	\$ 655,910	\$ 38,105,433
State Sources	16,909,973	611,935	-	109,485	17,631,393
Federal Sources	518,244	1,568,456	-	-	2,086,700
Total Revenues	\$ 54,812,661	\$ 2,245,470	\$ -	\$ 765,395	\$ 57,823,526
<b>EXPENDITURES</b>					
Current Expense:					
Instruction:					
Regular Programs	\$ 12,903,154	\$ 1,421,129	\$ -	\$ -	\$ 14,324,283
Special Education	2,465,498	824,341	-	-	3,289,839
Basic Skills - Remedial Instruction	753,153	-	-	-	753,153
Bilingual Education	514,433	-	-	-	514,433
School Sponsored Cocurricular/Extra Curricular Activities	125,756	-	-	-	125,756
School Sponsored Athletics	346,743	-	-	-	346,743
Community Service Programs	-	-	-	-	-
Undistributed Expenditures:					
Instruction	9,666,112	-	-	-	9,666,112
Attendance and Social Work Services	73,448	-	-	-	73,448
Health Services	535,847	-	-	-	535,847
Other Support Services - Students - Related Services	502,053	-	-	-	502,053
Other Support Services - Students - Extraordinary Services	509,352	-	-	-	509,352
Other Support Services - Students - Regular	1,027,559	-	-	-	1,027,559
Other Support Services - Students - Special	920,344	-	-	-	920,344
Improvement of Instruction Services	280,047	-	-	-	280,047
Educational Media Services/School Library	676,383	-	-	-	676,383
Instructional Staff Training Services	10,603	-	-	-	10,603
Support Services - General Administration	831,457	-	-	-	831,457
Support Services - School Administration	2,268,377	-	-	-	2,268,377
Central Services	492,997	-	-	-	492,997
Administrative Information Technology	184,798	-	-	-	184,798
Required Maintenance for School Facilities	1,534,717	-	-	-	1,534,717
Operation and Maintenance of Plant Services	2,501,422	-	-	-	2,501,422
Care and Upkeep of Grounds	6,618	-	-	-	6,618
Security	-	-	-	-	-
Student Transportation Services	1,695,122	-	-	-	1,695,122
Allocated and Unallocated Employee Benefits	9,500,380	-	-	-	9,500,380
TPAF Pension	1,859,612	-	-	-	1,859,612
TPAF Social Security	1,519,469	-	-	-	1,519,469
Capital Outlay:					
Interest Deposit to Capital Reserve	-	-	-	-	-
Equipment	16,240	-	-	-	16,240
Facilities Acquisition and Construction Services	445,420	-	-	-	445,420
Charter Schools	1,313,067	-	-	-	1,313,067
Debt Service:					
Principal Payments - Commissioner Approved LPA	-	-	-	295,000	295,000
Interest Payments - Commissioner Approved LPA	-	-	-	225,977	225,977
Interest on Early Retirement Bonds	-	-	-	35,985	35,985
Bond Principal	-	-	-	195,000	195,000
Total Expenditures	\$ 55,480,181	\$ 2,245,470	\$ -	\$ 751,962	\$ 58,477,613
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (667,520)	\$ -	\$ -	\$ 13,433	\$ (654,087)
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating Transfers	-	-	-	-	-
Net Change In Fund Balances	\$ (667,520)	\$ -	\$ -	\$ 13,433	\$ (654,087)
Fund Balances - July 1	6,122,000	-	-	32	6,122,032
Fund Balances - June 30	\$ 5,454,480	\$ -	\$ -	\$ 13,465	\$ 5,467,945

**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) \$ (654,087)

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	(1,757,538)
Capital Outlays	825,639
Fixed Asset Adjustments	(144,122)

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.

490,000

Employee Benefits:

Accrued Compensated Absences	(416,724)
Paid Compensated Absences	544,933

Other Adjustments

-

Change in net assets of governmental activities \$ (1,111,899)

**LODI SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 COMBINING STATEMENT OF NET ASSETS  
 AS OF JUNE 30, 2012**

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	<u>Business-Type Activities</u> <u>Food Service Enterprise Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 262,386
Intergovernmental Receivable:	
State	537
Federal	22,531
Total Current Assets	<u>\$ 285,454</u>
Non-Current Assets:	
Machinery and Equipment, (Net)	<u>\$ 180,828</u>
Total Assets	<u>\$ 466,282</u>
<u>LIABILITIES</u>	
<u>Accounts Payable</u>	<u>\$ 9,640</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 180,828
Unrestricted	275,814
Total Net Assets	<u><u>\$ 456,642</u></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, 2012**

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	<u>Business-Type Activities</u> <u>Food Service Enterprise Fund</u>
<u>OPERATING REVENUES</u>	
Charges for Services:	
Sales	\$ 548,607
<u>OPERATING EXPENSES</u>	
Other Purchased Services	\$ 1,060,012
Depreciation	33,907
Miscellaneous Expenditures	415,665
	<u>\$ 1,509,584</u>
Operating Income (Loss)	<u>\$ (960,977)</u>
<u>NON-OPERATING REVENUES</u>	
Local Sources:	
Interest Earned	\$ 28
State Sources:	
State School Lunch Program	17,922
Federal Sources:	
School Breakfast Program	56,718
National School Lunch Program	698,446
Special Milk Program	2,938
	<u>\$ 776,052</u>
Change in Net Assets	\$ (184,925)
Total Net Assets - Beginning	<u>641,567</u>
Total Net Assets - Ending	<u><u>\$ 456,642</u></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, 2012**

	<u>Business-Type Activities</u>
	<u>Food Service Enterprise Fund</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Receipts from Sales	\$ 548,607
Payments for Contracted Services	(1,050,372)
Payments for Miscellaneous Expenses	(371,950)
Net Cash Provided (Used) by Operating Activities	<u>\$ (873,715)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Purchase and Retirement of Capital Assets	<u>\$ (39,046)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Cash Flows from State and Federal Reimbursements	<u>\$ 753,839</u>
Net Increase/(Decrease) in Cash	<u>\$ (158,922)</u>
Cash, July 1	421,308
Cash, June 30	<u>\$ 262,386</u>
	-
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:	
Operating Loss	<u>\$ (960,977)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:	
Depreciation Expense	33,907
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	14,512
Increase (Decrease) in Accounts Payable	9,640
Other	29,203
Total Adjustments	<u>87,262</u>
Net Cash Provided by (Used For) Operating Activities	<u>\$ (873,715)</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, 2012**

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	<u>Agency Fund</u>
<u>ASSETS</u>	
Cash	<u>71,601</u>
<u>LIABILITIES</u>	
Due to Student Groups	59,102
Payroll, Deductions and Withholdings Payable	12,499
Total Liabilities	<u>\$ 71,601</u>
<u>NET ASSETS</u>	
Unrestricted	<u><u>\$ -</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, 2012**

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Not Applicable

**LODI SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2012**

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**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, 2012**

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**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, 2012**

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**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, 2012**

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**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, 2012.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and 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, 2012**

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**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, 2012**

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**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, 2012, 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, 2012**

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**Note 2 - Cash and Cash Equivalents and Investments**

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

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

Deposits --

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

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

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

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

Investments --

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

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

As of June 30, 2012, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash</u>	<u>Investments</u>
Checking/Money Market Accounts - Governmental Funds	\$ 3,737,497	\$ -
Checking/Money Market Accounts - Proprietary Funds	262,386	-
Checking/Money Market Accounts - Fiduciary Funds	71,601	-
	<u>\$ 4,071,484</u>	<u>\$ -</u>

**LODI SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2012**

**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, 2012:

	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	\$ 774,930	\$ 6,750	\$ -	\$ -	\$ 781,680
Building Improvements	49,208,221	798,449	-	(4,750)	50,001,920
Machinery and Equipment	1,089,431	20,440	(30,391)	(2,300)	1,077,180
	<u>\$ 51,072,582</u>	<u>\$ 825,639</u>	<u>\$ (30,391)</u>	<u>\$ (7,050)</u>	<u>\$ 51,860,780</u>
	<u>\$ 57,330,582</u>	<u>\$ 825,639</u>	<u>\$ (30,391)</u>	<u>\$ (7,050)</u>	<u>\$ 58,118,780</u>
Less Accumulated Depreciation:					
Site Improvements	\$ (392,770)	\$ (38,986)	\$ -	\$ (3,351)	\$ (435,107)
Building Improvements	(22,770,111)	(1,659,025)	-	(130,481)	(24,559,617)
Machinery and Equipment	(713,420)	(59,527)	-	27,151	(745,796)
	<u>\$ (23,876,301)</u>	<u>\$ (1,757,538)</u>	<u>\$ -</u>	<u>\$ (106,681)</u>	<u>\$ (25,740,520)</u>
Net Assets for Governmental Activities	<u>\$ 33,454,281</u>	<u>\$ (931,899)</u>	<u>\$ (30,391)</u>	<u>\$ (113,731)</u>	<u>\$ 32,378,260</u>

*Business Type Activities --*

	Beginning Balance	Additions	Disposals	Adjustments	Ending Balance
Capital Assets being Depreciated:					
Machinery and Equipment	\$ 444,386	\$ 39,046	\$ (16,200)	\$ -	\$ 467,232
Less Accumulated Depreciation For:					
Machinery and Equipment	\$ (261,707)	\$ (33,907)	\$ 9,210	\$ -	\$ (286,404)
Net Assets for Business Type Activities	<u>\$ 182,679</u>	<u>\$ 5,139</u>	<u>\$ (6,990)</u>	<u>\$ -</u>	<u>\$ 180,828</u>

**LODI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2012**

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**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, 2012, 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, 2012**

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**Note 5 - Long-Term Debt**

During the fiscal year ended June 30, 2012, the following changes occurred in liabilities reported as general long-term debt:

	Beginning Balance	Issued	Retired	Adjustments	Ending Balance
Bonds Payable	\$ 740,000	\$ -	\$ (195,000)	\$ -	\$ 545,000
Capital Leases Payable	4,055,000	-	(295,000)	-	3,760,000
Compensated Absences Payable	6,595,431	416,724	(544,933)	-	6,467,222
	<u>\$ 11,390,431</u>	<u>\$ 416,724</u>	<u>\$ (1,034,933)</u>	<u>\$ -</u>	<u>\$ 10,772,222</u>

	Amounts Due within One Year	Long-Term Portion	Ending Balance
Bonds Payable	\$ 205,000	\$ 340,000	\$ 545,000
Capital Leases Payable	310,000	3,450,000	3,760,000
Compensated Absences Payable	-	6,467,222	6,467,222
	<u>\$ 515,000</u>	<u>\$ 10,257,222</u>	<u>\$ 10,772,222</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, 2012, the Board had \$545,000 of bonds payable. As of June 30, 2012, the Board had not authorized the issuance of any additional bonds.

LODI SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended June 30, 2012

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**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, 2012 are:

Year Ending June 30	Amount
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	257,126
Total Minimum Lease Payment	4,918,964
Less Amount Representing Interest	(1,158,964)
Present Value of Lease Payments	<u>\$ 3,760,000</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, 2012**

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**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, 2012 are as follows:

Year Ended June 30,	2003 Pension Refunding Bonds		Commissioner Approved Lease Purchase Agreement		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2013	\$ 205,000	\$ 26,723	\$ 310,000	\$ 209,174	\$ 515,000
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>\$ 545,000</u>	<u>\$ 49,503</u>	<u>\$ 3,760,000</u>	<u>\$ 1,158,964</u>	<u>\$ 4,305,000</u>	<u>\$ 1,208,467</u>

**LODI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

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**Note 6 - Retirement Plans**

Those employees who are eligible for pension coverage are enrolled in either the Public Employees Retirement System of New Jersey (PERS) or the Teachers' Pension and Annuity Fund of New Jersey (TPAF). The systems are cost-sharing multiple-employer contributory defined benefit pension plans, and are component units of the State of New Jersey. Each retirement system has a Board of Trustees which is responsible for its organization and administration.

**A. Public Employees' Retirement System (PERS)**

Description of the System - 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, 2010 and 2009, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2010	2009
State of New Jersey	1	1
County Agencies	65	65
Municipalities	580	584
School Districts	581	566
Other Public Agencies	483	484
Total	<u>1,710</u>	<u>1,700</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.

**LODI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

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**Note 6 - Retirement Plans (Continued)**

**A. Public Employees' Retirement System (PERS) (Continued)**

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The System 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.

For Tier 1 members, 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 adjustment (COLA) 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. The COLA increases are funded by the retirement system and are included in the annual actuarial calculations of the required state-related employer contributions. Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases are suspended for all current and future retirees of all retirement systems. No further COLA increases will be granted. The law does not reduce any COLA increases that have already been added to retiree benefits.

Significant Legislation - Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and prior to November 2, 2008 (Tier 2 members) 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. Also, this law provided that the amount of compensation for Tier 2 members used for employer and member contributions and benefits under the PERS cannot exceed the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contributions Act.

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 and on or before May 21, 2010 (Tier 3 members). It also increased the minimum annual compensation required for membership eligibility for new Tier 3 members from \$1,500 to \$7,500 in addition to amending the early retirement reduction formula for Tier 3 members retiring with 25 years of service to 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 hired after May 21, 2010 (Tier 4 and 5 members) from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for these members of PERS to 1/60 from 1/55, and it provided that the retirement allowance for these members be calculated using the average annual compensation for the last five years of service instead of the last three years of service. Tier 4 and 5 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.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for Tier 4 and 5 members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

**LODI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

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**Note 6 - Retirement Plans (Continued)**

**A. Public Employees' Retirement System (PERS) (Continued)**

Membership in the system consisted of the following at June 30, 2010 and 2009, the dates of the most recent actuarial valuations:

	2010	2009
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	141,973	138,619
Active Members:		
Vested	149,506	144,698
Non-Vested	159,593	172,151
Total Active Members	309,099	316,849
Total	451,072	455,468

**B. Teachers' Pension and Annuity Fund (TPAF)**

Description of the Fund - 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.

Vesting and Benefit Provisions - 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.

For Tier 1 members, 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 adjustment (COLA) 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. Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases are suspended for all current and future retirees of all retirement systems. No further COLA increases will be granted. The law does not reduce any COLA increases that have already been added to retiree benefits.

**LODI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

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**Note 6 - Retirement Plans (Continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (Continued)**

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. Also, this law provided that for members hired on or after July 1, 2007, the amount of compensation used for employer and member contributions and benefits under the TPAF cannot exceed the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contributions Act.

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. It also increased the minimum annual compensation required for membership eligibility for new members and amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to 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 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.

