

LODI BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Lodi, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Lodi Board of Education

Lodi, New Jersey

For The Fiscal Year Ended June 30, 2015

Prepared by

Business Office

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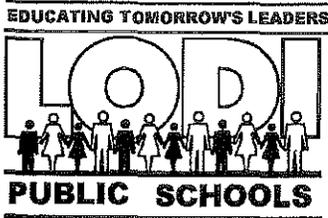
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INTRODUCTORY SECTION



OFFICE OF THE BOARD SECRETARY/BUSINESS ADMINISTRATOR

Lincoln School Building • P.O. Box 815 • Lodi, New Jersey 07644
Phone: (973) 778-4920 • Fax: (973) 778-1175

MARC A. CAPIZZI
Board Secretary
Business Administrator

November 23, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Lodi School District for the fiscal year ended June 30, 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 Lodi Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements, combining and individual fund financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133 "*Audits of States, Local Governments, and Non-Profit Organizations*", and the state Treasury Circular Letter 15-08 OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Lodi School District is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Lodi Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular as well as special education for handicapped students.

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

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

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

4. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

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

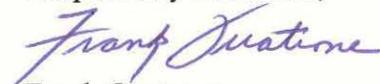
6. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute detailed in "Notes to the Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from 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 funds are secured in accordance with the act.

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

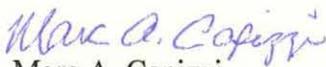
8. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, & Higgins, LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and State Treasury Circular Letter 15-08 OMB. The auditor's report on financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



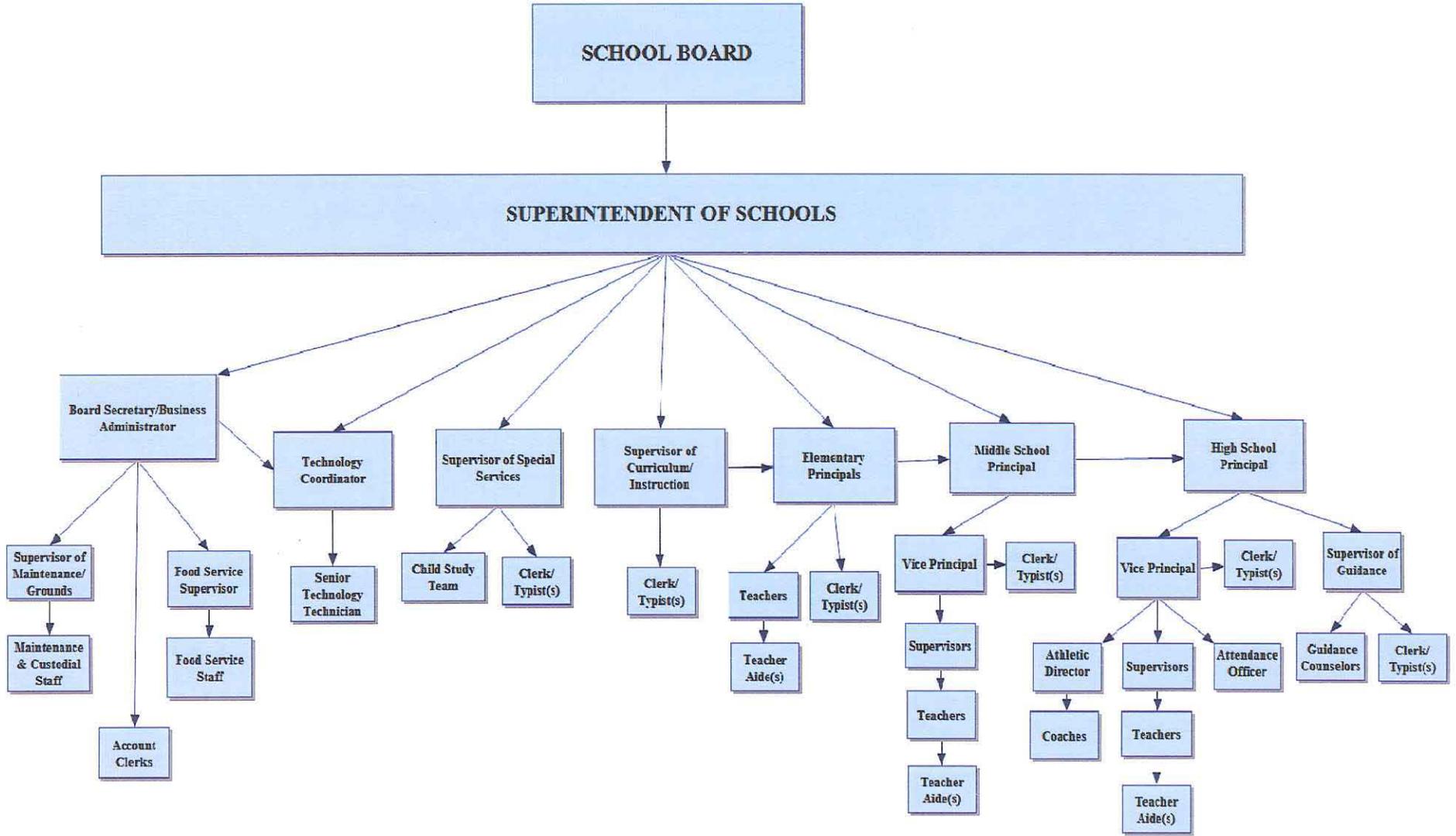
Frank Quatrone
Superintendent of Schools



Marc A. Capizzi
Board Secretary/Business Administrator

Lodi Board of Education Organizational Plan and Flow Chart

A.T.



**LODI BOARD OF EDUCATION
LODI, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2015**

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|---|----------------------------|
| Joseph J. Licata - President | 2015 |
| Nicholas Vara - Vice President | 2016 |
| Jonathan Carafa | 2017 |
| Philip F. Carbonetti | 2015 |
| Michael J. Nardino | 2015 |
| Carole L. D'Amico | 2016 |
| Robert Marra | 2017 |
| Dominic Miller | 2015 |
| Jeffrey Telep | 2017 |

Other Officials

Frank Quatrone, Superintendent

Marc Capizzi, Board Secretary/School Business Administrator

LODI BOARD OF EDUCATION

Consultants & Advisors

June 30, 2015

Independent Audit Firm

Lerch, Vinci & Higgins, LLP
17-17 Route 208 North
Fair Lawn, NJ 07410

Attorney

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

Official Depositories

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

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Lodi Board of Education
Lodi, 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 Lodi Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education'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.

Auditor's 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 the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 entity'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 entity'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.

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 Lodi Board of Education as of 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

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Lodi Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information 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

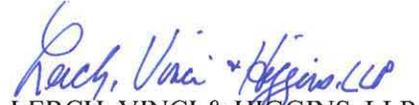
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lodi Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Lodi Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance 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 combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical section have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 23, 2015 on our consideration of the Lodi Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Lodi Board of Education's internal control over financial reporting and compliance.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 23, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

This section of the Lodi Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2014-2015 fiscal year include the following:

- Assets and deferred outflows of resources of the Lodi Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$31,427,552.
- Overall district revenues were \$67,770,395. The Board also received donations of capital assets totaling \$72,923. General revenues accounted for \$51,204,038 or 76% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$16,566,357 or 24% of total revenues.
- The school district had \$64,285,537 in expenses for governmental activities; only \$15,221,477 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$9,850,156.
- The General Fund fund balance (GAAP Basis) at June 30, 2015 was \$9,677,923 an increase of \$807,012 from the June 30, 2014 balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

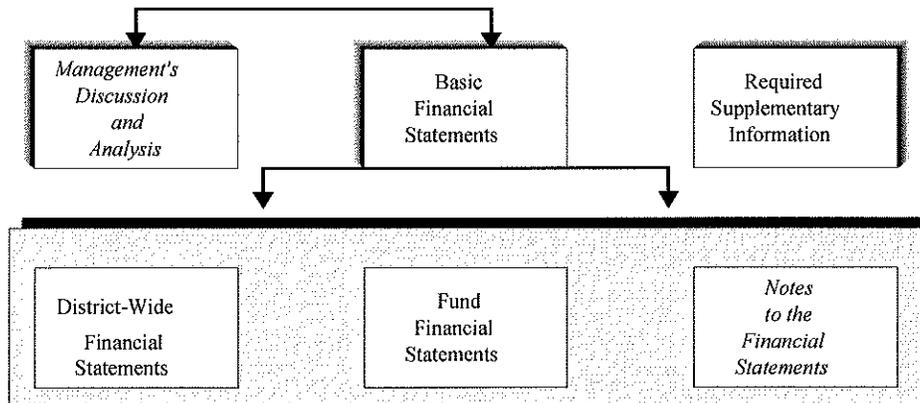
LODI BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- The governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the district operated like businesses.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data. The various parts of this annual report are arranged and related to one another, as noted below.



LODI BOARD OF EDUCATION

Management’s Discussion and Analysis

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 are summarized below. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

| | District-Wide Statements | Fund Financial Statements | | |
|--|--|--|--|---|
| | | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire district (except fiduciary funds) | The activities of the district that are not proprietary or fiduciary, such as instruction, special education, building maintenance and community education | Activities the district operates similar to private businesses: enterprise funds | Instances in which the district administers resources on behalf of someone else, such as unemployment, payroll agency, and student activities |
| Required financial statements | Statements of net position Statement of activities | Balance Sheet Statement of revenues, expenditures and changes in fund balances | Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows | Statements 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 focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset/deferred outflows/deferred inflows/liability information | All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, short-term and long-term | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included | All assets, liabilities, and deferred inflows, both financial and capital, and short-term and long-term | All assets and liabilities, both short-term and long-term funds do not currently contain capital assets. |
| Type of inflow/outflow information | All revenues and expenses during year, regardless of when cash is received or Paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable. | All revenues and expenses during the year, regardless of when cash is received or paid. | All additions and dedications during the year, regardless of when cash is received or paid. |

District-wide financial statements

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

The two district-wide statements report the District’s net position and how they have changed. Net position – the difference between the District’s assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District’s financial health or position.

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

District-wide financial statements (continued)

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration and plant operations and maintenance. Property taxes and state aids finance most of these activities.
- *Business type activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund is included under this category.

Fund financial statements

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

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

The District has 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 year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

Fund financial statements (continued)

Enterprise Funds –These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has one enterprise fund, the Food Service (Cafeteria) Enterprise Fund.

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

Notes to the financial statements

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

Other Information

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

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

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a Board's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$31,427,552 as of June 30, 2015.

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

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

Net Position As of June 30, 2015 and 2014

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|-------------------|----------------------|----------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Assets | | | | | | |
| Current Assets | \$ 10,619,057 | \$ 10,623,546 | \$ 407,062 | \$ 425,657 | \$ 11,026,119 | \$ 11,049,203 |
| Capital Assets | <u>35,597,931</u> | <u>34,172,402</u> | <u>266,427</u> | <u>255,647</u> | <u>35,864,358</u> | <u>34,428,049</u> |
| Total Assets | <u>46,216,988</u> | <u>44,795,948</u> | <u>673,489</u> | <u>681,304</u> | <u>46,890,477</u> | <u>45,477,252</u> |
| Deferred Outflows of Resources | | | | | | |
| Deferred Amounts on Net Pension Liability | <u>510,018</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>510,018</u> | <u>-</u> |
| Total Assets & Deferred Outflows of Resources | <u>46,727,006</u> | <u>44,795,948</u> | <u>673,489</u> | <u>681,304</u> | <u>47,400,495</u> | <u>45,477,252</u> |
| Liabilities | | | | | | |
| Long-Term Liabilities | 14,590,652 | 5,865,398 | | | 14,590,652 | 5,865,398 |
| Other Liabilities | <u>815,037</u> | <u>1,339,525</u> | <u>16,875</u> | <u>8,854</u> | <u>831,912</u> | <u>1,348,379</u> |
| Total Liabilities | <u>15,405,689</u> | <u>7,204,923</u> | <u>16,875</u> | <u>8,854</u> | <u>15,422,564</u> | <u>7,213,777</u> |
| Deferred Inflows of Resources | | | | | | |
| Deferred Commodities Revenue | | | 8,026 | 3,742 | 8,026 | 3,742 |
| Deferred Amounts on Net Pension Liability | <u>542,353</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>542,353</u> | <u>-</u> |
| Total Liabilities & Deferred Inflows of Resources | <u>15,948,042</u> | <u>7,204,923</u> | <u>24,901</u> | <u>12,596</u> | <u>15,972,943</u> | <u>7,217,519</u> |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 32,817,931 | 31,047,402 | 266,427 | 255,647 | 33,084,358 | 31,303,049 |
| Restricted | 8,472,291 | 7,161,080 | | | 8,472,291 | 7,161,080 |
| Unrestricted (Deficit) | <u>(10,511,258)</u> | <u>(9,642,389)</u> | <u>382,161</u> | <u>413,061</u> | <u>(10,129,097)</u> | <u>(9,229,328)</u> |
| Total Net Position | <u>\$ 30,778,964</u> | <u>\$ 28,566,093</u> | <u>\$ 648,588</u> | <u>\$ 668,708</u> | <u>\$ 31,427,552</u> | <u>\$ 29,234,801</u> |

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

Change in Net Position

For The Fiscal Years Ended June 30, 2015 and 2014

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|---|--------------------------------|----------------------|---------------------------------|-------------------|----------------------|----------------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 119,939 | \$ 43,902 | \$ 458,194 | \$ 491,476 | \$ 578,133 | \$ 535,378 |
| Operating Grants and Contributions | 14,696,528 | 8,703,944 | 886,686 | 926,945 | 15,583,214 | 9,630,889 |
| Capital Grants and Contributions | 405,010 | 339,798 | | | 405,010 | 339,798 |
| General Revenues | | | | | | |
| Property Taxes | 38,878,553 | 39,463,253 | | | 38,878,553 | 39,463,253 |
| State and Federal Aid | 11,984,254 | 11,913,661 | | | 11,984,254 | 11,913,661 |
| Other | 341,201 | 295,630 | 30 | 13 | 341,231 | 295,643 |
| Donations | 72,923 | - | - | - | 72,923 | - |
| Total Revenues/Donations | 66,498,408 | 60,760,188 | 1,344,910 | 1,418,434 | 67,843,318 | 62,178,622 |
| Expenses | | | | | | |
| Instruction | | | | | | |
| Regular | 25,286,800 | 21,025,223 | | | 25,286,800 | 21,025,223 |
| Special Education | 14,968,663 | 13,529,203 | | | 14,968,663 | 13,529,203 |
| Other | 2,109,553 | 1,918,561 | | | 2,109,553 | 1,918,561 |
| School Sponsored Activities and Athletics | 797,017 | 653,789 | | | 797,017 | 653,789 |
| Support Services | | | | | | |
| Student and Instruction Related Services | 7,399,427 | 6,295,710 | | | 7,399,427 | 6,295,710 |
| General Administration | 1,146,902 | 1,031,137 | | | 1,146,902 | 1,031,137 |
| School Administration | 3,677,520 | 3,080,163 | | | 3,677,520 | 3,080,163 |
| Plant Operations and Maintenance | 5,923,142 | 6,261,688 | | | 5,923,142 | 6,261,688 |
| Student Transportation | 1,754,530 | 1,945,076 | | | 1,754,530 | 1,945,076 |
| Business Services | 1,017,553 | 895,792 | | | 1,017,553 | 895,792 |
| Interest on Long Term Debt and Other Chgs | 204,430 | 295,362 | | | 204,430 | 295,362 |
| Loss on Disposal of Capital Assets | | 5,467 | | | - | 5,467 |
| Food Services | - | - | 1,365,030 | 1,318,033 | 1,365,030 | 1,318,033 |
| Total Expenses | 64,285,537 | 56,937,171 | 1,365,030 | 1,318,033 | 65,650,567 | 58,255,204 |
| Net Change in Net Position | 2,212,871 | 3,823,017 | (20,120) | 100,401 | 2,192,751 | 3,923,418 |
| Net Position, Beginning of Year | 28,566,093 | 33,768,008 | 668,708 | 568,307 | 29,234,801 | 34,336,315 |
| Prior Period Adjustment | - | (9,024,932) | - | - | - | (9,024,932) |
| Net Position, End of Year | \$ 30,778,964 | \$ 28,566,093 | \$ 648,588 | \$ 668,708 | \$ 31,427,552 | \$ 29,234,801 |

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$66,498,408 for the fiscal year ended June 30, 2015. Property taxes of \$38,878,553 represented 58 percent of revenues. Another significant portion of revenues came from State aid; total State, Federal, Local and formula aid was \$27,085,792. Another source of revenues is miscellaneous income which includes items such as rentals, prior year refunds, etc. The smallest component of revenues is charges for services which includes tuition from other LEAs.

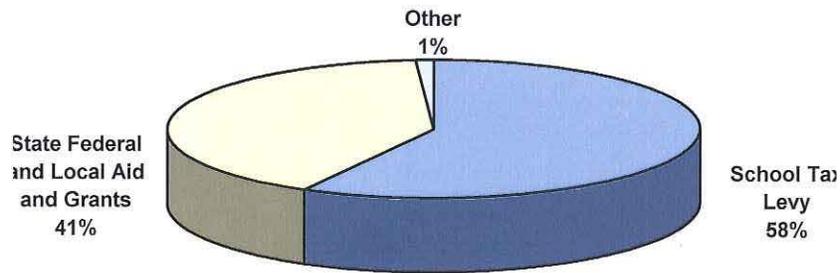
LODI BOARD OF EDUCATION

Management's Discussion and Analysis

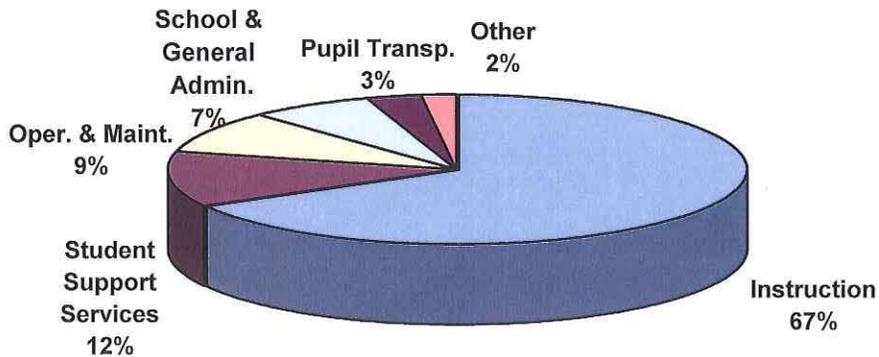
The total cost of all governmental activities programs and services was \$64,285,537. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$43,162,033 (67%) of total expenditures. Student support services, exclusive of administration, total \$7,399,427 or (12%) of total expenditures.

