

**SCHOOL DISTRICT
OF
LAKELAND REGIONAL**

**Lakeland Regional High School District
Wanaque, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

**Comprehensive Annual
Financial Report**

of the

Lakeland Regional High School District

Wanaque, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

**Lakeland Regional High School District
Board of Education**

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2015

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal	1
Organizational Chart.....	8
Roster of Officials.....	9
Consultants and Advisors	10

FINANCIAL SECTION 11

Independent Auditors' Report	12
------------------------------------	----

Required Supplementary Information	15
Management's Discussion and Analysis (Unaudited).....	16

Basic Financial Statements (Sections A. and B.).....	29
--	----

A. District-Wide Financial Statements	30
A-1 Statement of Net Position.....	31
A-2 Statement of Activities	32

B. Fund Financial Statements	34
B-1 Balance Sheet - Governmental Funds	35
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds	36
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	37
B-4 Statement of Net Position - Proprietary Funds.....	38
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position - Proprietary Funds.....	39
B-6 Statement of Cash Flows - Proprietary Funds	40
B-7 Statement of Fiduciary Net Position - Fiduciary Funds	41
B-8 Statement of Changes in Fiduciary Net Position - Fiduciary Funds	42

Notes to the Basic Financial Statements	43
---	----

Required Supplementary Information (Unaudited)

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited).....	76
L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees' Retirement System.....	76
L-2 Schedule of District Contributions – Public Employees' Retirement System	77
L-3 Schedule of District's Proportionate Share of the Net Pension Liability – Teachers' Pension and Annuity Fund	78

Notes to Required Supplementary Information.....	79
--	----

C. Budgetary Comparison Schedules (Unaudited)	80
C-1 Budgetary Comparison Schedule - General Fund	81
C-2 Budgetary Comparison Schedule - Special Revenue Fund	95
C-3 Budgetary Comparison Schedule - Note to RSI.....	96

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

FINANCIAL SECTION (Cont'd)

Other Supplementary Schedules (D. to I.)

D. School Level Schedules (Not Applicable)	98
E. Special Revenue Fund.....	99
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund - Budgetary Basis.....	100
E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis (Not Applicable)	
F. Capital Projects Fund	101
F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	102
F-1a Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – Boiler Replacement.....	103
F-1b Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – HVAC Upgrades.....	104
F-1c Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – Paving Project – Phase II	105
F-1d Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – Replacement of Emergency Generator	106
F-1e Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – Home Economics Room Renovation.....	107
F-1f Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – Replacement and Renovation of Existing Facilities	108
F-1g Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – Rehabilitation and Upgrading of Existing Facilities.....	109
F-1h Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – Renovations and Improvements to the High School.....	110
F-1i Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – Construction of an Addition to and Upgrading of Existing Facilities.....	111
G. Proprietary Funds	112
Enterprise Fund:	
G-1 Statement of Net Position.....	113
G-2 Statement of Revenue, Expenses and Changes in Fund Net Position	114
G-3 Statement of Cash Flows.....	115
Internal Service Fund:	
G-4 Statement of Net Position.....	116
G-5 Statement of Revenue, Expenses and Changes in Fund Net Position	117
G-6 Statement of Cash Flows.....	118
H. Fiduciary Funds.....	119
H-1 Combining Statement of Fiduciary Net Position.....	120
H-2 Statement of Changes in Fiduciary Net Position.....	121
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	122
H-4 Student Activity Agency Fund Statement of Activity.....	123
H-5 Payroll Agency Fund Schedule of Receipts and Disbursements.....	124

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

FINANCIAL SECTION (Cont'd)

Other Supplementary Schedules (D. to I.) (Cont'd)

I.	Long-Term Debt.....	125
I-1	Schedule of Serial Bonds.....	126
I-2	Schedule of Obligations Under Capital Leases (Not Applicable).....	127
I-3	Debt Service Fund Budgetary Comparison Schedule - Required Supplementary Information(Unaudited).....	128

STATISTICAL SECTION

J.	Statistical Section (Unaudited).....	129
J-1	Net Position by Component.....	130
J-2	Changes in Net Position	131
J-3	Fund Balances - Governmental Funds	133
J-4	Changes in Fund Balances - Governmental Funds.....	134
J-5	General Fund Other Local Revenue by Source	136
J-6	Assessed Value and Estimated Actual Value of Taxable Property	137
J-7	Direct and Overlapping Property Tax Rates.....	138
J-8	Principal Property Taxpayers	139
J-9	Property Tax Levies and Collections	140
J-10	Ratios of Outstanding Debt by Type.....	141
J-11	Ratios of Net General Bonded Debt Outstanding	142
J-12	Ratios of Overlapping Governmental Activities Debt	143
J-13	Legal Debt Margin Information	144
J-14	Demographic and Economic Statistics.....	145
J-15	Principal Employers	146
J-16	Full-Time Equivalent District Employees by Function/Program.....	147
J-17	Operating Statistics.....	148
J-18	School Building Information.....	149
J-19	Schedule of Required Maintenance for School Facilities	150
J-20	Insurance Schedule.....	151

K. SINGLE AUDIT SECTION 153

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>	154
K-2	Report on Compliance for Each Major State Program; Report on Internal Control over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08.....	156
	Schedule of Expenditures of Federal Awards	158
	Schedule of Expenditures of State Awards	159
	Notes to the Schedules of Expenditures of Federal and State Awards.....	160
	Schedule of Findings and Questioned Costs	162
	Summary Schedule of Prior Audit Findings	164

INTRODUCTORY SECTION



Kathryn Davenport
Business Administrator

November 16, 2015

Honorable President and
Members of the Board of Education
Lakeland Regional High School District
County of Passaic, New Jersey 07465

Dear Board Members:

The comprehensive annual financial report of the Lakeland Regional High School District (the "District") for the fiscal year ended June 30, 2015, 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 Board of Education (the "Board"). 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 basic financial statements and results of operations 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 and consultants. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Lakeland Regional High School District is an independent reporting entity within the criteria adopted in Governmental Accounting Standards Board ("GASB") in Codification Section 2100. All funds of the District are included in this report. The Lakeland Regional High School District Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These services include a wide range of academic and elective courses as well as special education for handicapped youngsters. The District completed the 2014/2015 school year with an enrollment of 999 students.

2. ECONOMIC CONDITION AND OUTLOOK:

We have seen a decrease in the overall, regional equalized property assessment.

3. MAJOR INITIATIVES:

A. **District Planning Initiatives**

Lakeland Regional High School District

Lakeland Regional High School, serving grades 9-12, is a comprehensive high school district. Students come to the high school from the Ringwood and Wanaque elementary districts and several private schools. The constituent communities have a combined population of approximately 25,000.

As a comprehensive high school, Lakeland offers an extensive curriculum designed to serve the interests and abilities of all students. The high school operates under an intensive scheduling format, consisting of five, 80-minute blocks per day. In the intensive scheduling format, students concentrate in greater depth in longer periods. We have moved to an A/B full year course schedule to prepare students for end-of-course testing. To be eligible for graduation each student must acquire 130 credits, meet all State and District course requirements and pass all New Jersey State and Federal NCLB EASA required testing.

During the 2014-15 school year the District completed its 2nd year of its Strategic Plan. This Strategic Plan is in place for the 2013-2018 school years and is listed on the school's website.

The Strategic Plan delineates four District-wide goals for 2013-2018:

1. Deliver exemplary educational program preparing our students for 21st Century college and career readiness.
2. Provide and maintain Lakeland community with exemplary facilities in a safe and cost effective manner.
3. Continue to establish and build upon communication amongst the Wanaque, Haskell and Ringwood communities.
4. Continue to foster a positive and engaging learning environment for students and staff.

The District has also gone through the Quality Single Accountability Continuum Performance Review (QSAC) during the 2014-15 school year and remains on target in all areas during the 2015-16 school year. The goal is to remain at the current scores from the last review or to grow based on the scores. **District's scores** = 100% Instruction & Program, 90% Fiscal Management, 100% Governance, 100% Operations and 100% Personnel. All five areas of the District Performance Review are satisfactory and we are designated as a high achieving school. The Fiscal score of 90% is due only to a diminishing pattern of staff making purchases prior to submitting a purchase order and for no other fiscal issues. These staff members have been warned and soon will be documented and charged the cost of the purchase in order to terminate this practice.

Lakeland Regional High School for 21st Century College and Career Readiness offers an extensive multi-leveled curriculum in all subject areas to meet the needs of all students within the District. Our annual career day is presented to the entire sophomore class to assist them with this career research, as well as the College & Career Day for juniors. These presentations incorporate speakers from the community as well as companies in the tristate area who take the time to discuss the job performance requirement and the educational needs to become involved in each career.

To prepare students for their high school experience the entire 9th grade class is invited to participate in the **Connections Program** in August. This two-day program involves student-driven activities by students who are leaders in various clubs within the school. In addition club advisors, counselors, teachers and administrators work with these students in a review of study skills, character, academic opportunities and an introduction to co-curricular activities and athletics. Students are scheduled for this program based on their Pathways class assignment. The peer leaders and counselors they work with during the two days are the same individuals they will be with during meetings through the school year. This gives new students the opportunity to become part of the school culture and most importantly build school connectedness for a successful high school experience.

Connections is an ongoing process throughout the freshman year and offers support and guidance to 9th grade students as they adjust to the high school experience. In addition to this program we now have our Speak With a Newbie Program (SWAN) that offers the same experience to students who transfer into LRHS at all grade levels again offering them ongoing support and guidance for connectedness and adjusting to their new school environment. This includes students moving in from other communities, states and in some cases other countries.

Pathways to College and Career is a freshman course which prepares students to succeed in high school along with planning their future endeavors. This course also assists students with test taking skills, communication, and study strategies. In addition, counselors work with students using Naviance to help students develop educational and careers goals as well as building upon the Connections Program with a focus on character and providing tolerance and diversity education. This also makes students aware that harassment, intimidation and bullying does not belong in our school or anywhere else. These programs are continued in 10th grade with EXPLORE which provides students with support and awareness of testing. PSAT, ACT, PLAN, etc. are used to identify student weaknesses and strength in several academic areas. The Junior Conference takes place in the 11th grade and students experience a profession in a senior level program which incorporates all the work from Pathway, Explore, and Junior Conference. Students are given the opportunity to job shadow based on their career choice.

In addition, we offer the Accu-Placer to Juniors to measure their progress prior to moving onto their Senior year so that they can receive assistance in specific areas prior to attending college.

A major course offering during the 2014-15 school year was the **SUPA Earth Systems Science** in collaboration with Syracuse University. This course illustrates the interconnectedness of biologic, hydrologic, atmospheric and geologic processes in shaping the planet. Students who pass this class receive college credit.

As required, the LRHS District implemented a new-teacher and administrative observation tool under ACHIEVE NJ. This includes multiple observations and conferences along with ongoing training for teachers and administrators. Student Growth Objectives are used to measure student performance and require a review by the School Improvement Panel and the DEAC Committee. The results of all observations during the 2014-15 school year have been reported to the State via NJSMART.

Lakeland Regional High School District conducted its first year of PARCC Assessments which are now mandatory for all New Jersey public schools.

Working closely with the community and elementary sending districts, Lakeland provides a variety of informational meetings. During the past school year, the Lakeland Regional High School District with the cooperation of the Ringwood and Wanaque School Districts held a series of articulation meetings. The meetings bring the teachers, supervisors and curriculum coordinators of all three districts together to discuss curriculum in the areas of mathematics, science, language arts, social studies, world languages, health and physical education, special education, guidance and technology. These ongoing articulation sessions promote a well-coordinated and sequenced educational experience for every child in the District. Through this process a Bi-District initiative involving the Wanaque and Lakeland Districts has developed a K-12 Language Arts curriculum that will be implemented throughout these two districts. This shared effort will assure more continuity for all Wanaque students within this important content area.

Lakeland Regional High School also has a comprehensive school counseling program, which highlights the 2014-15 school counseling accountability report card using the national SPARC model, which Lakeland is the first school in the state of New Jersey to demonstrate this level of accountability for school counseling. The school counseling department provides individualized student plans for each student beginning in their freshman year. Lakeland Regional HS was also the 1st and only school in NJ to achieve the "Recognized ASCA Model Program" (RAMP) award.

The District conducted its annual informational programming which included: Back to School Night, a Guidance Informational Night for parents, a meeting for parents of academically talented seventh grade students, a Financial Aid Workshop for parents of seniors, an Open House for incoming freshman students and their parents. Other parent/community contacts included: Guidance Advisory Committee, parents, teachers and administrators, partnership with Kaplan test prep, Ringwood and Wanaque libraries, and Passaic County Community College (PCCC). The Superintendent Advisory Committee is now the DEAC Committee consisting of Administrators and Parents and continues to review programs, courses and student support for academic and social success. The main focus is on student performance and monitoring the Stronge Evaluation Model.

The Freshman Class was introduced to the Connections Program in August, through a 2 day program where incoming Freshman meet and work with teachers, administrators and Peer Mentors. Parent meetings for students who are at risk took place and students have enrolled in our Educational Support Programs (ESP) to assist them in the areas of Language Arts Literature and Mathematics. This ESP Program also runs in the summer.

The Lakeland Website continues to serve as a very valuable tool for communication to the parents, students and the greater Lakeland community. The Parent Portal is a principal component for parental/school communication. Parent Portal enables parents, through a password protected connection, to view their child's schedule, grades and attendance and discipline records via Lakeland's website. In addition to Parent Portal, every staff member has an e-mail address and voice mail telephone number. Our School Messenger system allows the District to contact the entire community of Board members, parents, staff and administrators or many subgroups through a broadcast telephone SMS & E-mail. This was used many times during the 2014-15 school year, particularly with the record-breaking amounts of snowfall our area received during the winter months. The community feedback on these two communications systems has been extremely positive. Our online services include the use of School Office Pro which makes all required forms available to parents online. This program contains various permission agreements such as technology usage, sports physicals, Emergency Management, etc. The use of this system drastically reduces the amount of funds spent on mailings and also works as a tracking system for response and completion of forms.

The Renaissance Program has been an ongoing project at Lakeland. This program is designed to inspire acceptance and excitement for academic success in high school. Through this program Lakeland aims to increase student performance and teacher enthusiasm. At the same time the Renaissance program initiative strives to raise the level of community participation in school activities. The District's (SWAP - Speak With A Peer) and LEAP (Leaders Encouraging Adolescent Progress) continues providing many student-to-student programs and contacts supporting student success during the year and throughout the summer.

Along with its extensive and comprehensive curriculum, Lakeland Regional High School is proud of the 29 varsity athletic teams (65 total teams) and more than 50 clubs and activities that are available to the students from Ringwood and Wanaque. Over the past few years student participation in these offerings has increased and as a result the school has enjoyed many county, conference and state championships. This success promotes enthusiasm and pride throughout the entire Lakeland complex.

Some of the co-curricular offerings include Robotics, Cultural Clubs, Performing Arts programs and a plethora of everything in between. These programs along with our athletic programs are known throughout the community and utilized as a means of community support and communication.

B. Facilities Improvements

The Board of Education approved applications for two ROD grants early in August 2013 for the replacement of two boilers in the West Building and replacement of the HVAC Controls, also in the West Building. The ROD grants offered 40% State monies to augment District funding of these two facility upgrades. The design phase and public bidding for these initiatives were accomplished in the 2013-14 school year. Then, both these projects went into full swing during the 2014-15 school year. Two extraordinarily large and very old boiler units were replaced in the West building with four state-of-the-art units in the summer of 2014. Immediately thereafter, new HVAC units were installed in the West building classrooms along with new controls. The work was completed on weekends and evenings throughout the school year, finally being hooked up in the summer of 2015.

Future plans for 2015-16 and subsequent years include an ambitious list of capital projects, both large and small designed to update the school's appearance and functionality. This initiative may also include air conditioning the East building which, up until now, has yet to be accomplished.

C. Test Results

In two key areas, High School Proficiency Assessment (HSPA), Scholastic Aptitude Test (SAT) and Advanced Placement (AP) tests, Lakeland experienced positive results.

The SAT class of 2015 averages are excellent for both the verbal and math sections of the test. The following list 10 years results for comparison:

	Verbal	Math	Writing	Total SAT	% of Class Taking Test
Class of 2015	494	512	487	1493	70%
Class of 2014	507	522	509	1538	78%
Class of 2013	510	520	503	1533	76%
Class of 2012	492	503	499	1494	81%
Class of 2011	510	521	515	1546	76%
Class of 2010	508	520	512	1540	53%
Class of 2009	514	513	509	1536	65%
Class of 2008	520	516	522	1558	72%
Class of 2007	503	493	504	1500	75%
Class of 2006	509	492	509	1510	79%

D. Implementation of School - Level Plans (N.J.A.C. 6:8-4.4) for the 2013-2014 School Year

During the 2014-15 school year we continued to focus on the goals and objectives set within the new Strategic Plan. There has been a focus on delivering an exemplary educational program for our students, including the use of additional technology and the implementation of online programs for students and staff. We continue to move in the area of wireless technology by installing additional wireless ports for iPads and for the possibility of moving towards Bring Your Own Device. During 2014-15 as the District developed the 2015-16 budget, we included funding for an additional 80 wireless access points to complete wireless access throughout the campus. Now, in 2015, this project is underway and should be complete prior to PARCC testing in the spring of 2016. In addition our computer labs have been updated with new equipment and software to facilitate our PARCC Assessment process. All of these areas relate the District's Technology Plan created at the end of the 2013 school year.

The Renaissance Program has now expanded to recognize the growth and achievements of students and staff. The Connections Program is also continuing to guide and assist freshman in adjusting to social and academic requirements in high school. In addition to the QSAC review many hours and days were spent in training staff in meeting the needs of ACHIEVE. This includes training for the new evaluation system and SGOS.

E. Professional Development Activities (N.J.A.C. 6:8-4.8)

The Lakeland Regional High School District will provide workshops/trainings in the areas identified in our Needs Assessment and Professional Development Plan. These opportunities will be offered to staff and address areas such as 21st Century Classroom Skills, Implementing the NJCCC, Common Core Standards and NJ PARCC Assessments. Opportunities will also be provided for training teachers in the use of hand held devices in the classroom, cooperative learning, data driven instruction/ assessment and the infusion of technology throughout the curriculum. Lakeland Regional High School provides three means for faculty to obtain professional development hours based on our most recent Professional Development Plan.

1. Topics discussed during our scheduled professional days address the use and implementation of technology in the classroom and District. During the professional development process, our Professional Development Committee reviews the District Strategic Plan, Technology Plan and surveys the staff to determine and coordinate the District's professional development activities. The District continues to make a commitment to providing quality professional development; 2 full days and up to 6 half days are built into the school calendar. This is in addition to the District sending staff members to out of district workshops, on-line courses for advanced learners and reimbursement for college courses.

2. Our Professional Development Plan addresses Technology, specifically, the continued integration of it into the classroom and through the use of student data management systems. It maintains this focus by expanding and continuing professional development in the areas of data driven decision making, Lesson Study, Professional Learning Communities, using hand held devices in the classroom and increasing student motivation. The most recent professional development needs assessment for 2013-2014 planning indicates that the faculty requests training in the following areas related to technology; using blogs and web-sites, uses for iPads in the classroom, use of the Smart Board, hand held devices in business, creative assessments and differentiation of instruction.

3. Teachers will be trained on the use of any and all assistive technologies that are to be used in the classroom, Media Center and other parts of the school facility. Training/professional development will be provided before the implementation of the assistive technology in the classroom and on-going training will be offered for additional support. This model will also apply to any assistive technology that is mandated for use by student IEPs and 504 plans. This also includes the use of new software for IEPs and ongoing training for co-teaching in the in class support environment.

F. Multimedia Lab In service 2014-15

Lakeland provides three days of new teacher training on a variety of topics including: the Stronge Model, OASYS software, turnitin.com- an anti-plagiarism tool- electronic lesson plans, cyber bullying, etc. Staff members conducted these sessions at the end of August to assist new staff hires with the various technology used by the District. At Back-to-School night in September, the guidance director and counselors supplied information to parents regarding logon procedures for the Powerschool Parent Portal application.

In 2014-15, computer technology classes continue to host a variety of student projects using PowerPoint, Adobe Photoshop, Adobe Premiere, Flash, and Audacity. The lab utilization calendar shows classes made use of EBSCO, Facts on File, and Proquest databases, Blue Jay compiling, Everfi, International Business Plan, Microsoft Office Suite and turnitin.com software to research information, model scenarios, and create reports. Lab opportunities are offered to all staff on a regular basis in order to provide students with computer sessions for class use. Professional development seminars were also offered to staff regarding data input for SGO Excel worksheets and log assembly.

4. INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2015.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements," Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT:

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

The Board is a member of the Pooled Insurance Program of New Jersey ("PIP"). The PIP is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to its members. Additional information on the PIP is included in Note 11 to the Basic Financial Statements.

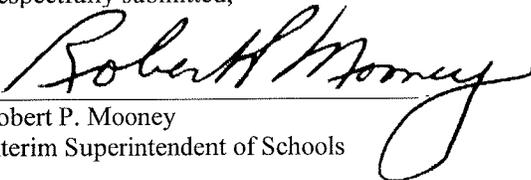
9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, 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 Amendments of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGMENTS:

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

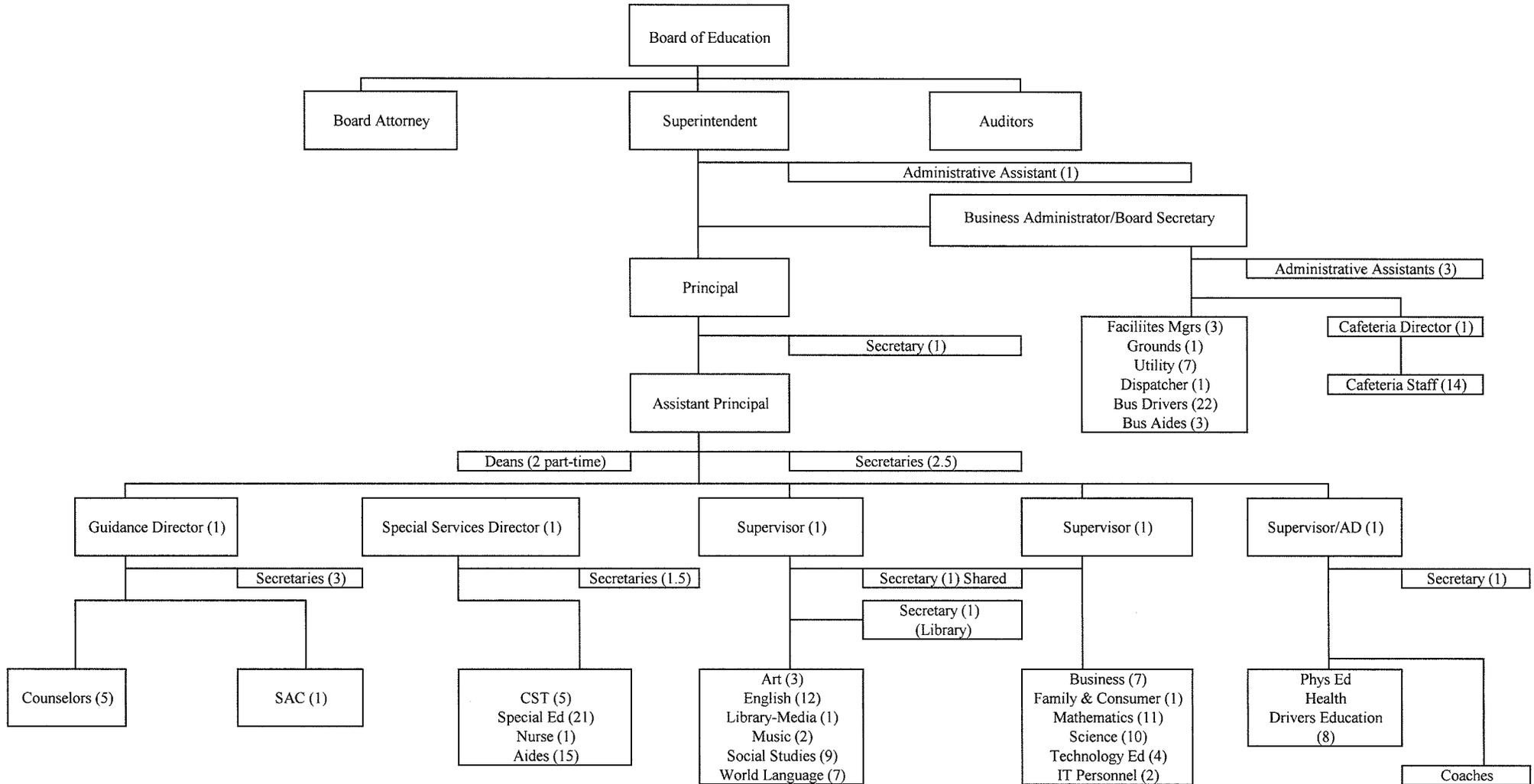
Respectfully submitted,


Robert P. Mooney
Interim Superintendent of Schools


Kathryn Davenport
Board Secretary/Business Administrator

LAKELAND REGIONAL HIGH SCHOOL - ORGANIZATION CHART - 2014-2015

As of February 1, 2015



**LAKELAND REGIONAL HIGH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Suzanne Raoul, President	2015
Bruce Gibson, Vice President	2016
Robert Adams	2017
Maryann Brett	2016
Carol Preus Gardner	2017
John Griffin	2017
Eileen Lerro	2016
Judith Voll	2015
Joseph Walker	2015

<u>Other Officers</u>	<u>Title</u>
Robert P. Mooney	Interim Superintendent of Schools
Kathryn Davenport	Board Secretary/School Business Administrator
Alfred LaNeve	Treasurer

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
Consultants and Advisors

Architect/Engineer

FKA Architects
306 Ramapo Valley Road
Oakland, NJ 07436

EI Associates
8 Ridgedale Avenue
Cedar Knolls, NJ 07927

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, NJ 07856-1320

Attorney

Phil Stern, Esquire
Adams, Stern, Gutierrez, & Lattiboudere, LLC
744 Broad Street
Suite 1600
Newark, NJ 07102

Official Depository

Lakeland Bank
94 Ringwood Avenue
Wanaque, NJ 07465

FINANCIAL SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Lakeland Regional High School District
 County of Passaic, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lakeland Regional High School District (the "District") in the County of Passaic as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise of the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable President and Members
of the Board of Education
Lakeland Regional High School District
Page 2

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lakeland Regional High School District, in the County of Passaic, as of and for the fiscal year ended June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 18 to the basic financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the required supplementary informational pension schedules and the budgetary comparison information in Exhibits C-1 through C-3 and I-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey’s OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable President and Members
of the Board of Education
Lakeland Regional High School District
Page 3

Other Matters (Cont'd)

Other Information (Cont'd)

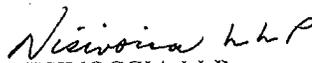
The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
November 16, 2015


NISIVOCCIA LLP



Francis J. Jones, Jr.
Licensed Public School Accountant #1154
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

This discussion and analysis of the Lakeland Regional High School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2015. The intent of this is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the 2014-2015 school year are as follows:

- The District's financial status improved over the prior year.
- Overall revenue was \$25.25 million.
- Actual revenue was \$348,779 higher than expected primarily in miscellaneous revenue and state sources, offset by lower than expected maintenance reserve interest.
- Outlays for new capital assets increased due to recent projects authorized, including two funded in part by Regular Operating District (ROD) grants from the Schools Development Authority (SDA).
- The District reduced its outstanding long-term bonded debt by 11.9 percent.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the fiscal year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)
(Continued)**

**Figure A-1
Organization of Lakeland Regional High's Financial Report**

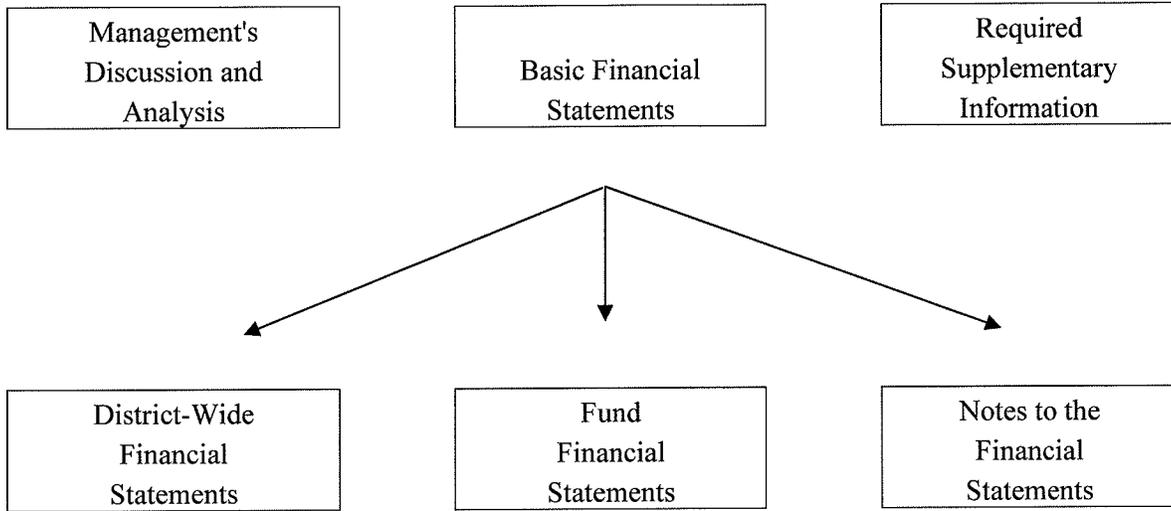


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)
(Continued)**

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 special education and building maintenance	Activities the District operates similar to private businesses: food services and transportation	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the fiscal year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the fiscal year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the fiscal year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the fiscal year, regardless of when cash is received or paid	All additions and deductions during the fiscal year, regardless of when cash is received or paid

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)
(Continued)**

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows, and liabilities. All of the current fiscal year's revenue 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 position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial 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 divided into two categories:

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

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)
(Continued)**

Fund Financial Statements

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at fiscal year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The *internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities. The District currently maintains an internal service fund for transportation.
- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Notes to Financial Statements

Provide additional information essential to full understanding of District-wide and fund financial statements.

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)
(Continued)**

Financial Analysis of the District as a Whole

The Statement of Net Position provides one perspective of the District as a whole. Figure A-3 provides a summary of the District's net position as of June 30, 2015 and 2014. The District's combined net position was \$11,117,766 on June 30, 2015, \$97,675 or 0.89% more than the year before. The change in the District's financial position came from its governmental activities, as net position increased from \$10,828,910 to \$10,961,663. The net position of the business-type activities decreased by \$35,078. A factor affecting the net position was the pay-down of long-term bonded debt in the amount of \$250,000 that decreased debt and increased net position.

**Figure A-3
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2014/15
	2014/15	2013/14 (Restated)	2014/15	2013/14	2014/15	2013/14 (Restated)	
Current and							
Other Assets	\$ 7,960,273	\$ 10,350,107	\$ 124,770	\$ 136,738	\$ 8,085,043	\$ 10,486,845	-22.90%
Capital Assets, Net	12,652,233	10,528,835	31,333	54,443	12,683,566	10,583,278	19.85%
Total Assets	20,612,506	20,878,942	156,103	191,181	20,768,609	21,070,123	-1.43%
Deferred Outflows of Resources	300,824				300,824		100.00%
Long-Term Debt Outstanding	9,197,243	9,540,968			9,197,243	9,540,968	-3.60%
Other Liabilities	366,932	509,064			366,932	509,064	-27.92%
Total Liabilities	9,564,175	10,050,032	-0-	-0-	9,564,175	10,050,032	-4.83%
Deferred Inflows of Resources	387,492				387,492		100.00%
Net Position:							
Net Investment in Capital Assets	10,802,233	8,428,835	31,333	54,443	10,833,566	8,483,278	27.70%
Restricted	6,600,013	9,395,201			6,600,013	9,395,201	-29.75%
Unrestricted/(Deficit)	(6,440,583)	(6,995,126)	124,770	136,738	(6,315,813)	(6,858,388)	7.91%
Total Net Position	\$ 10,961,663	\$ 10,828,910	\$ 156,103	\$ 191,181	\$ 11,117,766	\$ 11,020,091	0.89%

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)
(Continued)**

Changes in Net Position

Total revenue increased 3.6% to \$25,252,382. Property taxes and federal and state aid/awards accounted for most of the District's revenue, approximately 94.3% of the total. The increase in total revenue is the result of increases in charges for services, federal and state aid/awards, property taxes for general purposes and other miscellaneous revenue, offset by a slight decrease in property taxes for debt service.

**Figure A-4
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	Change
Revenue:							
Program Revenue:							
Charges for Services	\$ 880,367	\$ 750,189	\$ 273,665	\$ 278,342	\$ 1,154,032	\$ 1,028,531	12.20%
Operating Grants and Contributions	3,319,499	2,904,398	125,994	136,258	3,445,493	3,040,656	13.31%
General Revenue:							
Property Taxes	16,335,325	16,074,041			16,335,325	16,074,041	1.63%
State Aid	4,031,210	4,042,810			4,031,210	4,042,810	-0.29%
Other	286,065	187,487	257	444	286,322	187,931	52.35%
Total Revenue	<u>24,852,466</u>	<u>23,958,925</u>	<u>399,916</u>	<u>415,044</u>	<u>25,252,382</u>	<u>24,373,969</u>	<u>3.60%</u>
Expenses:							
Instruction	12,740,809	12,380,472			12,740,809	12,380,472	2.91%
Pupil and Instruction Services	6,542,966	5,403,634			6,542,966	5,403,634	21.08%
Administrative and Business	1,863,503	1,568,843			1,863,503	1,568,843	18.78%
Maintenance and Operations	1,864,148	1,897,239			1,864,148	1,897,239	-1.74%
Transportation	1,647,997	1,515,123			1,647,997	1,515,123	8.77%
Other	60,290	70,069	434,994	461,037	495,284	531,106	-6.74%
Total Expenses	<u>24,719,713</u>	<u>22,835,380</u>	<u>434,994</u>	<u>461,037</u>	<u>25,154,707</u>	<u>23,296,417</u>	<u>7.98%</u>
Increase/(Decrease) in Net Position	<u>\$ 132,753</u>	<u>\$ 1,123,545</u>	<u>\$ (35,078)</u>	<u>\$ (45,993)</u>	<u>\$ 97,675</u>	<u>\$ 1,077,552</u>	<u>-90.94%</u>

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)
(Continued)**

Revenue Sources. The District's total revenue for the 2014/15 school year was \$25,252,382. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$16,335,325 of the total, or 64.69 percent. (See Figure A-5). Another 29.61 percent came from federal and state aid/awards for general and specific programs and the remainder from charges for services and other miscellaneous sources.

**Figure A-5
Sources of Revenue for Fiscal Year 2015**

	<u>Amount</u>	<u>Percentage</u>
Sources of Income:		
Charges for Services	\$ 1,154,032	4.57%
Operating Grants and Contributions	3,445,493	13.65%
Property Taxes	16,335,325	64.69%
State Aid	4,031,210	15.96%
Other	286,322	1.13%
	<u>\$ 25,252,382</u>	<u>100.00%</u>

The total cost of all programs and services was \$25,154,707. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (83.21 percent). (See Figure A-6). The District's administrative and business activities accounted for 7.41 percent of total costs. The most significant contributors to the cost of maintenance and operations are salaries, energy costs (including fuel), and cleaning, repair and maintenance services.

**Figure A-6
Expenses for Fiscal Year 2015**

	<u>Amount</u>	<u>Percentage</u>
Expense Category:		
Instruction	\$ 12,740,809	50.65%
Pupil and Instruction Services	6,542,966	26.01%
Administrative and Business	1,863,503	7.41%
Maintenance and Operations	1,864,148	7.41%
Transportation	1,647,997	6.55%
Other	495,284	1.97%
	<u>\$ 25,154,707</u>	<u>100.00%</u>

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)
(Continued)**

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Figure A-7 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

As discussed elsewhere in this commentary, the financial position of the District improved. Maintaining existing programs and the provision of a multitude of special programs and services for disabled pupils place great demands on the District's resources. During the past few years, numerous veteran teachers have retired and have been replaced by teachers of less experience. Such changes have generated significant salary savings, but these have not been sufficient enough to offset increased enrollment, increased special education programs and increased health benefit costs.

Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions during the fiscal year were:

- Shared Services with other area school districts to provide transportation routes for Lakeland High School, field trips and to out-of-district special education schools.
- Standard practice has been to maintain lower maintenance costs by seeking competitive proposals each fiscal year for these services and performing work in-house.
- Shared Services with Ringwood and Wanaque School Districts to provide for Tri-District positions in the following areas: Special Services Administrator, Substance Abuse Coordinator and Substitute Caller.
- Purchased supplies and services through four purchasing shared services agreements and one insurance pool.

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)
(Continued)**

Governmental Activities

It is crucial that the District examine its expenses carefully. Figure A-7 presents the cost of six major District activities; instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

**Figure A-7
Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2014/2015	2013/2014	2014/2015	2013/2014
Instruction	\$ 12,740,809	\$ 12,380,472	\$ 9,520,635	\$ 9,575,617
Pupil and Instruction Services	6,542,966	5,403,634	5,883,743	4,800,817
Administrative and Business	1,863,503	1,568,843	1,785,311	1,496,983
Maintenance and Operations	1,864,148	1,897,239	1,864,148	1,897,239
Transportation	1,647,997	1,515,123	1,405,720	1,340,068
Other	60,290	70,069	60,290	70,069
	<u>\$ 24,719,713</u>	<u>\$ 22,835,380</u>	<u>\$ 20,519,847</u>	<u>\$ 19,180,793</u>

- The net cost of all governmental activities this fiscal year was \$20,519,847.
- The federal and state governments subsidized certain programs with grants and contributions (\$3.319 million).
- Most of the District's costs, however, were financed by District taxpayers.
- A portion of governmental activities was financed with \$4.031 million in state aid based on the SFRA formula.
- The remainder of the funding came from charges for services, investment earnings and other miscellaneous revenue.

Business-Type Activities

Net position from the District's business-type activities decreased by \$35,078. (Refer to Figure A-4). Factors contributing to these results included:

- Food services expenses and disposal of capital assets, exceeded revenues by \$35,078, accounting for all of the decrease in the net position of the business-type activities. Lakeland's Food Service Manager continues to improve the food quality and variety to the students and faculty, however, the recently implemented new federal meal pattern requirements and nutrition standards and a decline in student enrollment resulted in decreased participation in the school lunch program.

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)
(Continued)**

Financial Analysis of the District's Funds

The District's financial position improved despite significant changes in the student clientele and difficult economic times. Revenue, as discussed earlier, was realized in excess of budgeted amounts while expenditures were less than the final budget.

The current economy has had a direct impact upon the District's revenue sources. Interest from investments continued to be negatively affected. Ratables in the municipalities have been declining while the Towns' tax collection percentages have remained relatively stable.

These factors are likely to continue for the near future. To maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgetary Highlights

Over the course of the fiscal year, the District revised the annual operating budget monthly. Revisions in the budget were made to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation.

- Salary accounts were adjusted to reflect: changes in staff assignments; retirements, resignations and the resulting new hires as well as program adjustments necessitated by student population changes.
- Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into and out of the District during the summer as well as the school year, which necessitates transferring funds to the appropriate account to pay these special education costs.
- Property and liability insurance policies were renewed at lower rates than budgeted. This cost is counter to the national trend of the insurance industry.
- Teachers' Pension and Annuity Fund, which is the state's contribution to the pension fund and social security is neither a revenue item nor an expenditure item to the District but is required to be reflected in the financial statements.

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)
(Continued)**

Capital Asset and Debt Administration

**Figure A-8
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	
Site Improvements	\$ 1,417,260	\$ 670,263			\$ 1,417,260	\$ 670,263	111.45%
Buildings and Building Improvements	3,668,742	3,781,871			3,668,742	3,781,871	-2.99%
Equipment and Furniture	624,643	1,564,355	\$ 31,333	\$ 54,443	655,976	1,618,798	-59.48%
Construction in Progress	6,941,588	4,512,346			6,941,588	4,512,346	53.84%
	<u>\$ 12,652,233</u>	<u>\$ 10,528,835</u>	<u>\$ 31,333</u>	<u>\$ 54,443</u>	<u>\$ 12,683,566</u>	<u>\$ 10,583,278</u>	<u>19.85%</u>

More detailed information about the District's capital assets is presented in Note 7 to the Basic Financial Statements.

Long-term Debt

At fiscal year-end, the District had \$1,850,000 in general obligation bonds, a reduction of \$250,000 from last fiscal year – as shown in Figure A-9. More detailed information about the District's long-term debt is presented in Note 8 to the Basic Financial Statements.