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.

Chapter 78, P.L. 2011, provides that new members of TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

Membership in the Fund consisted of the following at June 30, 2010 and 2009 the dates of the most recent actuarial valuations:

	2010	2009
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	80,714	78,782
Active members:		
Vested	82,719	78,829
Non-vested	74,304	78,280
Total active members	157,023	157,109
Total	237,737	235,891
Contributing Employers	35	35

**LODI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

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**Note 6 - Retirement Plans (Continued)**

Trend Information

Historical trend information showing the plan's progress in accumulating sufficient assets to pay benefits when due are presented in the State of New Jersey's PERS and TPAF financial reports. Those reports may be obtained by writing to the State of New Jersey, Department of Treasury Division of Pensions & Benefits P.O. Box 295, Trenton, New Jersey 08625-0295 or by calling (609) 292-7524.

Contributions required by the District were as follows:

*Public Employees Retirement System:*

Year	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
2011-12	\$ 387,253	100%	\$ 387,253
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
2011-12	\$ 1,859,612	100%	\$ - (On-Behalf)
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, 2012**

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**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, 2011, there were 93,323 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 \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

**LODI SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2012**

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**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, 2012, 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, 2012**

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**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, 2012**

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**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>2012</u>	<u>2011</u>
Beginning Balance	\$ 508,301	\$ 8,297
Increases:		
Local Funds Transferred to Capital Projects Fund	700,000	500,000
Interest Earned	21	4
Local Funds Returned From Capital Projects Fund	-	-
Decreases:		
Budgeted Withdrawals for DOE approved projects from LRFP	(500,000)	-
Ending Balance	<u>\$ 708,322</u>	<u>\$ 508,301</u>

**LODI SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2012**

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**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, 2012**

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**Note 12 - Interfund Receivables and Payables**

Interfund balances as of June 30 were as follows:

	<u>2012</u>		<u>2011</u>	
	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 98,138	\$ -	\$ 111,840	\$ 17
Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	98,138	17	111,840
Debt Service Fund	-	-	-	-
Enterprise Fund	-	-	-	-
Trust and Agency Fund	-	-	-	-
	<u>\$ 98,138</u>	<u>\$ 98,138</u>	<u>\$ 111,857</u>	<u>\$ 111,857</u>

LODI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2012

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**Note 13 - Retained Earnings - Food Services Enterprise Fund**

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

	<u>2012</u>	<u>2011</u>
Retained Earnings	<u>\$ 456,642</u>	<u>\$ 641,567</u>

**LODI SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended June 30, 2012**

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**Note 14 - Fund Balance Appropriated**

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

	<u>2012</u>	<u>2011</u>
Capital Reserve	\$ 708,322	\$ 508,301
Emergency Reserve	400,618	400,002
Reserve for Encumbrances	1,774,253	2,276,094
Reserved Fund Balance - Excess Surplus FY 2012	580,428	-
Reserved Fund Balance - Excess Surplus FY 2011	1,590,260	1,590,260
Reserved Fund Balance - Excess Surplus FY 2010	-	1,042,765
Designated for Subsequent Years' Expenditures	504,442	327,343
Undesignated	(103,843)	(22,765)
	<u>\$ 5,454,480</u>	<u>\$ 6,122,000</u>

**LODI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2012**

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**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>2012</u>	<u>2011</u>
Excess Fund Balance	<u>\$ 580,428</u>	<u>\$ 1,590,260</u>

LODI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2012

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

	<u>2012</u>	<u>2011</u>
Total Fund Balance, June 30 - Budgetary Basis	\$ 6,680,430	\$ 7,148,848
Less: Final Delayed State Aid Payment	(1,225,950)	(1,026,848)
Total Fund Balance, June 30 - GAAP Basis	<u>\$ 5,454,480</u>	<u>\$ 6,122,000</u>

**LODI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2012**

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**Note 17 - Contingent Liabilities**

The Board is not involved with any claims which could be material to its operations.

**LODI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended June 30, 2012**

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**Note 18 - Subsequent Events**

We have evaluated subsequent events through December 5, 2012, 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, 2012

C-1

Account Number	Original Budget	Budget Amendments	Prior Year Encumbrances	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)	Encumbered
<b>REVENUES</b>								
Local Sources:								
Local Tax Levy	10-1210	\$ 37,194,051	\$ -	\$ -	\$ -	\$ 37,194,051	\$ 37,194,051	\$ -
Tuition - Other LEAs - Within State	10-1320	52,040	-	-	-	52,040	21,549	(30,491)
Interest Earned on Capital Reserve Funds	10-1XXX	5	-	-	-	5	21	16
Interest Earned on Emergency Reserve Funds		-	-	-	-	-	619	619
Unrestricted Miscellaneous Revenues	10-1XXX	143,000	-	-	-	143,000	168,204	25,204
<b>Total Local Sources</b>		<b>\$ 37,389,096</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,389,096</b>	<b>\$ 37,384,444</b>	<b>\$ (4,652)</b>
State Sources:								
Extraordinary Aid	10-3131	\$ 323,307	\$ -	\$ -	\$ -	\$ 323,307	\$ 403,392	\$ 80,085
Special Education Categorical Aid	10-3132	1,958,789	-	-	-	1,958,789	1,958,789	-
Equalization Aid	10-3176	10,863,371	-	-	-	10,863,371	11,367,813	504,442
TPAF Pension (On-Behalf - Non-Budgeted)		-	-	-	-	-	1,859,612	1,859,612
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	-	-	1,519,469	1,519,469
<b>Total State Sources</b>		<b>\$ 13,145,467</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,145,467</b>	<b>\$ 17,109,075</b>	<b>\$ 3,963,608</b>
Federal Sources:								
Medicaid Reimbursement	10-4200	\$ 48,442	\$ -	\$ -	\$ -	\$ 48,442	\$ 75,246	\$ 26,804
Education Jobs Fund	18-4522	491,708	-	-	-	491,708	442,998	(48,710)
<b>Total Federal Sources</b>		<b>\$ 540,150</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 540,150</b>	<b>\$ 518,244</b>	<b>\$ (21,906)</b>
<b>Total Revenues</b>		<b>\$ 51,074,713</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 51,074,713</b>	<b>\$ 55,011,763</b>	<b>\$ 3,937,050</b>

LODI SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 Fiscal Year Ended June 30, 2012

C-1

	Account Number	Original Budget	Budget Amendments	Prior Year Encumbrances	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)	Encumbered
<b>EXPENDITURES</b>									
<b>Instruction</b>									
Regular Programs:									
Local Contribution - Transfer to Special Revenue	11-105-100-930	\$ 28,174	\$ -	\$ -	\$ 30,371	58,545	\$ 58,545	\$ -	\$ -
Kindergarten - Salaries of Teachers	11-110-100-101	851,949	-	2,346	30,535	884,830	882,328	2,502	1,145
Kindergarten - Salaries of Teachers	18-110-100-101	42,533	-	-	-	42,533	42,533	-	-
Grades 1-5 - Salaries of Teachers	11-120-100-101	3,985,223	-	36,566	(199,151)	3,822,638	3,809,188	13,450	17,227
Grades 1-5 - Salaries of Teachers	18-120-100-101	92,166	-	-	-	92,166	92,166	-	-
Grades 6-8 - Salaries of Teachers	11-130-100-101	2,705,826	-	31,076	(81,641)	2,655,261	2,644,662	10,599	8,492
Grades 6-8 - Salaries of Teachers	18-130-100-101	71,041	-	-	-	71,041	71,041	-	-
Grades 9-12 - Salaries of Teachers	11-140-100-101	4,104,862	-	283,796	(606)	4,388,052	4,384,651	3,401	3,781
Grades 9-12 - Salaries of Teachers	18-140-100-101	8,507	-	-	-	8,507	8,507	-	-
Regular Programs - Home Instruction:									
Salaries of Teachers	11-150-100-101	53,600	-	3,621	-	57,221	39,470	17,751	14,290
Regular Programs - Undistributed Instruction:									
Other Salaries for Instruction	11-190-100-106	73,208	-	2,336	(33,010)	42,534	23,654	18,880	3,783
Purchased Technical Services	11-190-100-340	68,576	-	-	(8,010)	60,566	43,357	17,209	-
Other Purchased Services	11-190-100-500	262,559	-	4,236	-	266,795	238,651	28,144	4,321
General Supplies	11-190-100-610	324,980	-	19,448	17,017	361,445	315,159	46,286	41,780
Textbooks	11-190-100-640	42,845	-	222,335	19,840	285,020	248,892	36,128	7,931
Other Objects	11-190-100-800	800	-	-	-	800	350	450	-
Total Regular Programs		\$ 12,716,849	\$ -	\$ 605,760	\$ (224,655)	\$ 13,097,954	\$ 12,903,154	\$ 194,800	\$ 102,750
Special Education - Learning and/or Language Disabilities:									
Salaries of Teachers	11-204-100-101	\$ 931,918	\$ -	\$ 4,377	\$ 44,533	\$ 980,828	\$ 977,564	\$ 3,264	\$ 3,263
Other Salaries for Instruction	11-204-100-106	191,406	-	2,103	(9,903)	183,606	162,294	21,312	5,200
General Supplies	11-204-100-610	21,400	-	465	1,000	22,865	10,444	12,421	2,714
Textbooks	11-204-100-640	2,740	-	-	500	3,240	2,266	974	216
		\$ 1,147,464	\$ -	\$ 6,945	\$ 36,130	\$ 1,190,539	\$ 1,152,568	\$ 37,971	\$ 11,393
Special Education - Resource Room/Resource Center:									
Salaries of Teachers	11-213-100-101	\$ 1,213,710	\$ -	\$ 1,672	\$ (98,098)	\$ 1,117,284	\$ 1,112,571	\$ 4,713	\$ 2,710
Other Salaries for Instruction	11-213-100-106	75,604	-	366	66,020	141,990	136,522	5,468	3,416
Other Purchased Services	11-213-100-500	1,464	-	114	12	1,590	1,467	123	123
General Supplies	11-213-100-610	8,000	-	620	(1,000)	7,620	4,279	3,341	1,028
Textbooks	11-213-100-640	8,600	-	-	(500)	8,100	5,589	2,511	-
		\$ 1,307,378	\$ -	\$ 2,772	\$ (33,566)	\$ 1,276,584	\$ 1,260,428	\$ 16,156	\$ 7,277

LODI SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 Fiscal Year Ended June 30, 2012

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	\$ 45,658	\$ -	\$ 5,182	\$ 10,500	\$ 61,340	\$ 52,502	\$ 8,838	\$ 3,300
Total Special Education		\$ 2,500,500	\$ -	\$ 14,899	\$ 13,064	\$ 2,528,463	\$ 2,465,498	\$ 62,965	\$ 21,970
Basic Skills/Remedial:									
Salaries of Teachers	11-230-100-101	\$ 936,973	\$ -	\$ -	\$ (26,599)	\$ 910,374	\$ 753,025	\$ 157,349	\$ -
General Supplies	11-230-100-610	6,050	-	-	-	6,050	128	5,922	-
Textbooks	11-230-100-640	2,000	-	-	-	2,000	-	2,000	-
		\$ 945,023	\$ -	\$ -	\$ (26,599)	\$ 918,424	\$ 753,153	\$ 165,271	\$ -
Bilingual Education:									
Salaries of Teachers	11-240-100-101	\$ 517,170	\$ -	\$ -	\$ -	\$ 517,170	\$ 512,122	\$ 5,048	\$ -
Other Purchased Services	11-240-100-500	200	-	-	-	200	-	200	-
General Supplies	11-240-100-610	2,500	-	-	(301)	2,199	860	1,339	176
Textbooks	11-240-100-640	300	-	-	301	601	601	-	-
Other Objects	11-240-100-800	850	-	-	-	850	850	-	-
		\$ 521,020	\$ -	\$ -	\$ -	\$ 521,020	\$ 514,433	\$ 6,587	\$ 176
School Sponsored Cocurricular Activities:									
Salaries	11-401-100-100	\$ 139,678	\$ -	\$ 22,242	\$ (20,000)	\$ 141,920	\$ 122,493	\$ 19,427	\$ 13,305
Purchased Services	11-401-100-500	600	-	192	-	792	191	601	-
Supplies and Materials	11-401-100-600	4,425	-	-	-	4,425	2,122	2,303	-
Other Objects	11-401-100-800	965	-	-	-	965	950	15	-
		\$ 145,668	\$ -	\$ 22,434	\$ (20,000)	\$ 148,102	\$ 125,756	\$ 22,346	\$ 13,305
School Sponsored Athletics:									
Salaries	11-402-100-100	\$ 246,155	\$ -	\$ 3,486	\$ (240)	\$ 249,401	\$ 221,087	\$ 28,314	\$ 25,068
Purchased Services	11-402-100-500	8,605	-	-	-	8,605	1,207	7,398	-
Supplies and Materials	11-402-100-600	55,950	-	-	1,032	56,982	53,077	3,905	3,400
Other Objects	11-402-100-800	6,550	-	-	-	6,550	5,050	1,500	-
From (To) Trust and Agency Funds	11-4XX-100-930	51,600	-	-	(19,208)	32,392	66,322	(33,930)	-
		\$ 368,860	\$ -	\$ 3,486	\$ (18,416)	\$ 353,930	\$ 346,743	\$ 7,187	\$ 28,468
Community Service Programs:									
Supplies and Materials	11-800-330-600	\$ 7,500	\$ -	\$ -	\$ -	\$ 7,500	\$ -	\$ 7,500	\$ -
Total Instruction		\$ 17,205,420	\$ -	\$ 646,579	\$ (276,606)	\$ 17,575,393	\$ 17,108,737	\$ 466,656	\$ 166,670

LODI SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 Fiscal Year Ended June 30, 2012