Total governmental activities revenues and donations surpassed expenses, increasing net position by \$2,212,871 from the previous year.

Revenues by Source- Governmental Activities
For Fiscal Year 2014/15



Expenditures by Type- Governmental Activities
For Fiscal Year 2014/15



LODI BOARD OF EDUCATION

Management's Discussion and Analysis

Net Cost of Governmental Activities. The District's total cost of services was \$64,285,537. After applying program revenues, derived from charges for services of \$119,939; operating grants and contributions of \$14,696,528; and capital grants and contributions of \$405,010; the net cost of services of the District is \$49,064,060.

Total and Net Cost of Governmental Activities

| | <u>Total Cost of Services</u> | | <u>Net Cost of Services</u> | |
|---|-------------------------------|--------------------------|-----------------------------|--------------------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| Instruction | | | | |
| Regular | \$ 25,286,800 | \$ 21,025,223 | \$ 18,273,530 | \$ 17,543,860 |
| Special Education | 14,968,663 | 13,529,203 | 10,427,139 | 10,115,897 |
| Other Instruction | 2,109,553 | 1,918,561 | 1,544,285 | 1,634,497 |
| School Sponsored Activities and Athletics | 797,017 | 653,789 | 608,517 | 581,746 |
| Support Services | | | | |
| Student and Instruction Related Services | 7,399,427 | 6,295,710 | 5,984,645 | 5,456,750 |
| General Administrative Services | 1,146,902 | 1,031,137 | 1,068,643 | 998,089 |
| School Administrative Services | 3,677,520 | 3,080,163 | 3,095,859 | 2,843,063 |
| Plant Operations and Maintenance | 5,923,142 | 6,261,688 | 5,294,109 | 5,698,600 |
| Pupil Transportation | 1,754,530 | 1,945,076 | 1,620,936 | 1,811,699 |
| Business Services | 1,017,553 | 895,792 | 941,967 | 864,497 |
| Interest on Long-Term Debt and Other Chgs | <u>204,430</u> | <u>295,362</u> | <u>204,430</u> | <u>295,362</u> |
| Total | <u>\$ 64,285,537</u> | <u>\$ 56,931,704</u> | <u>\$ 49,064,060</u> | <u>\$ 47,844,060</u> |

Business-Type Activities – The District's total business-type activities revenues were \$1,344,910 for the fiscal year ended June 30, 2015. Charges for services accounted for 34% of total revenues. Operating grants and contributions accounted for 66% of total revenue for the year.

The total cost of all business-type activities programs and services was \$1,365,030. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District.

Total business-type activities expenses surpassed revenues decreasing net position by \$20,120 from the prior year balance.

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$9,850,156. At June 30, 2014, the fund balance was \$9,337,843.

Revenues for the District's governmental funds were \$61,368,030, while total expenses were \$60,855,717.

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

The following schedule presents a summary of General Fund revenues.

| | Fiscal Year Ended | | Increase (Decrease) | Percentage Change |
|-----------------------------|----------------------|----------------------|------------------------|----------------------|
| | June 30, 2015 | June 30, 2014 | | |
| Local Sources | | | | |
| Property Tax Levy | \$ 38,330,150 | \$ 38,818,622 | \$ (488,472) | -1.3% |
| Tuition | 119,939 | 43,902 | 76,037 | |
| Miscellaneous | 236,116 | 290,826 | (54,710) | -18.8% |
| State Sources | 19,165,840 | 18,209,092 | 956,748 | 5.3% |
| Federal Sources | 116,484 | 98,762 | 17,722 | 17.9% |
| Total General Fund Revenues | <u>\$ 57,968,529</u> | <u>\$ 57,461,204</u> | <u>\$ 507,325</u> | 0.9% |

Total General Fund Revenues increased by \$507,325 over the previous year.

Local property taxes decreased 1.3% over the previous year, however, State aid revenues increased in the state on-behalf TPAF pension and new state funding for PARCC and per pupil growth aid.

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

The following schedule presents a summary of General Fund expenditures.

| | <u>Fiscal Year Ended</u> | | <u>Increase (Decrease)</u> | <u>Percentage Change</u> |
|--------------------|--------------------------|----------------------|--------------------------------|------------------------------|
| | <u>June 30, 2015</u> | <u>June 30, 2014</u> | | |
| Instruction | \$ 37,026,785 | \$ 36,252,182 | \$ 774,603 | 2.1% |
| Support Services | 17,970,230 | 17,966,093 | 4,137 | 0.0% |
| Debt Service | 33,244 | 33,244 | - | |
| Capital Outlay | <u>2,074,416</u> | <u>2,235,963</u> | <u>(161,547)</u> | -7.2% |
| Total Expenditures | <u>\$ 57,104,675</u> | <u>\$ 56,487,482</u> | <u>\$ 617,193</u> | 1.1% |

Total General Fund expenditures increased \$617,193 from the previous year. A significant portion of the increase is attributed to increases in contractual salaries for the 2014/2015 school year.

In 2014-2015 General Fund revenues exceeded expenditures and other financing uses by \$807,012. As a result, total fund balance increased to \$9,677,923 at June 30, 2015. After deducting restricted, committed and assigned fund balances, the unassigned fund balance deficit at June 30, 2015 is \$643,188. The deficit is attributable to the timing differences in the recognition of state aid payments. State aid payments delayed until July 2015 totaled \$1,809,639. The District's unassigned fund balance (budgetary basis) is \$1,166,451.

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

Revenues of the Special Revenue Fund were \$2,350,563, for the fiscal year ended June 30, 2015. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 71% of the total revenue for the year. The General Fund contributed \$50,418 towards preschool education programs.

Expenditures of the Special Revenue Fund were \$2,414,923. Instructional expenditures were \$2,066,861, support services expenditures were \$341,342 and capital outlay expenditures were \$6,720.

Capital Projects - Expenditures exceeded revenues and other financing sources by \$280,758 resulting in a fund balance of \$227,554 at June 30, 2015.

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories:

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of prior year purchase orders (June 30, 2014 encumbrances).
- Appropriation of capital reserve funds for district projects included in the long-range facilities plan.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2015 amounts to \$35,864,358 (net of accumulated depreciation). The capital assets consist of land, construction in progress, buildings, building improvements, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2014-2015 amounted to \$1,525,807 for governmental activities and \$30,967 for business-type activities.

Capital Assets at June 30, 2015 and 2014 (Net of Accumulated Depreciation)

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|------------------------------------|--------------------------------|----------------------|---------------------------------|-------------------|----------------------|----------------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| Land and Site Improvements | \$ 8,618,717 | \$ 8,303,062 | | | \$ 8,618,717 | \$ 8,303,062 |
| Building and Building Improvements | 25,296,130 | 24,787,698 | | | 25,296,130 | 24,787,698 |
| Machinery and Equipment | 463,422 | 417,360 | \$ 266,427 | \$ 255,647 | 729,849 | 673,007 |
| Construction in Progress | <u>1,219,662</u> | <u>664,282</u> | <u>-</u> | <u>-</u> | <u>1,219,662</u> | <u>664,282</u> |
| Total Capital Assets (Net) | <u>\$ 35,597,931</u> | <u>\$ 34,172,402</u> | <u>\$ 266,427</u> | <u>\$ 255,647</u> | <u>\$ 35,864,358</u> | <u>\$ 34,428,049</u> |

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

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At year end, the District's long-term liabilities consisted of compensated absences payable of \$2,709,935, lease purchase obligations of \$2,780,000, and net pensions liability for the Public Employees' Retirement System of \$9,100,717.

Additional information of the District's long-term liabilities is presented in Note 3 of this report.

Outstanding Long-Term Liabilities

| | <u>2015</u> | <u>2014</u> |
|----------------------------------|----------------------|----------------------|
| Pension Refunding Bonds | | \$ 120,000 |
| Obligations Under Lease Purchase | \$ 2,780,000 | 3,125,000 |
| Net Pension Liability | 9,100,717 | 9,024,932 |
| Compensated Absences | <u>2,709,935</u> | <u>2,620,398</u> |
| Total Long-Term Liabilities | <u>\$ 14,590,652</u> | <u>\$ 14,890,330</u> |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Currently, the District is in excellent financial condition. Everyone associated with the Lodi Board of Education is grateful for the community support.

Many factors were considered by the District's administration during the process of developing the fiscal year 2015-2016 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator, Lodi Board of Education, 8 Hunter Street, Lodi, NJ 07644.

FINANCIAL STATEMENTS

**LODI BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash | \$ 9,830,475 | \$ 334,285 | \$ 10,164,760 |
| Receivables, net | | | - |
| Receivables from Other Governments | 724,217 | 43,421 | 767,638 |
| Other | 64,365 | 610 | 64,975 |
| Inventory | | 28,746 | 28,746 |
| Capital Assets | | | |
| Not Being Depreciated | 9,211,367 | | 9,211,367 |
| Being Depreciated, Net | <u>26,386,564</u> | <u>266,427</u> | <u>26,652,991</u> |
| Total Assets | <u>46,216,988</u> | <u>673,489</u> | <u>46,890,477</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Amounts on Net Pension Liability | <u>510,018</u> | - | <u>510,018</u> |
| Total Assets and Deferred Outflows of Resources | <u>46,727,006</u> | <u>673,489</u> | <u>47,400,495</u> |
| LIABILITIES | | | |
| Accounts Payable and Other Current Liabilities | 757,874 | 16,875 | 774,749 |
| Payable to State Government | 11,027 | | 11,027 |
| Accrued Interest Payable | 46,136 | | 46,136 |
| Noncurrent Liabilities | | | |
| Due Within One Year | 850,034 | | 850,034 |
| Due Beyond One Year | <u>13,740,618</u> | - | <u>13,740,618</u> |
| Total Liabilities | <u>15,405,689</u> | <u>16,875</u> | <u>15,422,564</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Commodities Revenue | | 8,026 | 8,026 |
| Deferred Amounts on Net Pension Liability | <u>542,353</u> | - | <u>542,353</u> |
| Total Deferred Inflows of Resources | <u>542,353</u> | <u>8,026</u> | <u>550,379</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>15,948,042</u> | <u>24,901</u> | <u>15,972,943</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 32,817,931 | 266,427 | 33,084,358 |
| Restricted for: | | | |
| Debt Service | 9 | | 9 |
| Capital Projects | 8,472,282 | | 8,472,282 |
| Unrestricted | <u>(10,511,258)</u> | <u>382,161</u> | <u>(10,129,097)</u> |
| Total Net Position | <u>\$ 30,778,964</u> | <u>\$ 648,588</u> | <u>\$ 31,427,552</u> |

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**LODI BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | Total |
|--|----------------------|-------------------------|--|--|--|-----------------------------|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | |
| Governmental Activities | | | | | | | |
| Instruction | | | | | | | |
| Regular | \$ 25,286,800 | \$ 119,939 | \$ 6,893,331 | | \$ (18,273,530) | | \$ (18,273,530) |
| Special Education | 14,968,663 | | 4,541,524 | | (10,427,139) | | (10,427,139) |
| Other Instruction | 2,109,553 | | 565,268 | | (1,544,285) | | (1,544,285) |
| School Sponsored Activities and Athletics | 797,017 | | 188,500 | | (608,517) | | (608,517) |
| Support Services | | | | | | | |
| Student and Instruction Related Services | 7,399,427 | | 1,414,782 | | (5,984,645) | | (5,984,645) |
| General Administrative Services | 1,146,902 | | 78,259 | | (1,068,643) | | (1,068,643) |
| School Administrative Services | 3,677,520 | | 581,661 | | (3,095,859) | | (3,095,859) |
| Plant Operations and Maintenance | 5,923,142 | | 224,023 | \$ 405,010 | (5,294,109) | | (5,294,109) |
| Pupil Transportation | 1,754,530 | | 133,594 | | (1,620,936) | | (1,620,936) |
| Business Services | 1,017,553 | | 75,586 | | (941,967) | | (941,967) |
| Interest on Long-Term Debt and Other Charges | 204,430 | - | - | - | (204,430) | - | (204,430) |
| Total Governmental Activities | 64,285,537 | 119,939 | 14,696,528 | 405,010 | (49,064,060) | - | (49,064,060) |
| Business-Type Activities | | | | | | | |
| Food Service | 1,365,030 | 458,194 | 886,686 | - | - | \$ (20,150) | (20,150) |
| Total Business-Type Activities | 1,365,030 | 458,194 | 886,686 | - | - | (20,150) | (20,150) |
| Total Primary Government | \$ 65,650,567 | \$ 578,133 | \$ 15,583,214 | \$ 405,010 | (49,064,060) | (20,150) | (49,084,210) |

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**LODI BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Net (Expense) Revenue and Changes in Net Position | | |
|--|--|-------------------------------------|-----------------|
| | Governmental Activities | Business-Type Activities | Total |
| Balance, Carry Forward | \$ (49,064,060) | \$ (20,150) | \$ (49,084,210) |
| General Revenues | | | |
| Property Taxes Levied for General Purposes | 38,330,150 | | 38,330,150 |
| Property Taxes Levied for Debt Service | 548,403 | | 548,403 |
| State Aid - Unrestricted | 11,888,784 | | 11,888,784 |
| State Aid - Restricted for Debt Service | 95,470 | | 95,470 |
| Miscellaneous Income | 341,201 | 30 | 341,231 |
| Donation of Capital Assets | 72,923 | - | 72,923 |
| | 51,276,931 | 30 | 51,276,961 |
| Change in Net Position | 2,212,871 | (20,120) | 2,192,751 |
| Net Position, Beginning of Year (Restated) | 28,566,093 | 668,708 | 29,234,801 |
| Net Position, End of Year | \$ 30,778,964 | \$ 648,588 | \$ 31,427,552 |

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

FUND FINANCIAL STATEMENTS

**LODI BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 9,615,937 | | \$ 214,529 | \$ 9 | \$ 9,830,475 |
| Receivables from Other Governments | 351,687 | \$ 359,420 | 178,287 | | 889,394 |
| Other Receivables | 55,065 | | | | 55,065 |
| Due From Other Funds | <u>283,130</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>283,130</u> |
| Total Assets | <u>\$ 10,305,819</u> | <u>\$ 359,420</u> | <u>\$ 392,816</u> | <u>\$ 9</u> | <u>\$ 11,058,064</u> |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts Payable | \$ 627,896 | \$ 129,978 | | | 757,874 |
| Due To Other Funds | | 273,745 | \$ 85 | | 273,830 |
| Payables to Other Governments | | 11,027 | | | 11,027 |
| Unearned Revenue | <u>-</u> | <u>-</u> | <u>165,177</u> | <u>-</u> | <u>165,177</u> |
| Total Liabilities | <u>627,896</u> | <u>414,750</u> | <u>165,262</u> | <u>-</u> | <u>1,207,908</u> |
| Fund Balances | | | | | |
| Restricted | | | | | |
| Capital Reserve | 8,244,728 | | | | 8,244,728 |
| Emergency Reserve | 402,493 | | | | 402,493 |
| Excess Surplus | 496,991 | | | | 496,991 |
| Excess Surplus - Designated for Subsequent Year's Budget | 248,180 | | | | 248,180 |
| Capital Projects | | | 227,554 | | 227,554 |
| Debt Service | | | | \$ 9 | 9 |
| Committed | | | | | |
| Encumbrances | 854,750 | | | | 854,750 |
| Assigned | | | | | |
| Encumbrances | 29,270 | | | | 29,270 |
| ARRA/SEMI Designated for Subsequent Year's Budget | 44,699 | | | | 44,699 |
| Unassigned | <u>(643,188)</u> | <u>(55,330)</u> | <u>-</u> | <u>-</u> | <u>(698,518)</u> |
| Total Fund Balances | <u>9,677,923</u> | <u>(55,330)</u> | <u>227,554</u> | <u>9</u> | <u>9,850,156</u> |
| Total Liabilities, Deferred Inflows and Fund Balances | <u>\$ 10,305,819</u> | <u>\$ 359,420</u> | <u>\$ 392,816</u> | <u>\$ 9</u> | |

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$66,310,075 and the accumulated depreciation is \$30,712,144. 35,597,931

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (46,136)

Long term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

| | | |
|---|----------------|----------------------|
| Lease Purchase Agreement | 2,780,000 | |
| Compensated Absences Payable | 2,709,935 | |
| Net Pension Liability | 9,100,717 | |
| Deferred Amounts on Net Pension Liability | | |
| Deferred Outflows | (510,018) | |
| Deferred Inflows | <u>542,353</u> | |
| | | (14,622,987) |
| | | <u>\$ 30,778,964</u> |

**LODI BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Property Tax Levy | \$ 38,330,150 | | | \$ 548,403 | \$ 38,878,553 |
| Tuition - Other LEAs | 119,939 | | | | 119,939 |
| Interest on Capital Reserve Funds | 301 | | | | 301 |
| Interest on Emergency Reserve | 639 | | | | 639 |
| Interest | 433 | | \$ 55 | | 488 |
| Miscellaneous Revenues | 234,743 | \$ 6,180 | - | - | 240,923 |
| Total - Local Sources | 38,686,205 | 6,180 | 55 | 548,403 | 39,240,843 |
| State Sources | 19,165,840 | 666,645 | 405,010 | 95,470 | 20,332,965 |
| Federal Sources | 116,484 | 1,677,738 | - | - | 1,794,222 |
| Total Revenues | 57,968,529 | 2,350,563 | 405,065 | 643,873 | 61,368,030 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Instruction | | | | | |
| Regular Instruction | 20,955,568 | 1,214,289 | | | 22,169,857 |
| Special Education Instruction | 13,583,528 | 835,675 | | | 14,419,203 |
| Other Instruction | 1,796,794 | 16,897 | | | 1,813,691 |
| School Sponsored Activities and Athletics | 690,895 | | | | 690,895 |
| Support Services | | | | | |
| Student and Instruction Related Services | 6,409,955 | 341,342 | | | 6,751,297 |
| General Administrative Services | 1,119,251 | | | | 1,119,251 |
| School Administrative Services | 3,313,646 | | | | 3,313,646 |
| Plant Operations and Maintenance | 4,406,730 | | | | 4,406,730 |
| Pupil Transportation | 1,754,530 | | | | 1,754,530 |
| Business Services | 966,118 | | | | 966,118 |
| Debt Service | | | | | |
| Principal | | | | 465,000 | 465,000 |
| Interest and Other Charges | 33,244 | | | 178,872 | 212,116 |
| Capital Outlay | 2,074,416 | 6,720 | 692,247 | - | 2,773,383 |
| Total Expenditures | 57,104,675 | 2,414,923 | 692,247 | 643,872 | 60,855,717 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 863,854 | (64,360) | (287,182) | 1 | 512,313 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 113,000 | 50,418 | 119,424 | | 282,842 |
| Transfers Out | (169,842) | - | (113,000) | - | (282,842) |
| Total Other Financing Sources (Uses) | (56,842) | 50,418 | 6,424 | - | - |
| Net Change in Fund Balances | 807,012 | (13,942) | (280,758) | 1 | 512,313 |
| Fund Balance, Beginning of Year | 8,870,911 | (41,388) | 508,312 | 8 | 9,337,843 |
| Fund Balance (Deficit), End of Year | \$ 9,677,923 | \$ (55,330) | \$ 227,554 | \$ 9 | \$ 9,850,156 |