**Figure A-9
Outstanding Long-Term Debt**

	Total School District		Percentage Change
	2014/15	2013/14 (Restated)	
General Obligation Bonds (Financed with Property Taxes)	\$ 1,850,000	\$ 2,100,000	-11.90%
Net Pension Liability	6,502,131	6,523,236	-0.32%
Other Long-Term Liabilities	845,112	917,732	-7.91%
	<u>\$ 9,197,243</u>	<u>\$ 9,540,968</u>	<u>-3.60%</u>

- The District continued to pay down its debt, retiring \$250,000 of its general obligation debt and \$54,936 of its early retirement incentive payable.
- The District's net pension liability decreased by \$21,105.

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)
(Continued)**

Factors Bearing on the District's Future Revenue/Expense Changes

The economy continued to struggle during the past school year. Although the housing market continues to improve, it was still somewhat stagnant in both sales and value. Consumer confidence has increased slightly but remains reserved which stimulates less than robust retail activity.

This state of affair translates into lower revenue collections at all levels of government in New Jersey. Despite this, funding for education remained constant the past fiscal year. Lakeland was able to retain all programs and people both this past fiscal year and for the upcoming school year. In fact, new professional positions were added to address the increasing number of students requiring special services.

After examination of the shared Supervisor of Special Services position both the districts of Ringwood and Lakeland Regional High School decided to hire their own district Special Services Director – rather than to share one. Escalating numbers of students, increased demand for services and the increasing frequency of litigation has forced the districts to make this change. While this impacted both district finances initially, it is the hope that better supervision may lead to cost containment in future fiscal years.

The Affordable Health Care Act requirements became a major issue for school districts in the 2014-15 school year and in the 2015-16 school year all districts focus on compliance with the new IRS ACA reporting that is required in January and February of 2016. These requirements of reporting on costs of benefits and new plan descriptions and options has had a major impact on business office operations that are as yet undetermined throughout all school districts.

Contacting the District's Financial Management

This financial report is designed to provide the District's 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 financial information, contact the School Business Administrator at the Lakeland Regional High School Board of Education, 205 Conklintown Road, Wanaque, NJ 07456.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 876,744	\$ 106,359	\$ 983,103
Interfunds Receivable	15,709		15,709
Receivables from Other Governments	603,689	10,964	614,653
Other Receivables, Net	177		177
Inventory		7,447	7,447
Restricted Cash and Cash Equivalents:			
Capital Reserve Account	5,503,123		5,503,123
Maintenance Reserve Account	960,831		960,831
Capital Assets, Net:			
Construction in Progress	8,358,848		8,358,848
Depreciable Site Improvements, Buildings and Building Improvements, and Machinery and Equipment	4,293,385	31,333	4,324,718
Total Assets	<u>20,612,506</u>	<u>156,103</u>	<u>20,768,609</u>
DEFERRED OUTFLOWS OF RESOURCES			
Changes in Assumptions - Pensions	204,462		204,462
Changes in Proportion - Pensions	96,362		96,362
Total Deferred Outflows of Resources	<u>300,824</u>		<u>300,824</u>
LIABILITIES			
Current Liabilities:			
Payable to Federal Government	45		45
Accounts Payable	199,285		199,285
Accrued Interest Payable	39,892		39,892
Unamortized Bond Premiums, Net	127,710		127,710
Noncurrent Liabilities:			
Due Within One Year	324,743		324,743
Due Beyond One Year	8,872,500		8,872,500
Total Liabilities	<u>9,564,175</u>		<u>9,564,175</u>
DEFERRED INFLOWS OF RESOURCES			
Investment Gains - Pensions	387,492		387,492
Total Deferred Inflows of Resources	<u>387,492</u>		<u>387,492</u>
NET POSITION			
Net Investment in Capital Assets	10,802,233	31,333	10,833,566
Restricted for:			
Capital Projects	5,630,957		5,630,957
Other Purposes	969,056		969,056
Unrestricted (Deficit)	(6,440,583)	124,770	(6,315,813)
Total Net Position	<u>\$ 10,961,663</u>	<u>\$ 156,103</u>	<u>\$ 11,117,766</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 8,707,189	\$ 757,110	\$ 1,024,874		\$ (6,925,205)		\$ (6,925,205)
Special Education	2,771,099		1,301,040		(1,470,059)		(1,470,059)
Other Special Instruction	36,356		13,169		(23,187)		(23,187)
Other Instruction	1,226,165		123,981		(1,102,184)		(1,102,184)
Support services:							
Tuition	2,413,453		231,428		(2,182,025)		(2,182,025)
Student & Instruction Related Services	4,129,513		427,795		(3,701,718)		(3,701,718)
General Administrative Services	634,606				(634,606)		(634,606)
School Administrative Services	708,256		78,192		(630,064)		(630,064)
Central Services	350,381				(350,381)		(350,381)
Administrative Information Technology	170,260				(170,260)		(170,260)
Plant Operations and Maintenance	1,864,148				(1,864,148)		(1,864,148)
Pupil Transportation	1,647,997	123,257	119,020		(1,405,720)		(1,405,720)
Interest on Long-Term Debt	60,290				(60,290)		(60,290)
Total Governmental Activities	24,719,713	880,367	3,319,499		(20,519,847)		(20,519,847)

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 434,010	\$ 273,665	\$ 125,994			\$ (34,351)	\$ (34,351)
Total Business-Type Activities	434,010	273,665	125,994			(34,351)	(34,351)
Total Primary Government	<u>\$ 25,153,723</u>	<u>\$ 1,154,032</u>	<u>\$ 3,445,493</u>	<u>\$ -0-</u>	<u>\$ (20,519,847)</u>	<u>(34,351)</u>	<u>(20,554,198)</u>
General Revenues:							
Taxes:							
					16,000,000		16,000,000
					335,325		335,325
					4,031,210		4,031,210
					286,065	257	286,322
Total General Revenues					<u>20,652,600</u>	<u>257</u>	<u>20,652,857</u>
Change in Net Position Before Special Item					132,753	(34,094)	98,659
Special Item - Disposal of Capital Assets						(984)	(984)
Change in Net Position					132,753	(35,078)	97,675
Net Position - Beginning (Restated)					<u>10,828,910</u>	<u>191,181</u>	<u>11,020,091</u>
Net Position - Ending					<u>\$ 10,961,663</u>	<u>\$ 156,103</u>	<u>\$ 11,117,766</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 396,563		\$ 387,111	\$ 8,225	\$ 791,899
Interfunds Receivable	291,605				291,605
Receivables from Other Governments	321,178	\$ 282,511			603,689
Restricted Cash and Cash Equivalents	6,463,954				6,463,954
Total Assets	\$ 7,473,300	\$ 282,511	\$ 387,111	\$ 8,225	\$ 8,151,147
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable	\$ 262,389	\$ 275,896			\$ 538,285
Payable to Federal Government		45			45
Accounts Payable	136,401	6,570			142,971
Total Liabilities	398,790	282,511			681,301
Fund Balances:					
Restricted for:					
Capital Reserve Account	5,503,123				5,503,123
Maintenance Reserve Account	960,831				960,831
Capital Projects			\$ 127,834		127,834
Debt Service				\$ 8,225	8,225
Assigned:					
Encumbrances	99,398				99,398
Subsequent Year's Expenditures	300,000				300,000
Unassigned	211,158		259,277		470,435
Total Fund Balances	7,074,510		387,111	8,225	7,469,846
Total Liabilities and Fund Balances	\$ 7,473,300	\$ 282,511	\$ 387,111	\$ 8,225	\$ 8,151,147
 Amounts Reported for <i>Governmental Activities</i> in the Statement of Net Position (A-1) are Different Because:					
Total Fund Balances (Per Above)					\$ 7,469,846
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds. The cost of the assets is \$21,100,668 and the accumulated depreciation is \$8,448,435.					12,652,233
Internal service funds are used by management to charge the costs of transportation to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.					291,097
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.					(2,695,112)
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.					(39,892)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.					(6,502,131)
Certain amounts related to the Net Pension Liability and Deferred and Amortized in the Statement of Activities are not reported in the Governmental Funds:					
Changes in Assumptions - Pensions					204,462
Changes in Proportions - Pensions					96,362
Investment Gains - Pensions					(387,492)
Bond Premiums are reported as revenue in the Funds. These premiums total \$255,426 and the accumulated amortization is \$127,716.					(127,710)
Net Position of Governmental Activities					\$ 10,961,663

Exhibit B-2

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 16,000,000			\$ 335,325	\$ 16,335,325
Tuition Charges	757,110				757,110
Miscellaneous	285,347	\$ 500			285,847
Total - Local Sources	17,042,457	500		335,325	17,378,282
State Sources	7,056,149				7,056,149
Federal Sources		294,060			294,060
Total Revenues	24,098,606	294,560		335,325	24,728,491
EXPENDITURES					
Current:					
Regular Instruction	6,114,325				6,114,325
Special Education Instruction	1,924,365	29,327			1,953,692
Other Special Instruction	18,248	9,968			28,216
Other Instruction	910,903				910,903
Support Services and Undistributed Costs:					
Tuition	2,182,025	231,428			2,413,453
Student & Instruction Related Services	3,064,610	23,837			3,088,447
General Administrative Services	576,943				576,943
School Administrative Services	516,906				516,906
Central Services	285,895				285,895
Administration Information Technology	113,240				113,240
Plant Operations and Maintenance	1,456,632				1,456,632
Pupil Transportation	987,236				987,236
Unallocated Benefits	5,428,042				5,428,042
Debt Service:					
Principal				250,000	250,000
Interest and Other Charges				85,325	85,325
Capital Outlay	156,407		\$ 2,429,242		2,585,649
Total Expenditures	23,735,777	294,560	2,429,242	335,325	26,794,904
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	362,829		(2,429,242)		(2,066,413)
OTHER FINANCING SOURCES/(USES)					
Transfers In	133,029		2,919,012		3,052,041
Transfers Out	(2,919,012)		(133,029)		(3,052,041)
Total Other Financing Sources/(Uses)	(2,785,983)		2,785,983		
Net Change in Fund Balances	(2,423,154)	-0-	356,741		(2,066,413)
Fund Balance - July 1	9,497,664	-0-	30,370	\$ 8,225	9,536,259
Fund Balance - June 30	\$ 7,074,510	\$ -0-	\$ 387,111	\$ 8,225	\$ 7,469,846

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds (from B-2) \$ (2,066,413)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and the disposal of capital assets in the period.

Depreciation expense	\$ (379,369)	
Capital outlays	<u>2,502,767</u>	2,123,398

The governmental funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities (+) 21,285

Repayment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 304,936

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. 4,952

Internal service funds are used by management to charge the costs of transportation to individual funds. The revenue and expenses are netted with governmental activities and are included in governmental activities in the statement of net position. (207,526)

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability		21,105
Deferred Outflows:		
Changes in Assumptions		204,462
Changes in Proportion		96,362
Deferred Inflows:		
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		(387,492)

In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). 17,684

Change in net position of governmental activities \$ 132,753

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-4

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-Type Activities - Enterprise Funds Food Service	Governmental Activities - Internal Service Fund Transportation
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 106,359	\$ 84,845
Accounts Receivable:		
Interfund		262,389
Other Governments	10,964	
Other		177
Inventories	7,447	
Total Current Assets	124,770	347,411
Non-Current Assets:		
Capital Assets	99,347	1,563,865
Less: Accumulated Depreciation	(68,014)	(1,154,296)
Total Non-Current Assets	31,333	409,569
Total Assets	156,103	756,980
LIABILITIES:		
Current Liabilities:		
Accounts Payable		56,314
Total Current Liabilities		56,314
Total Liabilities		56,314
NET POSITION:		
Net Investment in Capital Assets	31,333	409,569
Unrestricted	124,770	291,097
Total Net Position	\$ 156,103	\$ 700,666

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
	Food Service	Transportation
Operating Revenue:		
Charges for Services:		
Daily Sales	\$ 264,572	
Special Events	9,093	
Charges and Fees		\$ 385,646
Total Operating Revenue	273,665	385,646
Operating Expenses:		
Cost of Sales	169,260	
Salaries	238,290	
Contracted Services		226,140
Aid in Lieu		118,446
General Supplies	20,784	
Miscellaneous		232,854
Depreciation Expense	5,676	150,925
Total Operating Expenses	434,010	728,365
Operating Loss	(160,345)	(342,719)
Non-Operating Revenue:		
Federal Sources:		
School Breakfast Program	31,125	
National School Lunch Program	81,345	
Food Distribution Program	10,313	
State Sources:		
School Lunch Program	3,122	
School Lunch Program - Supplemental	89	
Local Sources:		
Interest Revenue	257	718
Total Non-Operating Revenue	126,251	718
Change in Net Position Before Special Item	(34,094)	(342,001)
Disposal of Capital Assets, Net	(984)	
Change in Net Position	(35,078)	(342,001)
Net Position - Beginning of Year	191,181	1,042,667
Net Position - End of Year	\$ 156,103	\$ 700,666

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-6

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 273,665	\$ 123,080
Payments to Employees	(238,290)	
Payments to Suppliers	(179,198)	(578,751)
Net Cash Used for Operating Activities	(143,823)	(455,671)
Cash Flows from Capital Financing Activities:		
Sale of Capital Assets (Proceeds)	16,450	
Acquisition of Capital Assets		(16,450)
Net Cash Provided by/(Used for) Capital Financing Activities	16,450	(16,450)
Cash Flows from Noncapital Financing Activities:		
State Sources	3,257	
Federal Sources	111,340	
Net Cash Provided by Noncapital Financing Activities	114,597	
Cash Flows from Investing Activities:		
Interest Revenue	257	718
Net Cash Provided by Investing Activities	257	718
Net Decrease in Cash and Cash Equivalents	(12,519)	(471,403)
Cash and Cash Equivalents, July 1	118,878	556,248
Cash and Cash Equivalents, June 30	\$ 106,359	\$ 84,845
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating Loss	\$ (160,345)	\$ (342,719)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:		
Depreciation	5,676	150,925
Federal Food Distribution Program	10,313	
Changes in Assets and Liabilities:		
(Increase) in Accounts Receivable, Net		(177)
(Increase) in Interfund Receivable		(262,389)
Decrease in Inventory	533	
(Decrease) in Accounts Payable		(1,311)
Net Cash Used for Operating Activities	\$ (143,823)	\$ (455,671)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$10,313 for the fiscal year ended June 30, 2015.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-7

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2015

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
ASSETS:			
Cash and Cash Equivalents	\$ 213,166	\$ 674,111	\$ 29,396
Total Assets	<u>213,166</u>	<u>674,111</u>	<u>29,396</u>
LIABILITIES:			
Interfund Payable - General Fund	15,709		
Payroll Deductions and Withholdings	440		
Due to Student Groups	197,017		
Total Liabilities	<u>213,166</u>	<u>-0-</u>	<u>-0-</u>
NET POSITION:			
Held in Trust for:			
Unemployment Compensation Claims		674,111	
Flexible Spending Claims			29,396
Total Net Position	<u>\$ -0-</u>	<u>\$ 674,111</u>	<u>\$ 29,396</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-8

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Trust	Flexible Spending Trust
ADDITIONS:		
Contributions:		
Plan Member	\$ 33,229	\$ 9,000
Employer		9,000
Total Contributions	33,229	18,000
Investment Earnings:		
Interest	1,353	55
Net Investment Earnings	1,353	55
Total Additions	34,582	18,055
DEDUCTIONS:		
Unemployment Compensation Claims	48,310	
Flexible Spending Claims		11,126
Total Deductions	48,310	11,126
Change in Net Position	(13,728)	6,929
Net Position - Beginning of the Year	687,839	22,467
Net Position - End of the Year	\$ 674,111	\$ 29,396

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Lakeland Regional High School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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 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.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate; tax exempt entities that meet specific criteria should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include a senior high school serving Wanaque and Ringwood. 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.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary and fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all governmental funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary funds:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's 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.

Internal Service Fund: The Internal Service Fund accounts for all revenue and expenses pertaining to the Board's transportation operations. The internal 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 on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities, Payroll Agency, Unemployment Compensation Insurance Trust and Flexible Spending Trust Funds.

C. Measurement Focus and Basis of Accounting:

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting: (Cont'd)

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

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 budget for the fiscal year ended June 30, 2015 was submitted to the County office and was approved by a vote of the Board of Education. 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. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the fiscal year).

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal 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.

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current fiscal year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants. These grants are recognized on the budgetary basis in full when they are awarded but recognized on the GAAP basis only to the extent of expenditures which have been submitted for reimbursement.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 24,113,036	\$ 284,067
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the related Revenue is Recognized.		10,493
State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	426,736	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(441,166)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 24,098,606	\$ 294,560
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 23,735,777	\$ 284,067
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for GAAP Reporting Purposes.		10,493
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 23,735,777	\$ 294,560
Fund Balance per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis)		\$ 1,658,775
Reconciliation to Governmental Funds Statement (GAAP):		
SDA Grants not Recognized on GAAP Basis		(1,271,664)
Fund Balance per Governmental Funds (GAAP)		\$ 387,111

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 24,113,036	\$ 284,067
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the related Revenue is Recognized.		10,493
State Aid Payment Recognized for GAAP Statements, not Recognized for Budgetary Purposes	426,736	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(441,166)	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 \$ 24,098,606	 \$ 294,560
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 23,735,777	\$ 284,067
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for GAAP Reporting Purposes.		10,493
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 \$ 23,735,777	 \$ 294,560
 Fund Balance per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis)		\$ 1,658,775
Reconciliation to Governmental Funds Statement (GAAP):		
SDA Grants not Recognized on GAAP Basis		(1,271,664)
Fund Balance per Governmental Funds (GAAP)		\$ 387,111

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. 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 restricted, committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances: (Cont'd)

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue 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.

I. 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 fiscal year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

J. Capital Assets:

During the fiscal year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost, including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	45 years
Site Improvements	20 years
Furniture and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

K. Short-Term Receivables/Payables:

Short-term interfund receivables/payables represent 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.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Long-Term Liabilities:

In the government-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2015.

N. 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 fiscal 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.

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

P. Fund Balance Appropriated:

General Fund: Of the \$7,074,510 General Fund balance at June 30, 2015, \$99,398 is assigned for encumbrances; \$5,503,123 is restricted in the capital reserve account; \$960,831 is restricted in the maintenance reserve account; \$300,000 is assigned and included as anticipated revenue for the fiscal year ending June 30, 2016; and \$211,158 is unassigned which is \$441,166 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the final two state aid payments which are not recognized until the fiscal year ended June 30, 2016.

Capital Projects Fund: Of the \$387,111 Capital Projects Fund balance at June 30, 2015, \$127,834 is restricted and \$259,277 is unassigned fund balance which is \$1,271,664 less on the GAAP basis due to SDA grants which are not recognized until the expenditures are submitted for reimbursement.

Debt Service Fund: The Debt Service Fund balance at June 30, 2015 of \$8,225 is restricted.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict 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 fiscal year's budget. The District did not have excess surplus at June 30, 2015.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$441,166 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the fiscal year the State records the payable.

The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned. Fund balance restrictions have been established for capital reserve, maintenance reserve, capital projects and the debt service fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources for capital projects at June 30, 2015.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for fiscal year-end encumbrances and amounts designated for subsequent fiscal year's expenditures in the General Fund at June 30.

R. Deficit Net Position:

The \$6,440,583 deficit in unrestricted net position for the governmental activities at June 30, 2015 is the result of accrued interest payable, unamortized bond premiums, early retirement incentive program payable, net pension liability and the accrual of compensated absences. This deficit does not indicate that the District is facing financial difficulties and is a permitted practice under generally accepted accounting principles.

S. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2015 for changes in assumptions and changes in proportion in pensions.