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	\$ -	\$ -	\$ 1,007	\$ 23,274	\$ 24,281	\$ 14,445	\$ 9,836	\$ 9,836
Tuition to Other LEAs Within the State - Special	11-000-100-562	5,200,754	-	2,079	(46,339)	5,156,494	5,145,263	11,231	-
Tuition to County Vocational School District - Regular	11-000-100-563	673,465	-	-	(55,270)	618,195	603,378	14,817	-
Tuition to County Vocational School District - Special	11-000-100-564	1,148,400	-	-	(182,692)	965,708	913,500	52,208	-
Tuition to CSSD & Regional Day Schools	11-000-100-565	2,179,925	-	-	(390,150)	1,789,775	1,782,087	7,688	-
Tuition to Private Schools for the Handicapped - Within State	11-000-100-566	1,155,556	-	-	7,624	1,163,180	1,075,918	87,262	-
Tuition to State Facilities	11-000-100-568	53,521	-	-	-	53,521	53,521	-	-
Tuition - Other	11-000-100-569	-	-	-	78,000	78,000	78,000	-	-
		<u>\$ 10,411,621</u>	<u>\$ -</u>	<u>\$ 3,086</u>	<u>\$ (565,553)</u>	<u>\$ 9,849,154</u>	<u>\$ 9,666,112</u>	<u>\$ 183,042</u>	<u>\$ 9,836</u>
Attendance and Social Work:									
Salaries	11-000-211-100	\$ 71,848	\$ -	\$ -	\$ -	\$ 71,848	\$ 71,848	\$ -	\$ -
Other Purchased Services	11-000-211-500	1,600	-	-	-	1,600	1,600	-	-
		<u>\$ 73,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,448</u>	<u>\$ 73,448</u>	<u>\$ -</u>	<u>\$ -</u>
Health Services:									
Salaries	11-000-213-100	\$ 456,034	\$ -	\$ 6,936	\$ (95,156)	\$ 367,814	\$ 362,420	\$ 5,394	\$ 4,480
Salaries	18-000-213-100	85,060	-	-	-	85,060	85,060	-	-
Purchased Professional and Technical Services	11-000-213-300	15,065	-	4,500	59,500	79,065	73,799	5,266	1,505
Supplies and Materials	11-000-213-600	15,187	-	58	1,000	16,245	14,568	1,677	937
		<u>\$ 571,346</u>	<u>\$ -</u>	<u>\$ 11,494</u>	<u>\$ (34,656)</u>	<u>\$ 548,184</u>	<u>\$ 535,847</u>	<u>\$ 12,337</u>	<u>\$ 6,922</u>
Other Support Services Students - Related Services:									
Salaries	11-000-216-100	\$ 286,734	\$ -	\$ 2,423	\$ (796)	\$ 288,361	\$ 282,985	\$ 5,376	\$ 2,030
Purchased Professional - Educational Services	11-000-216-320	250,600	-	16,825	23,442	290,867	217,054	73,813	68,042
Supplies and Materials	11-000-216-600	2,000	-	-	20	2,020	2,014	6	-
		<u>\$ 539,334</u>	<u>\$ -</u>	<u>\$ 19,248</u>	<u>\$ 22,666</u>	<u>\$ 581,248</u>	<u>\$ 502,053</u>	<u>\$ 79,195</u>	<u>\$ 70,072</u>
Other Support Services Students - Extraordinary Services:									
Salaries	11-000-217-100	\$ 151,112	\$ -	\$ 15,536	\$ (22,505)	\$ 144,143	\$ 114,513	\$ 29,630	\$ 27,782
Purchased Professional - Educational Services	11-000-217-320	360,000	-	24,594	49,500	434,094	394,839	39,255	31,624
		<u>\$ 511,112</u>	<u>\$ -</u>	<u>\$ 40,130</u>	<u>\$ 26,995</u>	<u>\$ 578,237</u>	<u>\$ 509,352</u>	<u>\$ 68,885</u>	<u>\$ 59,406</u>
Other Support Services Students - Regular:									
Salaries of Other Professional Staff	11-000-218-104	\$ 856,890	\$ -	\$ -	\$ -	\$ 856,890	\$ 856,890	\$ -	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-218-105	63,607	-	-	200	63,807	63,607	200	-
Purchased Professional - Educational Services	11-000-218-320	400	-	-	-	400	-	400	-
Purchased Professional and Technical Services	11-000-218-390	78,200	-	9,635	1,440	89,275	73,801	15,474	2,212
Supplies and Materials	11-000-218-600	42,400	-	2,415	-	44,815	33,261	11,554	3,429
		<u>\$ 1,041,497</u>	<u>\$ -</u>	<u>\$ 12,050</u>	<u>\$ 1,640</u>	<u>\$ 1,055,187</u>	<u>\$ 1,027,559</u>	<u>\$ 27,628</u>	<u>\$ 5,641</u>

LODI SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 Fiscal Year Ended June 30, 2012

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	\$ 721,995	\$ -	\$ -	\$ (28,440)	\$ 693,555	\$ 688,216	\$ 5,339	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-219-105	110,738	-	-	-	110,738	110,738	-	-
Other Salaries	11-000-219-110	3,520	-	755	(40)	4,235	-	4,235	-
Purchased Professional - Educational Services	11-000-219-320	52,000	-	5,461	42,300	99,761	88,288	11,473	9,934
Purchased Professional and Technical Services	11-000-219-390	29,600	-	2,800	(4,000)	28,400	22,935	5,465	4,400
Miscellaneous Purchased Services	11-000-219-592	3,107	-	607	537	4,251	3,643	608	304
Supplies and Materials	11-000-219-600	7,200	-	1,105	40	8,345	6,524	1,821	855
		<u>\$ 928,160</u>	<u>\$ -</u>	<u>\$ 10,728</u>	<u>\$ 10,397</u>	<u>\$ 949,285</u>	<u>\$ 920,344</u>	<u>\$ 28,941</u>	<u>\$ 15,493</u>
Improvement of Instruction Services - Other Support Services:									
Salaries of Supervisor of Instruction	11-000-221-102	\$ 251,430	\$ -	\$ -	\$ -	\$ 251,430	\$ 251,105	\$ 325	\$ -
Purchased Professional - Educational Services	11-000-221-320	17,700	-	-	3,072	20,772	20,772	-	-
Supplies and Materials	11-000-221-600	8,000	-	-	170	8,170	8,170	-	-
		<u>\$ 277,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,242</u>	<u>\$ 280,372</u>	<u>\$ 280,047</u>	<u>\$ 325</u>	<u>\$ -</u>
Educational Media Services/School Library:									
Salaries	11-000-222-100	\$ 516,060	\$ -	\$ -	\$ 23,592	\$ 539,652	\$ 539,652	\$ -	\$ -
Other Purchased Services	11-000-222-500	14,187	-	232	(105)	14,314	13,856	458	224
Supplies and Materials	11-000-222-600	115,710	-	5,148	(5,000)	115,858	113,087	2,771	1,435
Other Objects	11-000-222-800	10,125	-	-	(337)	9,788	9,788	-	-
		<u>\$ 656,082</u>	<u>\$ -</u>	<u>\$ 5,380</u>	<u>\$ 18,150</u>	<u>\$ 679,612</u>	<u>\$ 676,383</u>	<u>\$ 3,229</u>	<u>\$ 1,659</u>
Instructional Staff Training Services:									
Other Purchased Services	11-000-223-500	\$ 17,000	\$ -	\$ -	\$ -	\$ 17,000	\$ 9,640	\$ 7,360	\$ -
Supplies and Materials	11-000-223-600	1,700	-	-	-	1,700	963	737	-
		<u>\$ 18,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,700</u>	<u>\$ 10,603</u>	<u>\$ 8,097</u>	<u>\$ -</u>

LODI SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 Fiscal Year Ended June 30, 2012

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	\$ 432,904	\$ -	\$ 2,422	\$ -	\$ 435,326	\$ 431,666	\$ 3,660	\$ 2,220
Legal Services	11-000-230-331	20,000	-	-	3,650	23,650	23,612	38	-
Audit Fees	11-000-230-332	41,020	-	-	-	41,020	40,758	262	-
Other Purchased Professional Services	11-000-230-339	2,395	-	-	-	2,395	2,395	-	-
Communications/Telephone	11-000-230-530	102,425	-	1,558	(4,366)	99,617	94,109	5,508	3,854
BOE Other Purchased Services	11-000-230-585	5,975	-	-	-	5,975	-	5,975	-
Other Purchased Services	11-000-230-590	100,913	-	-	113,827	214,740	206,420	8,320	14,425
General Supplies	11-000-230-610	12,500	-	6,107	(550)	18,057	6,682	11,375	430
Judgments Against The School District	11-000-230-820	-	-	-	850	850	850	-	-
Miscellaneous Expenditures	11-000-230-890	4,315	-	44	100	4,459	4,356	103	95
BOE Membership Dues and Fees	11-000-230-895	22,000	-	-	-	22,000	20,609	1,391	-
		\$ 744,447	\$ -	\$ 10,131	\$ 113,511	\$ 868,089	\$ 831,457	\$ 36,632	\$ 21,024
Support Services - School Administration:									
Salaries of Principals/Assistant Principals	11-000-240-103	\$ 1,208,602	\$ -	\$ -	\$ 16,162	\$ 1,224,764	\$ 1,224,763	\$ 1	\$ -
Salaries of Other Professional Staff	11-000-240-104	388,168	-	-	(150)	388,018	386,089	1,929	-
Salaries of Secretarial and Clerical Assistants	11-000-240-105	592,531	-	8,372	(5,500)	595,403	566,707	28,696	20,779
Other Purchased Services	11-000-240-500	13,619	-	309	(303)	13,625	4,833	8,792	366
Supplies and Materials	11-000-240-600	65,810	-	5,786	12,891	84,487	81,257	3,230	3,046
Other Objects	11-000-240-800	5,810	-	1,145	583	7,538	4,728	2,810	2,670
		\$ 2,274,540	\$ -	\$ 15,612	\$ 23,683	\$ 2,313,835	\$ 2,268,377	\$ 45,458	\$ 26,861
Central Services:									
Salaries	11-000-251-100	\$ 404,696	\$ -	\$ 8	\$ 3,606	\$ 408,310	\$ 406,728	\$ 1,582	\$ 1,522
Purchased Professional Services	11-000-251-330	28,338	-	8,082	9,819	46,239	44,817	1,422	1,018
Miscellaneous Purchased Services	11-000-251-592	22,611	-	262	(1,735)	21,138	19,696	1,442	1,024
Supplies and Materials	11-000-251-600	13,000	-	710	3,436	17,146	15,226	1,920	1,812
Other Objects	11-000-251-890	4,275	-	-	2,411	6,686	6,530	156	-
		\$ 472,920	\$ -	\$ 9,062	\$ 17,537	\$ 499,519	\$ 492,997	\$ 6,522	\$ 5,376
Administrative Information Technology:									
Salaries	11-000-252-100	\$ 180,509	\$ -	\$ -	\$ -	\$ 180,509	\$ 180,509	\$ -	\$ -
Other Purchased Services	11-000-252-500	3,800	-	-	-	3,800	3,800	-	-
Supplies and Materials	11-000-252-600	500	-	-	-	500	489	11	-
		\$ 184,809	\$ -	\$ -	\$ -	\$ 184,809	\$ 184,798	\$ 11	\$ -

LODI SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 Fiscal Year Ended June 30, 2012

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	\$ 210,614	\$ -	\$ 1,108	\$ (1,000)	\$ 210,722	\$ 205,420	\$ 5,302	\$ 4,523
Cleaning, Repair and Maintenance Services	11-000-261-420	675,796	-	533,232	235,140	1,444,168	1,286,524	157,644	94,489
General Supplies	11-000-261-610	35,000	-	458	15,150	50,608	42,773	7,835	1,920
		<u>\$ 921,410</u>	<u>\$ -</u>	<u>\$ 534,798</u>	<u>\$ 249,290</u>	<u>\$ 1,705,498</u>	<u>\$ 1,534,717</u>	<u>\$ 170,781</u>	<u>\$ 100,932</u>
Other Operations and Maintenance of Plant Services:									
Salaries	11-000-262-100	\$ 1,352,061	\$ -	\$ 36,605	\$ (69,589)	\$ 1,319,077	\$ 1,266,890	\$ 52,187	\$ 51,729
Salaries	18-000-262-100	38,756	-	-	-	38,756	38,756	-	-
Purchased Professional and Technical Services	11-000-262-300	26,076	-	2,400	12,600	41,076	37,001	4,075	4,020
Cleaning, Repair and Maintenance Services	11-000-262-420	86,721	-	10,316	11,957	108,994	95,663	13,331	5,348
Rental of Land & Building	11-000-262-441	-	-	-	100,000	100,000	100,000	-	-
Other Purchased Property Services	11-000-262-490	20,000	-	1,634	2,850	24,484	24,480	4	-
Insurance	11-000-262-520	190,271	-	-	(16,347)	173,924	172,978	946	-
Miscellaneous Purchased Services	11-000-262-590	4,175	-	-	1,050	5,225	5,200	25	-
General Supplies	11-000-262-610	110,300	-	1,440	(11,700)	100,040	86,365	13,675	862
Energy (Natural Gas)	11-000-262-621	400,000	-	59,930	(183,990)	275,940	203,558	72,382	664
Energy (Electricity)	11-000-262-622	500,000	-	67,909	(60,077)	507,832	467,993	39,839	2,000
Energy (Gasoline)	11-000-262-626	5,000	-	1,743	-	6,743	-	6,743	-
Other Objects	11-000-262-800	2,540	-	-	-	2,540	2,538	2	-
		<u>\$ 2,735,900</u>	<u>\$ -</u>	<u>\$ 181,977</u>	<u>\$ (213,246)</u>	<u>\$ 2,704,631</u>	<u>\$ 2,501,422</u>	<u>\$ 203,209</u>	<u>\$ 64,623</u>
Care and Upkeep of Grounds:									
General Supplies	11-000-263-610	\$ 17,750	\$ -	\$ 303	\$ (8,600)	9,453	6,618	2,835	-
Security:									
Purchased Professional and Technical Services	11-000-266-300	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Student Transportation Services:									
Contracted Services (Between Home and School) - Vendors	11-000-270-511	\$ -	\$ -	\$ -	\$ 5,018	\$ 5,018	\$ 5,017	\$ 1	\$ -
Contracted Services (Other Between Home and School) - V	11-000-270-512	69,901	-	713	12,700	83,314	77,999	5,315	3,722
Contracted Services (Between Home and School) - Joint Ag	11-000-270-513	112,393	-	14,015	27,415	153,823	137,781	16,042	15,788
Contracted Services (Special Education) - Vendors	11-000-270-514	1,500	-	-	-	1,500	-	1,500	-
Contracted Services (Special Education) - Joint Agreements	11-000-270-515	1,975,670	-	207,142	(256,533)	1,926,279	1,474,325	451,954	140,123
		<u>\$ 2,159,464</u>	<u>\$ -</u>	<u>\$ 221,870</u>	<u>\$ (211,400)</u>	<u>\$ 2,169,934</u>	<u>\$ 1,695,122</u>	<u>\$ 474,812</u>	<u>\$ 159,633</u>