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**LODI BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 512,313

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

| | | |
|----------------------|--------------------|-----------|
| Capital Outlay | \$ 2,773,383 | |
| Depreciation Expense | <u>(1,525,807)</u> | |
| | | 1,247,576 |

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations) is to increase net position. These transactions are not reported in the governmental funds financial statements.

| | | |
|--------------------------------------|----------------|---------|
| Donations of Capital Assets | 72,923 | |
| Proceeds of Insurance Reimbursements | <u>105,030</u> | |
| | | 177,953 |

In the statement of activities, certain operating expenses - compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

| | | |
|----------------------------------|--|----------|
| Increase in Compensated Absences | | (89,537) |
|----------------------------------|--|----------|

The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

| | | |
|----------------------|--|---------|
| Principal Repayments | | 465,000 |
|----------------------|--|---------|

In the statement of activities, pension expenses are measured by the liability accrued during the year. In the governmental funds, however, expenditures are reported in the amount of financial resources used (paid):

| | | |
|--|--|-----------|
| Increase in Pension Expense-Employees' Retirement System | | (108,120) |
|--|--|-----------|

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

| | | |
|------------------------------|--|--------------|
| Decrease in Accrued Interest | | <u>7,686</u> |
|------------------------------|--|--------------|

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 2,212,871**

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**LODI BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2015**

ASSETS

Current Assets

| | |
|---------------------------------------|--------------------|
| Cash | \$ 334,285 |
| Intergovernmental Accounts Receivable | |
| State | 1,395 |
| Federal | 42,026 |
| Other Receivables | 610 |
| Inventory | <u>28,746</u> |
| Total Current Assets | <u>407,062</u> |

Capital Assets:

| | |
|--------------------------------|------------------|
| Machinery and Equipment | 661,947 |
| Less: Accumulated Depreciation | <u>(395,520)</u> |

| | |
|----------------------|----------------|
| Total Capital Assets | <u>266,427</u> |
|----------------------|----------------|

| | |
|--------------|----------------|
| Total Assets | <u>673,489</u> |
|--------------|----------------|

LIABILITIES

Current Liabilities

| | |
|-------------------------------|-------------------|
| Accounts Payable | <u>16,875</u> |
| Total Current Liabilities | <u>16,875</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|------------------------------|--------------|
| Deferred Commodities Revenue | <u>8,026</u> |
|------------------------------|--------------|

| | |
|-------------------------------------|--------------|
| Total Deferred Inflows of Resources | <u>8,026</u> |
|-------------------------------------|--------------|

| | |
|---|---------------|
| Total Liabilities and Deferred Inflows of Resources | <u>24,901</u> |
|---|---------------|

NET POSITION

| | |
|----------------------------------|-----------------------|
| Net Investment in Capital Assets | 266,427 |
| Unrestricted | <u>382,161</u> |
| Total Net Position | <u>\$ 648,588</u> |

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**LODI BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

OPERATING REVENUES

| | |
|------------------------------|--------------------|
| Charges for Services | |
| Daily Sales | \$ 453,569 |
| Other Sales | <u>4,625</u> |
| Total Operating Revenues | <u>458,194</u> |

OPERATING EXPENSES

| | |
|------------------------------|----------------------|
| Cost of Sales | 619,004 |
| Salaries and Wages | 347,257 |
| Employee Benefits | 89,095 |
| Management Fee | 61,361 |
| Other Expenses | 160,236 |
| Supplies and Materials | 57,110 |
| Depreciation | <u>30,967</u> |
| Total Operating Expenses | <u>1,365,030</u> |

| | |
|-------------------------|------------------|
| Operating Income (Loss) | <u>(906,836)</u> |
|-------------------------|------------------|

NONOPERATING REVENUES

| | |
|---------------------------------|--------------------|
| Local Sources | |
| Interest Earned | 30 |
| State Sources | |
| State School Lunch Program | 17,180 |
| Federal Sources | |
| National School Lunch Program | 810,425 |
| School Breakfast Program | 56,575 |
| Special Milk Program | <u>2,506</u> |
| Total Nonoperating Revenues | <u>886,716</u> |

| | |
|------------------------|----------|
| Change in Net Position | (20,120) |
|------------------------|----------|

| | |
|---------------------------------|----------------|
| Net Position, Beginning of Year | <u>668,708</u> |
|---------------------------------|----------------|

| | |
|---------------------------|-------------------|
| Net Position, End of Year | <u>\$ 648,588</u> |
|---------------------------|-------------------|

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**LODI BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|------------------|
| Cash Received from Customers | \$ 474,750 |
| Cash Payments for Employees Salaries and Benefits | (966,261) |
| Cash Payments to Suppliers | <u>(287,255)</u> |
| Net Cash Provided By (Used For) Operating Activities | <u>(778,766)</u> |

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

| | |
|---|----------------|
| Cash Flows from State and Federal Reimbursements | <u>919,385</u> |
| Net Cash Provided By Non-Capital Financing Activities | <u>919,385</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---|-----------|
| Interest on Investments | <u>30</u> |
| Net Cash Provided By Investing Activities | <u>30</u> |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|--|-----------------|
| Purchase of Capital Assets | <u>(41,747)</u> |
| Net Cash (Used for) Capital and Related Financing Activities | <u>(41,747)</u> |

| | |
|--|-------------------|
| Net Increase in Cash and Cash Equivalents | 98,902 |
| Cash and Cash Equivalents, Beginning of Year | <u>235,383</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 334,285</u> |

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:

| | |
|--|---------------------|
| Operating Income (Loss) | \$ <u>(906,836)</u> |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities | |
| Noncash Federal Assistance - Food Distribution Program | 74,980 |
| Depreciation Expense | 30,967 |
| (Increase) Decrease in Accounts Receivable | 16,556 |
| (Increase) Decrease in Inventories | (6,738) |
| Increase (Decrease) in Accounts Payable | 8,021 |
| Increase (Decrease) in Deferred Commodities Revenue | <u>4,284</u> |
| Total Adjustments | <u>128,070</u> |
| Net Cash Provided By (Used For) Operating Activities | <u>\$ (778,766)</u> |
| Non-Cash Financing Activities | |
| Fair Value of Food Distribution Program - National School Lunch | \$ 79,265 |

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**LODI BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2015**

| | <u>Agency Fund</u> |
|----------------------------|--------------------|
| ASSETS | |
| Cash | \$ <u>117,577</u> |
| Total Assets | \$ <u>117,577</u> |
| LIABILITIES | |
| Due to Student Groups | \$ 104,756 |
| Accrued Salaries and Wages | 3,521 |
| Due to Other Funds | <u>9,300</u> |
| Total Liabilities | \$ <u>117,577</u> |

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

**LODI BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

NOTES TO THE FINANCIAL STATEMENTS

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Lodi Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine 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. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Lodi Board of Education this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District’s enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid, and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred inflows of resources.

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|--------------------------------|--------------|
| Land Improvements | 20 |
| Buildings | 20-50 |
| Building Improvements | 20 |
| Heavy Equipment | 10-20 |
| Office Equipment and Furniture | 7-10 |
| Computer Equipment | 5 |

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item which arises only under the accrual basis of accounting and qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items which arise only under the accrual basis of accounting that qualify for reporting in this category. The one item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds do not permit the accrual of unused sick leave. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. 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 retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

8. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

9. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2.)

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Budget - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

ARRA/SEMI – Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2015 that will be appropriated either by Board resolution into the 2015/2016 budget or in the adopted 2016/2017 budget certified for taxes.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual “in rem” tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. The Board approved several budget transfers during 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$1,920,891. The increase was funded by capital reserve, grant awards, and the reappropriation of prior year general fund encumbrances.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 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 which are reappropriated and honored during the subsequent fiscal year.

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$643,188 in the General Fund and \$55,330 in the Special Revenue Fund as of June 30, 2015 as reported in the fund financial statements (modified accrual basis). NJSA 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 these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2014/2015 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General and Special Revenue Fund deficits do not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity (Continued)

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficits in the GAAP (fund) financial statements of \$643,189 in the General Fund and \$55,330 in the Special Revenue Fund are equal to or less than the delayed state aid payments.

C. Capital Reserve

A capital reserve account has been established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve 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 fiscal year ended June 30, 2015 is as follows:

| | | |
|---|------------------|---------------------|
| Balance, July 1, 2014 | | \$ 6,250,906 |
| Increased by | | |
| Interest Earnings | \$ 301 | |
| Unexpended Project Balances Restored to Capital Reserve | 112,945 | |
| Deposits Approved by Board Resolution | <u>2,000,000</u> | |
| Total Increases | | <u>2,113,246</u> |
| | | 8,364,152 |
| Withdrawals | | |
| Approved by Board Resolution | | <u>119,424</u> |
| Balance, June 30, 2015 | | <u>\$ 8,244,728</u> |

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2015 is as follows:

| | |
|------------------------|-------------------|
| Balance, July 1, 2014 | \$ 401,854 |
| Increased by | |
| Interest Earnings | <u>639</u> |
| Balance, June 30, 2015 | <u>\$ 402,493</u> |

E. Transfers to Capital Outlay

During the 2014/2015 school year, the district transferred \$1,197,096 to the non-equipment capital outlay accounts. The transfers were approved by the County Superintendent.

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess surplus fund balance at June 30, 2015 is \$745,171. Of this amount, \$248,180 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$496,991 will be appropriated in the 2016/2017 original budget certified for taxes.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$10,282,337 and bank and brokerage firm balances of the Board's deposits amounted to \$10,466,517. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

| | |
|---------|----------------------|
| Insured | \$ <u>10,466,517</u> |
|---------|----------------------|

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2015 the Board's bank balances were not exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2015, the Board had no outstanding investments.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2015 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Food Service</u> | <u>Total</u> |
|---------------------------------------|-------------------|----------------------------|-----------------------------|-------------------------|-------------------|
| Receivables: | | | | | |
| Accounts | \$ 55,065 | | | | \$ 55,065 |
| Intergovernmental | | | | | |
| Federal | | \$ 359,420 | | \$ 42,026 | 401,446 |
| State | | | \$ 178,287 | 1,395 | 179,682 |
| Local | <u>351,687</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>351,687</u> |
| Gross Receivables | 406,752 | 359,420 | 178,287 | 43,421 | 987,880 |
| Less: Allowance for Uncollectibles | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Total Receivables | <u>\$ 406,752</u> | <u>\$ 359,420</u> | <u>\$ 178,287</u> | <u>\$ 43,421</u> | <u>\$ 987,880</u> |

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

| | <u>Balance July 1, 2014</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance June 30, 2015</u> |
|--|---------------------------------|---------------------|---------------------|----------------------------------|
| Governmental Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 7,918,782 | \$ 72,923 | | \$ 7,991,705 |
| Construction in Progress | <u>664,282</u> | <u>1,197,558</u> | <u>\$ (642,178)</u> | <u>1,219,662</u> |
| Total Capital Assets, Not Being Depreciated | <u>8,583,064</u> | <u>1,270,481</u> | <u>(642,178)</u> | <u>9,211,367</u> |
| Capital Assets, Being Depreciated: | | | | |
| Site Improvements | 896,897 | 299,094 | | 1,195,991 |
| Building Improvements | 52,691,284 | 1,888,695 | (32,352) | 54,547,627 |
| Machinery and Equipment | <u>1,251,267</u> | <u>135,244</u> | <u>(31,421)</u> | <u>1,355,090</u> |
| Total Capital Assets Being Depreciated | <u>54,839,448</u> | <u>2,323,033</u> | <u>(63,773)</u> | <u>57,098,708</u> |
| Less Accumulated Depreciation for: | | | | |
| Site Improvements | (512,617) | (56,362) | | (568,979) |
| Building Improvements | (27,903,586) | (1,380,263) | 32,352 | (29,251,497) |
| Machinery and Equipment | <u>(833,907)</u> | <u>(89,182)</u> | <u>31,421</u> | <u>(891,668)</u> |
| Total Accumulated Depreciation | <u>(29,250,110)</u> | <u>(1,525,807)</u> | <u>63,773</u> | <u>(30,712,144)</u> |
| Total Capital Assets, Being Depreciated, net | <u>25,589,338</u> | <u>797,226</u> | <u>-</u> | <u>26,386,564</u> |
| Governmental Activities Capital Assets, net | <u>\$ 34,172,402</u> | <u>\$ 2,067,707</u> | <u>\$ (642,178)</u> | <u>\$ 35,597,931</u> |

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

| | <u>Balance</u> <u>July 1, 2014</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>June 30, 2015</u> |
|--|---------------------------------------|------------------|------------------|--|
| Business-Type Activities: | | | | |
| Capital Assets, Being Depreciated: | | | | |
| Machinery and Equipment | \$ 620,200 | \$ 41,747 | - | \$ 661,947 |
| Total Capital Assets Being Depreciated | <u>620,200</u> | <u>41,747</u> | <u>-</u> | <u>661,947</u> |
| Less Accumulated Depreciation for: | | | | |
| Machinery and Equipment | <u>(364,553)</u> | <u>(30,967)</u> | <u>-</u> | <u>(395,520)</u> |
| Total Accumulated Depreciation | <u>(364,553)</u> | <u>(30,967)</u> | <u>-</u> | <u>(395,520)</u> |
| Total Capital Assets, Being Depreciated, net | <u>255,647</u> | <u>10,780</u> | <u>-</u> | <u>266,427</u> |
| Business-Type Activities Capital Assets, net | <u>\$ 255,647</u> | <u>\$ 10,780</u> | <u>\$ -</u> | <u>\$ 266,427</u> |

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:

Instruction

| | |
|---|---------------|
| Regular | \$ 18,229 |
| Special Education | 1,422 |
| School-Sponsored Activities and Athletics | <u>5,572</u> |
| Total Instruction | <u>25,223</u> |

Support Services

| | |
|--|------------------|
| Student and Instruction Related Services | 3,091 |
| General Administration | 9,520 |
| School Administration | 3,641 |
| Operations and Maintenance of Plant | 1,483,425 |
| Business Services | <u>907</u> |
| Total Support Services | <u>1,500,584</u> |

Total Depreciation Expense - Governmental Activities \$ 1,525,807

Business-Type Activities:

| | |
|-------------------|------------------|
| Food Service Fund | <u>\$ 30,967</u> |
|-------------------|------------------|

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2015:

| <u>Project</u> | <u>Remaining Commitment</u> |
|---|---------------------------------|
| Thomas Jefferson Middle School Roof Replacement | \$ 324,827 |
| Lodi High School Media Center | 345,288 |
| Hilltop School Field Replacement Project | 18,885 |
| Hilltop School Gym Floor Replacement | 95,230 |
| Wireless Access Points and Security Cameras | 129,959 |
| Wilson School Parking Lot Renovations | 71,795 |

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Due To/From Other Funds

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------|-------------------|
| General Fund | Special Revenue Fund | \$ 273,745 |
| General Fund | Capital Projects Fund | 85 |
| General Fund | Payroll Agency Fund | <u>9,300</u> |
| | | <u>\$ 283,130</u> |

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or to cover cash balances which were in an overdraft position and the result of temporary funding provided to the flexible spending account in the Payroll Agency Fund.

The District expects all interfund balances to be liquidated within one year.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers

| | <u>Transfer In:</u> | | | |
|-----------------------|-------------------------|---------------------------------|----------------------------------|-------------------|
| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Total</u> |
| Transfer Out: | | | | |
| General Fund | | \$ 50,418 | \$ 119,424 | \$ 169,842 |
| Capital Projects Fund | \$ 113,000 | - | - | 113,000 |
| | <u>\$ 113,000</u> | <u>\$ 50,418</u> | <u>\$ 119,424</u> | <u>\$ 282,842</u> |

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund and the transfer of monies to the General Fund Capital Reserve from completed capital projects.

E. Leases

Operating Leases

The District leases copiers and mailing systems under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2015 were \$24,661. The leases are for terms of 5 years. The future minimum lease payments for these operating leases are as follows:

| <u>Fiscal Year Ending June 30</u> | <u>Amount</u> |
|---------------------------------------|------------------|
| 2016 | \$ 24,661 |
| 2017 | 24,661 |
| 2018 | 24,661 |
| 2019 | 16,143 |
| | <u>\$ 90,126</u> |

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

Lease Purchase Agreements

The District entered into a lease purchase agreement on April 8, 1997 for improvements to various schools. The District issued certificates of participation (“COPS”) to finance these improvements.

The maturity schedule of the remaining COPS lease payments for principal and interest is as follows:

Governmental Activities:

| Fiscal Year Ended <u>June 30,</u> | <u>Certificates of Participation</u> | | <u>Total</u> |
|---|--------------------------------------|-------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2016 | \$ 365,000 | \$ 153,097 | \$ 518,097 |
| 2017 | 385,000 | 132,193 | 517,193 |
| 2018 | 405,000 | 110,010 | 515,010 |
| 2019 | 435,000 | 86,498 | 521,498 |
| 2020 | 455,000 | 61,418 | 516,418 |
| 2021-2022 | <u>735,000</u> | <u>42,179</u> | <u>777,179</u> |
| | <u>\$ 2,780,000</u> | <u>\$ 585,395</u> | <u>\$ 3,365,395</u> |

F. Long-Term Debt

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

| | |
|---|----------------------|
| 4% of Equalized Valuation Basis (Municipal) | \$ 81,579,419 |
| Less: Net Debt Issued | <u>-</u> |
| Remaining Borrowing Power | <u>\$ 81,579,419</u> |

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

| | Balance <u>July 1, 2014</u> (Restated) | <u>Additions</u> | <u>Reductions</u> | Balance <u>June 30, 2015</u> | Due Within <u>One Year</u> |
|--|--|-------------------|-------------------|---------------------------------|----------------------------------|
| Governmental Activities: | | | | | |
| Pension Refunding Bonds Payable | \$ 120,000 | | \$ 120,000 | | |
| Obligations Under Lease | | | | | |
| Purchase Agreements | 3,125,000 | | 345,000 | \$ 2,780,000 | \$ 365,000 * |
| Net Pension Liability | 9,024,932 | \$ 75,785 | | 9,100,717 | 485,034 |
| Compensated Absence Payable | <u>2,620,398</u> | <u>134,488</u> | <u>44,951</u> | <u>2,709,935</u> | <u>-</u> |
| Governmental Activity Long-Term Liabilities | <u>\$ 14,890,330</u> | <u>\$ 210,273</u> | <u>\$ 509,951</u> | <u>\$ 14,590,652</u> | <u>\$ 850,034</u> |

In the governmental activities, the liabilities for compensated absences are generally liquidated by the general fund.