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had a deferred inflow of resources at June 30, 2015 for the net difference between projected and actual investment earnings on pension plan investments.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, 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.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Board ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Board limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit, and

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

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

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

As of June 30, 2015, cash and cash equivalents of the District consisted of the following:

	<u>Unrestricted</u>	<u>Restricted</u>		<u>Total</u>
		<u>Capital Reserve Account</u>	<u>Maintenance Reserve Account</u>	
Checking Accounts	<u>\$ 1,899,776</u>	<u>\$ 5,503,123</u>	<u>\$ 960,831</u>	<u>\$ 8,363,730</u>

During the period ended June 30, 2015, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2015 was \$8,363,730 and the bank balance was \$8,707,217.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution by inclusion of \$1 on September 26, 2000 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 State Department of Education, 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 fiscal year end of any unanticipated revenue or unexpended line item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 7,979,904
Interest Earnings	10,103
Unexpended Funds Returned	17,708
Deposits	491,069
Withdrawals	<u>(2,995,661)</u>
Ending Balance, June 30, 2015	<u>\$ 5,503,123</u>

The balance in the capital reserve account at June 30, 2015 does not exceed the balance of local support costs of uncompleted capital projects in the District's LRFP. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's LRFP.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$311,294 was established by Board resolution on June 23, 2008. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be reserved and designated in the subsequent fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 1,279,238
Interest Earnings	1,940
Withdrawals	<u>(320,347)</u>
Ending Balance, June 30, 2015	<u>\$ 960,831</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2015, the District transferred \$81,485 to the capital outlay accounts, all of which related to equipment and did not require approval from the County Superintendent.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2015 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Construction in Progress	\$ 4,512,346	\$ 2,429,242		\$ 6,941,588
Total Capital Assets Not Being Depreciated	<u>4,512,346</u>	<u>2,429,242</u>	<u>\$ -0-</u>	<u>6,941,588</u>
Capital Assets Being Depreciated:				
Site Improvements	1,332,390		(812,552)	2,144,942
Buildings and Building Improvements	9,431,684			9,431,684
Machinery and Equipment	3,411,606	73,525	902,677	2,582,454
Total Capital Assets Being Depreciated	<u>14,175,680</u>	<u>73,525</u>	<u>90,125</u>	<u>14,159,080</u>
Governmental Activities Capital Assets	<u>18,688,026</u>	<u>2,502,767</u>	<u>90,125</u>	<u>21,100,668</u>
Less Accumulated Depreciation for:				
Site Improvements	(662,127)	(65,555)		(727,682)
Buildings and Building Improvements	(5,649,813)	(113,129)		(5,762,942)
Machinery and Equipment	(1,847,251)	(200,685)	(90,125)	(1,957,811)
	<u>(8,159,191)</u>	<u>(379,369)</u>	<u>(90,125)</u>	<u>(8,448,435)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 10,528,835</u>	<u>\$ 2,123,398</u>	<u>\$ -0-</u>	<u>\$ 12,652,233</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Equipment and Furniture	\$ 122,592		\$ 23,245	\$ 99,347
Less Accumulated Depreciation	<u>(68,149)</u>	<u>\$ (5,676)</u>	<u>(5,811)</u>	<u>(68,014)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 54,443</u>	<u>\$ (5,676)</u>	<u>\$ 17,434</u>	<u>\$ 31,333</u>

The increases totaling \$2,502,767 represent current fiscal year capitalized expenditures of \$2,429,242 in the capital projects fund and \$73,525 in the general fund. The District had active construction projects totaling \$1,658,775 as of June 30, 2015. The District had outstanding construction encumbrances totaling \$785,451 as of June 30, 2015. Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 31,478
Student and Instruction Related Services	11,326
Operations and Maintenance of Plant	185,640
Student Transportation	150,925
	<u>\$ 379,369</u>

Capital Assets of the Internal Service Fund are included as Governmental Activities in the district-wide financial statements.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2014 (Restated)	Issued/ Accrued	Retired/ Defeased	Balance 6/30/2015
Serial Bonds Payable	\$ 2,100,000		\$ 250,000	\$ 1,850,000
Net Pension Liability	6,523,236		21,105	6,502,131
Compensated Absences Payable	416,156	\$ 7,054	24,738	398,472
Early Retirement Incentive	501,576		54,936	446,640
	<u>\$ 9,540,968</u>	<u>\$ 7,054</u>	<u>\$ 350,779</u>	<u>\$ 9,197,243</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated through the Debt Service Fund.

The District had serial bonds outstanding as of June 30, 2015 as follows:

Maturity Date	Interest Rate	Amount
8/1/2021	4.00%-5.00%	<u>\$ 1,850,000</u>

Principal and interest due on serial bonds and loans outstanding are as follows:

Fiscal Year	Principal	Interest	Total
2016	\$ 265,000	\$ 74,363	\$ 339,363
2017	270,000	63,000	333,000
2018	275,000	52,100	327,100
2019	270,000	41,200	311,200
2020	270,000	29,725	299,725
Thereafter: 2021-2022	<u>500,000</u>	<u>23,325</u>	<u>523,325</u>
	<u>\$ 1,850,000</u>	<u>\$ 283,713</u>	<u>\$ 2,133,713</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2015, the Board had no bonds authorized but not issued.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

C. Capital Leases Payable:

The District had no capital leases at June 30, 2015.

D. Early Retirement Incentive Program:

Principal and interest due at 8.75%, financing of ERIP is as follows:

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 59,743	\$ 39,081	\$ 98,824
2017	64,970	33,854	98,824
2018	70,655	28,169	98,824
2019	76,838	21,986	98,824
2020	83,561	15,263	98,824
Thereafter:			
2021	<u>90,873</u>	<u>7,951</u>	<u>98,824</u>
	<u>\$ 446,640</u>	<u>\$ 146,304</u>	<u>\$ 592,944</u>

The current portion of ERIP payable at June 30, 2015 is \$59,743 and the long-term portion is \$386,897. The ERIP liability will be liquidated through the general fund.

E. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The liability at June 30, 2015 is \$398,472, all of which is a long-term liability.

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, 2015, no liability existed for compensated absences in the Food Service Fund.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long-term portion is \$6,502,131. See Note 9 for further information on the PERS.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS 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 PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$288,425 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$6,502,131 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.0347%, which was an increase of 0.0006% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$352,005. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 204,462	
Changes in Proportion	96,362	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		\$ 387,492
	<u>\$ 300,824</u>	<u>\$ 387,492</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2015	\$ (59,288)
2016	(59,288)
2017	(59,288)
2018	(59,288)
2019	37,585
Thereafter	16,537
	<u>\$ (183,030)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the table on the following page:

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer G.O. 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 8,179,902	\$ 6,502,131	\$ 5,093,230

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. 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 TPAF. 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. The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed \$490,578 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$2,640,895.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the State's proportionate share of the net pension liability associated with the District was \$49,078,709. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.092%, which was a decrease of 0.001% from its proportion measured as of June 30, 2013.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>\$ 49,078,709</u>
Total	<u><u>\$ 49,078,709</u></u>

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$2,640,895 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 2,306,623,861	
Difference Between Expected and Actual Experience		\$ 21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		1,741,236,574
	<u>\$ 2,306,623,861</u>	<u>\$ 1,763,205,593</u>

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as deferred outflows of resources related to pensions resulting from the difference between expected and actual experience will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

Fiscal Year Ending June 30,	Total
2016	\$ (130,688,498)
2017	(130,688,498)
2018	(130,688,498)
2019	(130,688,496)
2020	304,620,646
Thereafter	761,551,612
	<u>\$ 543,418,268</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions (Cont'd)

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
Total Net Pension Liability	\$ 64,722,984,539	\$53,813,067,539	\$44,738,870,539

Pension Plan Fiduciary Net Position

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

For DCRP, the District recognized pension expense of \$432 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$792 for the fiscal year ended June 30, 2015.

NOTE 10. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required the TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. 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 benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126 which provides employer paid 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State's on behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$778,794, \$636,939 and \$678,531 for 2015, 2014 and 2013, respectively. These amounts have been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

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, Liability and Health Benefits

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. The District is a member of a joint insurance fund for workers' compensation insurance. Health benefits are provided to employees through Horizon Blue Cross Blue Shield.

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.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

The following is a summary of District contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ -0-	\$ 33,229	\$ 1,353	\$ 48,310	\$ 674,111
2013-2014	-0-	32,525	1,373	27,907	687,839
2012-2013	-0-	31,783	1,376	67,652	681,848

The Lakeland Regional High School District is a member of the Pooled Insurance Program of New Jersey (the "PIP"). The PIP provides the District with workers' compensation insurance. The PIP is a risk-sharing public entity risk pool that is an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the PIP are elected.

As a member of the PIP, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the PIP were to be exhausted, members would become responsible for their respective shares of the PIP's liabilities.

The PIP can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The June 30, 2015 audit was not available as of the date of this report. Selected, summarized financial information as of June 30, 2014, is as follows:

Total Assets	<u>\$ 22,450,519</u>
Net Position	<u>\$ 6,847,812</u>
Total Revenue	<u>\$ 8,106,185</u>
Total Expenses and Adjustments	<u>\$ 5,449,440</u>
Member Dividends	<u>\$ 1,406,890</u>
Change in Net Position for the Year Ended June 30	<u>\$ 1,249,855</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

Financial statements for the PIP are available at the Executive Director's Office:

Burton Agency
44 Bergen Street
PO Box 270
Westwood, NJ 07675
(201) 664-0310

NOTE 12. COMMITMENTS AND CONTINGENCIES

The Board is periodically involved in lawsuits arising in the normal course of business, including claims regarding special education, disputes over contract awards and performance, and employment matters. The Board does not believe that the ultimate outcome of these cases will have a material negative effect on the District's financial position.

The District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management of the District is not aware of any material items of noncompliance which would result in the disallowance of grant program expenditures.

Encumbrances

At June 30, 2015, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

<u>Governmental Funds</u>		
<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
<u>\$ 99,398</u>	<u>\$ 785,451</u>	<u>\$ 884,849</u>

In the District's Governmental Funds Balance Sheet as of June 30, 2015, no amount is assigned for encumbrances in the Special Revenue Fund since encumbrances are not recognized on the GAAP basis until they are paid. Actual encumbrances on the budgetary basis, had there been any, would have been reflected as either a reduction of grants receivable or an increase in unearned revenue on the GAAP basis in the Special Revenue Fund. The \$785,451 of fiscal year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$259,277 unassigned fund balance on a GAAP basis at June 30, 2015.

NOTE 13. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed as of June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 291,605	\$ 262,389
Special Revenue Fund		275,896
Proprietary Funds	262,389	
Agency Funds		15,709
	<u>\$ 553,994</u>	<u>\$ 553,994</u>

The interfund between the General Fund and the Special Revenue Fund is an interfund loan. The interfund between the General Fund and the Agency Funds is the balance of the prior year interfund not yet remitted as well as funds transferred in excess of the District’s actual payroll liability and bank interest for the fiscal year ended June 30, 2015. In addition, interfund transfers during the fiscal year ended June 30, 2015 were comprised of General Fund operating transfers out to the Student Activity Agency Fund for \$23,222 as a Board contribution for student activities.

NOTE 15. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

- 403b
- Equitable Life Assurance Metropolitan Life Insurance Company
- Variable Annuity Life Insurance Company
- 457
- Equitable Life Assurance

NOTE 16. TAX CALENDAR

Property taxes are levied by the District’s constituent municipalities as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipalities and are remitted to the School Districts on a predetermined mutually agreed-upon schedule.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 17. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2015:

	Governmental Activities			
	General Fund	Special Revenue Fund	Internal Service Fund	Total Governmental Activities
			Transportation	
Vendors	\$ 65,700	\$ 235	\$ 50,564	\$ 116,499
Due to Other Governmental Units	70,701	6,335	5,750	82,786
	<u>\$ 136,401</u>	<u>\$ 6,570</u>	<u>\$ 56,314</u>	<u>\$ 199,285</u>

NOTE 18. PRIOR PERIOD ADJUSTMENTS

The District made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

	Balance 6/30/2014 as Previously Reported	Retroactive Adjustments	Balance 6/30/2014 Restated
<u>Statement of Net Position - Governmental Activities:</u>			
Liabilities:			
Noncurrent Liabilities:			
Due Beyond One Year	\$ 2,712,796	\$ 6,523,236	\$ 9,236,032
Total Liabilities	3,526,796	6,523,236	10,050,032
Net Position - Unrestricted (Deficit)	(471,890)	(6,523,236)	(6,995,126)
Total Net Position	17,352,146	(6,523,236)	10,828,910

**SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION**

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability	0.0341316485%	0.0347285309%
District's proportionate share of the net pension liability	\$ 6,523,236	\$ 6,502,131
District's covered employee payroll	\$ 2,241,542	\$ 2,230,075
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	291.02%	291.57%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 257,175	\$ 286,297
Contributions in relation to the contractually required contribution	<u>(257,175)</u>	<u>(286,297)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 2,241,542	\$ 2,230,075
Contributions as a percentage of covered employee payroll	11.47%	12.84%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

L-3

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
State's proportion of the net pension liability attributable to the District	0.0928682881%	0.0918273103%
State's proportionate share of the net pension liability attributable to the District	\$ 46,934,902	\$ 49,078,709
District's covered employee payroll	\$ 8,749,635	\$ 9,192,526
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	536.42%	533.90%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

BUDGETARY COMPARISON SCHEDULES

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 16,000,000		\$ 16,000,000	\$ 16,000,000	
Tuition	700,000		700,000	757,110	\$ 57,110
Interest Earned on Maintenance Reserve	5,500		5,500	1,940	(3,560)
Interest Earned on Capital Reserve	6,500		6,500	10,103	3,603
Miscellaneous	140,000		140,000	273,304	133,304
Total - Local Sources	16,852,000		16,852,000	17,042,457	190,457
State Sources:					
Equalization Aid	3,876,700		3,876,700	3,876,700	
Special Education Categorical Aid	687,768		687,768	687,768	
Security Aid	19,744		19,744	19,744	
Adjustment Aid	126,667		126,667	126,667	
Transportation Aid	96,677		96,677	96,677	
Per Pupil Growth Aid	10,240		10,240	10,240	
PARCC Readiness Aid	10,240		10,240	10,240	
Extraordinary Special Education Aid	129,513		129,513	265,239	135,726
Nonpublic School Transportation Costs				22,596	22,596
On-Behalf Contributions:					
TPAF Post Retirement Medical (Non-Budgeted)				778,794	778,794
TPAF Pension (Non-Budgeted)				490,578	490,578
TPAF Social Security (Reimbursed - Non-Budgeted)				685,336	685,336
Total State Sources	4,957,549		4,957,549	7,070,579	2,113,030
TOTAL REVENUES	21,809,549		21,809,549	24,113,036	2,303,487

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 6,153,297	\$ (323,324)	\$ 5,829,973	\$ 5,825,671	\$ 4,302
Regular Programs - Home Instruction:					
Salaries of Teachers	32,000	(15,506)	16,494	16,494	
Purchased Professional - Educational Services	12,000	8,435	20,435	20,435	
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	15,725	(14,118)	1,607	253	1,354
Purchased Technical Services	28,920	(2,170)	26,750	7,506	19,244
Other Purchased Services (400-500 series)	178,903	(69,732)	109,171	78,722	30,449
General Supplies	171,069	5,311	176,380	138,961	37,419
Textbooks	71,462	(17,671)	53,791	26,163	27,628
Other Objects	500	120	620	120	500
Total Regular Programs - Instruction	<u>6,663,876</u>	<u>(428,655)</u>	<u>6,235,221</u>	<u>6,114,325</u>	<u>120,896</u>
Special Education - Instruction:					
Behavioral Disabilities:					
Salaries of Teachers	190,247	(45,574)	144,673	144,666	7
Other Salaries for Instruction	24,938	(11,639)	13,299	13,169	130
General Supplies	1,000		1,000	114	886
Textbooks	1,000	(1,000)			
Total Behavioral Disabilities	<u>217,185</u>	<u>(58,213)</u>	<u>158,972</u>	<u>157,949</u>	<u>1,023</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CURRENT EXPENSE					
Multiple Disabilities:					
Salaries of Teachers	\$ 107,656	\$ 32,185	\$ 139,841	\$ 139,820	\$ 21
Other Salaries for Instruction	47,832	(2,323)	45,509	45,218	291
General Supplies	8,800	3,000	11,800	11,379	421
Textbooks	1,000		1,000		1,000
Total Multiple Disabilities	165,288	32,862	198,150	196,417	1,733
Resource Room/Resource Center:					
Salaries of Teachers	954,693	(63,000)	891,693	891,120	573
Other Salaries for Instruction	129,303	(67,000)	62,303	61,985	318
General Supplies	15,000	(54)	14,946	11,227	3,719
Textbooks	1,000		1,000	467	533
Total Resource Room/Resource Center	1,099,996	(130,054)	969,942	964,799	5,143
Autism:					
Salaries of Teachers	130,090	(3,272)	126,818	126,818	
Other Salaries for Instruction	210,650	174,643	385,293	385,293	
Purchased Professional - Educational Services	81,003		81,003	71,532	9,471
Other Purchased Services (400-500 series)	20,111	(17,773)	2,338		2,338
General Supplies	9,100	(3,000)	6,100	2,666	3,434
Textbooks	1,000		1,000		1,000
Total Autism	451,954	150,598	602,552	586,309	16,243

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CURRENT EXPENSE					
Home Instruction:					
Salaries of Teachers	\$ 15,000	\$ 3,891	\$ 18,891	\$ 18,891	
Total Home Instruction	15,000	3,891	18,891	18,891	
Total Special Education Instruction	1,949,423	(916)	1,948,507	1,924,365	\$ 24,142
Bilingual Education - Instruction:					
Salaries of Teachers	13,156	5,175	18,331	18,248	83
Total Bilingual Education - Instruction	13,156	5,175	18,331	18,248	83
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	140,617	22,730	163,347	163,347	
Supplies and Materials	28,000		28,000	27,864	136
Total School-Sponsored Cocurricular Activities - Instruction	168,617	22,730	191,347	191,211	136
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	445,947	18,825	464,772	462,557	2,215
Purchased Services (300-500 series)	91,641	2,050	93,691	90,220	3,471
Supplies and Materials	62,429	9,997	72,426	72,238	188
Other Objects	25,900	(12,047)	13,853	13,844	9
Total School-Sponsored Cocurricular Athletics - Instruction	625,917	18,825	644,742	638,859	5,883

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE					
Summer School - Instruction:					
Salaries of Teachers	\$ 26,500	\$ 4,118	\$ 30,618	\$ 30,618	
Other Salaries for Instruction	21,100	(2,718)	18,382	18,287	\$ 95
Total Summer School - Instruction	47,600	1,400	49,000	48,905	95
Alternative Education Program - Instruction:					
Salaries of Teachers	31,928	100	32,028	31,928	100
Total Alternative Education Program - Instruction	31,928	100	32,028	31,928	100
Total Instruction	9,500,517	(381,341)	9,119,176	8,967,841	151,335
Undistributed Expenditures:					
Instruction:					
Tuition to County Vocational Schools - Regular	332,490	27,441	359,931	359,931	
Tuition to County Vocational Schools - Special	42,478	(3,255)	39,223	39,158	65
Tuition to County Special Services Schools and Regional Day Schools	605,330	106,016	711,346	702,546	8,800
Tuition to Private Schools for the Disabled - Within the State	901,651	62,912	964,563	945,976	18,587
Tuition to Private Schools for the Disabled and Other LEAs - Special - Outside the State		77,416	77,416	77,416	
Tuition - State Facilities	35,465		35,465	35,465	
Tuition - Other	18,630	2,903	21,533	21,533	
Total Undistributed Expenditures - Instruction	1,936,044	273,433	2,209,477	2,182,025	27,452

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CURRENT EXPENSE					
Undistributed Expenditures:					
Attendance and Social Work Services:					
Salaries	\$ 45,151	\$ (288)	\$ 44,863	\$ 44,722	\$ 141
Salaries of Family Support Teams	108,934	(2,665)	106,269	106,269	
Other Purchased Services (400-500 series)	500	(38)	462	352	110
Total Attendance and Social Work Services	154,585	(2,991)	151,594	151,343	251
Health Services:					
Salaries	152,143	55,000	207,143	206,620	523
Purchased Professional and Technical Services	20,000	642	20,642	20,642	
Other Purchased Services (400-500 series)	1,500	(1,100)	400		400
Supplies and Materials	5,000	(3,345)	1,655	1,598	57
Total Health Services	178,643	51,197	229,840	228,860	980
Other Support Services - Speech, OT, PT and Related Services:					
Salaries	84,155		84,155	84,155	
Purchased Professional - Educational Services	300,000	32,118	332,118	324,093	8,025
Total Other Support Services - Speech, OT, PT and Related Services	384,155	32,118	416,273	408,248	8,025
Other Support Services - Students - Extraordinary Services:					
Salaries	104,556	30,010	134,566	134,566	
Total Other Support Services - Students - Extraordinary Services	104,556	30,010	134,566	134,566	