LODI SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 Fiscal Year Ended June 30, 2012

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	\$ 366,290	\$ -	\$ 3,600	\$ 120,000	\$ 489,890	\$ 427,538	\$ 62,352	\$ 62,353
Other Retirement Contributions - PERS	11-000-291-241	411,439	-	-	(10,000)	401,439	368,962	32,477	-
Unemployment Compensation	11-000-291-250	66,492	-	4,662	15,000	86,154	81,201	4,953	4,953
Workmen's Compensation	11-000-291-260	141,276	-	-	2,633	143,909	143,909	-	-
Health Benefits	11-000-291-270	8,057,236	-	-	(248,511)	7,808,725	7,489,377	319,348	35,094
Health Benefits	18-000-291-270	-	-	-	-	-	107,344	(107,344)	51,481
Tuition Reimbursement	11-000-291-280	15,000	-	10,600	(2,633)	22,967	8,340	14,627	7,620
Other Employee Benefits	11-000-291-290	351,831	-	534,784	410,000	1,296,615	873,709	422,906	396,934
		<u>\$ 9,409,564</u>	<u>\$ -</u>	<u>\$ 553,646</u>	<u>\$ 286,489</u>	<u>\$ 10,249,699</u>	<u>\$ 9,500,380</u>	<u>\$ 749,319</u>	<u>\$ 558,435</u>
TPAF Pension (On-Behalf - Non-Budgeted)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,859,612	\$ (1,859,612)	\$ -
TPAF Social Security (Reimbursed - Non-Budgeted)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,519,469	\$ (1,519,469)	\$ -
Total Undistributed Expenditures		<u>\$ 33,949,234</u>	<u>\$ -</u>	<u>\$ 1,629,515</u>	<u>\$ (259,855)</u>	<u>\$ 35,318,894</u>	<u>\$ 36,596,717</u>	<u>\$ (1,277,823)</u>	<u>\$ 1,105,913</u>
Total Expenditures - Current Expense		<u>\$ 51,154,654</u>	<u>\$ -</u>	<u>\$ 2,276,094</u>	<u>\$ (536,461)</u>	<u>\$ 52,894,287</u>	<u>\$ 53,705,454</u>	<u>\$ (811,167)</u>	<u>\$ 1,272,583</u>

LODI SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 Fiscal Year Ended June 30, 2012

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	10-604	\$ 5	\$ -	\$ -	\$ 5	\$ -	\$ 5	\$ -
Equipment:								
Undistributed Expenditures - General Administration	12-000-230-730	\$ -	\$ -	\$ -	\$ 16,240	\$ 16,240	\$ -	\$ -
Equipment Operations ITIN.	12-000-260-730	-	-	-	4,200	4,200	4,200	-
		\$ -	\$ -	\$ -	\$ 20,440	\$ 20,440	\$ 4,200	\$ -
Facilities Acquisition and Construction Services:								
Construction Services	12-000-400-450	\$ -	\$ -	\$ -	\$ 440,470	\$ 371,925	\$ 68,545	\$ 485,776
Other Purchased Professional & Technical Services	12-000-400-390	-	-	-	39,203	60,052	(20,849)	15,894
Other Objects	12-000-400-800	13,443	-	-	-	13,443	-	-
		\$ 13,443	\$ -	\$ -	\$ 479,673	\$ 445,420	\$ 47,696	\$ 501,670
Total Capital Outlay		\$ 13,448	\$ -	\$ -	\$ 500,113	\$ 461,660	\$ 51,901	\$ 501,670
<u>Charter Schools</u>								
Transfer of Funds to Charter Schools	10-000-100-56X	\$ 1,276,719	\$ -	\$ -	\$ 36,348	\$ 1,313,067	\$ -	\$ -

LODI SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 Fiscal Year Ended June 30, 2012

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	\$ 52,444,821	\$ -	\$ 2,276,094	\$ -	\$ 54,720,915	\$ 55,480,181	\$ (759,266)	\$ 1,774,253
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,370,108)	\$ -	\$ (2,276,094)	\$ -	\$ (3,646,202)	\$ (468,418)	\$ 3,177,784	
Other Financing Sources (Uses):								
Operating Transfers:								
Capital Outlay - Transfer to Capital Projects Fund 12-000-400-931	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Expenditures and Other Financing Uses	\$ (1,370,108)	\$ -	\$ (2,276,094)	\$ -	\$ (3,646,202)	\$ (468,418)	\$ 3,177,784	
Fund Balances, July 1	7,148,848	-	-	-	7,148,848	7,148,848	-	
Fund Balances, June 30	\$ 5,778,740	\$ -	\$ (2,276,094)	\$ -	\$ 3,502,646	\$ 6,680,430	\$ 3,177,784	
<i>Recapitulation of Excess (Deficiency) of Revenues Under Expenditures:</i>								
Adjustment for Prior Year Encumbrances	\$ -	\$ -	\$ (2,276,094)	\$ -	\$ (2,276,094)	\$ (2,276,094)	\$ -	
Budgeted Fund Balance - Original	(1,370,108)	-	-	-	(1,370,108)	(1,370,108)	-	
Results of Operations	-	-	-	-	-	3,177,784	3,177,784	
Budgeted Withdrawal From Capital Reserve	-	-	-	-	-	-	-	
	\$ (1,370,108)	\$ -	\$ (2,276,094)	\$ -	\$ (3,646,202)	\$ (468,418)	\$ 3,177,784	
Recapitulation of Fund Balance (Budgetary Basis):								
Capital Reserve						708,322		
Emergency Reserve						400,618		
Reserve for Encumbrances						1,774,253		
Reserved Fund Balance - Excess Surplus from FY2012						580,428		
Reserved Fund Balance - Excess Surplus from FY2011						1,590,260		
Designated for Subsequent Year's Expenditures						504,442		
Unreserved - Undesignated						1,122,107		
						6,680,430		
Reconciliation to Governmental Funds Statements (GAAP):								
Last State Aid Payment(s) not recognized on GAAP basis						(1,225,950)		
Fund Balance per Governmental Funds (GAAP) (Exhibit B-1)						5,454,480		

LODI SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 Fiscal Year Ended June 30, 2012

	Original Budget	Modifications	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)
<b>REVENUES</b>					
Local Sources	\$ 65,079	\$ -	\$ 65,079	\$ 65,079	\$ -
State Sources	606,138	-	606,138	606,138	-
Federal Sources	1,570,021	-	1,570,021	1,570,021	-
<b>Total Revenues</b>	<b>\$ 2,241,238</b>	<b>\$ -</b>	<b>\$ 2,241,238</b>	<b>\$ 2,241,238</b>	<b>\$ -</b>
<b>EXPENDITURES</b>					
Instruction:					
Salaries of Teachers	100-100 \$ 881,176	\$ -	\$ 881,176	\$ 881,176	\$ -
Other Salaries for Instruction	100-106 85,531	-	85,531	85,531	-
Purchased Professional & Technical Services	100-300 7,544	-	7,544	7,544	-
Other Purchased Services	100-500 -	-	-	-	-
Contract to Charter	100-560 37,190	-	37,190	37,190	-
Tuition	100-562 805,128	-	805,128	805,128	-
General Supplies	100-610 71,781	-	71,781	71,781	-
Textbooks	100-640 7,576	-	7,576	7,576	-
Other Objects	100-800 -	-	-	-	-
<b>Total Instruction</b>	<b>\$ 1,895,926</b>	<b>\$ -</b>	<b>\$ 1,895,926</b>	<b>\$ 1,895,926</b>	<b>\$ -</b>
Support Services:					
Salaries of Program Directors	200-100 \$ 1,775	\$ -	\$ 1,775	\$ 1,775	\$ -
Salaries of Other Professional Staff	200-110 15,225	-	15,225	15,225	-
Personal Services - Employee Benefits	200-200 236,433	-	236,433	236,433	-
Purchased Professional & Technical Services	200-300 85,345	-	85,345	85,345	-
Purchased Professional - Educational Services	200-329 -	-	-	-	-
Purchased Property Services	200-400 6,534	-	6,534	6,534	-
Other Purchased Services	200-500 -	-	-	-	-
Travel	200-580 -	-	-	-	-
Supplies and Materials	200-600 -	-	-	-	-
Other Objects	200-890 -	-	-	-	-
Indirect Costs	200-860 -	-	-	-	-
<b>Total Support Services</b>	<b>\$ 345,312</b>	<b>\$ -</b>	<b>\$ 345,312</b>	<b>\$ 345,312</b>	<b>\$ -</b>
Facilities Acquisition and Construction Services:					
Buildings	400-720 \$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	400-731 -	-	-	-	-
Non-Instructional Equipment	400-732 -	-	-	-	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenditures</b>	<b>\$ 2,241,238</b>	<b>\$ -</b>	<b>\$ 2,241,238</b>	<b>\$ 2,241,238</b>	<b>\$ -</b>

LODI SCHOOL DISTRICT  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE  
 Fiscal Year Ended June 30, 2012

**Note 1 Explanation of Differences between Budgetary Inflows and Outflows and  
 GAAP Revenues and Expenditures**

	General Fund	Special Revenue Fund
	<u>          </u>	<u>          </u>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1)/(E-1)	\$ 55,011,763	\$ 2,241,238
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	4,232
State aid payment recognized for GAAP purposes, not recognized for budgetary statements	1,026,848	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(1,225,950)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 54,812,661</u>	<u>\$ 2,245,470</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 55,480,181	\$ 2,241,238
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.	-	4,232
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 55,480,181</u>	<u>\$ 2,245,470</u>

SECTION "D" - SCHOOL LEVEL SCHEDULES

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

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Not Applicable

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

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Not Applicable

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

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Not Applicable

SECTION "E" - SPECIAL REVENUE FUND

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

	231	270	241	290	250	251	361	218	501
	Title I	Title II - Part A	Title III	Distinguished Title I	I.D.E.A. Basic	I.D.E.A. Preschool	Carl D. Perkins Grant	Preschool Education Aid	N.J. Non-Public Textbook Aid
<b>REVENUES</b>									
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-	-	58,545	-
Federal Sources	535,241	119,402	57,061	10,000	797,342	26,999	23,976	-	7,576
<b>Total Revenues</b>	<b>\$ 535,241</b>	<b>\$ 119,402</b>	<b>\$ 57,061</b>	<b>\$ 10,000</b>	<b>\$ 797,342</b>	<b>\$ 26,999</b>	<b>\$ 23,976</b>	<b>\$ 609,095</b>	<b>\$ 7,576</b>
<b>EXPENDITURES</b>									
<b>Instruction:</b>									
Salaries of Teachers	100-101	\$ 387,864	\$ 98,621	\$ 38,132	\$ -	\$ -	\$ -	\$ 356,559	\$ -
Other Salaries for Instruction	100-106	-	-	-	-	-	-	85,531	-
Purchased Professional & Technical Services	100-300	7,544	-	-	-	-	-	-	-
Other Purchased Services	100-500	-	-	-	-	-	-	-	-
Contract to Charter	100-560	-	-	-	-	-	-	-	-
Tuition	100-562	-	-	-	778,129	26,999	-	-	-
General Supplies	100-610	6,560	-	-	10,000	-	22,065	33,156	-
Textbooks	100-640	-	-	-	-	-	-	-	7,576
Other Objects	100-800	-	-	-	-	-	-	-	-
<b>Total Instruction</b>		<b>\$ 401,968</b>	<b>\$ 98,621</b>	<b>\$ 38,132</b>	<b>\$ 10,000</b>	<b>\$ 778,129</b>	<b>\$ 26,999</b>	<b>\$ 475,246</b>	<b>\$ 7,576</b>
<b>Support Services:</b>									
Salaries of Program Directors	200-103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,775	\$ -	\$ -
Salaries of Other Professional Staff	200-110	4,400	-	10,500	-	-	-	-	-
Personal Services - Employee Benefits	200-200	77,910	20,781	8,429	-	-	136	129,177	-
Purchased Professional & Technical Services	200-300	50,963	-	-	19,213	-	-	4,672	-
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	-	-	-	-	-	-	-	-
<b>Total Support Services</b>		<b>\$ 133,273</b>	<b>\$ 20,781</b>	<b>\$ 18,929</b>	<b>\$ -</b>	<b>\$ 19,213</b>	<b>\$ -</b>	<b>\$ 1,911</b>	<b>\$ 133,849</b>
<b>Facilities Acquisition and Construction Services:</b>									
Buildings	400-720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	400-731	-	-	-	-	-	-	-	-
Non-Instructional Equipment	400-732	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Services</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenditures</b>	<b>\$ 535,241</b>	<b>\$ 119,402</b>	<b>\$ 57,061</b>	<b>\$ 10,000</b>	<b>\$ 797,342</b>	<b>\$ 26,999</b>	<b>\$ 23,976</b>	<b>\$ 609,095</b>	<b>\$ 7,576</b>

**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			509	010	Total
	502 Compensatory Education	E.S.L.	Transportation	Home Instruction	507 Examination & Classification	508 Corrective Speech	506 Supplementary Instruction	N.J. Non-Public Nursing Services	NJEIF	
<b>REVENUES</b>										
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,534	\$ 65,079
State Sources	7,185	-	-	-	13,852	790	15,363	10,822	-	606,138
Federal Sources	-	-	-	-	-	-	-	-	-	1,570,021
<b>Total Revenues</b>	<b>\$ 7,185</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,852</b>	<b>\$ 790</b>	<b>\$ 15,363</b>	<b>\$ 10,822</b>	<b>\$ 6,534</b>	<b>\$ 2,241,238</b>
<b>EXPENDITURES</b>										
<b>Instruction:</b>										
Salaries of Teachers	100-101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 881,176
Other Salaries for Instruction	100-106	-	-	-	-	-	-	-	-	85,531
Purchased Professional & Technical Services	100-300	-	-	-	-	-	-	-	-	7,544
Other Purchased Services	100-500	-	-	-	-	-	-	-	-	-
Contract to Charter	100-560	7,185	-	-	13,852	790	15,363	-	-	37,190
Tuition	100-562	-	-	-	-	-	-	-	-	805,128
General Supplies	100-610	-	-	-	-	-	-	-	-	71,781
Textbooks	100-640	-	-	-	-	-	-	-	-	7,576
Other Objects	100-800	-	-	-	-	-	-	-	-	-
<b>Total Instruction</b>		<b>\$ 7,185</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,852</b>	<b>\$ 790</b>	<b>\$ 15,363</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,895,926</b>
<b>Support Services:</b>										
Salaries of Program Directors	200-103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,775
Salaries of Other Professional Staff	200-110	-	-	-	-	-	-	325	-	15,225
Personal Services - Employee Benefits	200-200	-	-	-	-	-	-	-	-	236,433
Purchased Professional & Technical Services	200-300	-	-	-	-	-	-	10,497	-	85,345
Purchased Professional - Educational Services	200-329	-	-	-	-	-	-	-	-	-
Purchased Property Services	200-400	-	-	-	-	-	-	-	6,534	6,534
Other Purchased Services	200-500	-	-	-	-	-	-	-	-	-
Travel	200-580	-	-	-	-	-	-	-	-	-
Supplies and Materials	200-600	-	-	-	-	-	-	-	-	-
Other Objects	200-890	-	-	-	-	-	-	-	-	-
Indirect Costs	200-860	-	-	-	-	-	-	-	-	-
<b>Total Support Services</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,822</b>	<b>\$ 6,534</b>	<b>\$ 345,312</b>
<b>Facilities Acquisition and Construction Services:</b>										
Buildings	400-720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	400-731	-	-	-	-	-	-	-	-	-
Non-Instructional Equipment	400-732	-	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Services</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenditures</b>		<b>\$ 7,185</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,852</b>	<b>\$ 790</b>	<b>\$ 15,363</b>	<b>\$ 10,822</b>	<b>\$ 6,534</b>	<b>\$ 2,241,238</b>