* In August, 2015, the Board refunded the outstanding lease purchase obligations. See Note 4 (F).

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board is a member of the New Jersey School Boards Association Insurance Group. The NJSBAIG provides insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The relationship between the Board and the insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

NJSBAIG provide its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2015, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2015, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

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 each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

| Fiscal Year Ended <u>June 30,</u> | <u>PERS</u> | On-behalf <u>TPAF</u> | <u>DCRP</u> |
|---|-------------|--------------------------|-------------|
| 2015 | \$ 400,716 | \$ 1,089,729 | \$ 2,900 |
| 2014 | 355,803 | 888,781 | |
| 2013 | 373,740 | 1,319,012 | |

For fiscal years 2014/2015 and 2012/2013, the state contributed \$1,089,729 and \$1,319,012, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$888,781 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,512,210 during the fiscal year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$9,100,717 for its proportionate share of the PERS 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 that date. The District's proportionate share 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 governmental entities, actuarially determined. At June 30, 2014, the District's proportionate share was .04861 percent, which was an increase of .00139 from its proportionate share measured as of June 30, 2013.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$511,735 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences Between Expected and Actual Experience Changes of Assumptions | \$ 286,175 | |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | | \$ 542,353 |
| Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions | <u>223,843</u> | <u>-</u> |
| Total | <u>\$ 510,018</u> | <u>\$ 542,353</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

| Fiscal Year Ending <u>June 30,</u> | |
|--|--------------------|
| 2016 | \$ (41,835) |
| 2017 | (41,835) |
| 2018 | (41,835) |
| 2019 | (41,835) |
| 2020 | 93,753 |
| Thereafter | <u>41,252</u> |
| | <u>\$ (32,335)</u> |

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Public Employees Retirement System (PERS) (Continued)

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:

| | <u>PERS</u> |
|---|----------------------------|
| Inflation Rate | 3.01% |
| Salary Increases: | |
| 2012-2021 | 2.15-4.40% |
| Thereafter | Based on Age 3.15-5.40% |
| Investment Rate of Return | Based on Age 7.90% |
| Mortality Rate Table | RP-2000 |
| Period of Actuarial Experience | July 1, 2008 - |
| Study Upon Which Actuarial Assumptions were Based | June 30, 2011 |

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are 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% | 0.80% |
| 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 US 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 liabilities of the PERS plan was as follows:

| <u>Plan</u> | <u>Discount Rate</u> |
|-------------|----------------------|
| PERS | 5.39% |

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$6,042,154 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$112,288,092. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

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% |
| Mortality Rate Table | RP-2000 |
| Period of Actuarial Experience | July 1, 2009 - |
| Study Upon Which Actuarial | June 30, 2012 |

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are 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-US Fixed Income | 0.00% | 1.41% |
| Inflation-Indexed Bonds | 2.50% | 1.30% |
| Broad US Equities | 25.90% | 5.88% |
| Large Cap US Equities | 0.00% | 5.62% |
| Mid Cap US Equities | 0.00% | 6.39% |
| Small Cap US 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% |

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

| <u>Plan</u> | <u>Discount Rate</u> |
|-------------|----------------------|
| TPAF | 4.68% |

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

TPAF

| | |
|--|-------------------------------------|
| Period of Projected Benefit Payments for which the Following Rates were Applied: | |
| Long-Term Expected Rate of Return | Through June 30, 2027 |
| Municipal Bond Rate * | From July 1, 2027 and Thereafter |

* The municipal bond return rate used is 4.29%. The source is 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.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.68%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

| | 1% Decrease <u>(3.68%)</u> | Current Discount Rate <u>(4.68%)</u> | 1% Increase <u>(5.68%)</u> |
|--|---|---|---|
| State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District | <u>\$135,053,380</u> | <u>\$ 112,288,092</u> | <u>\$ 93,354,074</u> |

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2014 was not provided by the pension system.

LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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 above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. 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 and 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 sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$1,729,946, \$1,457,266 and \$1,491,470, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

F. Subsequent Events

The Board approved the refinancing of its 1997 Lease Purchase Certificates of Participation "COPS" in the amount of \$2,795,000. The closing date on the refinancing was August 12, 2015. The interest rate on the new debt is 2%.

On September 28, 2015 the Board of Education approved the demolition of the Lincoln School Building and the construction of a new Administrative/Child Study Team facility. It is anticipated that the Board's General Fund Capital Reserve Account will finance the entire cost of the project, which is approximately \$7,500,000.

NOTE 5 RESTATEMENT

On July 1, 2014, the Lodi Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Lodi Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$9,024,932. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$37,591,025 as originally reported to \$28,566,093 as adjusted for the effects of the change in accounting principle.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final To Actual |
|--|--------------------|------------------|-------------------|-------------------|--------------------------------|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Local Tax Levy | \$ 38,330,150 | | \$ 38,330,150 | \$ 38,330,150 | |
| Tuition - Other Governments | | | | 119,939 | \$ 119,939 |
| Interest Earned on Capital Reserve | | | | 301 | 301 |
| Interest on Emergency Reserve | | | | 639 | 639 |
| Interest | | | | 433 | 433 |
| Unrestricted Miscellaneous Revenues | 168,960 | - | 168,960 | 234,743 | 65,783 |
| Total Revenues - Local Sources | 38,499,110 | - | 38,499,110 | 38,686,205 | 187,095 |
| State Sources | | | | | |
| Equalization Aid | 11,767,636 | | 11,767,636 | 11,767,636 | |
| Categorical Transportation Aid | 133,818 | | 133,818 | 133,818 | |
| Categorical Special Education Aid | 2,096,287 | | 2,096,287 | 2,096,287 | |
| Categorical Security Aid | 224,397 | | 224,397 | 224,397 | |
| Under Adequacy Aid | 76,849 | | 76,849 | 76,849 | |
| Parce Readiness Aid | 35,130 | | 35,130 | 35,130 | |
| Per Pupil Growth Aid | 35,130 | | 35,130 | 35,130 | |
| Extraordinary Aid | 435,540 | | 435,540 | 543,138 | 107,598 |
| Extraordinary Aid - Additional 2013-14 | | | | 5,114 | 5,114 |
| On-Behalf TPAF (Non-Budgeted) | | | | | |
| NCGI Premium | | | | 73,139 | 73,139 |
| Pension | | | | 1,016,590 | 1,016,590 |
| Post Retirement Medical | | | | 1,729,946 | 1,729,946 |
| Social Security Contributions | - | - | - | 1,512,210 | 1,512,210 |
| Total State Sources | 14,804,787 | - | 14,804,787 | 19,249,384 | 4,444,597 |
| Federal Sources | | | | | |
| Medicaid - MAC | | | | 10,585 | 10,585 |
| Medicaid Reimbursement - ARRA | | | | 44,699 | 44,699 |
| Medicaid Reimbursement - SEMI | 27,668 | - | 27,668 | 61,200 | 33,532 |
| Total Federal Sources | 27,668 | - | 27,668 | 116,484 | 88,816 |
| Total Revenues | 53,331,565 | - | 53,331,565 | 58,052,073 | 4,720,508 |
| CURRENT EXPENDITURES | | | | | |
| Regular Programs - Instruction | | | | | |
| Salaries of Teachers: | | | | | |
| Kindergarten | 717,150 | \$ 723 | 717,873 | 696,062 | 21,811 |
| Grades 1 - 5 | 4,449,489 | 1,600 | 4,451,089 | 4,387,984 | 63,105 |
| Grades 6 - 8 | 2,973,155 | (62,759) | 2,910,396 | 2,876,524 | 33,872 |
| Grades 9 - 12 | 4,302,601 | (13,173) | 4,289,428 | 4,271,406 | 18,022 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 40,303 | 6,800 | 47,103 | 46,488 | 615 |
| Regular Programs - Undistributed Instruction | | | | | |
| Other Salaries for Instruction | 21,410 | 18,165 | 39,575 | 37,478 | 2,097 |
| Purchased Professional-Educational Services | 29,636 | (10,000) | 19,636 | 19,636 | 19,636 |
| Purchased Technical Services | 53,814 | (4,181) | 49,633 | 46,414 | 3,219 |
| Other Purchased Services | 266,030 | (1,506) | 264,524 | 258,353 | 6,171 |
| General Supplies | 965,823 | (449,028) | 516,795 | 499,997 | 16,798 |
| Textbooks | 125,927 | (37,812) | 88,115 | 79,888 | 8,227 |
| Other Objects | 800 | - | 800 | 350 | 450 |
| Total Instruction Regular Programs | 13,946,138 | (551,171) | 13,394,967 | 13,200,944 | 194,023 |
| Special Education | | | | | |
| Learning/Language Disabilities | | | | | |
| Salaries of Teachers | 763,083 | (169,126) | 593,957 | 584,594 | 9,363 |
| Other Salaries for Instruction | 181,976 | (32,665) | 149,311 | 149,306 | 5 |
| Other Purchased Services | | 340 | 340 | 340 | |
| General Supplies | 24,500 | (3,916) | 20,584 | 20,080 | 504 |
| Textbooks | 1,900 | 550 | 2,450 | 1,357 | 1,093 |
| Total Learning/Language Disabilities | 971,459 | (204,817) | 766,642 | 755,677 | 10,965 |

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final To Actual |
|---|--------------------|------------------|-------------------|-------------------|--------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Undistributed Expenditures | | | | | |
| Resource Room/Resource Center | | | | | |
| Salaries of Teachers | \$ 1,412,196 | \$ 189,825 | \$ 1,602,021 | \$ 1,559,625 | \$ 42,396 |
| Other Salaries for Instruction | 93,748 | 71,366 | 165,114 | 159,289 | 5,825 |
| Other Purchased Services | 1,536 | 127 | 1,663 | 1,535 | 128 |
| General Supplies | 7,000 | 8,235 | 15,235 | 9,917 | 5,318 |
| Textbooks | 3,200 | 2,100 | 5,300 | 4,120 | 1,180 |
| Total Resource Room/Resource Center | <u>1,517,680</u> | <u>271,653</u> | <u>1,789,333</u> | <u>1,734,486</u> | <u>54,847</u> |
| Home Instruction | | | | | |
| Purchased Professional - Educations Services | 46,698 | (8,841) | 37,857 | 14,805 | 23,052 |
| Total Home Instruction | <u>46,698</u> | <u>(8,841)</u> | <u>37,857</u> | <u>14,805</u> | <u>23,052</u> |
| Total Special Education | <u>2,535,837</u> | <u>57,995</u> | <u>2,593,832</u> | <u>2,504,968</u> | <u>88,864</u> |
| Basic Skills/Remedial | | | | | |
| Salaries of Teachers | 802,524 | (96,834) | 705,690 | 700,237 | 5,453 |
| Total Basic Skills/Remedial | <u>802,524</u> | <u>(96,834)</u> | <u>705,690</u> | <u>700,237</u> | <u>5,453</u> |
| Bilingual Education | | | | | |
| Salaries of Teachers | 465,411 | 8,055 | 473,466 | 473,465 | 1 |
| Other Purchased Services | 200 | - | 200 | 200 | 200 |
| Other Objects | 850 | - | 850 | 336 | 514 |
| Total Bilingual Education | <u>466,461</u> | <u>8,055</u> | <u>474,516</u> | <u>473,801</u> | <u>715</u> |
| School Sponsored Co-Curricular Activities | | | | | |
| Salaries of Teachers | 142,516 | 1,530 | 144,046 | 139,593 | 4,453 |
| Purchased Services | 350 | - | 350 | 288 | 62 |
| Supplies and Materials | 4,425 | (300) | 4,125 | 3,149 | 976 |
| Other Objects | 980 | 600 | 1,580 | 1,570 | 10 |
| Total Co-Curricular Activities | <u>148,271</u> | <u>1,830</u> | <u>150,101</u> | <u>144,600</u> | <u>5,501</u> |
| School Sponsored Athletics | | | | | |
| Salaries | 251,123 | 15,000 | 266,123 | 263,866 | 2,257 |
| Purchased Services | 8,300 | - | 8,300 | 1,076 | 7,224 |
| Supplies and Materials | 67,100 | 1,113 | 68,213 | 63,027 | 5,186 |
| Other Objects | 6,700 | - | 6,700 | 5,025 | 1,675 |
| Transfers to Cover Deficit (Agency Funds) | 65,000 | (15,000) | 50,000 | 30,000 | 20,000 |
| Total Athletics | <u>398,223</u> | <u>1,113</u> | <u>399,336</u> | <u>362,994</u> | <u>36,342</u> |
| Community Service Programs | | | | | |
| Supplies and Materials | 7,500 | - | 7,500 | - | 7,500 |
| Total Community Service Programs | <u>7,500</u> | <u>-</u> | <u>7,500</u> | <u>-</u> | <u>7,500</u> |
| Total Instruction | <u>18,304,954</u> | <u>(579,012)</u> | <u>17,725,942</u> | <u>17,387,544</u> | <u>338,398</u> |
| Undistributed Expenditures | | | | | |
| Instruction | | | | | |
| Tuition to Other LEA's Within State - Regular | 72,000 | - | 72,000 | 35,754 | 36,246 |
| Tuition to Other LEA's Within State - Special | 6,401,072 | 575,502 | 6,976,574 | 6,951,252 | 25,322 |
| Tuition to County Vocational - Regular | 743,193 | (127,876) | 615,317 | 435,446 | 179,871 |
| Tuition to County Vocational - Special | 718,794 | (83,300) | 635,494 | 448,485 | 187,009 |
| Tuition to County Sp Service and Regular Day School | 2,154,236 | (510,223) | 1,644,013 | 1,644,013 | - |
| Tuition to Private School for the Disabled W/ State | 1,035,951 | (27,700) | 1,008,251 | 849,447 | 158,804 |
| Tuition to State Facilities | 89,515 | - | 89,515 | 89,515 | - |
| Tuition - Other | 79,560 | 85,030 | 164,590 | 90,950 | 73,640 |
| Total Tuition | <u>11,294,321</u> | <u>(88,567)</u> | <u>11,205,754</u> | <u>10,544,862</u> | <u>660,892</u> |
| Attendance and Social Work | | | | | |
| Salaries | 77,649 | - | 77,649 | 77,649 | - |
| Other Purchased Services | 1,600 | - | 1,600 | 1,600 | - |
| Total Attendance and Social Work | <u>79,249</u> | <u>-</u> | <u>79,249</u> | <u>79,249</u> | <u>-</u> |

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final To Actual |
|---|--------------------|-----------------|------------------|----------------|--------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Health Services | | | | | |
| Salaries | \$ 492,263 | - | \$ 492,263 | \$ 486,846 | \$ 5,417 |
| Purchased Professional and Technical Services | 30,990 | \$ 28,300 | 59,290 | 44,023 | 15,267 |
| Supplies and Materials | 15,187 | 727 | 15,914 | 13,044 | 2,870 |
| Total Health Services | 538,440 | 29,027 | 567,467 | 543,913 | 23,554 |
| Other Supp. Svcs.- | | | | | |
| Speech, OT, PT and Related Services | | | | | |
| Salaries | 270,497 | - | 270,497 | 268,031 | 2,466 |
| Purchased Professional Educational Services | 259,735 | 86,696 | 346,431 | 346,403 | 28 |
| Supplies and Materials | 2,000 | (476) | 1,524 | 1,357 | 167 |
| Total Speech, OT, PT and Related Services | 532,232 | 86,220 | 618,452 | 615,791 | 2,661 |
| Other Supp. Svcs.-Extraord. Serv. | | | | | |
| Salaries | 152,736 | (28,075) | 124,661 | 100,362 | 24,299 |
| Purchased Professional - Educational Services | 550,000 | 43,117 | 593,117 | 548,867 | 44,250 |
| Total Other Support/Extraordinary Services | 702,736 | 15,042 | 717,778 | 649,229 | 68,549 |
| Other Supp. Svcs.-Guidance | | | | | |
| Salaries of Other Professional Staff | 820,790 | (13,150) | 807,640 | 802,422 | 5,218 |
| Salaries of Secretarial and Clerical Assistants | 49,625 | (6,230) | 43,395 | 36,518 | 6,877 |
| Other Purchased Professional and Educational Services | 400 | 3,150 | 3,550 | 3,150 | 400 |
| Other Purchased Professional and Technical Services | 88,518 | - | 88,518 | 66,561 | 21,957 |
| Supplies and Materials | 70,200 | (677) | 69,523 | 45,965 | 23,558 |
| Total Other Support Services-Guidance | 1,029,533 | (16,907) | 1,012,626 | 954,616 | 58,010 |
| Other Supp. Svcs.-Child Study Teams | | | | | |
| Salaries of Other Professional Staff | 695,065 | - | 695,065 | 695,064 | 1 |
| Salaries of Secretarial and Clerical Assistants | 119,970 | - | 119,970 | 119,970 | - |
| Other Salaries | 6,560 | 7,540 | 14,100 | 12,355 | 1,745 |
| Purchased Professional - Educational Services | 95,000 | (7,745) | 87,255 | 85,073 | 2,182 |
| Other Purchased Professional and Technical Services | 31,000 | 2,050 | 33,050 | 28,319 | 4,731 |
| Miscellaneous Purchased Services | 3,644 | 304 | 3,948 | 3,947 | 1 |
| Supplies and Materials | 7,200 | 12,469 | 19,669 | 19,066 | 603 |
| Other Objects | - | 4,193 | 4,193 | 4,193 | - |
| Total Other Support Services-Child Study Teams | 958,439 | 18,811 | 977,250 | 967,987 | 9,263 |
| Improvement of Instruction | | | | | |
| Salaries of Supervisor of Instruction | 262,765 | - | 262,765 | 262,162 | 603 |
| Purchased Professional Educational Services | 95,162 | 35,100 | 130,262 | 117,692 | 12,570 |
| Supplies and Materials | 12,500 | 7,757 | 20,257 | 18,556 | 1,701 |
| Total Improvement of Instruction | 370,427 | 42,857 | 413,284 | 398,410 | 14,874 |
| Educational Media Services/ School Library | | | | | |
| Salaries | 537,884 | - | 537,884 | 537,883 | 1 |
| Other Purchased Services | 16,178 | 352 | 16,530 | 15,615 | 915 |
| Supplies and Materials | 115,710 | 5,904 | 121,614 | 118,012 | 3,602 |
| Other Objects | 10,425 | (9,700) | 725 | - | 725 |
| Total Educational Media Services/ School Library | 680,197 | (3,444) | 676,753 | 671,510 | 5,243 |
| Instructional Staff Training Services | | | | | |
| Other Purchased Services | 60,000 | 471 | 60,471 | 19,519 | 40,952 |
| Supplies and Materials | 30,200 | 6,424 | 36,624 | 36,624 | - |
| Total Instructional Staff Training Services | 90,200 | 6,895 | 97,095 | 56,143 | 40,952 |