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE					
Other Support Services - Guidance:					
Salaries of Other Professional Staff	\$ 506,147	\$ (8,728)	\$ 497,419	\$ 497,419	
Salaries of Secretarial and Clerical Assistants	117,537	(2,635)	114,902	114,902	
Purchased Professional - Educational Services	20,145	1,093	21,238	21,041	\$ 197
Purchased Professional and Technical Services	3,300	(674)	2,626	2,626	
Other Purchased Services (400-500 series)	12,295	1,107	13,402	13,361	41
Supplies and Materials	5,100	(400)	4,700	4,597	103
Other Objects		2,000	2,000	2,000	
Total Other Support Services - Guidance	664,524	(8,237)	656,287	655,946	341
Other Support Services - Child Study Teams:					
Salaries of Other Professional Staff	185,823	(3,137)	182,686	182,686	
Salaries of Secretarial and Clerical Assistants	59,126	(7,575)	51,551	51,551	
Purchased Professional - Educational Services	280,000	(10,108)	269,892	269,892	
Purchased Professional and Technical Services	16,176	(5,600)	10,576	10,011	565
Other Purchased Services (400-500 series)	700	193	893	893	
Miscellaneous Purchased Services	4,000	(115)	3,885	1,094	2,791
Supplies and Materials	22,000	(7,000)	15,000	13,915	1,085
Total Other Support Services - Child Study Teams	567,825	(33,342)	534,483	530,042	4,441
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	604,200	11,368	615,568	615,568	
Salaries of Secretarial and Clerical Assistants	37,605		37,605	37,413	192
Purchased Professional - Educational Services	2,950	(2,950)			
Purchased Professional and Technical Services		6,500	6,500	5,140	1,360
Other Purchased Services (400-500 series)	15,950	(7,450)	8,500	5,900	2,600
Total Improvement of Instructional Services	660,705	7,468	668,173	664,021	4,152

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE					
Educational Media Services/School Library:					
Salaries	\$ 106,497		\$ 106,497	\$ 105,945	\$ 552
Salaries of Technology Coordinators	126,916	\$ (6,010)	120,906	120,898	8
Other Purchased Services (400-500 series)	6,200	3,141	9,341	9,341	
Supplies and Materials	49,050	(2,781)	46,269	46,022	247
Other Objects	3,798	(180)	3,618	3,618	
Total Educational Media Services/School Library	292,461	(5,830)	286,631	285,824	807
Instructional Staff Training Services:					
Purchased Professional - Educational Services	1,600	4,160	5,760	5,760	
Other Purchased Services (400-500 series)	11,887	(9,349)	2,538		2,538
Total Instructional Staff Training Services	13,487	(5,189)	8,298	5,760	2,538
Support Services - General Administration:					
Salaries	206,809	65,709	272,518	272,518	
Legal Services	45,000	(20,896)	24,104	17,097	7,007
Audit Fees	40,000	13,185	53,185	53,185	
Other Purchased Professional Services	5,000	(2,453)	2,547		2,547
Communications/Telephone	25,000	(6,560)	18,440	15,550	2,890
BOE Other Purchased Services	9,000	(885)	8,115	3,729	4,386
Other Purchased Services (400-500 series)	44,000	7,562	51,562	51,562	
General Supplies	5,101	2,388	7,489	7,489	
BOE In-House Training/Meeting Supplies	3,000	(2,468)	532	75	457
Judgments Against The School District		123,444	123,444	123,444	
Miscellaneous Expenditures	19,000	2,416	21,416	21,416	
BOE Membership Dues and Fees	10,878		10,878	10,878	
Total Support Services - General Administration	412,788	181,442	594,230	576,943	17,287

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CURRENT EXPENSE					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 426,613	\$ (85,186)	\$ 341,427	\$ 341,427	
Salaries of Secretarial and Clerical Assistants	117,070	(12,771)	104,299	104,299	
Purchased Professional and Technical Services	35,357	(16,604)	18,753	13,096	\$ 5,657
Other Purchased Services (400-500 series)	26,668	7,800	34,468	30,282	4,186
Supplies and Materials	15,000	11,030	26,030	24,162	1,868
Other Objects		6,000	6,000	3,640	2,360
Total Support Services - School Administration	620,708	(89,731)	530,977	516,906	14,071
Central Services:					
Salaries	230,917	2,538	233,455	233,455	
Purchased Professional Services	78,218	(52,878)	25,340	25,340	
Purchased Technical Services	9,500	2,865	12,365	12,365	
Miscellaneous Purchased Services (400-500 series)	16,700	(10,878)	5,822	4,951	871
Supplies and Materials	2,000	4,966	6,966	6,966	
Miscellaneous Expenditures		2,818	2,818	2,818	
Total Central Services	337,335	(50,569)	286,766	285,895	871
Administration Information Technology:					
Salaries	19,992	7,000	26,992	26,443	549
Purchased Professional Services	32,100	6,403	38,503	24,935	13,568
Purchased Technical Services	46,275	10,413	56,688	53,146	3,542
Supplies and Materials	23,569	(8,547)	15,022	8,716	6,306
Total Administration Information Technology	121,936	15,269	137,205	113,240	23,965

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CURRENT EXPENSE					
Required Maintenance for School Facilities:					
Salaries	\$ 93,193	\$ 15,168	\$ 108,361	\$ 108,361	
Cleaning, Repair and Maintenance Services	151,701	(10,699)	141,002	96,134	\$ 44,868
General Supplies	70,373	35,511	105,884	50,624	55,260
Other Objects	14,383		14,383	7,913	6,470
Total Required Maintenance for School Facilities	329,650	39,980	369,630	263,032	106,598
Custodial Services:					
Salaries	453,000	30,815	483,815	483,815	
Cleaning, Repair and Maintenance Services	17,245	(2,078)	15,167	5,505	9,662
Other Purchased Property Services	34,000	(26,197)	7,803	7,123	680
Insurance	117,000	11,356	128,356	128,356	
Miscellaneous Purchased Services	3,500	23,987	27,487	27,047	440
General Supplies	82,000	986	82,986	82,705	281
Energy (Natural Gas)	95,000	5,444	100,444	100,444	
Energy (Electricity)	275,000	(8,424)	266,576	266,576	
Other Objects	1,500	2,078	3,578	3,578	
Total Custodial Services	1,078,245	37,967	1,116,212	1,105,149	11,063
Care and Upkeep of Grounds:					
Salaries	87,835	574	88,409	88,409	
Cleaning, Repair and Maintenance Services	5,000	(5,000)			
General Supplies	5,000	(4,958)	42	42	
Total Care and Upkeep of Grounds	97,835	(9,384)	88,451	88,451	

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CURRENT EXPENSE					
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	\$ 65,033	\$ 24,293	\$ 89,326	\$ 88,317	\$ 1,009
Between Home and School - Special	159,065	450,574	609,639	608,852	787
Other Than Between Home and School - Regular		6,115	6,115	6,115	
Between Home and School - Nonpublic Schools	16,549	100	16,649	16,549	100
Other Purchased Professional and Technical Services	7,000	(2,700)	4,300	4,300	
Cleaning, Repair and Maintenance Services	57,000	(54,000)	3,000	3,000	
Contracted Services:					
Other Than Between Home and School - Vendors	24,000		24,000	24,000	
Between Home and School - Joint Agreements	253,863	(167,222)	86,641	86,641	
Special Education Students - Joint Agreements	56,000		56,000	56,000	
Aid in Lieu of Payment for Nonpublic School Students	20,000		20,000	20,000	
Supplies and Materials	73,462		73,462	73,462	
Total Student Transportation Services	731,972	257,160	989,132	987,236	1,896
Unallocated Benefits:					
Social Security Contributions	285,000	20,424	305,424	298,591	6,833
TPAF Contributions - ERIP	95,000		95,000	94,138	862
Other Retirement Contributions - DCRP		604	604	432	172
Other Retirement Contributions - PERS	264,000	24,868	288,868	288,425	443
Workmen's Compensation	158,000	(35,777)	122,223	121,133	1,090
Health Benefits	2,904,133	(244,921)	2,659,212	2,600,314	58,898
Tuition Reimbursement	35,000	10,000	45,000	45,000	
Other Employee Benefits	84,316	(5,457)	78,859	25,301	53,558
Total Unallocated Benefits	3,825,449	(230,259)	3,595,190	3,473,334	121,856

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CURRENT EXPENSE					
On-Behalf Contributions:					
TPAF Post Retirement Medical (Non-budgeted)				\$ 778,794	\$ (778,794)
TPAF Pension (Non-budgeted)				490,578	(490,578)
Reimbursed TPAF Social Security Contributions (Non-budgeted)				685,336	(685,336)
Total On-Behalf Contributions				1,954,708	(1,954,708)
Total Personal Services - Employee Benefits	\$ 3,825,449	\$ (230,259)	\$ 3,595,190	5,428,042	(1,832,852)
Total Undistributed Expenses	12,512,903	490,512	13,003,415	14,611,529	(1,608,114)
TOTAL GENERAL CURRENT EXPENSE	22,013,420	109,171	22,122,591	23,579,370	(1,456,779)
CAPITAL OUTLAY					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12	30,525		30,525	12,576	17,949
Undistributed Expenditures:					
Administration Information Technology		76,649	76,649	69,263	7,386
Required Maintenance for School Facilities	32,839		32,839	32,839	
Care and Upkeep of Grounds		4,836	4,836	4,836	
Total Equipment	63,364	81,485	144,849	119,514	25,335

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	\$ 301,100	\$ (301,100)			
Construction Services	2,236,918	(2,236,918)			
Other Objects	6,997		\$ 6,997	\$ 6,997	
Other Objects - Debt Service Assessment	46,097		46,097	29,896	\$ 16,201
Total Facilities Acquisition and Construction Services	<u>2,591,112</u>	<u>(2,538,018)</u>	<u>53,094</u>	<u>36,893</u>	<u>16,201</u>
TOTAL CAPITAL OUTLAY	<u>2,654,476</u>	<u>(2,456,533)</u>	<u>197,943</u>	<u>156,407</u>	<u>41,536</u>
TOTAL EXPENDITURES	<u>24,667,896</u>	<u>(2,347,362)</u>	<u>22,320,534</u>	<u>23,735,777</u>	<u>(1,415,243)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(2,858,347)</u>	<u>2,347,362</u>	<u>(510,985)</u>	<u>377,259</u>	<u>888,244</u>
Other Financing Sources/(Uses):					
Operating Transfers In:					
Capital Projects Fund - Unexpended Project Balances:					
Capital Outlay				122,707	122,707
Capital Reserve				10,322	10,322
Operating Transfers Out:					
Board Contribution:					
School-Sponsored Cocurricular Athletics	(73,660)	73,660			
Transfer from Capital Reserve to Capital Projects Fund		(2,919,012)	(2,919,012)	(2,919,012)	
Total Other Financing Sources/(Uses)	<u>(73,660)</u>	<u>(2,845,352)</u>	<u>(2,919,012)</u>	<u>(2,785,983)</u>	<u>133,029</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess/(Deficiency) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing (Uses)	\$ (2,932,007)	\$ (497,990)	\$ (3,429,997)	\$ (2,408,724)	\$ 1,021,273
Fund Balance, July 1	9,924,400		9,924,400	9,924,400	
Fund Balance, June 30	<u>\$ 6,992,393</u>	<u>\$ (497,990)</u>	<u>\$ 6,494,403</u>	<u>\$ 7,515,676</u>	<u>\$ 1,021,273</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 5,503,123	
Maintenance Reserve				960,831	
Assigned:					
Year-End Encumbrances				99,398	
Designated for Subsequent Year's Expenditures				300,000	
Unassigned				<u>652,324</u>	
				7,515,676	
Reconciliation to Governmental Funds Statement (GAAP):					
June State Aid Payments not Recognized on GAAP Basis				<u>(441,166)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 7,074,510</u>	

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources	\$ 284,608	\$ 1,056	\$ 285,664	\$ 283,567	\$ (2,097)
Local Sources		500	500	500	
Total Revenues	<u>284,608</u>	<u>1,556</u>	<u>286,164</u>	<u>284,067</u>	<u>(2,097)</u>
EXPENDITURES:					
Instruction					
Personal Services - Salaries	29,327		29,327	29,327	
General Supplies		500	500	500	
Total Instruction	<u>29,327</u>	<u>500</u>	<u>29,827</u>	<u>29,827</u>	
Support Services					
Tuition	231,428		231,428	231,428	
Personal Services - Employee Benefits	7,625		7,625	7,625	
Other Purchased Services	16,228	1,056	17,284	15,187	2,097
Total Support Services	<u>255,281</u>	<u>1,056</u>	<u>256,337</u>	<u>254,240</u>	<u>2,097</u>
Total Expenditures	<u>284,608</u>	<u>1,556</u>	<u>286,164</u>	<u>284,067</u>	<u>2,097</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

Note A - Explanation of Differences Between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 24,113,036	\$ 284,067
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the related Revenue is Recognized.		10,493
State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	426,736	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(441,166)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 24,098,606</u>	<u>\$ 294,560</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 23,735,777	\$ 284,067
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for GAAP Reporting Purposes.		<u>10,493</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 23,735,777</u>	<u>\$ 294,560</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2015 was submitted to the County office and was approved by a vote of the Board of Education. 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. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>No Child Left Behind</u>		<u>IDEA Part B, Basic Regular 2014-15</u>	<u>Local Sources</u>	<u>Totals June 30, 2015</u>
	<u>Title I</u>	<u>Title II</u>			
	<u>2014-15</u>	<u>2014-15</u>			
REVENUE:					
Federal Sources	\$ 36,952	\$ 15,187	\$ 231,428		\$ 283,567
Local Sources				\$ 500	500
Total Revenue	36,952	15,187	231,428	500	284,067
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	29,327				29,327
General Supplies				500	500
Total Instruction	29,327			500	29,827
Support Services:					
Tuition			231,428		231,428
Personal Services - Employee Benefits	7,625				7,625
Other Purchased Services		15,187			15,187
Total Support Services	7,625	15,187	231,428		254,240
Total Expenditures	\$ 36,952	\$ 15,187	\$ 231,428	\$ 500	\$ 284,067

CAPITAL PROJECTS FUND

Exhibit F-1

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	<u>\$ 2,919,012</u>
Total Revenue and Other Financing Sources	<u>2,919,012</u>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	57,161
Construction Services	2,372,081
Operating Transfers Out:	
General Fund - Unexpended Project Balances:	
Capital Outlay	122,707
Capital Reserve	<u>10,322</u>
Total Expenditures and Other Financing Uses	<u>2,562,271</u>
Excess of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	356,741
Fund Balance - Beginning	<u>1,302,034</u>
Fund Balance - Ending	<u><u>\$ 1,658,775</u></u>
Recapitulation:	
Restricted	\$ 127,834
Committed	<u>1,530,941</u>
	1,658,775
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grants not Recognized on GAAP Basis	<u>(1,271,664)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 387,111</u></u>

Exhibit F-1a

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
BOILER REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 423,864		\$ 423,864	\$ 423,864
Transfer from Capital Reserve		\$ 635,796	635,796	635,796
Total Revenue and Other Financing Sources	<u>423,864</u>	<u>635,796</u>	<u>1,059,660</u>	<u>1,059,660</u>
Expenditures:				
Purchased Professional and Technical Services	54,486	13,540	68,026	95,235
Construction Services		560,021	560,021	964,425
Total Expenditures	<u>54,486</u>	<u>573,561</u>	<u>628,047</u>	<u>1,059,660</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 369,378</u>	<u>\$ 62,235</u>	<u>\$ 431,613</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	2510-050-14-1001
Grant Date	June 12, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	\$ -0-
Bonds Issued	\$ -0-
Original Authorized Cost	\$ 1,059,660
Change Orders	\$ -0-
Revised Authorized Cost	\$ 1,059,660
Change Order Percentage	0.00%
Percentage Completion	59.27%
Original Target Completion Date	August 31, 2014
Revised Target Completion Date	August 31, 2014

Exhibit F-1b

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 847,800		\$ 847,800	\$ 847,800
Transfer from Capital Reserve		\$ 1,271,700	1,271,700	1,271,700
Total Revenue and Other Financing Sources	<u>847,800</u>	<u>1,271,700</u>	<u>2,119,500</u>	<u>2,119,500</u>
Expenditures:				
Purchased Professional and Technical Services	132,796	16,800	149,596	213,750
Construction Services		898,782	898,782	1,905,750
Total Expenditures	<u>132,796</u>	<u>915,582</u>	<u>1,048,378</u>	<u>2,119,500</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 715,004</u>	<u>\$ 356,118</u>	<u>\$1,071,122</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	2510-050-14-1002
Grant Date	June 12, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 2,119,500
Change Orders	\$ -0-
Revised Authorized Cost	\$ 2,119,500
Change Order Percentage	0.00%
Percentage Completion	49.46%
Original Target Completion Date	August 31, 2014
Revised Target Completion Date	August 31, 2014

Exhibit F-1c

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
PAVING PROJECT - PHASE II
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Final Project Authorization</u>	<u>Adjustment to Project Authorization</u>	<u>Original Project Authorization</u>
Revenue and Other Financing Sources:						
Transfer from Capital Reserve		\$ 1,011,516	\$ 1,011,516	\$ 1,011,516	\$ 60,916	\$ 950,600
Total Revenue and Other Financing Sources	\$ -0-	1,011,516	1,011,516	1,011,516	60,916	950,600
Expenditures:						
Purchased Professional and Technical Services	43,211	26,821	70,032	70,600		70,600
Construction Services		913,278	913,278	940,916	60,916	880,000
Total Expenditures	43,211	940,099	983,310	1,011,516	60,916	950,600
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ (43,211)	\$ 71,417	\$ 28,206	\$ -0-	\$ -0-	\$ -0-

Additional Project Information:

Project Number	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 950,600
Increase in Authorized Cost	\$ 60,916
Change Orders	\$ -0-
Revised Authorized Cost	\$ 1,011,516
Change Order Percentage	0.00%
Percentage Completion	97.21%
Original Target Completion Date	August 31, 2014
Revised Target Completion Date	August 31, 2014

Exhibit F-1d

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
REPLACEMENT OF EMERGENCY GENERATOR
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 111,150		\$ 111,150	\$ 113,046
Transfer from Capital Reserve	169,570	\$ (7,434)	162,136	169,570
Total Revenue and Other Financing Sources	<u>280,720</u>	<u>(7,434)</u>	<u>273,286</u>	<u>282,616</u>
Expenditures:				
Construction Services	273,286		273,286	282,616
Total Expenditures	<u>273,286</u>	<u>-0-</u>	<u>273,286</u>	<u>282,616</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 7,434</u>	<u>\$ (7,434)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	2510-050-09-1001
Grant Date	February 26, 2009
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 282,616
Change Orders	\$ -0-
Revised Authorized Cost	\$ 282,616
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	June 30, 2010
Revised Target Completion Date	June 30, 2010

Exhibit F-1e

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HOME ECONOMICS ROOM RENOVATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Outlay	\$ 147,405	\$ (23,696)	\$ 123,709	\$ 188,412
Total Revenue and Other Financing Sources	<u>147,405</u>	<u>(23,696)</u>	<u>123,709</u>	<u>188,412</u>
Expenditures:				
Construction Services	123,709		123,709	188,412
Total Expenditures	<u>123,709</u>	<u>-0-</u>	<u>123,709</u>	<u>188,412</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 23,696</u>	<u>\$ (23,696)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	2510-050-07-1000
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 188,412
Change Orders	\$ -0-
Revised Authorized Cost	\$ 188,412
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	June 30, 2007
Revised Target Completion Date	January 31, 2011

Exhibit F-1f

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
REPLACEMENT AND RENOVATION OF EXISTING FACILITIES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Final Project Authorization	Adjustment to Project Authorization	Original Project Authorization
Revenue and Other Financing Sources:						
State Sources - SDA Grant	\$ 285,804		\$ 285,804	\$ 338,544	\$ 33,744	\$ 304,800
Transfer from Capital Outlay	341,526	\$ (58,120)	283,406	507,817	50,617	457,200
Total Revenue and Other Financing Sources	627,330	(58,120)	569,210	846,361	84,361	762,000
Expenditures:						
Construction Services	569,210		569,210	846,361	84,361	762,000
Total Expenditures	569,210	-0-	569,210	846,361	84,361	762,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 58,120	\$ (58,120)	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Additional Project Information:

Project Number	2510-050-05-1000
Grant Date	August 2, 2005
Bond Authorization Date	Not Applicable
Bonds Authorized	\$ -0-
Bonds Issued	\$ -0-
Original Authorized Cost	\$ 762,000
Increase in Authorized Cost	\$ 84,361
Change Orders	\$ -0-
Revised Authorized Cost	\$ 846,361
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	June 30, 2007
Revised Target Completion Date	June 30, 2007

Exhibit F-1g

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
REHABILITATION AND UPGRADING OF EXISTING FACILITIES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 357,104		\$ 357,104	\$ 357,104
Transfer from Capital Outlay	474,319	\$ (40,891)	433,428	535,655
Total Revenue and Other Financing Sources	<u>831,423</u>	<u>(40,891)</u>	<u>790,532</u>	<u>892,759</u>
Expenditures:				
Construction Services	790,532		790,532	892,759
Total Expenditures	<u>790,532</u>	<u>-0-</u>	<u>790,532</u>	<u>892,759</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 40,891</u>	<u>\$ (40,891)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
 Additional Project Information:				
Project Number	SP98436			
Grant Date	March 2004			
Bond Authorization Date	Not Applicable			
Bonds Authorized	\$ -0-			
Bonds Issued	\$ -0-			
Original Authorized Cost	\$ 892,759			
Change Orders	\$ -0-			
Revised Authorized Cost	\$ 892,759			
 Change Order Percentage	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	August 31, 2005			
Revised Target Completion Date	April 30, 2008			

Exhibit F-1h

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AND IMPROVEMENTS TO THE HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,364,550	\$ (2,888)	\$ 1,361,662	\$ 1,364,550
Total Revenue and Other Financing Sources	<u>1,364,550</u>	<u>(2,888)</u>	<u>1,361,662</u>	<u>1,364,550</u>
Expenditures:				
Purchased Professional and Technical Services	83,864		83,864	84,100
Construction Services	1,277,798		1,277,798	1,280,450
Total Expenditures	<u>1,361,662</u>	<u>-0-</u>	<u>1,361,662</u>	<u>1,364,550</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 2,888</u>	<u>\$ (2,888)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	2510-050-11-2000
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 1,364,550
Change Orders	\$ -0-
Revised Authorized Cost	\$ 1,364,550
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	September 30, 2011
Revised Target Completion Date	October 31, 2011

Exhibit F-1i

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF AN ADDITION TO AND UPGRADING OF EXISTING FACILITIES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 2,656,000		\$2,656,000	\$ 2,656,000
Bond Proceeds and Transfers	4,344,000		4,344,000	4,344,000
Total Revenue and Other Financing Sources	<u>7,000,000</u>	<u>\$ -0-</u>	<u>7,000,000</u>	<u>7,000,000</u>
Expenditures:				
Construction Services	6,872,166		6,872,166	7,000,000
Total Expenditures	<u>6,872,166</u>	<u>-0-</u>	<u>6,872,166</u>	<u>7,000,000</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 127,834</u>	<u>\$ -0-</u>	<u>\$ 127,834</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	SP99279
Grant Date	March 2001
Bond Authorization Date	December 14, 2000
Bonds Authorized	\$ 4,344,000
Bonds Issued	\$ 4,344,000
Original Authorized Cost	\$ 7,000,000
Change Orders	\$ -0-
Revised Authorized Cost	\$ 7,000,000
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	August 31, 2003
Revised Target Completion Date	August 31, 2008

PROPRIETARY FUNDS

Exhibit G-1

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS:

Current Assets:	
Cash and Cash Equivalents	\$ 106,359
Accounts Receivable - Other Governments	10,964
Inventories	7,447
	<hr/>
Total Current Assets	124,770
Non-Current Assets:	
Capital Assets	99,347
Less: Accumulated Depreciation	(68,014)
	<hr/>
Total Non-Current Assets	31,333
	<hr/>
Total Assets	156,103
	<hr/>
<u>NET POSITION:</u>	
Net Investment in Capital Assets	31,333
Unrestricted	124,770
	<hr/>
Total Net Position	<u>\$ 156,103</u>

Exhibit G-2

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Operating Revenue:	
Charges for Services:	
Daily Sales	\$ 264,572
Special Events	9,093
	<hr/>
Total Operating Revenue	273,665
	<hr/>
Operating Expenses:	
Cost of Sales	169,260
Salaries	238,290
General Supplies	20,784
Depreciation Expense	5,676
	<hr/>
Total Operating Expenses	434,010
	<hr/>
Operating Loss	(160,345)
	<hr/>
Non-Operating Revenue:	
Federal Sources:	
School Breakfast Program	31,125
National School Lunch Program	81,345
Food Distribution Program	10,313
State Sources:	
School Lunch Program	3,122
School Lunch Program - Supplemental	89
Local Sources:	
Interest Revenue	257
	<hr/>
Total Non-Operating Revenue	126,251
	<hr/>
Change in Net Position Before Special Item	(34,094)
	<hr/>
Disposal of Capital Assets, Net	(984)
	<hr/>
Change in Net Position	(35,078)
	<hr/>
Net Position - Beginning of Year	191,181
	<hr/>
Net Position - End of Year	\$ 156,103
	<hr/> <hr/>

Exhibit G-3

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 273,665
Payments to Employees	(238,290)
Payments to Suppliers	<u>(179,198)</u>
Net Cash Used for Operating Activities	<u>(143,823)</u>
Cash Flows from Capital Financing Activities:	
Sale of Capital Assets (Proceeds)	<u>16,450</u>
Net Cash Provided by Capital Financing Activities	<u>16,450</u>
Cash Flows from Noncapital Financing Activities:	
Federal Sources	111,340
State Sources	<u>3,257</u>
Net Cash Provided by Noncapital Financing Activities	<u>114,597</u>
Cash Flows from Investing Activities:	
Interest Revenue	<u>257</u>
Net Cash Provided by Investing Activities	<u>257</u>
Net Decrease in Cash and Cash Equivalents	(12,519)
Cash and Cash Equivalents, July 1	<u>118,878</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 106,359</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (160,345)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	5,676
Federal Food Distribution Program	10,313
Changes in Assets and Liabilities:	
Decrease in Inventory	<u>533</u>
Net Cash Used for Operating Activities	<u><u>\$ (143,823)</u></u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$10,313 for the fiscal year ended June 30, 2015.

Exhibit G-4

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Transportation</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 84,845
Due from Other Funds	262,389
Accounts Receivable	177
	<hr/>
Total Current Assets	347,411
	<hr/>
Non-Current Assets:	
Capital Assets	1,563,865
Less: Accumulated Depreciation	(1,154,296)
	<hr/>
Total Non-Current Assets	409,569
	<hr/>
Total Assets	756,980
	<hr/>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	56,314
	<hr/>
Total Current Liabilities	56,314
	<hr/>
Total Liabilities	56,314
	<hr/>
<u>NET POSITION:</u>	
Net Investment in Capital Assets	409,569
Unrestricted	291,097
	<hr/>
Total Net Position	\$ 700,666
	<hr/> <hr/>

Exhibit G-5

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Transportation</u>
Operating Revenue	
Local Sources:	
Charges and Fees	\$ 385,646
Total Operating Revenue	385,646
Operating Expenses:	
Contracted Services	226,140
Aid in Lieu	118,446
Miscellaneous	232,854
Depreciation	150,925
Total Operating Expenses	728,365
Operating Loss	(342,719)
Non-Operating Revenue:	
Interest Revenue	718
Total Non-Operating Revenue	718
Change in Net Position	(342,001)
Net Position - Beginning of Year	1,042,667
Net Position - End of Year	\$ 700,666

Exhibit G-6

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Transportation</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 123,080
Payments to Suppliers	(578,751)
Net Cash Used for Operating Activities	(455,671)
Cash Flows from Capital Financing Activities:	
Acquisition of Capital Assets	(16,450)
Net Cash Used for Capital Financing Activities	(16,450)
Cash Flows from Investing Activities:	
Investment Revenue	718
Net Cash Flows Provided by Investing Activities	718
Net Decrease in Cash and Cash Equivalents	(471,403)
Cash and Cash Equivalents, July 1	556,248
Cash and Cash Equivalents, June 30	\$ 84,845
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (342,719)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	150,925
Changes in Assets and Liabilities:	
(Increase) in Accounts Receivable, Net	(177)
(Increase) in Interfund Receivable	(262,389)
(Decrease) in Accounts Payable	(1,311)
Net Cash Used for Operating Activities	\$ (455,671)

FIDUCIARY FUNDS

Exhibit H-1

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Agency</u>			<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>		
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 197,017	\$ 16,149	\$ 213,166	\$ 674,111	\$ 29,396
Total Assets	<u>197,017</u>	<u>16,149</u>	<u>213,166</u>	<u>674,111</u>	<u>29,396</u>
<u>LIABILITIES:</u>					
Interfund Payable - General Fund		15,709	15,709		
Payroll Deductions and Withholdings		440	440		
Due to Student Groups	<u>197,017</u>		<u>197,017</u>		
Total Liabilities	<u>197,017</u>	<u>16,149</u>	<u>213,166</u>	<u>-0-</u>	<u>-0-</u>
<u>NET POSITION:</u>					
Held in Trust for:					
Unemployment Compensation Claims				674,111	
Flexible Spending Claims					<u>29,396</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 674,111</u>	<u>\$ 29,396</u>

Exhibit H-2

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>	<u>Totals</u>
ADDITIONS:			
Contributions:			
Plan member	\$ 33,229	\$ 9,000	\$ 42,229
Employer		9,000	9,000
Total Contributions	<u>33,229</u>	<u>18,000</u>	<u>51,229</u>
Investment Earnings:			
Interest	<u>1,353</u>	<u>55</u>	<u>1,408</u>
Net Investment Earnings	<u>1,353</u>	<u>55</u>	<u>1,408</u>
Total Additions	<u>34,582</u>	<u>18,055</u>	<u>52,637</u>
DEDUCTIONS:			
Unemployment Compensation Claims	48,310		48,310
Flexible Spending Claims		<u>11,126</u>	<u>11,126</u>
Total Deductions	<u>48,310</u>	<u>11,126</u>	<u>59,436</u>
Change in Net Position	(13,728)	6,929	(6,799)
Net Position - Beginning of the Year	<u>687,839</u>	<u>22,467</u>	<u>710,306</u>
Net Position - End of the Year	<u>\$ 674,111</u>	<u>\$ 29,396</u>	<u>\$ 703,507</u>

Exhibit H-3

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 249,311	\$ 292,945	\$ 345,239	\$ 197,017
Total Assets	<u>\$ 249,311</u>	<u>\$ 292,945</u>	<u>\$ 345,239</u>	<u>\$ 197,017</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 249,311	\$ 292,945	\$ 345,239	\$ 197,017
Total Liabilities	<u>\$ 249,311</u>	<u>\$ 292,945</u>	<u>\$ 345,239</u>	<u>\$ 197,017</u>

Exhibit H-4

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Senior High Schools:				
Student Athletic Account	\$ 102,102	\$ 45,573	\$ 90,991	\$ 56,684
General Organization Account	<u>147,209</u>	<u>247,372</u>	<u>254,248</u>	<u>140,333</u>
Total All Schools	<u>\$ 249,311</u>	<u>\$ 292,945</u>	<u>\$ 345,239</u>	<u>\$ 197,017</u>

Exhibit H-5

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 107,575	\$ 14,976,020	\$ 15,067,446	\$ 16,149
Total Assets	<u>\$ 107,575</u>	<u>\$ 14,976,020</u>	<u>\$ 15,067,446</u>	<u>\$ 16,149</u>
 <u>LIABILITIES:</u>				
Interfund Payable - General Fund	\$ 4,622	\$ 11,087		\$ 15,709
Payroll Deductions and Withholdings	<u>102,953</u>	<u>14,964,933</u>	<u>15,067,446</u>	<u>440</u>
Total Liabilities	<u>\$ 107,575</u>	<u>\$ 14,976,020</u>	<u>\$ 15,067,446</u>	<u>\$ 16,149</u>

LONG-TERM DEBT

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2014	Retired/ Matured	Balance June 30, 2015
			Date	Amount				
Refunding Bonds	04/01/10	\$ 2,595,000	08/01/15	\$ 265,000	4.50%			
			08/01/16	270,000	4.00%			
			08/01/17	275,000	4.00%			
			08/01/18	270,000	4.00%			
			08/01/19	270,000	4.50%			
			08/01/20	270,000	4.50%			
			08/01/21	230,000	5.00%			
					\$ 2,100,000	\$ 250,000	\$ 1,850,000	
					<u>\$ 2,100,000</u>	<u>\$ 250,000</u>	<u>\$ 1,850,000</u>	

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOT APPLICABLE

Exhibit I-3

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 335,325		\$ 335,325	\$ 335,325	
Total Revenues	335,325		335,325	335,325	
EXPENDITURES:					
Regular Debt Service:					
Interest	85,325		85,325	85,325	
Redemption of Principal	250,000		250,000	250,000	
Total Regular Debt Service	335,325		335,325	335,325	
Total Expenditures	335,325		335,325	335,325	
Excess of Revenues Over Expenditures	-0-		-0-	-0-	
Fund Balance, July 1	8,225		8,225	8,225	
Fund Balance, June 30	\$ 8,225	\$ -0-	\$ 8,225	\$ 8,225	\$ -0-
<u>Recapitulation of Fund Balance at June 30, 2015:</u>					
Restricted for Subsequent Year's Expenditures				\$ 8,225	

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION
(UNAUDITED)

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

	<u>Exhibit</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.</p>	J-6 thru J-9
<p>Debt Capacity</p> <p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p>	J-10 thru J-13
<p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p>Operating Information</p> <p>These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</p>	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 7,756,956	\$ 8,221,002	\$ 8,881,408	\$ 8,873,430	\$ 9,922,834	\$ 8,789,802	\$ 8,437,072	\$ 8,809,767	\$ 8,750,044	\$ 8,707,189
Special Education	1,231,601	1,763,106	2,042,127	2,028,873	1,237,410	2,244,478	2,376,904	2,680,156	2,474,463	2,771,099
Other Special Instruction	61,022	146,413	65,389	68,328	72,887	33,879	28,071	17,632	22,763	36,356
Other Instruction	739,582	782,390	819,904	844,499	927,655	975,744	1,162,106	1,232,270	1,133,202	1,226,165
Support Services:										
Tuition	1,846,159	1,695,214	1,728,095	1,650,517	1,150,943	1,059,094	1,396,772	1,483,596	2,012,038	2,413,453
Student & Instruction Related Services	2,609,766	2,722,017	2,776,837	2,851,919	3,286,469	3,201,623	3,271,422	3,369,011	3,391,596	4,129,513
General Administrative Services	631,399	926,855	636,988	701,801	522,360	568,586	446,753	482,851	456,326	634,606
School Administrative Services	851,495	1,081,469	1,074,355	1,047,411	675,394	601,948	633,971	633,835	704,331	708,256
Plant Operations and Maintenance	1,823,734	2,451,638	2,139,592	2,151,206	2,091,550	2,000,551	1,782,700	2,158,166	1,897,239	1,864,148
Pupil Transportation	1,178,747	1,196,671	1,309,115	1,380,054	1,158,366	1,233,285	1,426,083	1,528,171	1,515,123	1,647,997
Central Services	386,723	399,416	383,440	343,277	338,878	360,337	359,543	394,632	335,326	350,381
Administration Information Technology	51,613	79,843	107,216	63,489	124,441	137,124	159,342	69,649	72,860	170,260
Interest on Long-term Debt	178,896	171,132	162,858	154,109	275,957	92,739	90,777	83,870	70,069	60,290
Total Governmental Activities Expenses	19,347,693	21,637,166	22,127,324	22,158,913	21,785,144	21,299,190	21,571,516	22,943,606	22,835,380	24,719,713
Business-type Activities:										
Food Service	447,406	474,877	500,714	503,546	473,182	475,672	458,949	446,312	461,037	434,994
Total Business-type Activities Expenses	447,406	474,877	500,714	503,546	473,182	475,672	458,949	446,312	461,037	434,994
Total District Expenses	19,795,099	22,112,043	22,628,038	22,662,459	22,258,326	21,774,862	22,030,465	23,389,918	23,296,417	25,154,707
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	16,548		284,856	533,188	494,364	614,856	644,224	640,754	679,742	757,110
Pupil Transportation	129,433	226,970	399,916	304,681	125,578	179,342	76,345	56,807	70,447	123,257
Operating Grants and Contributions	2,667,778	3,347,536	3,385,266	2,744,121	2,905,901	2,606,883	3,006,149	3,171,186	2,904,398	3,319,499
Capital Grants and Contributions	247	1,446	357,543	57,986	167,915	67,001				
Total Governmental Activities Program Revenues	2,814,006	3,575,952	4,427,581	3,639,976	3,693,758	3,468,082	3,726,718	3,868,747	3,654,587	4,199,866

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(accrual basis of accounting)
 UNAUDITED

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenues										
Business-type Activities:										
Charges for Services:										
Food Service	\$ 383,923	\$ 380,138	\$ 402,101	\$ 399,142	\$ 402,930	\$ 379,887	\$ 331,433	\$ 301,668	\$ 278,342	\$ 273,665
Operating Grants and Contributions	82,180	95,772	110,597	111,019	137,012	136,641	145,728	135,657	136,258	125,994
Total Business-type Activities Revenues	466,103	475,910	512,698	510,161	539,942	516,528	477,161	437,325	414,600	399,659
Total District Program Revenues	3,280,109	4,051,862	4,940,279	4,150,137	4,233,700	3,984,610	4,203,879	4,306,072	4,069,187	4,599,525
Net (Expense)/Revenue										
Governmental Activities	(16,533,687)	(18,061,214)	(17,699,743)	(18,518,937)	(18,091,386)	(17,831,108)	(17,844,798)	(19,074,859)	(19,180,793)	(20,519,847)
Business-type Activities	18,697	1,033	11,984	6,615	66,760	40,856	18,212	(8,987)	(46,437)	(35,335)
Total District-wide Net (Expense)/Revenue	(16,514,990)	(18,060,181)	(17,687,759)	(18,512,322)	(18,024,626)	(17,790,252)	(17,826,586)	(19,083,846)	(19,227,230)	(20,555,182)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	13,316,186	14,274,393	14,955,597	15,316,300	15,882,862	16,418,176	15,736,378	15,736,378	15,736,378	16,000,000
Taxes Levied for Debt Service	336,803	339,397	341,322	342,771	343,747	343,747	330,631	321,834	337,663	335,325
Unrestricted Grants and Contributions	3,590,622	3,595,474	3,727,901	3,980,569	3,826,850	3,548,553	3,887,436	4,025,517	4,042,810	4,031,210
Investment Earnings	101,348	138,842	115,470	47,352	41,296	8,323	21,324	23,422	23,242	20,388
Miscellaneous Income	27,476	75,468	38,459	28,460	190,356	74,628	471,867	205,350	164,245	265,677
Change in Valuation of Capital Assets	(1,619,092)									
Transfers	(100,010)	(81,754)	(71,610)	(75,000)	(193,800)					
Total Governmental Activities	15,653,333	18,341,820	19,107,139	19,640,452	20,091,311	20,393,427	20,447,636	20,312,501	20,304,338	20,652,600
Business-type Activities:										
Investment Earnings	4,952	4,003	5,909	3,714	1,670	418	875	924	444	257
Total Business-type Activities	4,952	4,003	5,909	3,714	1,670	418	875	924	444	257
Total District-wide	15,658,285	18,345,823	19,113,048	19,644,166	20,092,981	20,393,845	20,448,511	20,313,425	20,304,782	20,652,857
Change in Net Position										
Governmental Activities	(880,354)	280,606	1,407,396	1,121,515	1,999,925	2,562,319	2,602,838	1,237,642	1,123,545	132,753
Business-type Activities	23,649	5,036	17,893	10,329	68,430	41,274	19,087	(8,063)	(45,993)	(35,078)
Total District	\$ (856,705)	\$ 285,642	\$ 1,425,289	\$ 1,131,844	\$ 2,068,355	\$ 2,603,593	\$ 2,621,925	\$ 1,229,579	\$ 1,077,552	\$ 97,675

Source: School District Financial Reports.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
UNAUDITED