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

		Reconciliation to GAAP Basis		
		plus 6/30/11	(less) 6/30/12	GAAP
		encumbrances	encumbrances	Basis
<b>REVENUES</b>				
Local Sources		\$ -	\$ -	\$ 65,079
State Sources		6,259	(462)	611,935
Federal Sources		90,591	(92,156)	1,568,456
Total Revenues		<u>\$ 96,850</u>	<u>\$ (92,618)</u>	<u>\$ 2,245,470</u>
<b>EXPENDITURES</b>				
Instruction:				
Salaries of Teachers	100-101	\$ 1,150	\$ (180)	
Other Salaries for Instruction	100-106	2,098	-	
Purchased Professional & Technical Services	100-300	3,000	-	
Other Purchased Services	100-500	-	-	
Contract to Charter	100-560	3,011	-	
Tuition	100-562	-	-	
General Supplies	100-610	9,751	(36)	
Textbooks	100-640	-	(246)	
Other Objects	100-800	-	-	
Total Instruction		<u>\$ 19,010</u>	<u>\$ (462)</u>	<u>\$ 1,914,474</u>
Support Services:				
Salaries of Program Directors	200-103	\$ -	\$ -	
Salaries of Other Professional Staff	200-110	-	-	
Personal Services - Employee Benefits	200-200	76,776	(90,235)	
Purchased Professional & Technical Services	200-300	1,064	(1,921)	
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		<u>\$ 77,840</u>	<u>\$ (92,156)</u>	<u>\$ 330,996</u>
Facilities Acquisition and Construction Services:				
Buildings	400-720	\$ -	\$ -	
Instructional Equipment	400-731	-	-	
Non-Instructional Equipment	400-732	-	-	
Total Facilities Acquisition and Construction Services		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures		<u>\$ 96,850</u>	<u>\$ (92,618)</u>	<u>\$ 2,245,470</u>

**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, 2012

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F-1

Not Applicable

**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, 2012**

---

	<u>Account Number</u>		
<u>REVENUES</u>			
Additional State Building Aid - EDA Grant	30-3255	\$	-
Municipal Surplus	30-1220		-
Earnings on Investments	30-1510		-
Bond Principal	30-5110		-
Bond Premium	30-5120		-
Capital Outlay Transferred to Capital Projects			-
Capital Reserve Transferred to Capital Projects			-
Other Financing Sources			-
Total Revenues		\$	-
<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		-
Construction Services	30-000-4XX-450		-
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		-
Total Expenditures		\$	-
Excess (Deficiency) of Revenues Over (Under) Expenditures		\$	-

SECTION "G" - ENTERPRISE FUNDS

**LODI SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2012**

---

	<u>Food Service Enterprise Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 262,386
Intergovernmental Receivable:	
State	537
Federal	<u>22,531</u>
Total Current Assets	<u>\$ 285,454</u>
Non-Current Assets:	
Machinery and Equipment, (Net)	<u>\$ 180,828</u>
Total Assets	<u>\$ 466,282</u>
<u>LIABILITIES</u>	
Accounts Payable	<u>\$ 9,640</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 180,828
Unrestricted	275,814
Total Net Assets	<u><u>\$ 456,642</u></u>

**LODI SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

---

	<u>Food Service Enterprise Fund</u>
<u>OPERATING REVENUES</u>	
Charges for Services:	
Sales	\$ 548,607
<u>OPERATING EXPENSES</u>	
Other Purchased Services	\$ 1,060,012
Depreciation	33,907
Miscellaneous Expenditures	415,665
	<u>\$ 1,509,584</u>
Operating Income (Loss)	<u>\$ (960,977)</u>
<u>NON-OPERATING REVENUES</u>	
Local Sources:	
Interest Earned	\$ 28
State Sources:	
State School Lunch Program	17,922
Federal Sources:	
School Breakfast Program	56,718
National School Lunch Program	698,446
Special Milk Program	2,938
	<u>\$ 776,052</u>
Change in Net Assets	\$ (184,925)
Total Net Assets - Beginning	<u>641,567</u>
Total Net Assets - Ending	<u>\$ 456,642</u>

**LODI SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Food Service Enterprise Fund</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Receipts from Sales	\$ 548,607
Payments for Contracted Services	(1,050,372)
Payments for Miscellaneous Expenses	(371,950)
Net Cash Provided (Used) by Operating Activities	<u>\$ (873,715)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Purchase and Retirement of Capital Assets	<u>\$ (39,046)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Cash Flows from Local, State and Federal Reimbursements	<u>\$ 753,839</u>
Net Increase/(Decrease) in Cash	<u>\$ (158,922)</u>
Cash, July 1	421,308
Cash, June 30	<u><u>\$ 262,386</u></u>
	-
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:	
Operating Loss	<u>\$ (960,977)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:	
Depreciation Expense	33,907
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	14,512
Increase (Decrease) in Accounts Payable	9,640
Other	29,203
Total Adjustments	<u>87,262</u>
Net Cash Provided by (Used For) Operating Activities	<u><u>\$ (873,715)</u></u>

**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, 2012**

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	<u>Agency Funds</u>		
	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 59,102	\$ 12,499	71,601
<u>LIABILITIES</u>			
Due to Student Groups	\$ 59,102	\$ -	59,102
Payroll, Deductions and Withholdings Payable	-	12,499	12,499
Total Liabilities	<u>\$ 59,102</u>	<u>\$ 12,499</u>	<u>\$ 71,601</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, 2012**

---

Not Applicable

**LODI SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

---

	Balance July 1, 2011	Cash Receipts	Cash Disbursements	Balance June 30, 2012
Student Activity Funds:				
Wilson School	\$ 200	\$ 535	\$ 535	\$ 200
Columbus School	126	18	-	144
Washington School	804	2,685	1,767	1,722
Hilltop School	54	365	365	54
Roosevelt School	72	296	296	72
Thomas Jefferson Middle School	12,924	81,414	86,893	7,445
Lodi High School	43,669	166,978	163,355	47,292
Athletics	6,385	57,357	61,569	2,173
	<u>\$ 64,234</u>	<u>\$ 309,648</u>	<u>\$ 314,780</u>	<u>\$ 59,102</u>

LODI SCHOOL DISTRICT  
 PAYROLL AGENCY FUND  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<u>ASSETS</u>				
Cash:				
Net Payroll Account	\$ -	\$ 14,690,246	\$ 14,690,246	\$ -
Payroll Agency Account	33	28,421,910	28,409,444	12,499
	<u>\$ 33</u>	<u>\$ 43,112,156</u>	<u>\$ 43,099,690</u>	<u>\$ 12,499</u>
<u>LIABILITIES</u>				
Payroll, Deductions and Withholdings Payable	<u>\$ 33</u>	<u>\$ 43,112,156</u>	<u>\$ 43,099,690</u>	<u>\$ 12,499</u>

SECTION "I" - LONG-TERM DEBT

LODI SCHOOL DISTRICT  
 SCHEDULE OF SERIAL BONDS PAYABLE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Amount Outstanding June 30, 2011</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2012</u>
2003 Pension Refunding Bonds	3/1/2003	\$ 3,275,000	\$ 740,000	\$ -	\$ 195,000	\$ 545,000

<u>Annual Maturities</u>		
<u>Date</u>	<u>Interest Rate</u>	<u>Amount</u>
03/01/13	4.850%	\$ 205,000
03/01/14	4.900%	220,000
03/01/15	5.000%	120,000
		<u>\$ 545,000</u>

LODI SCHOOL DISTRICT  
 SCHEDULE OF CAPITAL LEASES PAYABLE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Series	Interest Rate	Amount of Original Issue	Amount Outstanding June 30, 2011	Issued Current Year	Retired Current Year	Adjustments	Amount Outstanding June 30, 2012
Renovations, Additions, Alterations to							
Various Schools	4.00-5.70%	\$ 6,600,000	\$ 4,055,000	\$ -	\$ 295,000	\$ -	\$ 3,760,000

Annual Maturities	
Year	Amount
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>\$ 3,760,000</u>

LODI SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable / (Unfavorable)
<b>REVENUES</b>						
Local Sources:						
Local Tax Levy	40-1210	\$ 655,906	\$ -	\$ 655,906	\$ 655,906	\$ -
Miscellaneous	40-1XXX	-	-	-	4	4
		<u>\$ 655,906</u>	<u>\$ -</u>	<u>\$ 655,906</u>	<u>\$ 655,910</u>	<u>\$ 4</u>
State Sources:						
Debt Service Aid Type II	40-3160	\$ 96,042	\$ -	\$ 96,042	\$ 109,485	\$ 13,443
Total Revenues		<u>\$ 751,948</u>	<u>\$ -</u>	<u>\$ 751,948</u>	<u>\$ 765,395</u>	<u>\$ 13,447</u>
<b>EXPENDITURES</b>						
Regular Debt Service						
Principal Payments - Commissioner Approved LPA	40-701-510-723	\$ 295,000	\$ -	\$ 295,000	\$ 295,000	\$ -
Interest Payments - Commissioner Approved LPA	40-701-510-833	225,977	-	225,977	225,977	-
Interest on Early Retirement Bonds	40-701-510-835	35,985	-	35,985	35,985	-
Redemption of Principal - Early Retirement Bonds	40-701-510-910	195,000	-	195,000	195,000	-
Total Expenditures		<u>\$ 751,962</u>	<u>\$ -</u>	<u>\$ 751,962</u>	<u>\$ 751,962</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures		(14)	-	(14)	13,433	13,447
Fund Balances, July 1		32	-	32	32	-
Fund Balances, June 30		<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 13,465</u>	<u>\$ 13,447</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Under Expenditures:</b>						
Budgeted Fund Balance - Original		\$ (14)	\$ -	\$ (14)	\$ (14)	\$ -
Results of Operations		-	-	-	13,447	13,447
		<u>\$ (14)</u>	<u>\$ -</u>	<u>\$ (14)</u>	<u>\$ 13,433</u>	<u>\$ 13,447</u>

LODI SCHOOL DISTRICT  
Comprehensive Annual Financial Report  
Statistical Section

**LODI SCHOOL DISTRICT**  
**Net Assets by Component**  
**(Unaudited)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Activities:					
Invested in Capital Assets, Net of Related Debt	\$28,618,260	\$26,118,850	\$28,464,158	\$29,637,205	\$30,508,317
Restricted	1,122,405	908,335	1,844,026	513,877	14,630
Unrestricted	(2,666,682)	1,158,697	(2,873,097)	(3,007,889)	(3,735,367)
Total Governmental Activities	<u>\$27,073,983</u>	<u>\$28,185,882</u>	<u>\$27,435,087</u>	<u>\$27,143,193</u>	<u>\$26,787,580</u>
Business-Type Activities:					
Invested in Capital Assets, Net of Related Debt	\$ 180,828	\$ 182,679	\$ 189,848	\$ 134,320	\$ 146,612
Restricted	-	-	-	-	-
Unrestricted	275,814	458,888	501,722	712,682	627,411
Total Business-Type Activities	<u>\$ 456,642</u>	<u>\$ 641,567</u>	<u>\$ 691,570</u>	<u>\$ 847,002</u>	<u>\$ 774,023</u>
District-Wide:					
Invested in Capital Assets, Net of Related Debt	\$28,799,088	\$26,301,529	\$28,654,006	\$29,771,525	\$30,654,929
Restricted	1,122,405	908,335	1,844,026	513,877	14,630
Unrestricted	(2,390,868)	1,617,585	(2,371,375)	(2,295,207)	(3,107,956)
Total District-Wide	<u>\$27,530,625</u>	<u>\$28,827,449</u>	<u>\$28,126,657</u>	<u>\$27,990,195</u>	<u>\$27,561,603</u>