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final To Actual |
|---|--------------------|---------------|------------------|------------------|--------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Support Services General Administration | | | | | |
| Salaries | \$ 435,528 | \$ (35,888) | \$ 399,640 | \$ 398,736 | \$ 904 |
| Salaries of Attorneys | | 61,893 | 61,893 | 61,893 | |
| Legal Services | 25,000 | 62,600 | 87,600 | 68,539 | 19,061 |
| Audit Fees | 43,473 | (5,900) | 37,573 | 37,500 | 73 |
| Other Purchased Professional Services | 2,500 | - | 2,500 | 2,445 | 55 |
| Communications/Telephone | 72,077 | 25,729 | 97,806 | 95,549 | 2,257 |
| BOE Other Purchased Services | 2,855 | - | 2,855 | | 2,855 |
| Miscellaneous Purchased Services | 248,961 | (17,713) | 231,248 | 227,496 | 3,752 |
| General Supplies | 12,500 | 2,966 | 15,466 | 11,714 | 3,752 |
| Miscellaneous Expenditures | 4,215 | 360 | 4,575 | 4,568 | 7 |
| BOE Membership Dues and Fees | 22,000 | (510) | 21,490 | 20,496 | 994 |
| Total Support Services General Administration | 869,109 | 93,537 | 962,646 | 928,936 | 33,710 |
| Support Services School Administration | | | | | |
| Salaries of Principals and Assistant Principals | 1,242,488 | 2,469 | 1,244,957 | 1,244,955 | 2 |
| Salaries of Other Professional Staff | 399,068 | - | 399,068 | 399,068 | - |
| Salaries of Secretarial and Clerical Assistants | 645,914 | (2,964) | 642,950 | 627,877 | 15,073 |
| Other Purchased Services | 11,296 | 598 | 11,894 | 5,361 | 6,533 |
| Supplies and Materials | 66,210 | 1,425 | 67,635 | 64,617 | 3,018 |
| Other Objects | 5,810 | 1,278 | 7,088 | 6,012 | 1,076 |
| Total Support Services School Administration | 2,370,786 | 2,806 | 2,373,592 | 2,347,890 | 25,702 |
| Central Services | | | | | |
| Salaries | 415,782 | - | 415,782 | 413,281 | 2,501 |
| Purchased Professional Services | 53,197 | 29,037 | 82,234 | 65,881 | 16,353 |
| Miscellaneous Purchased Services | 17,885 | (192) | 17,693 | 14,350 | 3,343 |
| Supplies and Materials | 16,500 | 559 | 17,059 | 16,694 | 365 |
| Miscellaneous Expenditures | 4,275 | - | 4,275 | 2,214 | 2,061 |
| Total Undistributed Expenditures - Central Services | 507,639 | 29,404 | 537,043 | 512,420 | 24,623 |
| Admin. Info. Tech. | | | | | |
| Salaries | 197,719 | 840 | 198,559 | 198,559 | - |
| Other Purchased Services | 3,800 | - | 3,800 | 3,800 | - |
| Supplies and Materials | 2,000 | 134 | 2,134 | 1,943 | 191 |
| Total Undistributed Expenditures - Admin. Info. Technology | 203,519 | 974 | 204,493 | 204,302 | 191 |
| Required Maintenance for School Facilities | | | | | |
| Salaries | 259,916 | (32,911) | 227,005 | 223,326 | 3,679 |
| Cleaning, Repair and Maintenance Services | 826,006 | 58,649 | 884,655 | 703,573 | 181,082 |
| General Supplies | 50,000 | 1,037 | 51,037 | 35,414 | 15,623 |
| Total Required Maint for School Facilities | 1,135,922 | 26,775 | 1,162,697 | 962,313 | 200,384 |
| Custodial Services | | | | | |
| Salaries | 1,377,492 | (15,033) | 1,362,459 | 1,355,490 | 6,969 |
| Purchased Professional and Technical Services | 32,474 | 700 | 33,174 | 23,799 | 9,375 |
| Cleaning, Repair and Maintenance Services | 57,397 | 7,436 | 64,833 | 42,097 | 22,736 |
| Rental of Land & Bldg. Oth. Than Lease Purch. Agreement | 207,100 | - | 207,100 | 202,920 | 4,180 |
| Other Purchased Property Services | 25,000 | 380 | 25,380 | 24,779 | 601 |
| Insurance | 226,146 | 313 | 226,459 | 226,458 | 1 |
| Miscellaneous Purchased Services | 6,075 | - | 6,075 | 5,158 | 917 |
| General Supplies | 93,300 | 609 | 93,909 | 76,217 | 17,692 |
| Energy (Natural Gas) | 225,000 | 10,000 | 235,000 | 179,675 | 55,325 |
| Energy (Electricity) | 450,000 | 82,897 | 532,897 | 532,445 | 452 |
| Energy (Gasoline) | 6,000 | 5,903 | 11,903 | 6,000 | 5,903 |
| Other Objects | 2,940 | - | 2,940 | 2,543 | 397 |
| Total Custodial Services | 2,708,924 | 93,205 | 2,802,129 | 2,677,581 | 124,548 |
| Undistributed Expenditures - Care and Upkeep of Grounds | | | | | |
| Purchased Professional and Technical Services | | 1,025 | 1,025 | 1,025 | |
| Cleaning, Repair, and Maintenance Services | 48,000 | (5,025) | 42,975 | 34,840 | 8,135 |
| General Supplies | 11,000 | 4,075 | 15,075 | 14,105 | 970 |
| Total Care and Upkeep of Grounds | 59,000 | 75 | 59,075 | 49,970 | 9,105 |

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final To Actual |
|---|--------------------|------------------|-------------------|-------------------|--------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Undistributed Expenditures - Security | | | | | |
| Purchased Professional and Technical Services | \$ 100,000 | - | \$ 100,000 | \$ 100,000 | - |
| Cleaning, Repair, and Maintenance Services | 341,976 | \$ (298,944) | 43,032 | 7,099 | \$ 35,933 |
| General Supplies | - | 1,214 | 1,214 | 1,213 | 1 |
| Total Security | 441,976 | (297,730) | 144,246 | 108,312 | 35,934 |
| Student Transportation Services | | | | | |
| Contr Serv(Bet Home &Sch)-Vendors | 24,986 | 2,652 | 27,638 | 27,517 | 121 |
| Contr Serv(Oth. Than Bet Home &Sch)-Vendors | 74,279 | 6,204 | 80,483 | 68,538 | 11,945 |
| Contr Serv(Bet Home &Sch)-Joint Agreements | 173,795 | 29,100 | 202,895 | 163,478 | 39,417 |
| Contr Serv(Special Education)-Vendors | 1,000 | - | 1,000 | - | 1,000 |
| Contr Serv(Special Education)-Joint Agreements | 1,901,531 | (308,327) | 1,593,204 | 1,494,997 | 98,207 |
| Total Student Transportation Services | 2,175,591 | (270,371) | 1,905,220 | 1,754,530 | 150,690 |
| Unallocated Employee Benefits | | | | | |
| Group Insurance | | 457 | 457 | 457 | - |
| Social Security Contributions | 373,843 | 27,590 | 401,433 | 401,366 | 67 |
| Other Retirement Contributions - PERS | 432,890 | (8,700) | 424,190 | 403,615 | 20,575 |
| Unemployment Compensation | 83,612 | 2,422 | 86,034 | 85,414 | 620 |
| Workmens Compensation | 158,939 | 51,149 | 210,088 | 210,088 | - |
| Health Benefits | 5,436,517 | (2,240) | 5,434,277 | 5,264,732 | 169,545 |
| Tuition Reimbursements | 15,000 | 720 | 15,720 | 6,300 | 9,420 |
| Other Employee Benefits | 160,500 | 67,129 | 227,629 | 203,461 | 24,168 |
| Total Unallocated Employee Benefits | 6,661,301 | 138,527 | 6,799,828 | 6,575,433 | 224,395 |
| On-Behalf TPAF (Non-Budgeted) | | | | | |
| NCGI Premium | | | | 73,139 | (73,139) |
| Pension | | | | 1,016,590 | (1,016,590) |
| Post Retirement Medical | | | | 1,729,946 | (1,729,946) |
| Social Security Contributions | | | | 1,512,210 | (1,512,210) |
| Total TPAF Pension and Social Security Contributions | | | | 4,331,885 | (4,331,885) |
| Total Undistributed Expenditures | 33,409,541 | (92,864) | 33,316,677 | 35,935,282 | (2,618,605) |
| Total Current Expenditures | 51,714,495 | (671,876) | 51,042,619 | 53,322,826 | (2,280,207) |
| CAPITAL OUTLAY | | | | | |
| Equipment | | | | | |
| Grades 9 - 12 | | 8,571 | 8,571 | 8,571 | |
| Learning and/or Language Disabilities | | 2,138 | 2,138 | 2,138 | |
| Undistributed Expenditures | | | | | |
| Undistributed Expenditures - Admin. Info. Tech. | | 60,464 | 60,464 | 60,464 | |
| Undistributed Expenditures - Required Maintenance for School Facilities | | 22,450 | 22,450 | 22,450 | |
| Total Equipment | | 93,623 | 93,623 | 93,623 | |
| Facilities Acquisition and Construction Services | | | | | |
| Other Purchased Prof. and Tech. Services | 74,842 | 62,119 | 136,961 | 90,117 | 46,844 |
| Construction Services | 935,522 | 1,931,604 | 2,867,126 | 1,876,393 | 990,733 |
| Assessment for Debt Service on SDA Funding | 33,244 | - | 33,244 | 33,244 | - |
| Total Facilities Acq. And Construction Services | 1,043,608 | 1,993,723 | 3,037,331 | 1,999,754 | 1,037,577 |
| Total Expenditures - Capital Outlay | 1,043,608 | 2,087,346 | 3,130,954 | 2,093,377 | 1,037,577 |
| Transfer of Funds to Charter Schools | 1,807,189 | (73,728) | 1,733,461 | 1,688,472 | 44,989 |
| Total Expenditures - General Fund | 54,565,292 | 1,341,742 | 55,907,034 | 57,104,675 | (1,197,641) |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | (1,233,727) | (1,341,742) | (2,575,469) | 947,398 | 3,522,867 |
| Other Financing Sources (Uses) | | | | | |
| Transfers Out - Special Revenue Fund - Preschool | (49,541) | (877) | (50,418) | (50,418) | |
| Transfers In - Capital Projects Fund | | | | 113,000 | 113,000 |
| Transfers Out - Capital Projects Fund | | (119,424) | (119,424) | (119,424) | |
| Total Other Financing Sources (Uses) | (49,541) | (120,301) | (169,842) | (56,842) | 113,000 |

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final To Actual</u> |
|--|----------------------------|-----------------------|-------------------------|----------------------|---|
| CAPITAL OUTLAY (Continued) | | | | | |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses | \$ (1,283,268) | \$ (1,462,043) | \$ (2,745,311) | \$ 890,556 | \$ 3,635,867 |
| Fund Balance, Beginning of Year | <u>10,597,006</u> | <u>-</u> | <u>10,597,006</u> | <u>10,597,006</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 9,313,738</u> | <u>\$ (1,462,043)</u> | <u>\$ 7,851,695</u> | <u>\$ 11,487,562</u> | <u>\$ 3,635,867</u> |
| Recapitulation of Fund Balance | | | | | |
| Restricted | | | | | |
| Capital Reserve | | | | \$ 8,244,728 | |
| Emergency Reserve | | | | 402,493 | |
| Excess Surplus | | | | 496,991 | |
| Excess Surplus - Designated for Subsequent Year's Budget | | | | 248,180 | |
| Committed | | | | | |
| Encumbrances | | | | 854,750 | |
| Assigned | | | | | |
| Encumbrances | | | | 29,270 | |
| ARRA/SEMI - Designated for Subsequent Year's Budget | | | | 44,699 | |
| Unassigned | | | | | |
| | | | | <u>1,166,451</u> | |
| Fund Balance (Budgetary Basis) | | | | 11,487,562 | |
| Reconciliation to Governmental Fund Statements (GAAP) | | | | | |
| State Aid Payments Not Recognized on a GAAP Basis | | | | <u>(1,809,639)</u> | |
| Fund Balance per Governmental Funds (GAAP Basis) | | | | <u>\$ 9,677,923</u> | |

**LODI BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|--------------------|-------------------------|------------------|-------------------------------------|
| REVENUES | | | | | |
| Intergovernmental | | | | | |
| Local | | \$ 6,180 | \$ 6,180 | \$ 6,180 | |
| State | \$ 625,887 | 65,491 | 691,378 | 680,537 | \$ (10,841) |
| Federal | 1,291,458 | 386,300 | 1,677,758 | 1,677,738 | (20) |
| Total Revenues | <u>1,917,345</u> | <u>457,971</u> | <u>2,375,316</u> | <u>2,364,455</u> | <u>(10,861)</u> |
| EXPENDITURES | | | | | |
| Instruction | | | | | |
| Salaries of Teachers | 907,898 | 105,431 | 1,013,329 | 1,013,329 | |
| Other Salaries for Instruction | 91,414 | (4,031) | 87,383 | 87,383 | |
| Purchased Professional/Educational Services | 49,455 | 38,384 | 87,839 | 76,998 | 10,841 |
| Tuition | 660,431 | 137,231 | 797,662 | 797,662 | |
| General Supplies | 14,172 | 71,475 | 85,647 | 85,647 | |
| Textbooks | 8,345 | 4,167 | 12,512 | 12,512 | - |
| Total Instruction | <u>1,731,715</u> | <u>352,657</u> | <u>2,084,372</u> | <u>2,073,531</u> | <u>10,841</u> |
| Support Services | | | | | |
| Salaries of Other Professional Staff | | 1,900 | 1,900 | 1,900 | |
| Other Salaries | 353 | 250 | 603 | 603 | |
| Employee Benefits | 197,370 | 79,375 | 276,745 | 276,745 | |
| Purchased Prof. and Technical Services | 37,448 | 18,486 | 55,934 | 55,914 | 20 |
| Cleaning, Repairs and Maintenance | - | 6,180 | 6,180 | 6,180 | - |
| Total Support Services | <u>235,171</u> | <u>106,191</u> | <u>341,362</u> | <u>341,342</u> | <u>20</u> |
| Total Expenditures | <u>1,966,886</u> | <u>458,848</u> | <u>2,425,734</u> | <u>2,414,873</u> | <u>10,861</u> |
| Excess (Deficiency) of Revenues | | | | | |
| Over/(Under) Expenditures | (49,541) | (877) | (50,418) | (50,418) | - |
| Other Financing Sources | | | | | |
| Transfers In - General Fund Contribution | 49,541 | 877 | 50,418 | 50,418 | - |
| Fund Balance, June 30, 2015 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**LODI BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

| | General Fund | Special Revenue Fund |
|---|--------------------------|-------------------------------------|
| Sources/Inflows of Resources | | |
| Revenue (budgetary basis) | C-1 \$ 58,052,073 | C-2 \$ 2,364,455 |
| Difference - Budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| Add: June 30, 2014 Encumbrances | | 50 |
| State Aid payments recognized for GAAP Statements, not recognized for budgetary purposes. | 1,726,095 | 41,388 |
| State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. | <u>(1,809,639)</u> | <u>(55,330)</u> |
| Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. | B-2 \$ <u>57,968,529</u> | B-2 \$ <u>2,350,563</u> |
| Uses/Outflows of Resources | | |
| Expenditures (budgetary basis) | C-1 \$ 57,104,675 | C-2 \$ 2,414,873 |
| Differences - Budget to GAAP | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. | | |
| Add: June 30, 2014 Encumbrances | <u>-</u> | <u>50</u> |
| Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | B-2 \$ <u>57,104,675</u> | B-2 \$ <u>2,414,923</u> |

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**LODI BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Last Two Fiscal Years ***

| | <u>2015</u> | <u>2014</u> |
|---|--------------|--------------|
| District's Proportion of the Net Position Liability (Asset) | 0.04861 | 0.04722 |
| District's Proportionate Share of the Net Pension Liability (Asset) | \$ 9,100,717 | \$ 9,024,932 |
| District's Covered-Employee Payroll | \$ 3,286,043 | \$ 3,354,157 |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 276.95% | 269.07% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 52.08% | 48.72% |

* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**LODI BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Last Two Fiscal Years**

| | <u>2015</u> | | <u>2014</u> |
|--|----------------|-----------|----------------|
| Contractually Required Contribution | \$ 400,716 | \$ | 355,803 |
| Contributions in Relation to the Contractually Required Contributions | <u>400,716</u> | <u></u> | <u>355,803</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$</u> | <u>-</u> |
| District's Covered- Employee Payroll | \$ 3,286,043 | \$ | 3,354,157 |
| Contributions as a Percentage of Covered-Employee Payroll | 12.19% | | 10.61% |

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**LODI BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

**TEACHERS' PENSION AND ANNUITY FUND
Last Two Fiscal Years ***

| | <u>2015</u> | <u>2014</u> |
|---|-----------------------|-----------------------|
| District's Proportion of the Net Position Liability (Asset) | 0% | 0% |
| District's Proportionate Share of the Net Pension Liability (Asset) | \$0 | \$0 |
| States Proportionate Share of Net Pension Liability (Asset) Associated With the District | <u>\$ 112,288,092</u> | <u>\$ 103,166,969</u> |
| Total | <u>\$ 112,288,092</u> | <u>\$ 103,166,969</u> |
| | | |
| District's Covered-Employee Payroll | \$ 20,498,253 | \$ 20,247,819 |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 0% | 0% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 33.64% | 33.64% |

* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**LODI BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Change of Benefit Terms: None.