	June 30,				
	2006	2007	2008	2009	2010
General Fund:					
Reserved/Restricted	\$ 938,874	\$ 844,182	\$ 1,468,067	\$ 2,596,328	\$ 3,803,945
Unreserved/Unassigned/(Deficit)	185,584	243,992	228,573	(73,515)	124,031
Total General Fund	<u>\$ 1,124,458</u>	<u>\$ 1,088,174</u>	<u>\$ 1,696,640</u>	<u>\$ 2,522,813</u>	<u>\$ 3,927,976</u>
All Other Governmental Funds:					
Reserved/Restricted	\$ 1,000,302	\$ 49,939	\$ 19,299		\$ 286,022
Designated for Subsequent Year Expenditures/(Deficit)	(76,401)	59,192	416,735	\$ 476,891	352,249
Total All Other Governmental Funds	<u>\$ 923,901</u>	<u>\$ 109,131</u>	<u>\$ 436,034</u>	<u>\$ 476,891</u>	<u>\$ 638,271</u>
	June 30,				
	2011	2012	2013	2014	2015
General Fund:					
Reserved/Restricted	\$ 4,930,336	\$ 7,406,627	\$ 8,011,726	\$ 9,259,142	\$ 6,463,954
Assigned	122,183	125,571	848,738	125,989	399,398
Unreserved/Unassigned	203,608	141,872	99,853	112,533	211,158
Total General Fund	<u>\$ 5,256,127</u>	<u>\$ 7,674,070</u>	<u>\$ 8,960,317</u>	<u>\$ 9,497,664</u>	<u>\$ 7,074,510</u>
All Other Governmental Funds:					
Reserved/Restricted	\$ 138,000	\$ 138,000	\$ 127,834	\$ 136,059	\$ 136,059
Committed	1,501,880	235,633	147,729		
Unreserved/Unassigned/(Deficit)				(97,464)	259,277
Total All Other Governmental Funds	<u>\$ 1,639,880</u>	<u>\$ 373,633</u>	<u>\$ 275,563</u>	<u>\$ 38,595</u>	<u>\$ 395,336</u>

Source: School District Financial Reports.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	\$ 13,652,989	\$ 14,613,790	\$ 15,296,919	\$ 15,659,071	\$ 16,226,609	\$ 16,761,923	\$ 16,067,009	\$ 16,058,212	\$ 16,074,041	\$ 16,335,325
Tuition Charges	16,548		284,856	533,188	494,364	614,856	644,224	640,754	679,742	757,110
Interest Earnings	97,056	137,282	106,762	40,796	37,710	7,023	18,698	21,210	22,031	19,670
Miscellaneous	30,668	75,468	38,459	28,460	190,356	74,628	131,683	205,350	164,245	266,177
State Sources	6,017,565	6,634,769	7,188,661	6,506,111	5,770,541	5,817,115	6,294,957	6,889,829	6,656,441	7,056,149
Federal Sources	237,890	309,687	282,049	276,565	1,130,125	405,322	598,628	306,874	290,767	294,060
Total Revenues	20,052,716	21,770,996	23,197,706	23,044,191	23,849,705	23,680,867	23,755,199	24,122,229	23,887,267	24,728,491
Expenditures										
Instruction:										
Regular Instruction	5,974,163	6,074,400	6,555,042	6,650,674	7,357,278	6,342,598	6,192,394	6,302,540	6,335,400	6,114,325
Special Education Instruction	942,966	1,324,556	1,552,738	1,532,937	942,039	1,673,264	1,760,158	1,920,170	1,797,528	1,953,692
Other Special Instruction	46,411	106,212	47,889	50,746	53,375	24,743	20,250	12,395	16,815	28,216
Other Instruction	585,044	581,016	615,851	641,143	692,979	751,255	906,436	952,603	851,241	910,903
Support Services:										
Tuition	1,846,159	1,695,214	1,728,095	1,650,517	1,150,943	1,059,094	1,396,772	1,483,596	2,012,038	2,413,453
Student & Instruction Related Services	2,054,826	2,061,568	2,073,603	2,198,122	2,581,925	2,384,295	2,458,819	2,465,934	2,461,894	3,088,447
General Administrative Services	553,922	805,461	540,167	598,588	467,898	503,015	390,605	425,435	390,054	576,943
School Administrative Services	674,070	810,184	789,612	809,997	538,951	462,199	477,644	464,447	513,763	516,906
Plant Operations and Maintenance	1,428,569	1,878,176	1,667,311	1,740,935	1,609,568	1,513,871	1,433,663	1,490,846	1,491,267	1,456,632
Pupil Transportation	980,593	951,129	1,293,468	1,152,869	1,076,149	994,190	1,142,498	1,075,460	920,071	987,236
Central Services	306,465	300,388	289,069	262,681	283,537	298,539	298,655	330,804	288,960	285,895
Administration Information Technology	45,223	71,763	98,978	55,314	118,944	131,039	153,410	113,486	118,055	113,240
Unallocated Benefits	3,343,848	4,341,305	4,510,574	4,393,901	4,284,535	4,341,186	4,507,880	5,016,324	4,934,232	5,428,042
Capital Outlay	206,849	1,199,527	87,008	20,966	587,494	689,079	1,473,872	548,012	1,126,132	2,585,649
Debt Service:										
Principal	155,000	165,000	175,000	185,000	195,000	230,000	220,000	230,000	235,000	250,000
Interest and Other Charges	181,803	174,397	166,322	157,771	148,747	103,581	110,631	102,000	94,438	85,325
Total Expenditures	19,325,911	22,540,296	22,190,727	22,102,161	22,089,362	21,501,948	22,943,687	22,934,052	23,586,888	26,794,904

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 726,805	\$ (769,300)	\$ 1,006,979	\$ 942,030	\$ 1,760,343	\$ 2,178,919	\$ 811,512	\$ 1,188,177	\$ 300,379	\$ (2,066,413)
Other Financing Sources (Uses)										
Capital Leases (non-budgeted)						150,841				
Prior Year Accounts Payable Canceled							340,184			
Transfers In	609,000				311,028	1,364,550	44,964	210,408		3,052,041
Transfers Out	(709,010)	(81,754)	(71,610)	(75,000)	(504,828)	(1,364,550)	(44,964)	(210,408)		(3,052,041)
Total Other Financing Sources (Uses)	(100,010)	(81,754)	(71,610)	(75,000)	(193,800)	150,841	340,184	-0-	-0-	-0-
Net Change in Fund Balances	<u>\$ 626,795</u>	<u>\$ (851,054)</u>	<u>\$ 935,369</u>	<u>\$ 867,030</u>	<u>\$ 1,566,543</u>	<u>\$ 2,329,760</u>	<u>\$ 1,151,696</u>	<u>\$ 1,188,177</u>	<u>\$ 300,379</u>	<u>\$ (2,066,413)</u>
Debt Service as a Percentage of Noncapital Expenditures	1.8%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.5%	1.5%	1.4%

Source: School District Financial Reports.

Exhibit J-5

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
UNAUDITED

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Other</u>	<u>Total</u>
2006	\$ 97,056	\$ 16,548	\$ 27,476	\$ 141,080
2007	137,282	-0-	75,468	212,750
2008	106,762	284,856	38,459	430,077
2009	40,796	533,188	28,460	602,444
2010	37,710	494,364	190,356	722,430
2011	7,023	614,856	74,628	696,507
2012	18,698	644,224	131,683	794,605
2013	21,210	640,754	205,350	867,314
2014	22,031	679,742	164,245	866,018
2015	19,670	757,110	265,677	1,042,457

Source: Lakeland Regional High School District records.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

BOROUGH OF RINGWOOD

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2005	\$43,162,200	\$766,121,860	\$2,987,500	\$140,330	\$28,564,000	\$16,224,300	\$-0-	\$857,200,190	\$100,180,400	\$1,439,861	\$858,640,051	\$0.98	\$1,526,656,105
2006	36,491,500	776,476,460	2,590,100	145,130	27,927,400	17,687,900	-0-	861,318,490	100,723,300	1,179,728	862,498,218	1.02	1,680,338,173
2007	34,966,300	784,304,460	2,720,400	133,030	26,239,900	17,824,100	-0-	866,188,190	100,963,300	1,129,473	867,317,663	1.00	1,838,700,889
2008	34,544,900	787,768,560	2,720,400	133,330	26,299,900	17,824,100	-0-	869,291,190	101,177,100	1,084,483	870,375,673	1.02	1,986,231,254
2009*	78,944,500	1,538,576,800	4,731,400	89,300	67,758,300	33,800,900	-0-	1,723,901,200	162,109,600	2,638,490	1,726,539,690	0.53	1,969,028,284
2010	77,893,500	1,534,609,300	5,547,700	91,000	65,443,100	33,014,800	-0-	1,716,599,400	162,472,400	2,386,377	1,718,985,777	0.54	1,849,100,408
2011	76,695,000	1,532,454,400	6,279,300	93,300	65,268,000	32,787,200	-0-	1,713,577,200	163,109,700	-0-	1,713,577,200	0.52	1,788,226,664
2012	75,741,900	1,532,168,100	5,758,400	282,100	64,018,300	32,787,200	-0-	1,710,756,000	163,768,200	-0-	1,710,756,000	0.53	1,732,676,783
2013	72,592,500	1,296,995,400	4,856,600	88,100	58,605,700	27,696,500	-0-	1,460,834,800	147,554,100	-0-	1,460,834,800	0.57	1,663,039,694
2014	72,228,000	1,299,371,100	4,856,600	87,000	57,819,200	26,997,700	-0-	1,461,359,600	147,844,100	-0-	1,461,359,600	0.63	1,631,134,925

BOROUGH OF WANAUKE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2005	\$25,063,200	\$413,565,074	\$127,300	\$13,300	\$43,334,120	\$12,895,390	\$1,600,100	\$496,598,484	\$290,927,700	\$853,956	\$497,452,440	\$1.05	\$942,085,685
2006	21,801,500	439,711,174	-0-	-0-	42,899,120	12,895,390	1,600,100	518,907,284	290,900,200	686,471	519,593,755	1.12	1,122,087,188
2007	24,877,300	483,491,974	-0-	-0-	42,143,720	10,828,090	1,600,100	562,941,184	292,308,800	637,511	563,578,695	1.17	1,348,849,124
2008	24,025,200	498,917,774	-0-	-0-	40,972,420	10,828,090	1,600,100	576,343,584	293,031,100	677,148	577,020,732	1.18	1,425,532,571
2009	25,113,400	498,394,774	-0-	-0-	40,494,020	10,828,090	1,600,100	576,430,384	291,576,300	726,242	577,156,626	1.23	1,403,083,133
2010	24,185,700	502,053,074	-0-	3,800	41,896,720	10,591,890	1,600,100	580,331,284	291,958,900	-0-	580,331,284	1.30	1,386,159,406
2011	23,389,700	502,533,774	-0-	3,800	41,631,020	10,321,790	1,379,200	579,259,284	292,146,600	-0-	579,259,284	1.22	1,351,251,430
2012	23,115,800	507,724,774	-0-	3,800	41,574,020	10,321,790	1,379,200	584,119,384	291,753,000	-0-	584,119,384	1.21	1,347,018,699
2013*	43,414,200	963,498,900	-0-	5,800	88,604,200	22,020,000	2,178,100	1,119,721,200	471,787,000	-0-	1,119,721,200	0.70	1,212,597,512
2014	42,582,900	971,990,000	-0-	132,400	86,700,100	21,736,000	2,178,100	1,125,319,500	471,787,000	-0-	1,125,319,500	0.63	1,289,326,322

* - Property revaluation became effective in this year.

a - Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

b - Tax rates are per \$100.

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.

Reassessment occurs when ordered by the County Board of Taxation.

Source: Municipal Tax Assessors.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(rate per \$100 of assessed value)
UNAUDITED

BOROUGH OF RINGWOOD

Year Ended December 31,	Lakeland Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Ringwood	Borough of Ringwood Public Schools	Passaic County	
2005	\$ 0.9567	\$ 0.0233	\$ 0.98	\$ 0.85	\$ 1.55	\$ 0.94	\$ 4.32
2006	0.9948	0.0252	1.02	0.90	1.57	1.02	4.51
2007	0.9768	0.0232	1.00	0.98	1.63	1.05	4.66
2008	0.9972	0.0228	1.02	1.02	1.73	1.15	4.92
2009*	0.5184	0.0116	0.53	0.54	0.89	0.57	2.53
2010	0.5286	0.0114	0.54	0.58	0.91	0.58	2.61
2011	0.5093	0.0107	0.52	0.60	0.93	0.60	2.65
2012	0.5194	0.0106	0.53	0.63	0.98	0.65	2.79
2013	0.5580	0.0120	0.57	0.75	1.20	0.76	3.28
2014	0.6168	0.0132	0.63	0.75	1.23	0.79	3.40

BOROUGH OF WANAQUE

Year Ended December 31,	Lakeland Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Wanaque	Borough of Wanaque Public Schools	Passaic County	
2005	\$ 1.0251	\$ 0.0249	\$ 1.05	\$ 1.12	\$ 1.87	\$ 1.00	\$ 5.04
2006	1.0924	0.0276	1.12	1.13	1.88	1.13	5.26
2007	1.1428	0.0272	1.17	1.13	2.03	1.18	5.51
2008	1.1537	0.0263	1.18	1.35	1.91	1.25	5.69
2009	1.2031	0.0269	1.23	1.37	2.01	1.22	5.83
2010	1.2725	0.0275	1.30	1.44	2.07	1.30	6.11
2011	1.1950	0.0250	1.22	1.52	2.22	1.34	6.30
2012	1.1857	0.0243	1.21	1.58	2.24	1.46	6.49
2013*	0.6853	0.0147	0.70	0.87	1.18	0.73	3.48
2014	0.6168	0.0132	0.63	0.88	1.21	0.81	3.53

* - Property revaluation became effective in this year.

a - The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

Source: Municipal Tax Collector and School Business Administrator.

Exhibit J-8

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

BOROUGH OF RINGWOOD

Taxpayer	2014			2005		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
North Jersey District Water Supply Commission	\$ 59,043,000	1	4.04%	\$ 23,179,000	1	2.70%
Tennessee Gas Transmission	12,442,400	2	0.85%	1,434,100	10	0.17%
Ringwood Plaza, LTD Partnership	11,536,700	3	0.79%	5,237,400	2	0.61%
Ringwood Associates, LTD, c/o Berger L	7,125,800	4	0.49%			
Serler LLC	3,615,700	5	0.25%	2,702,400	4	0.31%
Ponderosa Group I LLC	3,061,700	6	0.21%	1,592,600	9	0.19%
Chs Wks (DE) 16-81 Inc.	3,000,000	7	0.21%			
PSE&G Co.	2,967,500	8	0.20%	1,904,900	6	0.22%
Ringwood Commons, LLC	2,852,900	9	0.20%			
Spring Lake Land LLC	2,877,800	10	0.20%	1,613,000	8	0.19%
Franciscan Sisters of Ringwood				4,530,900	3	0.53%
Pitts, Howard T., LLP				2,189,000	5	0.25%
GKV Rental, LLC				1,680,100	7	0.20%
Total	\$ 108,523,500		7.44%	\$ 46,063,400		5.37%

BOROUGH OF WANAUQUE

Taxpayer	2014			2005		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
North Jersey District Water Supply Commission	\$ 21,221,300	1	1.89%	\$ 16,155,800	1	3.25%
Wanaque Convalescent Center	16,537,000	2	1.47%	9,240,300	2	1.86%
Omni 11 LLC	11,641,400	3	1.03%			
Mountain Lakes Estates, Inc.	10,813,700	4	0.96%	1,910,700	8	0.38%
Wanaque Building Assoc.	7,269,300	5	0.65%	3,840,000	4	0.77%
Arrow Group Industries	5,201,400	6	0.46%	3,317,300	6	0.67%
Algonquin Gas Trans. Co.	4,489,900	7	0.40%	2,086,890	7	0.42%
Shree Badha Shivan, LLC	3,645,000	8	0.32%			
Ringwood Park Plaza Realty	2,793,000	9	0.25%			
Haskell Town Center LLC	2,697,300	10	0.24%			
Di Rubbio, Ruck and McCauley				5,666,200	3	1.14%
Pulte Communities of NJ				3,826,100	5	0.77%
Haskell Properties				1,700,000	9	0.34%
Haskell Products, Inc.				1,265,500	10	0.25%
Total	\$ 86,309,300		7.67%	\$ 49,008,790		9.85%

Source: Municipal Tax Assessors.

Exhibit J-9

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

BOROUGH OF RINGWOOD

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 8,439,369	\$ 8,439,369	100.00%	\$ -0-
2007	8,823,939	8,823,939	100.00%	-0-
2008	8,709,132	8,709,132	100.00%	-0-
2009	8,869,611	8,869,611	100.00%	-0-
2010	9,164,471	9,164,471	100.00%	-0-
2011	9,220,218	9,220,218	100.00%	-0-
2012	8,976,308	8,976,308	100.00%	-0-
2013	8,980,549	8,980,549	100.00%	-0-
2014	8,267,727	8,267,727	100.00%	-0-
2015	9,232,810	9,232,810	100.00%	-0-

BOROUGH OF WANAQUE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 5,213,620	\$ 5,213,620	100.00%	\$ -0-
2007	5,789,851	5,789,851	100.00%	-0-
2008	6,587,787	6,587,787	100.00%	-0-
2009	6,789,460	6,789,460	100.00%	-0-
2010	7,062,138	7,062,138	100.00%	-0-
2011	7,541,705	7,541,705	100.00%	-0-
2012	7,090,701	7,090,701	100.00%	-0-
2013	7,077,663	7,077,663	100.00%	-0-
2014	7,806,314	7,806,314	100.00%	-0-
2015	7,102,515	7,102,515	100.00%	-0-

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

Source: Lakeland Regional High School District records, including the Certificate and Report of Report of School Taxes (A4F form).

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2006	\$ 4,562,483	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 4,562,483	0.55%	\$ 198.78	
2007	4,369,401	-0-	-0-	-0-	-0-	4,369,401	0.48%	185.93	
2008	4,163,862	-0-	-0-	-0-	-0-	4,163,862	0.42%	173.09	
2009	3,945,651	-0-	-0-	-0-	-0-	3,945,651	0.38%	159.88	
2010	3,695,534	-0-	-0-	-0-	-0-	3,695,534	0.36%	148.68	
2011	3,426,257	-0-	150,841	-0-	-0-	3,577,098	0.37%	153.14	
2012	3,163,543	-0-	101,770	-0-	-0-	3,265,313	0.32%	138.93	
2013	2,887,092	-0-	51,782	-0-	-0-	2,938,874	0.28%	124.90	
2014	2,601,576	-0-	-0-	-0-	-0-	2,601,576	0.25%	110.26	
2015	2,296,640	-0-	-0-	-0-	-0-	2,296,640	0.22%	96.40	

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

b - Includes Early Retirement Incentive Plan (ERIP) refunding.

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

Source: School District Financial Reports.

Exhibit J-11

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 3,754,000	\$ -0-	\$ 3,754,000	0.277%	\$ 163.56
2007	3,589,000	-0-	3,589,000	0.260%	152.72
2008	3,414,000	-0-	3,414,000	0.239%	141.92
2009	3,229,000	-0-	3,229,000	0.223%	130.84
2010	3,015,000	-0-	3,015,000	0.131%	121.30
2011	2,785,000	-0-	2,785,000	0.121%	119.23
2012	2,565,000	-0-	2,565,000	0.112%	109.14
2013	2,335,000	-0-	2,335,000	0.102%	99.24
2014	2,100,000	-0-	2,100,000	0.081%	89.01
2015	1,850,000	-0-	1,850,000	0.072%	77.65

a - See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b - See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

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

Source: School District Financial Reports.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Borough of Ringwood	\$ 11,968,421	100.00%	\$ 11,968,421
Borough of Wanaque	21,091,639	100.00%	21,091,639
Passaic County General Obligation Debt	383,548,769	6.25%	23,988,605
Subtotal, Overlapping Debt			57,048,665
Lakeland Regional High School District Direct Debt			1,850,000
Total Direct and Overlapping Debt			\$ 58,898,665

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

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

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

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2015

Year Ended December 31,	Borough of Ringwood	Borough of Wanaque	Equalized Valuation Basis
2012	\$ 1,667,728,602	\$ 1,295,164,931	\$ 2,962,893,533
2013	1,629,850,273	1,279,388,940	2,909,239,213
2014	1,629,163,434	1,258,043,041	2,887,206,475
	<u>\$ 4,926,742,309</u>	<u>\$ 3,832,596,912</u>	<u>\$ 8,759,339,221</u>
Average Equalized Valuation of Taxable Property			<u>\$ 2,919,779,740</u>
Debt Limit (3% of Average Equalization Value)			\$ 87,593,392 ^a
Net Bonded School Debt			<u>1,850,000</u>
Legal Debt Margin			<u>\$ 85,743,392</u>

	Fiscal Year				
	2006	2007	2008	2009	2010
Debt Limit	\$ 73,197,320	\$ 82,322,368	\$ 91,682,684	\$ 97,812,782	\$ 99,422,447
Total Net Debt Applicable to Limit	<u>3,754,000</u>	<u>3,589,000</u>	<u>3,414,000</u>	<u>3,229,000</u>	<u>3,015,000</u>
Legal Debt Margin	<u>\$ 69,443,320</u>	<u>\$ 78,733,368</u>	<u>\$ 88,268,684</u>	<u>\$ 94,583,782</u>	<u>\$ 96,407,447</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.13%	4.36%	3.72%	3.30%	3.03%

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt Limit	\$ 97,180,441	\$ 94,319,983	\$ 91,691,080	\$ 89,385,043	\$ 87,593,392
Total Net Debt Applicable to Limit	<u>2,785,000</u>	<u>2,565,000</u>	<u>2,335,000</u>	<u>2,100,000</u>	<u>1,850,000</u>
Legal Debt Margin	<u>\$ 94,395,441</u>	<u>\$ 91,754,983</u>	<u>\$ 89,356,080</u>	<u>\$ 87,285,043</u>	<u>\$ 85,743,392</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.87%	2.72%	2.55%	2.35%	2.11%

^a - Limit set by NJSA 18A:24-19 for a 9 through 12 district; other % limits would be applicable for other districts.