**LODI SCHOOL DISTRICT**  
**Changes in Net Assets**  
**(Unaudited)**

	2012	2011	2010	2009	2008
<b>Expenses</b>					
Governmental Activities:					
Instruction					
Regular Programs	\$ 14,324,283	\$ 13,338,540	\$ 13,253,883	\$ 11,643,014	\$ 10,745,449
Special Education	3,289,839	3,287,555	3,847,221	2,881,295	5,053,381
Basic Skills - Remedial Instruction	753,153	716,730	752,408	588,740	628,545
Bilingual Education	514,433	499,185	475,285	539,860	531,679
School Sponsored Cocurricular Activities	125,756	117,587	164,858	165,541	141,471
School Sponsored Athletics	346,743	304,140	299,639	273,545	278,092
Other Instructional Programs	-	-	-	-	5,935
Community Service Programs/Operations	-	-	2,584	-	-
Undistributed Expenditures:					
Instruction	9,666,112	9,515,926	9,024,107	9,198,858	8,086,324
Attendance and Social Work	73,448	69,208	66,669	62,128	60,850
Health Services	535,847	538,067	552,208	532,201	544,008
Other Support Services - Students Related Services	502,053	545,551	562,509	516,255	492,258
Other Support Services - Students Extraordinary Services	509,352	455,638	404,975	352,860	301,997
Other Support Services - Students Regular	1,027,559	975,493	946,073	908,779	553,016
Other Support Services - Students Special	920,344	825,103	837,020	808,760	721,714
Improvement of Instructional Services	280,047	271,519	259,817	249,117	159,852
Educational Media Services/School Library	676,383	687,345	643,349	571,962	286,547
Instructional Staff Training Services	10,603	15,144	13,154	7,928	11,171
Support Services - General Administration	831,457	706,773	654,528	637,171	616,025
Support Services - School Administration	2,268,377	2,184,867	2,152,492	2,104,365	2,036,344
Central Services	492,997	508,947	453,531	498,762	433,591
Administrative Information Technology	184,798	199,532	177,022	170,406	162,623
Required Maintenance for School Facilities	1,534,717	1,395,635	1,020,280	1,165,856	878,744
Operation and Maintenance of Plant Services	2,501,422	2,637,217	2,596,543	2,850,967	2,825,690
Care and Upkeep of Grounds	6,618	19,500	12,088	-	-
Security	-	100,000	-	-	-
Student Transportation Services	1,695,122	2,058,984	2,148,972	1,794,386	1,722,660
Allocated and Unallocated Employee Benefits	9,372,171	7,736,773	7,837,051	6,571,661	5,796,119
TPAF Pension	1,859,612	1,293,180	1,284,268	1,268,110	2,809,547
TPAF Social Security	1,519,469	1,471,994	1,535,231	552,399	1,440,856
Sub-Total	55,822,715	52,476,133	51,977,765	46,914,926	47,324,488
Capital Outlay	1,537,681	1,419,886	1,583,169	1,654,454	1,773,175
Charter Schools	1,313,067	994,608	-	-	-
Debt Service	261,962	293,710	323,084	349,132	373,996
<b>Total Governmental Activities Expenses</b>	<b>\$ 58,935,425</b>	<b>\$ 55,184,337</b>	<b>\$ 53,884,018</b>	<b>\$ 48,918,512</b>	<b>\$ 49,471,659</b>
Business-Type Activities:					
Food Service	\$ 1,509,584	\$ 1,417,767	\$ 1,532,889	\$ 1,224,747	\$ 1,187,309
<b>Total District Expenses</b>	<b>\$ 60,445,009</b>	<b>\$ 56,602,104</b>	<b>\$ 55,416,907</b>	<b>\$ 50,143,259</b>	<b>\$ 50,658,968</b>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services	\$ 21,549	\$ -	\$ 20,644	\$ 12,707	\$ -
Operating Grants and Contributions	8,615,101	7,450,173	7,130,171	6,088,796	11,694,112
Capital Grants and Contributions	-	145,780	4,497,414	-	-
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 8,636,650</b>	<b>\$ 7,595,953</b>	<b>\$ 11,648,229</b>	<b>\$ 6,101,503</b>	<b>\$ 11,694,112</b>
Business-Type Activities:					
Charges for Services	\$ 548,607	\$ 655,407	\$ 627,622	\$ 642,538	\$ 596,386
Operating Grants and Contributions	776,024	712,153	749,603	650,914	608,552
Capital Grants and Contributions	-	-	-	-	-
<b>Total business type activities program revenues</b>	<b>1,324,631</b>	<b>1,367,560</b>	<b>1,377,225</b>	<b>1,293,452</b>	<b>1,204,938</b>
<b>Total district program revenues</b>	<b>\$ 9,961,281</b>	<b>\$ 8,963,513</b>	<b>\$ 13,025,454</b>	<b>\$ 7,394,955</b>	<b>\$ 12,899,050</b>

**LODI SCHOOL DISTRICT**  
**Changes in Net Assets**  
**(Unaudited)**

	2012	2011	2010	2009	2008
<b>Net (Expense)/Revenue</b>					
Governmental Activities	\$ (50,298,775)	\$ (47,588,384)	\$ (42,235,789)	\$ (42,817,009)	\$ (37,777,547)
Business-Type Activities	(184,953)	(50,207)	(155,664)	68,705	17,629
Total District-Wide	<u>\$ (50,483,728)</u>	<u>\$ (47,638,591)</u>	<u>\$ (42,391,453)</u>	<u>\$ (42,748,304)</u>	<u>\$ (37,759,918)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Local Tax Levy	37,849,957	37,525,554	33,705,497	32,514,298	32,701,525
Unrestricted Miscellaneous Revenues	168,208	232,198	434,851	139,993	607,413
State Sources	11,168,711	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>\$ 49,186,876</u>	<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	\$ 28	\$ 204	\$ 232	\$ 4,274	\$ 12,219
Transfers	-	-	-	-	-
Total business-type activities	<u>\$ 28</u>	<u>\$ 204</u>	<u>\$ 232</u>	<u>\$ 4,274</u>	<u>\$ 12,219</u>
Total district-wide	<u>\$ 49,186,904</u>	<u>\$ 48,339,383</u>	<u>\$ 42,527,915</u>	<u>\$ 43,176,896</u>	<u>\$ 39,274,850</u>
<b>Change in Net Assets</b>					
Governmental Activities	\$ (1,111,899)	\$ 750,795	\$ 291,894	\$ 355,613	\$ 1,485,084
Business-Type Activities	(184,925)	(50,003)	(155,432)	72,979	29,848
Total District	<u>\$ (1,296,824)</u>	<u>\$ 700,792</u>	<u>\$ 136,462</u>	<u>\$ 428,592</u>	<u>\$ 1,514,932</u>
Net Assets - Beginning	28,827,449	28,126,657	27,990,195	27,561,603	26,046,671
Net Assets - Ending	<u>\$ 27,530,625</u>	<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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund					
Reserved	\$5,558,323	\$6,144,765	\$4,712,924	\$5,766,148	\$5,323,649
Unreserved	(103,843)	(22,765)	53,643	(149,515)	415,663
Total General Fund	<u>\$5,454,480</u>	<u>\$6,122,000</u>	<u>\$4,766,567</u>	<u>\$5,616,633</u>	<u>\$5,739,312</u>
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ 3	\$ -
Unreserved, reported in:					
Special Revenue Fund	-	-	-	-	-
Capital Projects Fund	-	-	1,833,117	-	880
Debt Service Fund	13,465	32	2,612	5,657	5,590
Permanent Fund	-	-	-	-	-
Total all Other Governmental	<u>\$ 13,465</u>	<u>\$ 32</u>	<u>\$1,835,729</u>	<u>\$ 5,660</u>	<u>\$ 6,470</u>
Total Governmental Funds	<u>\$5,467,945</u>	<u>\$6,122,032</u>	<u>\$6,602,296</u>	<u>\$5,622,293</u>	<u>\$5,745,782</u>

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

	2012	2011	2010	2009	2008
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 37,849,957	\$ 37,525,554	\$ 33,705,497	\$ 32,514,298	\$ 32,701,525
Tuition - Individuals	-	-	7,111	526	-
Tuition - Other LEAs	21,549	-	13,533	12,181	12,350
Interest on Capital Reserve Funds	21	4	81	57	204
Interest on Emergency Reserve Funds	619	2	-	-	-
Unrestricted Miscellaneous Revenues	233,287	232,198	434,851	139,993	595,063
Total Local Sources	\$ 38,105,433	\$ 37,757,758	\$ 34,161,073	\$ 32,667,055	\$ 33,309,142
State Sources	17,631,393	16,501,349	16,499,190	16,295,245	16,849,532
Federal Sources	2,086,700	1,727,625	4,591,473	1,420,805	1,430,831
Transfers from Operating Budget	-	-	-	-	-
Total Revenues	\$ 57,823,526	\$ 55,986,732	\$ 55,251,736	\$ 50,383,105	\$ 51,589,505
<b>EXPENDITURES</b>					
Current Expense:					
Instruction:					
Regular Programs - Instruction	\$ 14,324,283	\$ 13,338,540	\$ 13,253,883	\$ 11,643,014	\$ 10,745,449
Special Education - Instruction	3,289,839	3,287,555	3,847,221	2,881,295	5,053,381
Basic Skills - Remedial Instruction	753,153	716,730	752,408	588,740	628,545
Bilingual Education - Instruction	514,433	499,185	475,285	539,860	531,679
School Sponsored Cocurricular Activities - Instruction	125,756	117,587	164,858	165,541	141,471
School Sponsored Athletics - Instruction	346,743	304,140	299,639	273,545	278,092
Community Service Programs	-	-	2,584	-	5,935
Undistributed Expenditures:					
Instruction	9,666,112	9,515,926	9,024,107	9,198,858	8,086,324
Attendance and Social Work Services	73,448	69,208	66,669	62,128	60,850
Health Services	535,847	538,067	552,208	532,201	544,008
Other Support Services - Students Related Services	502,053	545,551	562,509	516,255	492,258
Other Support Services - Students Extraordinary Services	509,352	455,638	404,975	352,860	301,997
Other Support Services - Students - Regular	1,027,559	975,493	946,073	908,779	553,016
Other Support Services - Students - Special	920,344	825,103	837,020	808,760	721,714
Improvement of Instruction Services	280,047	271,519	259,817	249,117	159,852
Educational Media Services/School Library	676,383	687,345	643,349	571,962	286,547
Instructional Staff Training Services	10,603	15,144	13,154	7,928	11,171
Support Services - General Administration	831,457	706,773	654,528	637,171	616,025
Support Services - School Administration	2,268,377	2,184,867	2,152,492	2,104,365	2,036,344
Central Services	492,997	508,947	453,531	498,762	433,591
Administrative Information Technology	184,798	199,532	177,022	170,406	162,623
Required Maintenance for School Facilities	1,534,717	1,395,635	1,020,280	1,165,856	878,744
Operation and Maintenance of Plant Services	2,501,422	2,637,217	2,596,543	2,850,967	2,825,690
Care and Upkeep of Grounds	6,618	19,500	12,088	-	-
Security	-	100,000	-	-	-
Student Transportation Services	1,695,122	2,058,984	2,148,972	1,794,386	1,722,660
Allocated and Unallocated Employee Benefits	9,500,380	7,667,709	7,971,989	7,591,875	5,792,371
TPAF Pension	1,859,612	1,293,180	1,284,268	1,268,110	2,809,547
TPAF Social Security	1,519,469	1,471,994	1,535,231	552,399	1,440,856
	55,950,924	52,407,069	52,112,703	47,935,140	47,320,740
Capital Outlay:					
Interest Deposit to Capital Reserve	-	-	81	-	-
Equipment	16,240	34,435	19,682	21,559	66,918
Facilities Acquisition and Construction Services	445,420	2,045,574	125,440	511,783	382,277
	461,660	2,080,009	145,203	533,342	449,195
Charter Schools					
	1,313,067	994,608	-	-	-
Debt Service:					
Principal Payments - Commissioner Approved LPA	295,000	275,000	264,997	249,394	235,000
Interest Payments - Commissioner Approved LPA	225,977	241,482	256,159	269,169	282,673
Interest on Early Retirement Bonds	35,985	52,228	66,928	79,963	91,323
Bond Principal	195,000	365,000	350,000	330,000	320,000
	751,962	933,710	938,084	928,526	928,996
Total Expenditures	\$ 58,477,613	\$ 56,415,396	\$ 53,195,990	\$ 49,397,008	\$ 48,698,931
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (654,087)	\$ (428,664)	\$ 2,055,746	\$ 986,097	\$ 2,890,574
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating Transfers	-	(51,600)	(1,075,743)	(1,109,586)	(632,762)
Net Change In Fund Balances	\$ (654,087)	\$ (480,264)	\$ 980,003	\$ (123,489)	\$ 2,257,812
Fund Balances - July 1	6,122,032	6,602,296	5,622,293	5,745,782	3,487,970
Fund Balances - June 30	\$ 5,467,945	\$ 6,122,032	\$ 6,602,296	\$ 5,622,293	\$ 5,745,782

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

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<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 &amp;</u> <u>Adjustments</u>	<u>Total</u>
2012	\$ 262	\$ -	\$ -	\$ -	\$ 1,078	\$ -	\$ 166,864	\$ -	\$ 168,204
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	2011		2010		2009		2008		2007	
	# of Parcels	Value								
Net Valuations Taxable:										
Vacant Land	72	\$ 9,104,300	73	\$ 9,257,200	78	\$ 6,849,400	79	\$ 7,274,700	83	\$ 12,173,700
Residential	4442	1,415,542,300	4443	1,418,646,900	4436	1,416,454,300	4440	1,416,914,100	4426	1,410,476,800
Farm (Regular)	0	-	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-	0	-
Commercial	303	263,238,000	302	262,212,400	305	263,971,900	309	267,186,800	309	253,309,900
Industrial	112	124,065,300	112	124,511,800	114	131,949,300	114	131,949,300	115	134,837,300
Apartments	93	136,957,600	92	136,831,600	92	136,929,100	92	137,836,600	91	137,552,000
Sub-Total	5022	1,948,907,500	5022	1,951,459,900	5025	1,956,154,000	5034	1,961,161,500	5024	1,948,349,700
Personal Property		3,314,156		3,965,260		2,068,996		2,042,681		1,840,005
Net Valuations Taxable		1,952,221,656		1,955,425,160		1,958,222,996		1,963,204,181		1,950,189,705
County Equalization Adjustment		257,570,655		429,437,233		543,017,102		482,436,119		391,892,452
County Equalized Valuation		<u>\$ 2,209,792,311</u>		<u>\$ 2,384,862,393</u>		<u>\$ 2,501,240,098</u>		<u>\$ 2,445,640,300</u>		<u>\$ 2,342,082,157</u>
County Equalization Ratio		<u>88.93%</u>		<u>82.53%</u>		<u>78.78%</u>		<u>80.78%</u>		<u>83.79%</u>
Average Residential Assessment		<u>\$ 318,672</u>		<u>\$ 319,299</u>		<u>\$ 319,309</u>		<u>\$ 319,125</u>		<u>\$ 318,680</u>
Total County Equalized Valuations		<u>\$ 173,258,537,441</u>		<u>\$ 183,412,099,706</u>		<u>\$ 187,580,071,463</u>		<u>\$ 182,767,512,263</u>		<u>\$ 172,863,500,734</u>
Municipal Percentage County Equalized Valuations		<u>1.28%</u>		<u>1.30%</u>		<u>1.33%</u>		<u>1.34%</u>		<u>1.35%</u>