Change of Assumptions: The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

SPECIAL REVENUE FUND

**LODI BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | N.J. Nonpublic Auxiliary | | | NJ Nonpublic Handicapped | | | Nonpublic Nursing | Nonpublic Technology | Sub-Total |
|--|--------------------------|---------------------------|-------------|-----------------------------|--------------------------------|-------------|----------------------|-------------------------|----------------|
| | Nonpublic Textbooks | Compensatory Education | ESL | Supplemental Instruction | Examination/ Classification | Speech | | | |
| REVENUES | | | | | | | | | |
| State Sources | \$ 12,512 | \$ 38,072 | \$ 913 | \$ 18,754 | \$ 18,375 | \$ 884 | \$ 20,108 | \$ 6,720 | \$ 116,338 |
| Federal Sources | - | - | - | - | - | - | - | - | - |
| Total Revenues | <u>12,512</u> | <u>38,072</u> | <u>913</u> | <u>18,754</u> | <u>18,375</u> | <u>884</u> | <u>20,108</u> | <u>6,720</u> | <u>116,338</u> |
| EXPENDITURES | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Other Purchased Services | | 38,072 | 913 | 18,754 | 18,375 | 884 | | | 76,998 |
| General Supplies | | | | | | | | 6,720 | 6,720 |
| Textbooks | 12,512 | - | - | - | - | - | - | - | 12,512 |
| Total Instruction | <u>12,512</u> | <u>38,072</u> | <u>913</u> | <u>18,754</u> | <u>18,375</u> | <u>884</u> | <u>-</u> | <u>6,720</u> | <u>96,230</u> |
| Support Services | | | | | | | | | |
| Other Salaries | | | | | | | 603 | | 603 |
| Purchased Professional and Technical | | | | | | | 19,505 | | 19,505 |
| Total Support Services | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>20,108</u> | <u>-</u> | <u>20,108</u> |
| Total Expenditures | <u>12,512</u> | <u>38,072</u> | <u>913</u> | <u>18,754</u> | <u>18,375</u> | <u>884</u> | <u>20,108</u> | <u>6,720</u> | <u>116,338</u> |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | - | - | - | - | - | - | - | - | - |
| Other Financing Sources Transfer In - General Fund | - | - | - | - | - | - | - | - | - |
| Fund Balance, June 30, 2015 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**LODI BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Title I</u> | <u>Title II A</u> | <u>Title III</u> | <u>IDEA B Basic</u> | <u>IDEA B Preschool</u> | <u>Perkins Vocational Education</u> | <u>Local Grants</u> | <u>Preschool Education</u> | <u>Total</u> |
|--------------------------------------|----------------|-------------------|------------------|-------------------------|-----------------------------|---|-------------------------|--------------------------------|------------------|
| REVENUES | | | | | | | | | |
| Local Sources | | | | | | | \$ 6,180 | | \$ 6,180 |
| State Sources | | | | | | | | \$ 564,199 | 680,537 |
| Federal Sources | \$ 664,547 | \$ 111,465 | \$ 48,712 | \$ 808,352 | \$ 25,022 | \$ 19,640 | - | - | 1,677,738 |
| Total Revenues | <u>664,547</u> | <u>111,465</u> | <u>48,712</u> | <u>808,352</u> | <u>25,022</u> | <u>19,640</u> | <u>6,180</u> | <u>564,199</u> | <u>2,364,455</u> |
| EXPENDITURES | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Salaries of Teachers | 481,085 | 84,687 | 39,084 | | | | | 408,473 | 1,013,329 |
| Other Salaries for Instruction | | | | | | | | 87,383 | 87,383 |
| Other Purchased Services | | | | | | | | | 76,998 |
| Tuition | | | | 772,640 | 25,022 | | | | 797,662 |
| General Supplies | 40,000 | | | | | 16,897 | | 22,030 | 85,647 |
| Textbooks | - | - | - | - | - | - | - | - | 12,512 |
| Total Instruction | <u>521,085</u> | <u>84,687</u> | <u>39,084</u> | <u>772,640</u> | <u>25,022</u> | <u>16,897</u> | <u>-</u> | <u>517,886</u> | <u>2,073,531</u> |
| Support Services | | | | | | | | | |
| Salaries of Other Professional Staff | | | | | | 1,900 | | | 1,900 |
| Other Salaries for Instruction | | | | | | | | | 603 |
| Employee Benefits | 143,462 | 26,778 | 9,628 | | | 146 | | 96,731 | 276,745 |
| Purchased Professional and Technical | | | | 35,712 | | 697 | | | 55,914 |
| Cleaning, Repairs and Maintenance | - | - | - | - | - | - | 6,180 | - | 6,180 |
| Total Support Services | <u>143,462</u> | <u>26,778</u> | <u>9,628</u> | <u>35,712</u> | <u>-</u> | <u>2,743</u> | <u>6,180</u> | <u>96,731</u> | <u>341,342</u> |
| Total Expenditures | <u>664,547</u> | <u>111,465</u> | <u>48,712</u> | <u>808,352</u> | <u>25,022</u> | <u>19,640</u> | <u>6,180</u> | <u>614,617</u> | <u>2,414,873</u> |
| Excess (Deficiency) of Revenues | | | | | | | | | |
| Over/(Under) Expenditures | - | - | - | - | - | - | - | (50,418) | (50,418) |
| Other Financing Sources | | | | | | | | | |
| Transfer In - General Fund | - | - | - | - | - | - | - | 50,418 | 50,418 |
| Fund Balance, June 30, 2015 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**LODI BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---------------------------------------|----------------------------|--------------------|-------------------------|-------------------|---|
| EXPENDITURES | | | | | |
| Instruction | | | | | |
| Salaries of Teachers | \$ 403,565 | \$ 4,908 | \$ 408,473 | \$ 408,473 | \$ - |
| Other Salaries for Instruction | 91,414 | (4,031) | 87,383 | 87,383 | - |
| General Supplies | 11,129 | 10,901 | 22,030 | 22,030 | - |
| | <u>506,108</u> | <u>11,778</u> | <u>517,886</u> | <u>517,886</u> | <u>-</u> |
| Total Instruction | | | | | |
| Support Services | | | | | |
| Personal Services - Employee Benefits | 96,731 | - | 96,731 | 96,731 | - |
| | <u>96,731</u> | <u>-</u> | <u>96,731</u> | <u>96,731</u> | <u>-</u> |
| Total Support Services | | | | | |
| Total Expenditures | <u>\$ 602,839</u> | <u>\$ 11,778</u> | <u>\$ 614,617</u> | <u>\$ 614,617</u> | <u>\$ -</u> |

Calculation of Budget Carryover

| | |
|--|----------------|
| Total Revised 2014-2015 Preschool Education Aid Allocation | \$ 553,298 |
| Add: | |
| Preschool Education Aid Carryover (June 30, 2014) | 10,901 |
| Budgeted Transfer from the General Fund 2014-2015 | 50,418 |
| | <u>614,617</u> |
| Total Preschool Education Aid Funds Available for 2014-2015 Budget | 614,617 |
| Less: 2014-2015 Budgeted Preschool Education Aid (Including | |
| Prior Year Budgeted Carryover) | <u>614,617</u> |
| Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2015 | - |
| Add: June 30, 2015 Unexpended Preschool Education Aid | <u>-</u> |
| 2014-2015 Carryover - Preschool Education Aid Programs | <u>\$ -</u> |
| 2014-2015 Preschool Education Aid Carryover Budgeted in 2015-2016 | <u>\$ -</u> |

CAPITAL PROJECTS FUND

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| <u>Issue/Project Title</u> | <u>Modified Appropriations</u> | <u>Prior Years</u> | <u>Current Year Expenditures</u> | <u>Cancellations</u> | <u>Balance, June 30, 2015</u> |
|--|------------------------------------|--------------------|--------------------------------------|----------------------|-----------------------------------|
| Lodi High School Boiler Replacement | \$ 679,492 | \$ 338,924 | \$ 221,571 | \$ 118,997 | |
| Roosevelt Elementary School HVAC Upgrades | 231,018 | 15,364 | 173,180 | 42,474 | |
| Thomas Jefferson Middle School Bathroom Renovation | 101,995 | 23,901 | 56,386 | 21,708 | |
| Thomas Jefferson Middle School Roof Replacement | 414,424 | | 21,693 | | \$ 392,731 |
| Roosevelt Elementary School Security Upgrades | 34,380 | 11,844 | 16,307 | 6,229 | |
| Thomas Jefferson Middle School Security Upgrades | 106,560 | 55,008 | 36,722 | 14,830 | |
| Washington Elementary School Security Upgrades | 53,034 | 19,538 | 23,812 | 9,684 | |
| Wilson Elementary School Security Upgrades | 63,224 | 41,429 | 14,688 | 7,107 | |
| Hilltop Elementary School Security Upgrades | 47,392 | 17,706 | 25,100 | 4,586 | |
| Columbus Elementary School Security Upgrades | 41,812 | 12,305 | 27,313 | 2,194 | |
| Lodi High School Security Upgrades | <u>170,600</u> | <u>85,199</u> | <u>75,475</u> | <u>9,926</u> | <u>-</u> |
| | <u>\$ 1,943,931</u> | <u>\$ 621,218</u> | <u>\$ 692,247</u> | <u>\$ 237,735</u> | <u>\$ 392,731</u> |
| Project Balances | | | | | \$ 392,731 |
| Less: Unearned Revenue - State Grants | | | | | <u>165,177</u> |
| Fund Balance (GAAP) | | | | | <u>\$ 227,554</u> |
| <u>Recapitulation of Fund Balance</u> | | | | | |
| Restricted for Capital Projects | | | | | |
| Encumbrances | | | | | \$ 324,827 |
| Available for Capital Projects | | | | | <u>(97,273)</u> |
| Total Fund Balance- Restricted for Capital Projects | | | | | <u>\$ 227,554</u> |

**LODI BOARD OF EDUCATION
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues and Other Financing Sources

| | |
|---------------------------------|--------------------|
| Transfer from Capital Reserve | \$ 119,424 |
| Cancellation of SDA Receivables | (124,790) |
| Interest | <u>55</u> |
| Total Revenues | <u>(5,311)</u> |

Expenditures and Other Financing Uses

| | |
|---|--------------------|
| Purchased Professional And Technical Services | 33,996 |
| Construction Services | 658,251 |
| Project Balances Restored to Capital Reserve | 112,945 |
| Transfer to General Fund | <u>55</u> |
| Total Expenditures | <u>805,247</u> |

| | |
|--|-----------------------|
| Excess Of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources | (810,558) |
| Fund Balance, Beginning of Year | <u>1,203,289</u> |
| Fund Balance, End of Year | <u>\$ 392,731</u> |

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
LODI HIGH SCHOOL BOILER REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------------|-------------------------|--------------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 410,660 | \$ (72,255) | \$ 338,405 | \$ 453,272 |
| Local Sources | <u>268,832</u> | <u>(46,742)</u> | <u>222,090</u> | <u>296,728</u> |
| Total Revenues | <u>679,492</u> | <u>(118,997)</u> | <u>560,495</u> | <u>750,000</u> |
| Expenditures and Other Financing Uses | | | | |
| Professional Services | 34,221 | 8,212 | 42,433 | 60,000 |
| Construction Services | <u>304,703</u> | <u>213,359</u> | <u>518,062</u> | <u>690,000</u> |
| Total Expenditures and Other Financing Uses | <u>338,924</u> | <u>221,571</u> | <u>560,495</u> | <u>750,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 340,568</u> | <u>\$ (340,568)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--|----------------------|
| Project Number | 2740-050-14-1001-G04 |
| Grant Date | January 6, 2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 750,000 |
| Additional Authorized Cost | - |
| Revised Authorized Cost | 750,000 |
| Percentage Increase over Original Authorized Cost | |
| | 0% |
| Percentage Completion | 100% |
| Original Target Completion Date | September 30, 2014 |
| Revised Target Completion Date | September 30, 2014 |

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ROOSEVELT ELEMENTARY SCHOOL HVAC UPGRADES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------------|-------------------------|----------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 139,619 | \$ (25,670) | \$ 113,949 | \$ 175,265 |
| Local Sources | 91,399 | (16,804) | 74,595 | 114,735 |
| | <u>231,018</u> | <u>(42,474)</u> | <u>188,544</u> | <u>290,000</u> |
| Expenditures and Other Financing Uses | | | | |
| Professional Services | 12,300 | 2,988 | 15,288 | 23,200 |
| Construction Services | 3,064 | 170,192 | 173,256 | 266,800 |
| | <u>15,364</u> | <u>173,180</u> | <u>188,544</u> | <u>290,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 215,654</u> | <u>\$ (215,654)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|---|----------------------|
| Project Number | 2740-080-14-1011-G04 |
| Grant Date | January 6, 2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 290,000 |
| Additional Authorized Cost | - |
| Revised Authorized Cost | 290,000 |
| Percentage Increase over Original Authorized Cost | |
| | 0% |
| Percentage Completion | |
| | 100% |
| Original Target Completion Date | |
| | August 15, 2014 |
| Revised Target Completion Date | |
| | August 15, 2014 |

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
THOMAS JEFFERSON MIDDLE SCHOOL BATHROOM RENOVATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------------|-------------------------|-------------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 61,642 | \$ (13,120) | \$ 48,522 | \$ 78,567 |
| Local Sources | <u>40,353</u> | <u>(8,588)</u> | <u>31,765</u> | <u>51,433</u> |
| Total Revenues | <u>101,995</u> | <u>(21,708)</u> | <u>80,287</u> | <u>130,000</u> |
| Expenditures and Other Financing Uses | | | | |
| Professional Services | 6,001 | 1,103 | 7,104 | 10,400 |
| Construction Services | <u>17,900</u> | <u>55,283</u> | <u>73,183</u> | <u>119,600</u> |
| Total Expenditures and Other Financing Uses | <u>23,901</u> | <u>56,386</u> | <u>80,287</u> | <u>130,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 78,094</u> | <u>\$ (78,094)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--|----------------------|
| Project Number | 2740-067-14-1005-G04 |
| Grant Date | January 6, 2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 130,000 |
| Additional Authorized Cost | - |
| Revised Authorized Cost | 130,000 |
| Percentage Increase over Original Authorized Cost | 0% |
| Percentage Completion | 100% |
| Original Target Completion Date | August 15, 2014 |
| Revised Target Completion Date | August 15, 2014 |

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
THOMAS JEFFERSON MIDDLE SCHOOL ROOF REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------------|-------------------------|-------------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 178,287 | | \$ 178,287 | \$ 178,287 |
| Local Sources | 116,713 | \$ 119,424 | 236,137 | 236,137 |
| | <u>295,000</u> | <u>119,424</u> | <u>414,424</u> | <u>414,424</u> |
| Expenditures and Other Financing Uses | | | | |
| Professional Services | - | 21,693 | 21,693 | 33,154 |
| Construction Services | - | - | - | 381,270 |
| | <u>-</u> | <u>21,693</u> | <u>21,693</u> | <u>414,424</u> |
| Total Expenditures and Other Financing Uses | - | 21,693 | 21,693 | 414,424 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 295,000</u> | <u>\$ 97,731</u> | <u>\$ 392,731</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|----------------------------|----------------------|
| Project Number | 2740-067-14-1006-G04 |
| Grant Date | January 6, 2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 295,000 |
| Additional Authorized Cost | 119,424 |
| Revised Authorized Cost | 414,424 |

| | |
|---|-----------------|
| Percentage Increase over Original Authorized Cost | 40% |
| Percentage Completion | 5% |
| Original Target Completion Date | August 31, 2015 |
| Revised Target Completion Date | August 31, 2015 |

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ROOSEVELT ELEMENTARY SCHOOL SECURITY UPGRADES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------------|-------------------------|-------------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 20,778 | \$ (3,764) | \$ 17,014 | \$ 26,108 |
| Local Sources | <u>13,602</u> | <u>(2,465)</u> | <u>11,137</u> | <u>17,092</u> |
| Total Revenues | <u>34,380</u> | <u>(6,229)</u> | <u>28,151</u> | <u>43,200</u> |
| Expenditures and Other Financing Uses | | | | |
| Professional Services | - | - | - | |
| Construction Services | <u>11,844</u> | <u>16,307</u> | <u>28,151</u> | <u>43,200</u> |
| Total Expenditures and Other Financing Uses | <u>11,844</u> | <u>16,307</u> | <u>28,151</u> | <u>43,200</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 22,536</u> | <u>\$ (22,536)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--|----------------------|
| Project Number | 2740-080-14-1010-G04 |
| Grant Date | January 6, 2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 43,200 |
| Additional Authorized Cost | - |
| Revised Authorized Cost | 43,200 |
| Percentage Increase over Original Authorized Cost | |
| | 0% |
| Percentage Completion | |
| | 65% |
| Original Target Completion Date | |
| | August 29, 2014 |
| Revised Target Completion Date | |
| | August 29, 2014 |

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
THOMAS JEFFERSON MIDDLE SCHOOL SECURITY UPGRADES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------------|-------------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 54,695 | | \$ 54,695 | \$ 54,695 |
| Local Sources | 51,865 | (14,830) | 37,035 | 51,865 |
| | <u>106,560</u> | <u>(14,830)</u> | <u>91,730</u> | <u>106,560</u> |
| Expenditures and Other Financing Uses | | | | |
| Professional Services | - | | - | |
| Construction Services | 55,008 | 36,722 | 91,730 | 106,560 |
| | <u>55,008</u> | <u>36,722</u> | <u>91,730</u> | <u>106,560</u> |
| Total Expenditures and Other Financing Uses | <u>55,008</u> | <u>36,722</u> | <u>91,730</u> | <u>106,560</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 51,552</u> | <u>\$ (51,552)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|---|----------------------|
| Project Number | 2740-067-14-1007-G04 |
| Grant Date | January 6, 2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 90,500 |
| Additional Authorized Cost | 16,060 |
| Revised Authorized Cost | 106,560 |
| | |
| Percentage Increase over Original Authorized Cost | 18% |
| Percentage Completion | 100% |
| Original Target Completion Date | August 29, 2014 |
| Revised Target Completion Date | August 29, 2014 |