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

Exhibit J-14

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

BOROUGH OF RINGWOOD

Year	Population ^a	Personal Income (thousands of dollars) ^b	Passaic County Per Capita Personal Income ^c	Unemployment Rate ^d
2005	12,546	\$ 453,437,532	\$ 36,142	3.7%
2006	12,555	484,422,120	38,584	3.8%
2007	12,561	512,978,679	40,839	3.5%
2008	12,602	524,961,514	41,657	4.6%
2009	12,712	521,827,600	41,050	9.0%
2010	12,236	513,128,896	41,936	9.2%
2011	12,317	540,137,401	43,853	9.0%
2012	12,332	550,007,200	44,600	8.9%
2013	12,363	552,477,744	44,688	8.6%
2014	12,377	553,103,376	44,688 *	5.9%

BOROUGH OF WANAQUE

Year	Population ^a	Personal Income (thousands of dollars) ^b	Passaic County Per Capita Personal Income ^c	Unemployment Rate ^d
2005	10,406	\$ 376,093,652	\$ 36,142	3.5%
2006	10,945	422,301,880	38,584	3.6%
2007	11,495	469,444,305	40,839	3.3%
2008	12,077	503,091,589	41,657	4.3%
2009	12,144	498,511,200	41,050	8.4%
2010	11,122	466,412,192	41,936	8.6%
2011	11,186	490,539,658	43,853	8.4%
2012	11,197	499,386,200	44,600	8.3%
2013	11,231	501,890,928	44,688	13.3%
2014	11,447	511,543,536	44,688 *	6.2%

* - Latest Passaic County per capita personal income available (2013) was used for calculation purposes.

Source:

- a** - Population information provided by the US Department of Census - Population Division.
- b** - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- c** - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- d** - Unemployment data provided by the NJ Department of Labor and Workforce Development.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Information was not available as of the date of these financial statements.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:										
Regular	84.5	81	85	83	78	65	62	62	74	75
Special Education	14	17	15	16	16	16	12	12	19	20
Other Special Instruction	14.5	14.5	13.5	15	16	17	16	16	14	15
Support Services:										
Student & Instruction Related Services	11	19	19	18	26	30	27	29	29	29
General Administrative Services	6	3	4	4	3	2	2	2	2	2
School Administrative Services	11	10	10	10	6	5	5	5	6	6
Plant Operations and Maintenance	12	11	15	15	16	10	10	10	12	12
Pupil Transportation	5	11	15	15	12	14	15	15	16	17
Business and Other Support Services	3	3	3	3	4	4	4	5	5	5
Food Service	12	12	12	11	7	11	12	12	14	14
Total	<u>173</u>	<u>181.5</u>	<u>191.5</u>	<u>190</u>	<u>184</u>	<u>174</u>	<u>165</u>	<u>168</u>	<u>191</u>	<u>195</u>

Source: District Personnel Records.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Senior High School					
2006	1,192	\$ 18,782,259	\$ 15,757	3.07%	116	1:10.28		1,192	1,111	2.41%	93.20%
2007	1,118	21,001,372	18,785	19.22%	92	1:12.15		1,118	1,042	-6.21%	93.20%
2008	1,196	21,762,397	18,196	-3.13%	112	1:10.70		1,196	1,137	6.98%	95.07%
2009	1,162	21,738,424	18,708	2.81%	112	1:10.30		1,162	1,085	-2.84%	93.37%
2010	1,167	21,158,121	18,130	-3.09%	110	1:10.60		1,167	1,102	0.43%	94.43%
2011	1,184	20,479,288	17,297	-4.60%	100	1:11.86		1,184	1,139	1.46%	96.20%
2012	1,112	21,139,184	19,010	9.91%	92	1:12.09		1,112	1,057	-6.08%	95.05%
2013	1,117	22,054,040	19,744	3.86%	105	1:10.87		1,117	1,106	0.45%	99.02%
2014	1,047	22,131,318	21,138	7.06%	93	1:11.17		1,039	993	-6.98%	95.57%
2015	1,003	23,873,930	23,803	12.61%	115	1:11.42		999	950	-3.85%	95.10%

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

b - Teaching staff includes only full-time equivalents of certificated staff.

c - Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Note: Enrollment based on annual October District count.

Source: Lakeland Regional High School District records.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

<u>District Building</u>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Lakeland Regional										
High School (1958):										
Square Feet	208,390	208,390	208,390	208,390	208,390	208,390	208,390	208,390	208,390	208,390
Capacity (students)	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267
Enrollment	1,192	1,118	1,196	1,162	1,167	1,184	1,112	1,117	1,047	1,003

Number of Schools at June 30, 2015:
 Elementary = 0
 Middle School = 0
 High School = 1
 Other = 0

Note: Year of original construction is shown in parentheses.
 Enrollment is based on the annual October District count.

Source: Lakeland Regional High School District Facilities Office.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance
For School Facilities - Account #11-000-261-XXX:

<u>School Facilities*</u>	Project # (s)	Fiscal Year Ended June 30,				
		2006	2007	2008	2009	2010
High School	N/A	\$ 429,114	\$ 588,752	\$ 329,070	\$ 308,905	\$ 245,475
Total School Facilities		<u>429,114</u>	<u>588,752</u>	<u>329,070</u>	<u>308,905</u>	<u>245,475</u>
Grand Total		<u>\$ 429,114</u>	<u>\$ 588,752</u>	<u>\$ 329,070</u>	<u>\$ 308,905</u>	<u>\$ 245,475</u>

<u>School Facilities*</u>	Project # (s)	Fiscal Year Ended June 30,				
		2011	2012	2013	2014	2015
High School	N/A	\$ 288,071	\$ 303,513	\$ 311,356	\$ 234,235	\$ 263,032
Total School Facilities		<u>288,071</u>	<u>303,513</u>	<u>311,356</u>	<u>234,235</u>	<u>263,032</u>
Grand Total		<u>\$ 288,071</u>	<u>\$ 303,513</u>	<u>\$ 311,356</u>	<u>\$ 234,235</u>	<u>\$ 263,032</u>

N/A - Not Applicable.

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

Source: Lakeland Regional High School District records.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Zurich Insurance Company:		
Special Multi Peril:		
Property - Blanket Building and Contents (per Building)	\$ 48,414,395	\$ 5,000
Increased Cost of Construction, Combined -		
Per Building, Per Loss	2,000,000	5,000
Earthquake and Volcanic Eruption	5,000,000	5%
Flood - Outside Zones A, B or V	5,000,000	50,000
Flood - Zone B	2,000,000	100,000
Flood - Zone A or V	1,000,000	500,000
Valuable Papers and Records - Per Entity	5,000,000	1,000
EDP Equipment - Catastrophe Limit	2,500,000	5,000
Combined Business Interruption and Extra Expense	5,000,000	5,000
Comprehensive General Liability:		
General Aggregate	2,000,000	
Per Occurrence	1,000,000	
Employee Benefits Liability	1,000,000	
Electronic Data Processing	2,500,000	
Limited Pollution Liability	1,000,000	
Boiler & Machinery: Property Damage - Blanket	100,000,000	1,000
Crime:		
Employee Theft - Per Loss	500,000	5,000
Forgery or Alteration	50,000	1,000
Inside the Premises - Robbery or Safe Burglary	50,000	1,000
Computer Fraud	50,000	1,000
Faithful Performance of Duty - Per Loss	250,000	
Commercial Automobile:		
Automobile Liability - Comprehensive and Collision	1,000,000	1,000
Additional Personal Injury Protection	10,000	
Medical Payments	5,000	
Uninsured Motorist	1,000,000	
Underinsured Motorist	1,000,000	
Commercial Umbrella (above \$1,000,000):		
Per Occurrence/Aggregate Limit	9,000,000	
Retention	10,000	

Source: Lakeland Regional High School District records.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Fireman's Fund Insurance Company:		
High Excess Liability (above \$10,000,000):		
Per Occurrence/Aggregate	\$ 50,000,000	
Pooled Insurance Program of New Jersey:		
Worker's Compensation	Statutory	
State National Insurance Company:		
Worker's Compensation Excess Liability	1,000,000	
American Safety Casualty Insurance Company:		
Environmental Impairment Liability:		
Impairment Incident Limit	1,000,000	\$ 15,000
Impairment Aggregate per Named Insured	3,000,000	
Impairment Aggregate Limit	20,000,000	
Darwin National Assurance Company:		
School Board Legal Liability:		
Directors and Officers Policy Per Claim Aggregate	1,000,000	10,000
Employment Practices Liability		10,000
Selective Insurance Company:		
Public Employees' Faithful Performance Surety Position Bond:		
Treasurer	250,000	
Board Secretary/Business Administrator	250,000	
Monumental Life Insurance Company:		
Student Accident Insurance:		
Maximum Benefit	5,000,000	
XL Group:		
Cyber Liability	1,000,000/3,000,000	

Source: Lakeland Regional High School District records.

SINGLE AUDIT SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

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*

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Lakeland Regional High School District
 County of Passaic, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lakeland Regional Board of Education, in the County of Passaic (the "District") as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Honorable President and Members
of the Board of Education
Lakeland Regional High School District
Page 2

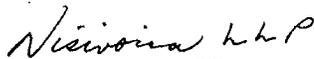
Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey
November 16, 2015


NISIVOCCIA LLP



Francis J. Jones, Jr.
Licensed Public School Accountant #1154
Certified Public Accountant



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance
 Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Lakeland Regional High School District
 County of Passaic, New Jersey

Report on Compliance for Each Major State Program

We have audited the compliance of the Board of Education of the Lakeland Regional High School District in the County of Passaic (the "Board") with the types of compliance requirements described in the U.S. Office of Management and Budget (the "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 its major state programs for the fiscal year ended June 30, 2015. The Board's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. 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* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 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 state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the District's compliance.

The Honorable President and Members
of the Board of Education
Lakeland Regional High School District
Page 2

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

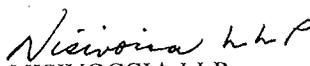
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04 and 15-08, 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 District's internal control over compliance.

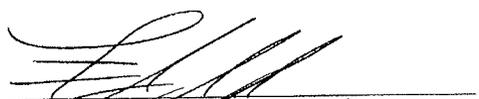
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of OMB Circular A-133 or NJOMB 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
November 16, 2015


NISIVOCCIA LLP


Francis J. Jones, Jr.
Licensed Public School Accountant #1154
Certified Public Accountant

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2014		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015			
			From	To		Unearned Revenue/ (Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture - Passed-through State Department of Agriculture:														
Child Nutrition Cluster:														
School Breakfast Program	10.553	N/A	7/1/14	6/30/15	\$ 31,125			\$ 28,029	\$ (31,125)			\$ (3,096)		
School Breakfast Program	10.553	N/A	7/1/13	6/30/14	37,547	\$ (2,871)		2,871						
Federal Food Distribution Program	10.555	N/A	7/1/14	6/30/15	10,313			10,313	(10,313)					
National School Lunch Program	10.555	N/A	7/1/14	6/30/15	81,345			73,853	(81,345)			(7,492)		
National School Lunch Program	10.555	N/A	7/1/13	6/30/14	87,852	(6,587)		6,587						
Subtotal Child Nutrition Cluster						(9,458)		121,653	(122,783)			(10,588)		
Total U.S. Department of Agriculture						(9,458)		121,653	(122,783)			(10,588)		
U.S. Department of Education:														
Special Revenue Fund:														
Special Education Cluster:														
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-2510-15	7/1/14	6/30/15	231,428				(231,428)			(231,428)		
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-2510-14	7/1/13	6/30/14	234,524	(234,524)		234,524						
I.D.E.A. - Part B, Basic Regular - Carryover	84.027	IDEA-2510-08	9/1/07	8/31/09	229,011		\$ 45							\$ 45
Total Special Education Cluster						(234,524)	45	234,524	(231,428)			(231,428)		45
No Child Left Behind:														
Title I	84.010A	NCLB-2510-15	7/1/14	6/30/15	36,952				(36,952)			(36,952)		
Title II	84.367A	NCLB-2510-15	7/1/14	6/30/15	17,284			\$ 1,056	(15,187)			(14,131)		
Title II	84.367A	NCLB-2510-14	7/1/13	6/30/14	15,049	1,056		(1,056)						
Total Special Revenue Fund						(233,468)	45	234,524	(283,567)			(282,511)		45
Total U.S. Department of Education						(233,468)	45	234,524	(283,567)			(282,511)		45
TOTAL FEDERAL AWARDS						\$ (242,926)	\$ 45	\$ -0-	\$ 356,177	\$ (406,350)	\$ -0-	\$ (293,099)	\$ -0-	\$ 45

N/A - Not Available

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2014	Cash Received	Budgetary Expenditures	Balance at June 30, 2015		MEMO	
		From	To		Budgetary Unearned Revenue/ (Accounts Receivable)			GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:											
General Fund:											
Equalization Aid	15-495-034-5120-078	7/1/14	6/30/15	\$3,876,700		\$3,522,463	\$ (3,876,700)			\$ (354,237)	\$ 3,876,700
Equalization Aid	14-495-034-5120-078	7/1/13	6/30/14	3,876,700	\$ (344,110)	344,110					3,876,700
Special Education Categorical Aid	15-495-034-5120-089	7/1/14	6/30/15	687,768		624,923	(687,768)			(62,845)	687,768
Special Education Categorical Aid	14-495-034-5120-089	7/1/13	6/30/14	687,768	(61,049)	61,049					687,768
Security Aid	15-495-034-5120-084	7/1/14	6/30/15	19,744		17,940	(19,744)			(1,804)	19,744
Security Aid	14-495-034-5120-084	7/1/13	6/30/14	19,744	(1,753)	1,753					19,744
Transportation Aid	15-495-034-5120-014	7/1/14	6/30/15	96,677		87,843	(96,677)			(8,834)	96,677
Transportation Aid	14-495-034-5120-014	7/1/13	6/30/14	96,677	(8,581)	8,581					96,677
Adjustment Aid	15-495-034-5120-085	7/1/14	6/30/15	126,667		115,093	(126,667)			(11,574)	126,667
Adjustment Aid	14-495-034-5120-085	7/1/13	6/30/14	126,667	(11,243)	11,243					126,667
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14	6/30/15	10,240		9,304	(10,240)			(936)	10,240
PARCC Readiness Aid	15-495-034-5120-098	7/1/14	6/30/15	10,240		9,304	(10,240)			(936)	10,240
Extraordinary Special Education Aid	15-100-034-5120-473	7/1/14	6/30/15	265,239			(265,239)	\$ (265,239)		(265,239)	265,239
Extraordinary Special Education Aid	14-100-034-5120-473	7/1/13	6/30/14	111,046	(111,046)	111,046					111,046
Nonpublic School Transportation Costs	15-495-034-5120-014	7/1/14	6/30/15	22,596			(22,596)	(22,596)		(22,596)	22,596
Nonpublic School Transportation Costs	14-495-034-5120-014	7/1/13	6/30/14	7,941	(7,941)	7,941					7,941
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14	6/30/15	685,336		651,993	(685,336)	(33,343)		(33,343)	685,336
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/13	6/30/14	681,970	(34,324)	34,324					681,970
Total General Fund State Aid										(580,047)	5,618,910
							(5,801,207)	(321,178)		(762,344)	11,409,720
Enterprise Fund:											
State School Lunch Program	15-100-010-3350-023	7/1/14	6/30/15	3,122		2,835	(3,122)	(287)		(287)	3,122
State School Lunch Program	14-100-010-3350-023	7/1/13	6/30/14	3,260	(227)	227					3,260
State School Lunch Program - Supplemental	15-100-010-3350-023	7/1/14	6/30/15	89			(89)	(89)		(89)	89
State School Lunch Program - Supplemental	14-100-010-3350-023	7/1/13	6/30/14	195	(195)	195					195
Total Enterprise Fund										(422)	3,257
							(3,211)	(376)		(376)	6,666
Schools Development Authority:											
Capital Projects Fund:											
Boiler Replacement Project	SP-2510-050-14-1001	6/12/14	6/30/16	423,864	(423,864)					(423,864)	423,864
HVAC Upgrades	SP-2510-050-14-1002	6/12/14	6/30/16	847,800	(847,800)					(847,800)	847,800
Total Capital Projects Fund										(1,271,664)	1,271,664
TOTAL STATE AWARDS										\$ (1,852,133)	\$5,622,167
							\$ (5,804,418)	\$ (321,554)	\$ -0-	\$ (2,034,384)	\$12,688,050

N/A - Not Available

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Lakeland Regional School District under programs of the federal and state governments for the fiscal year ended June 30, 2015. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported 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. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund, special revenue fund and capital projects 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 fiscal year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the June state aid payments in the current budget year, which is mandated pursuant to P.L. 2003, C.97. For GAAP purposes, these payments are not recognized until the subsequent budget year due to the state deferral and recording of the June state aid payments in the subsequent fiscal 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 revenue, whereas the GAAP basis does not. Grant revenue in the capital projects fund is recognized on the budgetary basis in the fiscal year of award but is not recognized on the GAAP basis until expended and submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(14,430) for the general fund, \$10,493 for the special revenue fund and \$(1,271,664) for the capital projects fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Post-Retirement Medical Benefit and Pension Contributions revenue of \$778,794 and \$490,578, respectively.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Awards and financial assistance revenue are reported on the Board's financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$7,056,149	\$ 7,056,149
Special Revenue Fund	\$ 294,060		294,060
Food Service Enterprise Fund	<u>122,783</u>	<u>3,211</u>	<u>125,994</u>
Total Financial Assistance	<u>\$ 416,843</u>	<u>\$7,059,360</u>	<u>\$ 7,476,203</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. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2015. Revenue and expenditures reported under the Federal Food Distribution Program represent current fiscal year value received and current fiscal year distributions, respectively.

NOTE 6. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has active grants awarded in the amount of \$1,271,664 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2015, \$-0- has been expended and submitted for reimbursement \$-0- has been drawn down and received. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circulars 04-04 and 15-08 or Section 510(a) of Federal OMB Circular A-133.
- The District was not subject to the single audit provisions of Federal OMB Circular A-133 for fiscal year end June 30, 2015 as federal grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.

- The District's state programs tested as major for the current fiscal year were the following:

<u>State Program:</u>	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$3,876,700	\$ 3,876,700
Special Education				
Categorical Aid	15-495-034-5120-089	7/1/14-6/30/15	687,768	687,768
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	126,667	126,667
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	19,744	19,744
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	10,240	10,240
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	10,240	10,240

- The threshold used for distinguishing between Type A and Type B state programs was \$300,000.
- The single audit threshold identified in Federal OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 was \$500,000.
- The District was determined to be a "low-risk" auditee for state programs.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not Applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in in section 510(a) of the federal circular and New Jersey's OMB Circulars 04-04 and 15-08.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Status of Prior Year Findings:

The District had no prior year audit findings.