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

	2011	2010	2009	2008	2007
Net Valuations Taxable	\$1,952,221,656	\$1,955,425,160	\$1,958,222,996	\$1,963,204,181	\$1,950,189,705
<b><u>TAX REQUIREMENTS</u></b>					
County	\$ 4,526,722	\$ 4,538,528	\$ 4,534,510	\$ 4,264,738	\$ 4,010,583
County Open Space	55,245	59,622	250,124	244,564	234,208
Local School	37,687,755	35,615,525	33,109,897	32,600,375	32,197,863
Municipal - Local	16,826,241	17,251,268	17,291,197	17,615,984	16,842,440
Municipal - Library	732,780	-	-	-	-
Total	<u>\$ 59,828,743</u>	<u>\$ 57,464,943</u>	<u>\$ 55,185,728</u>	<u>\$ 54,725,661</u>	<u>\$ 53,285,094</u>
<b><u>TAX RATES</u></b>					
County	0.232	0.233	0.232	0.218	0.206
County Open Space	0.003	0.003	0.013	0.013	0.010
Local School	1.931	1.821	1.691	1.661	1.651
Municipal - Local	0.861	0.882	0.883	0.898	0.873
Municipal - Library	0.038	-	-	-	-
Total	<u>3.065</u>	<u>2.939</u>	<u>2.819</u>	<u>2.790</u>	<u>2.740</u>

**LODI SCHOOL DISTRICT**  
**Principal Property Taxpayers**  
**(Unaudited)**

Taxpayer		2011 Assessed Valuation	As a Percent of Total 2011 Net Valuations \$1,952,221,656
1.	Cedar Wright Gardens (8 Properties)	\$ 36,652,800	1.88%
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	0.64%
6.	Lodi Market, LLC	11,345,700	0.58%
7.	Kmart Corp. Tax Department	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)**

	SFY 2012	SFY 2011	SFY 2010	SFY 2009	SFY 2008
Total Tax Levy	<u>\$59,702,675</u>	<u>\$57,473,612</u>	<u>\$27,708,519</u>	<u>\$55,266,054</u>	<u>\$54,494,788</u>
Total Credits	<u>\$59,580,463</u>	<u>\$57,394,145</u>	<u>\$26,967,075</u>	<u>\$55,120,268</u>	<u>\$54,240,351</u>
% of Tax Levy Collected	<u>99.80%</u>	<u>99.86%</u>	<u>97.32%</u>	<u>99.74%</u>	<u>99.53%</u>
Tax Title Liens	\$ 194,485	\$ 100,572	\$ 292,868	\$ 284,219	\$ 258,175
Delinquent Taxes	30,373	16,723	685,244	2,183	2,634
Total Delinquent	<u>\$ 224,858</u>	<u>\$ 117,295</u>	<u>\$ 978,112</u>	<u>\$ 286,402</u>	<u>\$ 260,809</u>
Tax Levy	<u>\$59,702,675</u>	<u>\$57,473,612</u>	<u>\$27,708,519</u>	<u>\$55,266,054</u>	<u>\$54,494,788</u>
% of Delinquencies to Tax Levy	<u>0.38%</u>	<u>0.20%</u>	<u>3.53%</u>	<u>0.52%</u>	<u>0.48%</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					
2012	\$ 545,000	\$ 3,760,000	\$ 4,305,000	24,295	177	65,486	0.27%
2011	740,000	4,055,000	4,795,000	24,295	197	65,486	0.30%
2010	1,105,000	4,330,000	5,435,000	24,136	225	65,486	0.34%
2009	1,455,000	4,595,000	6,050,000	23,766	255	63,198	0.40%
2008	1,785,000	4,845,000	6,630,000	23,705	280	68,227	0.41%
2007	2,105,000	5,080,000	7,185,000	23,747	303	67,394	0.45%
2006	2,410,000	5,305,000	7,715,000	23,822	324	62,714	0.52%
2005	2,705,000	5,520,000	8,225,000	23,929	344	56,706	0.61%
2004	2,995,000	5,725,000	8,720,000	24,016	363	54,462	0.67%

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

	2011	2010	2009	2008	2007
Population	24,295	24,166	23,766	23,766	23,705
County Equalized Valuations	\$ 2,209,792,311	\$ 2,384,862,393	\$ 2,501,240,098	\$ 2,445,640,300	\$ 2,342,082,157
Net Debt - December 31	\$ 21,574,233	\$ 22,457,127	\$ 22,762,428	\$ 22,784,241	\$ 14,544,820
Gross Debt Per Capita	\$ 888	\$ 929	\$ 958	\$ 959	\$ 614
Ratio of Gross Debt to Equalized Valuations	0.98%	0.94%	0.91%	0.93%	0.62%

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

DIRECT DEBT

	<u>December 31, 2011</u>	<u>December 31, 2010</u>	<u>December 31, 2009</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Municipal Debt (Net)	\$ 21,574,233	\$ 22,457,127	\$ 22,762,428	\$ 22,784,241	\$ 14,544,820
Local School Debt	740,000	1,105,000	1,455,000	1,455,000	1,785,000
	<u>\$ 22,314,233</u>	<u>\$ 23,562,127</u>	<u>\$ 24,217,428</u>	<u>\$ 24,239,241</u>	<u>\$ 16,329,820</u>

OVERLAPPING DEBT

	<u>December 31, 2011</u>	<u>December 31, 2010</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>	<u>December 31, 2007</u>
(1) County Debt:					
Municipal Equalized Valuations	\$ 2,209,792,311	\$ 2,384,862,393	\$ 2,501,240,098	\$ 2,445,640,300	\$ 2,342,082,157
Total County Equalized Valuations	\$ 173,258,537,441	\$ 183,412,099,706	\$ 187,580,071,463	\$ 182,767,512,263	\$ 172,863,500,734
	1.28%	1.30%	1.33%	1.34%	1.35%
X's Outstanding County Debt	1,209,730,830	1,248,273,490	1,138,505,430	1,102,573,565	1,087,757,268
	<u>\$ 15,484,555</u>	<u>\$ 16,227,555</u>	<u>\$ 15,142,122</u>	<u>\$ 14,774,486</u>	<u>\$ 14,684,723</u>

(2) Passaic Valley Sewerage Authority Debt

Municipal Sewer Flow Charges	\$ 1,524,254	\$ 1,552,420	\$ 1,525,632	\$ 1,465,106	\$ 1,434,906
Total Flow Charges	\$ 129,883,667	\$ 129,963,014	\$ 127,525,062	\$ 125,403,855	\$ 121,388,216
	1.17%	1.19%	1.20%	1.17%	1.18%
X's Outstanding Debt	339,880,368	355,234,494	305,533,465	293,890,682	305,405,498
	<u>\$ 3,976,600</u>	<u>\$ 4,227,290</u>	<u>\$ 3,666,402</u>	<u>\$ 3,438,521</u>	<u>\$ 3,603,785</u>

**LODI SCHOOL DISTRICT**  
**Legal Debt Margin**  
**(Unaudited)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Equalized Valuation Basis	\$ 2,205,940,647	\$ 2,351,342,268	\$ 2,423,856,737	\$ 2,402,224,264	\$ 2,256,079,114
Municipal Borrowing Power:					
3 1/2% of Equalized Valuation Basis	\$ 77,207,923	\$ 82,296,979	\$ 84,834,986	\$ 84,077,849	\$ 78,962,769
Net Debt	<u>21,574,233</u>	<u>22,457,127</u>	<u>22,762,428</u>	<u>22,784,241</u>	<u>14,544,820</u>
Remaining Borrowing Power	<u>\$ 55,633,690</u>	<u>\$ 59,839,852</u>	<u>\$ 62,072,558</u>	<u>\$ 61,293,608</u>	<u>\$ 64,417,949</u>
School Borrowing Power:					
4% of Equalized Valuation Basis	\$ 88,237,626	\$ 94,053,691	\$ 96,954,269	\$ 96,088,971	\$ 90,243,165
Net School Debt	<u>740,000</u>	<u>1,105,000</u>	<u>1,455,000</u>	<u>1,455,000</u>	<u>1,785,000</u>
School Borrowing Margin Available	<u>\$ 87,497,626</u>	<u>\$ 92,948,691</u>	<u>\$ 95,499,269</u>	<u>\$ 94,633,971</u>	<u>\$ 88,458,165</u>

**LODI SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**(Unaudited)**

	2011	2010	2009	2008	2007	2006	2005
Average Labor Force Estimates by Municipality:							
Labor Force	13,392	13,407	13,492	13,284	13,104	13,107	12,937
Employment	12,050	12,042	12,150	12,536	12,535	12,476	12,336
Unemployment	1,342	1,364	1,341	749	568	630	602
Unemployment Rate	10.0%	10.2%	9.9%	5.6%	4.3%	4.8%	4.6%
Per Capital Personal Income by County	\$ 65,486	\$ 65,486	\$ 63,198	\$ 68,227	\$ 67,394	\$ 62,714	\$ 56,706

Estimates as of July 1,

Subcounty Population Estimates:							
Lodi BORO	24,295	24,136	23,766	23,705	23,747	23,822	23,929
County of Bergen	911,004	905,116	895,250	889,915	885,664	884,581	887,322

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

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Not Available

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

		<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Function/Program</u>						
Instruction:						
Regular Programs	1XX	186	208	208	230	222
Special Education	2XX	30	13	13	12	12
Basic Skills - Remedial Instruction	230	12	10	10	10	10
Bilingual Education	240	7	8	8	8	11
School Sponsored Cocurricular/Extra Curricular Activities	401	-	-	-	-	-
School Sponsored Athletics	402	-	2	2	2	2
Community Services Programs	800	-	-	-	-	-
		<u>235</u>	<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	1
Health Services	213	7	7	7	7	8
Other Support Services - Students - Related Services	216	4	-	-	-	-
Other Support Services - Students - Extraordinary Services	217	-	-	-	-	-
Other Support Services - Students - Regular	218	10	19	19	10	9
Other Support Services - Students - Special	219	9	20	20	9	8
Improvement of Instruction Services	221	2	2	2	4	4
Educational Media Services/School Library	222	6	7	7	7	4
Instructional Staff Training Services	223	-	-	-	-	-
Support Services - General Administration	230	5	6	6	6	6
Support Services - School Administration	240	23	24	24	23	23
Central Services	251	5	5	5	5	5
Administrative Information Technology	252	2	2	2	3	2
Required Maintenance for School Facilities	261	3	33	33	30	31
Operation and Maintenance of Plant Services	262	23	-	-	-	-
Student Transportation Services	270	-	-	-	-	-
Allocated and Unallocated Employee Benefits	291	-	-	-	-	-
		<u>100</u>	<u>126</u>	<u>126</u>	<u>105</u>	<u>101</u>
		<u>335</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>
2012	3,315.9	\$ 53,705,454	\$ 16,196	5.80%	235	3,315.9	1.29%	3,138.4	94.60%
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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Columbus	13.8 to 1	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
Hilltop	14.5 to 1	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
Roosevelt	13.3 to 1	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
Washington	15.8 to 1	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
Wilson	12.1 to 1	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
Thomas Jefferson Middle School	13.3 to 1	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
Lodi High School	12.8 to 1	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

**LODI SCHOOL DISTRICT**  
**School Building Information**  
**(Unaudited)**

	2012	2011	2010	2009	2008
<b><u>Elementary Schools</u></b>					
Columbus:					
Maximum Capacity	289.80	289.80	289.80	289.80	289.80
Average Daily Enrollment	259.50	254.80	263.90	250.40	246.50
Gross Square Footage	42,400	42,400	42,400	42,400	42,400
Hilltop:					
Maximum Capacity	420.00	420.00	420.00	420.00	420.00
Average Daily Enrollment	412.80	397.30	379.10	401.40	399.50
Gross Square Footage	54,340	54,340	54,340	54,340	54,340
Roosevelt:					
Maximum Capacity	142.80	142.80	142.80	142.80	142.80
Average Daily Enrollment	162.00	155.70	162.30	161.50	150.90
Gross Square Footage	18,150	18,150	18,150	18,150	18,150
Washington:					
Maximum Capacity	414.30	414.30	414.30	414.30	414.30
Average Daily Enrollment	439.90	420.40	414.10	393.80	380.60
Gross Square Footage	58,170	58,170	58,170	58,170	58,170
Wilson:					
Maximum Capacity	400.80	400.80	400.80	400.80	400.80
Average Daily Enrollment	363.60	339.80	350.70	365.60	345.00
Gross Square Footage	53,640	53,640	53,640	53,640	53,640
<b><u>Middle Schools</u></b>					
Thomas Jefferson Middle School:					
Maximum Capacity	651.10	651.10	651.10	651.10	651.10
Average Daily Enrollment	763.80	802.00	764.80	734.70	759.20
Gross Square Footage	86,700	86,700	86,700	86,700	86,700
<b><u>High Schools</u></b>					
Lodi High School:					
Maximum Capacity	836.40	836.40	836.40	836.40	836.40
Average Daily Enrollment	914.30	903.70	883.20	891.20	881.20
Gross Square Footage	139,800	139,800	139,800	139,800	139,800
<b><u>District Totals:</u></b>					
Maximum Capacity	3,155.20	3,155.20	3,155.20	3,155.20	3,155.20
Enrollment	3,315.90	3,273.70	3,218.10	3,198.60	3,162.90
Gross Square Footage	453,200	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>2012</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>
Lodi High School	\$ 620,761	\$ 395,045	\$ 333,061	\$ 448,831	\$ 322,879	\$ 258,111	\$ 181,879	\$ 166,872	\$ 216,575
Columbus School	79,873	119,666	54,186	48,607	50,159	78,268	55,283	50,738	76,516
Hilltop School	120,795	369,802	241,163	72,725	88,815	102,863	74,131	68,167	43,293
Thomas Jefferson Middle School	208,772	183,390	201,323	251,587	173,092	154,295	110,443	101,177	76,611
Lincoln School	38,681	69,773	23,570	44,429	34,187	34,288	25,137	23,327	26,649
Roosevelt School	90,670	51,485	24,464	19,775	41,781	34,288	25,140	23,030	28,083
Washington School	198,665	82,805	53,030	195,658	102,086	102,863	75,089	68,496	68,691
Wilson School	176,500	123,669	89,483	84,244	65,745	94,291	69,199	63,596	122,065
	<u>\$ 1,534,717</u>	<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>

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

28

LODI BOARD OF EDUCATION  
 8 HUNTER STREET  
 LODI, N.J. 07644

**SCHEDULE OF INSURANCE**

DATE PREPARED 8/8/2012

COVERAGE	AMOUNT / LIMIT	COMPANY	POLICY # / TERM	PREMIUM	COMMENTS
<b>PACKAGE POLICY</b>					
<u>PROPERTY COVERAGES</u>					
SPECIAL FORM R.C.		N.J. SCHOOL BOARD ASSOCIATION INSURANCE GROUP	7/1/2011 - 7/1/2012 #P901AC	\$126,412.00	DEDUCTIBLE \$5,000.00
BLANKET BUILDING & CONTENTS	\$111,590,498.00				ENVIRONMENTAL COVERAGE INCLUDED
EQUIPMENT BREAKDOWN	\$100,000,000.00				\$100,000.00 - DED: 10,000.00
EXTRA EXPENSE	\$50,000,000.00				
VALUABLE PAPERS	\$10,000,000.00				
EDP	\$1,226,138.00				DEDUCTIBLE \$1,000.00
<u>LIABILITY COVERAGES</u>					
GENERAL LIABILITY	\$16,000,000.00				
<u>CRIME</u>					
FAITHFUL PERFORMANCE.	\$100,000.00				DEDUCTIBLE \$500.00
FORGERY & ALTERATION	\$25,000.00				
MONEY & SECURITIES	\$10,000.00				
<u>AUTOMOBILE COVERAGE</u>					
LIABILITY	\$16,000,000.00				
AUTO PHYSICAL DAMAGE					DEDUCTIBLE \$1,000.00
<u>SCHOOL LEADERS ERRORS &amp; OMISSIONS</u>	\$16,000,000.00		7/1/2011 - 7/1/2012 #E01AC	\$37,487.00	DEDUCTIBLE \$5,000.00
<u>STUDENT ACCIDENT</u>	\$5,000,000.00		7/1/2011 - 7/1/2012 PAI L00490124001	\$180,607.00	
<u>BOND - J CAPIZZI</u>	\$325,000.00	FIDELITY & DEPOSIT CO	6/30/11 - 6/30/12 POB06205716	\$907.00	

NATHAN LANE AGENCY, INC.  
 545 GOFFLE ROAD  
 WYCKOFF, N.J. 07481  
 PHONE: 201-444-5700 FAX 201-444-9157

LODI SCHOOL DISTRICT

Comprehensive Annual Financial Report

Single Audit Section

**Di Maria & Di Maria LLP**  
**Accountants and Consultants**

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**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, 2012, and have issued our report thereon dated December 5, 2012. 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 Office of School Finance, 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**

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**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 Office of School Finance, 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, 2012.