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
WASHINGTON ELEMENTARY SCHOOL SECURITY UPGRADES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------------|-------------------------|-------------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 32,052 | \$ (5,853) | \$ 26,199 | \$ 36,080 |
| Local Sources | <u>20,982</u> | <u>(3,831)</u> | <u>17,151</u> | <u>23,620</u> |
| Total Revenues | <u>53,034</u> | <u>(9,684)</u> | <u>43,350</u> | <u>59,700</u> |
| Expenditures and Other Financing Uses | | | | |
| Professional Services | - | - | - | - |
| Construction Services | <u>19,538</u> | <u>23,812</u> | <u>43,350</u> | <u>59,700</u> |
| Total Expenditures and Other Financing Uses | <u>19,538</u> | <u>23,812</u> | <u>43,350</u> | <u>59,700</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 33,496</u> | <u>\$ (33,496)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--|----------------------|
| Project Number | 2740-090-14-1012-G04 |
| Grant Date | January 6, 2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 59,700 |
| Additional Authorized Cost | - |
| Revised Authorized Cost | 59,700 |
| Percentage Increase over Original Authorized Cost | 0% |
| Percentage Completion | 100% |
| Original Target Completion Date | August 29, 2014 |
| Revised Target Completion Date | August 29, 2014 |

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
WILSON ELEMENTARY SCHOOL SECURITY UPGRADES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|--------------------------|-------------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 28,103 | | \$ 28,103 | \$ 28,103 |
| Local Sources | 35,121 | (7,107) | 28,014 | 35,121 |
| | <u>63,224</u> | <u>(7,107)</u> | <u>56,117</u> | <u>63,224</u> |
| Total Revenues | | | | |
| Expenditures and Other Financing Uses | | | | |
| Professional Services | - | - | - | |
| Construction Services | 41,429 | 14,688 | 56,117 | 63,224 |
| | <u>41,429</u> | <u>14,688</u> | <u>56,117</u> | <u>63,224</u> |
| Total Expenditures and Other Financing Uses | | | | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 21,795</u> | <u>\$ (21,795)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--------------------------|----------------------|
| Project Number | 2740-100-14-1013-G04 |
| Grant Date | January 6, 2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 46,500 |
| Reduced Authorized Cost | 16,724 |
| Revised Authorized Cost | 63,224 |

Percentage Increase over Original Authorized

| | |
|---------------------------------|-----------------|
| Cost | 36% |
| Percentage Completion | 100% |
| Original Target Completion Date | August 29, 2014 |
| Revised Target Completion Date | August 29, 2014 |

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
HILLTOP ELEMENTARY SCHOOL SECURITY UPGRADES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------------|-------------------------|-------------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 28,642 | \$ (2,771) | \$ 25,871 | \$ 32,756 |
| Local Sources | <u>18,750</u> | <u>(1,815)</u> | <u>16,935</u> | <u>21,444</u> |
| Total Revenues | <u>47,392</u> | <u>(4,586)</u> | <u>42,806</u> | <u>54,200</u> |
| Expenditures and Other Financing Uses | | | | |
| Professional Services | - | - | - | - |
| Construction Services | <u>17,706</u> | <u>25,100</u> | <u>42,806</u> | <u>54,200</u> |
| Total Expenditures and Other Financing Uses | <u>17,706</u> | <u>25,100</u> | <u>42,806</u> | <u>54,200</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 29,686</u> | <u>\$ (29,686)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--|----------------------|
| Project Number | 2740-065-14-1004-G04 |
| Grant Date | January 6, 2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 54,200 |
| Reduced Authorized Cost | - |
| Revised Authorized Cost | 54,200 |
| Percentage Increase over Original Authorized Cost | |
| | 0% |
| Percentage Completion | 100% |
| Original Target Completion Date | August 29, 2014 |
| Revised Target Completion Date | August 29, 2014 |

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
COLUMBUS ELEMENTARY SCHOOL SECURITY UPGRADES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------------|-------------------------|-------------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 25,270 | \$ (1,357) | \$ 23,913 | \$ 31,759 |
| Local Sources | <u>16,542</u> | <u>(837)</u> | <u>15,705</u> | <u>20,791</u> |
| Total Revenues | <u>41,812</u> | <u>(2,194)</u> | <u>39,618</u> | <u>52,550</u> |
| Expenditures and Other Financing Uses | | | | |
| Professional Services | - | - | - | |
| Construction Services | <u>12,305</u> | <u>27,313</u> | <u>39,618</u> | <u>52,550</u> |
| Total Expenditures and Other Financing Uses | <u>12,305</u> | <u>27,313</u> | <u>39,618</u> | <u>52,550</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 29,507</u> | <u>\$ (29,507)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--|----------------------|
| Project Number | 2740-060-14-1003-G04 |
| Grant Date | January 6, 2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 52,550 |
| Reduced Authorized Cost | - |
| Revised Authorized Cost | 52,550 |
| Percentage Increase over Original Authorized Cost | 0% |
| Percentage Completion | 100% |
| Original Target Completion Date | August 29, 2014 |
| Revised Target Completion Date | September 5, 2014 |

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
LODI HIGH SCHOOL SECURITY UPGRADES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------------|-------------------------|----------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 55,027 | | \$ 55,027 | \$ 55,027 |
| Local Sources | 115,573 | (9,926) | 105,647 | 115,573 |
| | <u>170,600</u> | <u>(9,926)</u> | <u>160,674</u> | <u>170,600</u> |
| Expenditures and Other Financing Uses | | | | |
| Professional Services | - | - | - | |
| Construction Services | 85,199 | 75,475 | 160,674 | 170,600 |
| | <u>85,199</u> | <u>75,475</u> | <u>160,674</u> | <u>170,600</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 85,401</u> | <u>\$ (85,401)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--------------------------|----------------------|
| Project Number | 2740-050-14-1002-G04 |
| Grant Date | January 6, 2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 91,050 |
| Reduced Authorized Cost | 79,550 |
| Revised Authorized Cost | 170,600 |

Percentage Increase over Original Authorized

| | |
|---------------------------------|-----------------|
| Cost | 87% |
| Percentage Completion | 100% |
| Original Target Completion Date | August 29, 2014 |
| Revised Target Completion Date | August 29, 2014 |

PROPRIETARY FUND

**LODI BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**LODI BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

| | <u>Student Activity</u> | <u>Payroll</u> | <u>Total Agency Funds</u> |
|----------------------------|-----------------------------|------------------|-------------------------------|
| ASSETS | | | |
| Cash | \$ 104,756 | \$ 12,821 | \$ 117,577 |
| Total Assets | <u>\$ 104,756</u> | <u>\$ 12,821</u> | <u>\$ 117,577</u> |
| LIABILITIES | | | |
| Accrued Salaries and Wages | | \$ 3,521 | \$ 3,521 |
| Due To Other Funds | | 9,300 | 9,300 |
| Due to Student Groups | <u>\$ 104,756</u> | <u>-</u> | <u>104,756</u> |
| Total Liabilities | <u>\$ 104,756</u> | <u>\$ 12,821</u> | <u>\$ 117,577</u> |

**LODI BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

**LODI BOARD OF EDUCATION
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>Cash</u> <u>Receipts</u> | <u>Cash</u> <u>Disbursements</u> | <u>Balance</u> <u>June 30, 2015</u> |
|--------------------------------|---------------------------------------|--------------------------------|-------------------------------------|--|
| ELEMENTARY SCHOOLS | | | | |
| Wilson School | \$ 1,181 | \$ 2,865 | \$ 4,046 | |
| Columbus School | 126 | | 126 | |
| Washington School | 2,961 | 1,093 | 4,054 | |
| Hilltop School | 54 | 237 | 291 | |
| Roosevelt School | <u>72</u> | <u>54</u> | <u>126</u> | <u>-</u> |
| | <u>4,394</u> | <u>4,249</u> | <u>8,643</u> | <u>-</u> |
| MIDDLE SCHOOL | | | | |
| Thomas Jefferson Middle School | <u>7,593</u> | <u>83,123</u> | <u>77,264</u> | <u>\$ 13,452</u> |
| HIGH SCHOOL | | | | |
| Lodi High School | <u>83,875</u> | <u>158,495</u> | <u>154,232</u> | <u>88,138</u> |
| ATHLETIC ACCOUNT | | | | |
| | <u>7,759</u> | <u>35,730</u> | <u>40,323</u> | <u>3,166</u> |
| TOTAL ALL SCHOOLS | | | | |
| | <u>\$ 103,621</u> | <u>\$ 281,597</u> | <u>\$ 280,462</u> | <u>\$ 104,756</u> |

**LODI BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Balance, July 1, <u>2014</u> | Cash <u>Receipts</u> | Cash <u>Disbursements</u> | Balance, June 30, <u>2015</u> |
|---|---|---------------------------------|--------------------------------------|--|
| Payroll, Deductions, Withholdings and Accrued Salaries and Wages | \$ 3,228 | \$ 41,880,262 | \$ 41,879,969 | \$ 3,521 |
| Due To Other Funds | <u>3,250</u> | <u>9,300</u> | <u>3,250</u> | <u>9,300</u> |
| Total | <u>\$ 6,478</u> | <u>\$ 41,889,562</u> | <u>\$ 41,883,219</u> | <u>\$ 12,821</u> |

LONG-TERM DEBT

LODI BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| <u>Issue</u> | <u>Date of Issue</u> | <u>Amount of Original Issue</u> | <u>Annual Date</u> | <u>Maturities Amount</u> | <u>Interest Rate</u> | | <u>Balance July 1, 2014</u> | <u>Paid</u> | <u>Balance June 30, 2015</u> |
|------------------------------|----------------------|---------------------------------|--------------------|--------------------------|----------------------|----|-----------------------------|-------------------|------------------------------|
| 2003 Pension Refunding Bonds | 3/1/2003 | \$ 3,275,000 | 3/1/15 | \$ 120,000 | 5.000 % | \$ | <u>120,000</u> | <u>\$ 120,000</u> | <u>\$ -</u> |

**LODI BOARD OF EDUCATION
LONG-TERM DEBT
OBLIGATIONS UNDER LEASE-PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| <u>Issue</u> | <u>Date of Issue</u> | <u>Amount of Original Issue</u> | <u>Annual Date</u> | <u>Maturities Amount</u> | <u>Interest Rate</u> | <u>Balance July 1, 2014</u> | <u>Paid</u> | <u>Balance June 30, 2015</u> |
|-------------------------|----------------------|---------------------------------|--------------------|--------------------------|----------------------|-----------------------------|-------------------|------------------------------|
| Renovations, Additions, | 9/15/1997 | \$ 6,600,000 | 9/15/15 | 180,000 | 5.650 | | | |
| | | | 3/15/16 | 185,000 | 5.650 | | | |
| | | | 9/15/16 | 190,000 | 5.650 | | | |
| | | | 3/15/17 | 195,000 | 5.700 | | | |
| | | | 9/15/17 | 200,000 | 5.700 | | | |
| | | | 3/15/18 | 205,000 | 5.700 | | | |
| | | | 9/15/18 | 215,000 | 5.700 | | | |
| | | | 3/15/19 | 220,000 | 5.700 | | | |
| | | | 9/15/19 | 225,000 | 5.700 | | | |
| | | | 3/15/20 | 230,000 | 5.700 | | | |
| | | | 9/15/20 | 240,000 | 5.700 | | | |
| | | | 3/15/21 | 245,000 | 5.700 | | | |
| | | | 9/15/21 | 250,000 | 5.700 | | | |
| | | | | | | <u>\$ 3,125,000</u> | <u>\$ 345,000</u> | <u>\$ 2,780,000</u> |

**LODI BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
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> |
|---|----------------------------|-----------------------------|-------------------------|----------------|-------------------------------------|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Local Tax Levy | \$ 548,398 | | \$ 548,398 | \$ 548,403 | \$ 5 |
| State Sources | | | | | |
| Debt Service Aid | 95,470 | - | 95,470 | 95,470 | - |
| Total Revenues | <u>643,868</u> | <u>-</u> | <u>643,868</u> | <u>643,873</u> | <u>5</u> |
| EXPENDITURES | | | | | |
| Debt Service | | | | | |
| Principal Payments - Comm Approved Lease Purchase | 345,000 | | 345,000 | 345,000 | |
| Interest for Comm. Approved Lease Purchase | 172,873 | | 172,873 | 172,872 | 1 |
| Interest on Early Retirement Bonds | 6,000 | | 6,000 | 6,000 | |
| Redemption of Principal - Early Retirement Bonds | 120,000 | - | 120,000 | 120,000 | - |
| Total Expenditures | <u>643,873</u> | <u>-</u> | <u>643,873</u> | <u>643,872</u> | <u>1</u> |
| Excess (Deficit) of Revenues Over/(Under) | | | | | |
| Expenditures | (5) | - | (5) | 1 | 6 |
| Fund Balance, Beginning of Year | 8 | - | 8 | 8 | - |
| Fund Balance, End of Year | <u>\$ 3</u> | <u>-</u> | <u>\$ 3</u> | <u>\$ 9</u> | <u>\$ 6</u> |

| | |
|--|-------------|
| Restricted Fund Balance | |
| Designated for Subsequent Year's Budget | \$ 3 |
| Available for Debt Service | <u>6</u> |
| | <u>\$ 9</u> |

STATISTICAL SECTION

This part of the Lodi Board of Education'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 government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

LODI BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Governmental Activities | | | | | | | | | | |
| Net Investment In Capital Assets | \$ 32,743,374 | \$ 36,677,297 | \$ 30,508,317 | \$ 29,637,205 | \$ 28,464,158 | \$ 26,118,850 | \$ 28,618,260 | \$ 29,592,115 | \$ 31,047,402 | \$ 32,817,931 |
| Restricted | 13,088 | 5,402 | 14,630 | 513,877 | 1,844,026 | 908,335 | 1,122,405 | 3,187,051 | 7,161,080 | 8,472,291 |
| Unrestricted | (8,206,275) | (11,380,203) | (3,735,367) | (3,007,889) | (2,873,097) | 1,158,697 | (2,666,682) | 988,842 | (617,457) | (10,511,258) |
| Total Governmental Activities Net Position | \$ 24,550,187 | \$ 25,302,496 | \$ 26,787,580 | \$ 27,143,193 | \$ 27,435,087 | \$ 28,185,882 | \$ 27,073,983 | \$ 33,768,008 | \$ 37,591,025 | \$ 30,778,964 |
| Business-Type Activities | | | | | | | | | | |
| Net Investment In Capital Assets | \$ 184,865 | \$ 172,463 | \$ 146,612 | \$ 134,320 | \$ 189,848 | \$ 182,679 | \$ 180,828 | \$ 286,355 | \$ 255,647 | \$ 266,427 |
| Unrestricted | 428,089 | 571,712 | 627,411 | 712,682 | 501,722 | 458,888 | 275,814 | 281,952 | 413,061 | 382,161 |
| Total Business-Type Activities Net Position | \$ 612,954 | \$ 744,175 | \$ 774,023 | \$ 847,002 | \$ 691,570 | \$ 641,567 | \$ 456,642 | \$ 568,307 | \$ 668,708 | \$ 648,588 |
| District-Wide | | | | | | | | | | |
| Net Investment In Capital Assets | \$ 32,928,239 | \$ 36,849,760 | \$ 30,654,929 | \$ 29,771,525 | \$ 28,654,006 | \$ 26,301,529 | \$ 28,799,088 | \$ 29,878,470 | \$ 31,303,049 | \$ 33,084,358 |
| Restricted | 13,088 | 5,402 | 14,630 | 513,877 | 1,844,026 | 908,335 | 1,122,405 | 3,187,051 | 7,161,080 | 8,472,291 |
| Unrestricted | (7,778,186) | (10,808,491) | (3,107,956) | (2,295,207) | (2,371,375) | 1,617,585 | (2,390,868) | 1,270,794 | (204,396) | (10,129,097) |
| Total District Net Position | \$ 25,163,141 | \$ 26,046,671 | \$ 27,561,603 | \$ 27,990,195 | \$ 28,126,657 | \$ 28,827,449 | \$ 27,530,625 | \$ 34,336,315 | \$ 38,259,733 | \$ 31,427,552 |