***Di Maria & Di Maria LLP***

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**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, 2012

**Di Maria & Di Maria LLP**  
**Accountants and Consultants**

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

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, 2012. 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 Office of School Finance, 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**

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**Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 (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, 2012.

**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***

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**Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 (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 responses 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, 2012

LODI SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Fiscal Year Ended June 30, 2012

K-3

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	State Aid/Grant Program Titles	State Grant Number	Award Amount	Grant Period		Balance June 30, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2012	Deferred Revenue June 30, 2012	Due to Grantor at June 30, 2012		
					From	To											
<b>General Fund</b>																	
Medical Assistance Program	93.778	Special Education Medicaid Initiative	N/A	\$ 75,246	09/01/11	06/30/12	\$ -	\$ -	\$ 49,555	\$ (75,246)	\$ -	\$ -	\$ (25,691)	\$ -	\$ -		
Medical Assistance Program	93.778	Special Education Medicaid Initiative	N/A	76,282	09/01/10	06/30/11	(23,955)	-	23,955	-	-	-	-	-	-		
Education Jobs Fund	84.410	Education Jobs Fund	N/A	442,998	09/01/11	06/30/12	-	-	398,742	(442,998) *	-	-	(44,256)	-	-		
Total General Fund				\$	(23,955)	\$	-	\$	472,252	\$	(518,244)	\$	-	\$	(69,947)	\$	-
<b>Special Revenue Fund</b>																	
Title I Grants to Local Educational Agencies	84.010	Title I	NCLB 274012	231	\$ 535,241	09/01/11	08/31/12	\$ -	\$ -	\$ 383,601	\$ (535,241) *	\$ -	\$ -	\$ (151,640)	\$ -	\$ -	
Title I Grants to Local Educational Agencies	84.010	Title I	NCLB 274011	231	419,965	09/01/10	08/31/11	(197,305)	-	197,305	-	-	-	-	-		
Title I Grants to Local Educational Agencies	84.010	Title I - Distinguished School	NCLB 274012	290	10,000	09/01/11	08/31/12	-	-	10,000	(10,000)	-	-	-	-		
Improving Teacher Quality State Grants	84.367	Title II, Part A	NCLB 274012	270	119,402	09/01/11	08/31/12	-	-	101,995	(119,402)	-	-	(17,407)	-		
Improving Teacher Quality State Grants	84.367	Title II, Part A	NCLB 274011	270	127,447	09/01/10	08/31/11	(51,145)	-	51,145	-	-	-	-	-		
Improving Teacher Quality State Grants	84.367	Title II, Part D	NCLB 274011	273	939	09/01/10	08/31/11	(939)	-	939	-	-	-	-	-		
English Language Acquisition Grants	84.365	Title III	NCLB 274012	241	57,061	09/01/11	08/31/12	-	-	50,331	(57,061)	-	-	(6,730)	-		
English Language Acquisition Grants	84.365	Title III	NCLB 274011	241	59,333	09/01/10	08/31/11	(28,641)	-	28,641	-	-	-	-	-		
Special Education - Grants to States	84.027	I.D.E.A. Part B - Basic	IDEA 274012	250	797,342	09/01/11	08/31/12	-	-	793,500	(797,342) *	-	-	(3,842)	-		
Special Education - Grants to States	84.027	I.D.E.A. Part B - Basic	IDEA 274011	250	769,329	09/01/10	08/31/11	(2,129)	-	2,129	-	-	-	-	-		
Special Education - Grants to States	84.027	I.D.E.A. Part B - Preschool	IDEA 274012	251	26,999	09/01/11	08/31/12	-	-	26,999	(26,999)	-	-	-	-		
Carl D. Perkins Vocational/Technical Prep Grant	84.243A	Carl D. Perkins Grant	PERK274012	361	23,976	09/01/11	08/31/12	-	-	23,976	(23,976)	-	-	-	-		
Carl D. Perkins Vocational/Technical Prep Grant	84.243A	Carl D. Perkins Grant	PERK274011	361	19,583	09/01/10	08/31/11	(969)	-	969	-	-	-	-	-		
ARRA - Title I Part A	84.389	ARRA - Title I Part A		450	308,673	09/01/09	08/31/11	(13,804)	-	13,804	-	-	-	-	-		
ARRA - IDEA Part B	84.391	ARRA - IDEA Part B		451	874,861	09/01/09	08/31/11	(7,349)	-	7,349	-	-	-	-	-		
Total Special Revenue Fund				\$	(302,281)	\$	-	\$	1,692,683	\$	(1,570,021)	\$	-	\$	(179,619)	\$	-
<b>Enterprise Fund</b>																	
School Breakfast Program	10.553	School Breakfast Program	N/A	\$ 56,718	07/01/11	06/30/12	\$ -	\$ -	\$ 55,190	\$ (56,718)	\$ -	\$ -	\$ (1,528)	\$ -	\$ -		
National School Lunch Program	10.555	National School Lunch Program	N/A	698,446	07/01/11	06/30/12	-	-	677,557	(698,446) *	-	-	(20,889)	-	-		
Special Milk Program for Children	10.556	Special Milk Program for Children	N/A	2,938	07/01/11	06/30/12	-	-	2,824	(2,938)	-	-	(114)	-	-		
Total Enterprise Fund				\$	-	\$	-	\$	735,571	\$	(758,102)	\$	-	\$	(22,531)	\$	-
Total Federal Financial Awards				\$	(326,236)	\$	-	\$	2,900,506	\$	(2,846,367)	\$	-	\$	(272,097)	\$	-

\* Indicates Major Program

LODI SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 For the Fiscal Year Ended June 30, 2012

K-4

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance June 30, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2012	Deferred Revenue June 30, 2012	Due to Grantor at June 30, 2012	
			From	To										
<b>General Fund</b>														
Equalization Aid	12-495-034-5120 -078	\$ 11,367,813	09/01/11	06/30/12	\$ -	\$ -	\$ 11,367,813	\$(11,367,813)	*	\$ -	\$ -	\$ -	\$ -	
Special Education Categorical Aid	12-495-034-5120 -089	1,958,789	09/01/11	06/30/12	-	-	1,958,789	(1,958,789)	*	-	-	-	-	
Extraordinary Special Education Costs Aid	12-100-034-5120 -473	403,392	09/01/11	06/30/12	-	-	-	(403,392)	*	-	(403,392)	-	-	
Extraordinary Special Education Costs Aid	11-100-034-5120 -473	355,587	09/01/10	06/30/11	(355,587)	-	355,587	-	-	-	-	-	-	
Teachers' Pension and Annuity Fund – Post Retirement Medical	12-495-034-5095 -001	1,241,854	09/01/11	06/30/12	-	-	1,241,854	(1,241,854)	*	-	-	-	-	
Teacher's Pension and Annuity Fund – On Behalf Pension	12-495-034-5095 -007	617,758	09/01/11	06/30/12	-	-	617,758	(617,758)	*	-	-	-	-	
Social Security Tax	12-495-034-5095 -002	1,519,469	09/01/11	06/30/12	-	-	1,442,641	(1,519,469)	*	-	(76,828)	-	-	
Social Security Tax	11-495-034-5095 -002	1,471,994	09/01/10	06/30/11	(72,458)	-	72,458	-	-	-	-	-	-	
					Total General Fund	\$ (428,045)	\$ -	\$ 17,056,900	\$(17,109,075)	\$ -	\$ (480,220)	\$ -	\$ -	
<b>Special Revenue Fund</b>														
Preschool Education Aid (State Share)	12-495-034-5120 -086	218 \$ 550,550	09/01/11	06/30/12	\$ -	\$ -	\$ 550,550	\$(550,550)	*	\$ -	\$ -	\$ -	\$ -	
N.J. Non-Public Textbook Aid	12-100-034-5120 -064	501 7,576	09/01/11	06/30/12	-	-	7,576	(7,576)	-	-	-	-	-	
N.J. Non-Public Textbook Aid	11-100-034-5120 -064	501 9,549	09/01/10	06/30/11	38	-	-	-	-	(38)	-	-	-	
N.J. Non-Public Auxiliary Services Aid - Compensatory Education	12-100-034-5120 -067	502 34,658	09/01/11	06/30/12	-	-	34,658	(7,185)	-	-	-	-	27,473	
N.J. Non-Public Auxiliary Services Aid - Compensatory Education	11-100-034-5120 -067	502 21,769	09/01/10	06/30/11	1,423	-	-	-	-	(1,423)	-	-	-	
N.J. Non-Public Handicapped Aid - Supplemental Instruction	12-100-034-5120 -066	506 30,235	09/01/11	06/30/12	-	-	30,235	(15,363)	-	-	-	-	14,872	
N.J. Non-Public Handicapped Aid - Supplemental Instruction	11-100-034-5120 -066	506 9,033	09/01/10	06/30/11	1,251	-	-	-	-	(1,251)	-	-	-	
N.J. Non-Public Handicapped Aid - Examination & Classification	12-100-034-5120 -066	507 28,185	09/01/11	06/30/12	-	-	28,185	(13,852)	-	-	-	-	14,333	
N.J. Non-Public Handicapped Aid - Examination & Classification	11-100-034-5120 -066	507 13,720	09/01/10	06/30/11	4,150	-	-	-	-	(4,150)	-	-	-	
N.J. Non-Public Handicapped Aid - Corrective Speech	12-100-034-5120 -066	508 2,923	09/01/11	06/30/12	-	-	2,923	(790)	-	-	-	-	2,133	
N.J. Non-Public Nursing Aid	12-100-034-5120 -070	509 10,822	09/01/11	06/30/12	-	-	10,822	(10,822)	-	-	-	-	-	
N.J. Non-Public Nursing Aid	11-100-034-5120 -070	509 11,315	09/01/10	06/30/11	339	-	-	-	-	(339)	-	-	-	
					Total Special Revenue Fund	\$ 7,201	\$ -	\$ 664,949	\$(606,138)	\$ -	\$ (7,201)	\$ -	\$ 58,811	
<b>Debt Service Fund</b>														
Debt Service Aid - State Support	12-495-034-5120 -017	\$ 109,485	09/01/11	06/30/12	\$ -	\$ -	\$ 109,485	\$(109,485)	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Enterprise Fund</b>														
State School Lunch Program	12-100-010-3350 -023	\$ 17,922	09/01/11	06/30/12	\$ -	\$ -	\$ 17,385	\$(17,922)	\$ -	\$ -	\$(537)	\$ -	\$ -	
State School Lunch Program	11-100-010-3350 -023	17,083	09/01/10	06/30/11	(855)	-	855	-	-	-	-	-	-	
					Total Enterprise Fund	\$ (855)	\$ -	\$ 18,240	\$(17,922)	\$ -	\$ (537)	\$ -	\$ -	
					Total State Financial Assistance	\$ (421,699)	\$ -	\$ 17,849,574	\$(17,842,620)	\$ -	\$ (7,201)	\$ (480,757)	\$ -	\$ 58,811

\* Indicates Major Program

**LODI SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
Fiscal Year Ended June 30, 2012**

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**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 \$(199,102) for the general fund and \$4,232 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, 2012**

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

	Federal	State	Total
General Fund	\$ 518,244	\$ 17,109,075	\$ 17,627,319
Special Revenue Fund	1,570,021	606,138	2,176,159
Debt Service Fund	-	109,485	109,485
Enterprise Fund	758,102	17,922	776,024
Total Awards and Financial Assistance	<u>\$ 2,846,367</u>	<u>\$ 17,842,620</u>	<u>\$ 20,688,987</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, 2012.

**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, 2012. 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, 2012.

**LODI SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Fiscal Year Ended June 30, 2012**

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**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, 2012**

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**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>
Education Jobs Fund	84.410
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, 2012**

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**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	12-495-034-5120 -078
Special Education Categorical Aid	12-495-034-5120 -089
Extraordinary Special Education Costs Aid	12-100-034-5120 -473
Teacher's Pension and Annuity Fund - Post Retirement Medical	12-495-034-5095 -001
Teacher's Pension and Annuity Fund - On Behalf Pension	12-495-034-5095-007
Social Security Tax	12-495-034-5095 -002
Preschool Education Aid	12-495-034-5120-086

E) Dollar threshold used to distinguish between type A and type B programs: \$535,279

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

**LODI SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Fiscal Year Ended June 30, 2012**

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**Section II -- Financial Statement Findings**

There were no matters identified.

**LODI SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Fiscal Year Ended June 30, 2012**

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**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, 2012**

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Not Applicable - No Prior Audit Findings