LODI BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

| | Fiscal Year Ended June 30, | | | | | | | | |
|--|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenses | | | | | | | | | |
| Governmental Activities | | | | | | | | | |
| Instruction | | | | | | | | | |
| Regular | \$ 13,714,561 | \$ 10,745,449 | \$ 11,643,014 | \$ 13,253,883 | \$ 14,333,158 | \$ 15,643,796 | \$ 15,941,575 | \$ 21,025,223 | \$ 25,286,800 |
| Special Education | 2,493,921 | 5,053,381 | 2,881,295 | 3,847,221 | 3,287,555 | 3,283,393 | 12,588,204 | 13,529,203 | 14,968,663 |
| Other Instruction | 1,639,851 | 1,166,159 | 1,128,600 | 1,227,693 | 1,215,915 | 1,267,586 | 1,218,306 | 1,918,561 | 2,109,533 |
| School Sponsored Activities And Athletics | 142,725 | 419,563 | 439,086 | 464,497 | 421,727 | 472,499 | 501,347 | 653,789 | 797,017 |
| Community Services | 3,842 | | | 2,584 | | | | | |
| Support Services | | | | | | | | | |
| Student And Instruction Related Services | 9,426,542 | 11,217,737 | 13,208,848 | 13,309,881 | 13,898,994 | 14,201,748 | 4,547,314 | 6,295,710 | 7,399,427 |
| General Administration | 735,993 | 616,025 | 637,171 | 654,528 | 706,773 | 831,457 | 836,061 | 1,031,137 | 1,146,902 |
| School Administrative Services | 1,969,012 | 2,036,344 | 2,104,365 | 2,152,492 | 2,184,867 | 2,268,377 | 2,236,611 | 3,080,163 | 3,677,520 |
| Plant Operations And Maintenance | 3,474,150 | 3,704,434 | 4,016,823 | 3,628,911 | 4,152,352 | 4,042,757 | 3,871,420 | 6,261,688 | 5,923,142 |
| Pupil Transportation | 1,627,480 | 1,722,660 | 1,794,386 | 2,148,972 | 2,058,984 | 1,695,122 | 1,982,970 | 1,945,076 | 1,754,530 |
| Business Services | 581,413 | 596,214 | 669,168 | 630,553 | 708,479 | 677,795 | 712,482 | 895,792 | 1,017,553 |
| Unallocated Employee Benefits | 10,509,509 | 10,046,522 | 8,392,170 | 10,656,550 | 10,501,947 | 12,751,252 | 8,854,106 | | |
| Capital Outlay | 1,204,439 | 1,773,175 | 1,654,454 | 1,583,169 | 1,419,886 | 1,537,681 | 996,241 | | |
| Interest On Long-Term Debt and Other Charges | 392,922 | 373,996 | 349,132 | 323,084 | 293,710 | 261,962 | 235,894 | 295,362 | 204,430 |
| Total Governmental Activities Expenses | <u>47,916,360</u> | <u>49,471,659</u> | <u>48,918,512</u> | <u>53,884,018</u> | <u>55,184,347</u> | <u>58,935,425</u> | <u>54,522,531</u> | <u>56,931,704</u> | <u>64,285,537</u> |
| Business-Type Activities: | | | | | | | | | |
| Food Service | 1,119,725 | 1,187,309 | 1,224,747 | 1,532,889 | 1,417,767 | 1,509,584 | 1,324,732 | 1,318,033 | 1,365,030 |
| Total Business-Type Activities Expense | <u>1,119,725</u> | <u>1,187,309</u> | <u>1,224,747</u> | <u>1,532,889</u> | <u>1,417,767</u> | <u>1,509,584</u> | <u>1,324,732</u> | <u>1,318,033</u> | <u>1,365,030</u> |
| Total District Expenses | <u>\$ 49,036,085</u> | <u>\$ 50,658,968</u> | <u>\$ 50,143,259</u> | <u>\$ 55,416,907</u> | <u>\$ 56,602,114</u> | <u>\$ 60,445,009</u> | <u>\$ 55,847,263</u> | <u>\$ 58,249,737</u> | <u>\$ 65,650,567</u> |
| Program Revenues | | | | | | | | | |
| Governmental Activities: | | | | | | | | | |
| Charges For Services | | | \$ 12,707 | \$ 20,644 | | \$ 21,549 | | \$ 43,902 | \$ 119,939 |
| Operating Grants And Contributions | \$ 10,547,124 | \$ 11,694,112 | 6,088,796 | 7,130,171 | \$ 7,450,173 | 8,621,547 | \$ 9,680,663 | 8,703,944 | 14,696,528 |
| Capital Grants And Contributions | | | | 4,497,414 | 145,780 | | | 339,798 | 405,010 |
| Total Governmental Activities Program Revenues | <u>10,547,124</u> | <u>11,694,112</u> | <u>6,101,503</u> | <u>11,648,229</u> | <u>7,595,953</u> | <u>8,643,096</u> | <u>9,680,663</u> | <u>9,087,644</u> | <u>15,221,477</u> |
| Business-Type Activities: | | | | | | | | | |
| Charges For Services | | | | | | | | | |
| Food Service | 678,238 | 596,386 | 642,538 | 627,622 | 655,407 | 548,607 | 497,591 | 491,476 | 458,194 |
| Operating Grants And Contributions | 556,460 | 608,552 | 650,914 | 749,603 | 712,153 | 776,024 | 938,799 | 926,945 | 886,686 |
| Total Business Type Activities Program Revenues | <u>1,234,698</u> | <u>1,204,938</u> | <u>1,293,452</u> | <u>1,377,225</u> | <u>1,367,560</u> | <u>1,324,631</u> | <u>1,436,390</u> | <u>1,418,421</u> | <u>1,344,880</u> |
| Total District Program Revenues | <u>\$ 11,781,822</u> | <u>\$ 12,899,050</u> | <u>\$ 7,394,955</u> | <u>\$ 13,025,454</u> | <u>\$ 8,963,513</u> | <u>\$ 9,967,727</u> | <u>\$ 11,117,053</u> | <u>\$ 10,506,065</u> | <u>\$ 16,566,357</u> |

LODI BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

| | Fiscal Year Ended June 30, | | | | | | | | |
|---|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Net (Expense)/Revenue | | | | | | | | | |
| Governmental Activities | \$ (37,369,236) | \$ (37,777,547) | \$ (42,817,009) | \$ (42,235,789) | \$ (47,588,394) | \$ (50,292,329) | \$ (44,841,868) | \$ (47,844,060) | \$ (49,064,060) |
| Business-Type Activities | 114,973 | 17,629 | 68,705 | (155,664) | (50,207) | (184,953) | 111,658 | 100,388 | (20,150) |
| Total District-Wide Net Expense | <u>\$ (37,254,263)</u> | <u>\$ (37,759,918)</u> | <u>\$ (42,748,304)</u> | <u>\$ (42,391,453)</u> | <u>\$ (47,638,601)</u> | <u>\$ (50,477,282)</u> | <u>\$ (44,730,210)</u> | <u>\$ (47,743,672)</u> | <u>\$ (49,084,210)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | |
| Governmental Activities: | | | | | | | | | |
| Property Taxes | \$ 31,679,127 | \$ 32,701,525 | \$ 32,514,298 | \$ 33,705,497 | \$ 37,525,554 | \$ 37,849,957 | \$ 38,712,642 | \$ 39,463,253 | \$ 38,878,553 |
| State Aid | 5,979,224 | 6,556,476 | 11,575,701 | 9,463,078 | 10,633,027 | 11,168,711 | 11,803,487 | 11,913,661 | 11,984,254 |
| Federal Sources | 10,302 | 29,775 | 51,553 | | | | | | |
| Interest Earned on Capital Reserve Funds | 104 | 204 | 57 | | | | | | |
| Miscellaneous Income | 501,397 | 607,413 | 139,993 | 434,851 | 232,198 | 168,208 | 400,192 | 290,825 | 341,201 |
| Donation of Capital Assets | | | | | | | | 4,805 | 72,923 |
| Loss on Disposal of Capital Assets | | | | | | | | (5,467) | |
| LPA Adjustments | | | 606 | | | | | | |
| Transfers | (48,609) | (632,762) | (1,109,586) | (1,075,743) | (51,600) | | | | |
| Total Governmental Activities | <u>38,121,545</u> | <u>39,262,631</u> | <u>43,172,622</u> | <u>42,527,683</u> | <u>48,339,179</u> | <u>49,186,876</u> | <u>50,916,321</u> | <u>51,667,077</u> | <u>51,276,931</u> |
| Business-Type Activities: | | | | | | | | | |
| Unrestricted Miscellaneous Revenues | \$ 16,248 | \$ 12,219 | \$ 4,274 | \$ 232 | \$ 204 | \$ 28 | \$ 7 | \$ 13 | \$ 30 |
| Total Business-Type Activities | <u>16,248</u> | <u>12,219</u> | <u>4,274</u> | <u>232</u> | <u>204</u> | <u>28</u> | <u>7</u> | <u>13</u> | <u>30</u> |
| Total District-Wide | <u>\$ 38,137,793</u> | <u>\$ 39,274,850</u> | <u>\$ 43,176,896</u> | <u>\$ 42,527,915</u> | <u>\$ 48,339,383</u> | <u>\$ 49,186,904</u> | <u>\$ 50,916,328</u> | <u>\$ 51,667,090</u> | <u>\$ 51,276,961</u> |
| Change in Net Position | | | | | | | | | |
| Governmental Activities | \$ 752,309 | \$ 1,485,084 | \$ 355,613 | \$ 291,894 | \$ 750,785 | \$ (1,105,453) | \$ 6,074,453 | \$ 3,823,017 | \$ 2,212,871 |
| Business-Type Activities | 131,221 | 29,848 | 72,979 | (155,432) | (50,003) | (184,925) | 111,665 | 100,401 | (20,120) |
| Total District | <u>\$ 883,530</u> | <u>\$ 1,514,932</u> | <u>\$ 428,592</u> | <u>\$ 136,462</u> | <u>\$ 700,782</u> | <u>\$ (1,290,378)</u> | <u>\$ 6,186,118</u> | <u>\$ 3,923,418</u> | <u>\$ 2,192,751</u> |

**LODI BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)**

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 2,498,521 | \$ 3,039,725 | \$ 5,323,649 | \$ 5,766,148 | \$ 4,712,924 | | | | | |
| Unreserved | 426,710 | 442,843 | 415,663 | (149,515) | 53,643 | | | | | |
| Restricted | | | | | | \$ 3,541,328 | \$ 3,279,628 | \$ 4,979,845 | \$ 8,186,028 | \$ 9,392,393 |
| Committed | | | | | | - | - | - | 835,457 | 854,750 |
| Assigned | | | | | | 2,603,437 | 2,278,695 | 4,009,119 | 507,162 | 73,969 |
| Unassigned | | | | | | (22,765) | (103,843) | (211,131) | (657,736) | (643,189) |
| Total General Fund | \$ 2,925,231 | \$ 3,482,568 | \$ 5,739,312 | \$ 5,616,633 | \$ 4,766,567 | \$ 6,122,000 | \$ 5,454,480 | \$ 8,777,833 | \$ 8,870,911 | \$ 9,677,923 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | | | | \$ 3 | | | | | | |
| Unreserved | 12,760 | 5,402 | 6,470 | 5,657 | 1,835,729 | | | | | |
| Restricted | | | | | | 32 | 13,465 | 13,451 | 508,320 | 227,563 |
| Unassigned | | | | | | | | | \$ (41,388) | \$ (55,330) |
| Total All Other Governmental Funds | \$ 12,760 | \$ 5,402 | \$ 6,470 | \$ 5,660 | \$ 1,835,729 | \$ 32 | \$ 13,465 | \$ 13,451 | \$ 466,932 | \$ 172,233 |

Beginning with 2010/11 Fiscal Year, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Type Definitions." The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required

LODI BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|-------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|-------------------|-------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Revenues | | | | | | | | | | |
| Tax Levy | \$ 29,988,832 | \$ 31,679,127 | \$ 32,701,525 | \$ 32,514,298 | \$ 33,705,497 | \$ 37,525,554 | \$ 37,849,957 | \$ 38,712,642 | \$ 39,463,253 | \$ 38,878,553 |
| Tuition Charges | 23,501 | 15,170 | 12,350 | 12,707 | 20,644 | | 21,549 | | 43,902 | 119,939 |
| Interest on Capital Reserve Funds | 304 | 104 | 204 | 57 | 81 | 4 | 21 | 21 | 139 | 300 |
| Interest on Emergency Reserve Funds | | | | | | 2 | 619 | 671 | 623 | 639 |
| Miscellaneous | 468,405 | 486,227 | 595,063 | 139,993 | 434,851 | 232,198 | 233,287 | 409,198 | 290,064 | 241,412 |
| State Sources | 13,987,527 | 15,160,494 | 16,849,532 | 16,295,245 | 16,499,190 | 16,501,349 | 17,637,839 | 19,620,424 | 19,199,528 | 20,332,965 |
| Federal Sources | 1,298,339 | 1,376,156 | 1,430,831 | 1,420,805 | 4,591,473 | 1,727,625 | 2,086,700 | 1,854,028 | 1,757,875 | 1,794,222 |
| Total Revenues | 45,766,908 | 48,717,278 | 51,589,505 | 50,383,105 | 55,251,736 | 55,986,732 | 57,829,972 | 60,596,984 | 60,755,384 | 61,368,030 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 13,836,798 | 13,714,561 | 10,745,449 | 11,643,014 | 13,253,883 | 14,333,148 | 15,643,796 | 15,286,421 | 21,818,161 | 22,169,857 |
| Special Education Instruction | 2,467,150 | 2,493,921 | 5,053,381 | 2,881,295 | 3,847,221 | 3,287,555 | 3,283,393 | 3,259,461 | 13,697,743 | 14,419,203 |
| Other Instruction | 1,348,558 | 1,367,523 | 1,160,224 | 1,128,600 | 1,227,693 | 1,215,915 | 1,267,586 | 1,159,670 | 2,009,587 | 1,813,691 |
| School Sponsored Activities And Athletics | 414,917 | 415,053 | 419,563 | 439,086 | 464,497 | 421,727 | 472,499 | 501,347 | 672,369 | 690,895 |
| Community Services | 7,112 | 3,842 | 5,935 | | 2,584 | | | | | |
| Support Services | | | | | | | | | | |
| Student & Inst. Related Services | 9,102,517 | 9,426,542 | 11,217,737 | 13,208,848 | 13,309,881 | 13,898,994 | 14,201,748 | 14,589,847 | 6,518,298 | 6,751,297 |
| General Administration | 618,550 | 735,993 | 616,025 | 637,171 | 654,528 | 706,773 | 831,457 | 836,061 | 1,049,110 | 1,119,251 |
| School Administration | 1,918,215 | 1,969,012 | 2,036,344 | 2,104,365 | 2,152,492 | 2,184,867 | 2,268,377 | 2,236,611 | 3,227,255 | 3,313,646 |
| Plant Operations And Maintenance | 3,131,561 | 3,474,150 | 3,704,434 | 4,016,823 | 3,628,911 | 4,152,352 | 4,042,757 | 3,871,420 | 4,691,988 | 4,406,730 |
| Pupil Transportation | 1,535,960 | 1,627,480 | 1,722,660 | 1,794,386 | 2,148,972 | 2,058,984 | 1,695,122 | 1,982,970 | 1,945,076 | 1,754,530 |
| Business Services | 552,947 | 581,413 | 596,214 | 669,168 | 630,553 | 708,479 | 677,795 | 712,482 | 935,599 | 966,118 |
| Unallocated Employee Benefits | 8,735,394 | 11,322,042 | 10,042,774 | 9,412,384 | 10,791,488 | 10,432,883 | 12,879,461 | 11,045,854 | | |
| Capital Outlay | 615,715 | 54,280 | 449,195 | 533,342 | 145,203 | 2,080,009 | 461,660 | 1,046,972 | 2,857,181 | 2,773,383 |
| Debt Service | | | | | | | | | | |
| Principal | 509,424 | 528,970 | 555,000 | 579,394 | 614,997 | 640,000 | 490,000 | 515,000 | 544,998 | 465,000 |
| Interest And Other Charges | 413,668 | 393,952 | 373,996 | 349,132 | 323,087 | 293,710 | 261,962 | 235,894 | 241,540 | 212,116 |
| Total Expenditures | 45,208,486 | 48,108,734 | 48,698,931 | 49,397,008 | 53,195,990 | 56,415,396 | 58,477,613 | 57,280,010 | 60,208,905 | 60,855,717 |
| Excess (Deficiency) Of Revenues Over (Under) Expenditures | 558,422 | 608,544 | 2,890,574 | 986,097 | 2,055,746 | (428,664) | (647,641) | 3,316,974 | 546,479 | 512,313 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers In | | | | | | | | | 880,724 | 282,842 |
| Transfers Out | (60,464) | (48,609) | (632,762) | (1,109,586) | (1,075,743) | (51,600) | | | (880,724) | (282,842) |
| Total Other Financing Sources (Uses) | (60,464) | (48,609) | (632,762) | (1,109,586) | (1,075,743) | (51,600) | - | - | - | - |
| Net Change In Fund Balances | \$ 497,958 | \$ 559,935 | \$ 2,257,812 | \$ (123,489) | \$ 980,003 | \$ (480,264) | \$ (647,641) | \$ 3,316,974 | \$ 546,479 | \$ 512,313 |
| Debt Service As A Percentage Of Noncapital Expenditures | 2.07% | 1.92% | 1.93% | 1.90% | 1.77% | 1.72% | 1.30% | 1.34% | 1.37% | 1.17% |

* Noncapital expenditures are total expenditures less capital outlay.

**LODI BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUES BY SOURCE
LAST NINE FISCAL YEARS
(Unaudited)**

| Fiscal Year Ended June 30 | <u>Interest</u> | <u>Tuition</u> | <u>Prior Year Refunds</u> | <u>Miscellaneous</u> | <u>Total</u> |
|--|------------------------|-----------------------|--------------------------------------|-----------------------------|---------------------|
| 2007 | \$ 192,695 | \$ 15,170 | \$ 118,853 | \$ 174,452 | \$ 501,170 |
| 2008 | 165,307 | 12,350 | 424,299 | 1,887 | 603,843 |
| 2009 | 47,977 | | 91,184 | 410 | 139,571 |
| 2010 | 3,036 | | 223,020 | 208,743 | 434,799 |
| 2011 | 3,137 | | 209,680 | 19,412 | 232,229 |
| 2012 | 262 | | 166,864 | 1,078 | 168,204 |
| 2013 | 40 | | 161,456 | 238,694 | 400,190 |
| 2014 | 971 | 43,902 | 125,361 | 164,494 | 334,728 |
| 2015 | 1,373 | 119,939 | 43,729 | 191,014 | 356,055 |

Source : District Records

LODI BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

| Fiscal Year Ended June 30, | Vacant Land | Residential | Commercial | Industrial | Apartment | Total Assessed Value | Public Utilities | Net Valuation Taxable | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate ^a |
|-------------------------------------|---------------|------------------|----------------|----------------|----------------|-------------------------|---------------------|--------------------------|---|--|
| 2005 | \$ 10,692,700 | \$ 1,386,121,300 | \$ 265,527,500 | \$ 127,407,000 | \$ 139,198,200 | \$ 1,928,946,700 | \$ 2,314,053 | \$ 1,931,260,753 | \$ 1,786,614,921 | \$ 1.516 |
| 2006 | 12,064,400 | 1,391,425,900 | 261,751,100 | 127,848,000 | 138,552,000 | 1,931,641,400 | 2,004,136 | 1,933,645,536 | 2,069,742,996 | 1.595 |
| 2007 | 12,173,700 | 1,410,476,800 | 253,309,900 | 134,837,300 | 137,552,000 | 1,948,349,700 | 1,840,005 | 1,950,189,705 | 2,342,082,157 | 1.651 |
| 2008 | 7,274,700 | 1,416,914,100 | 267,186,800 | 131,949,300 | 137,836,600 | 1,961,161,500 | 2,042,681 | 1,963,204,181 | 2,445,640,300 | 1.661 |
| 2009 | 6,849,400 | 1,416,454,300 | 263,971,900 | 131,949,300 | 136,929,100 | 1,956,154,000 | 2,068,996 | 1,958,222,996 | 2,501,240,098 | 1.691 |
| 2010 | 9,257,200 | 1,418,646,900 | 262,212,400 | 124,511,800 | 136,831,600 | 1,951,459,900 | 3,965,260 | 1,955,425,160 | 2,384,862,393 | 1.821 |
| 2011 | 9,104,300 | 1,415,542,300 | 263,238,000 | 124,065,300 | 136,957,600 | 1,948,907,500 | 3,314,156 | 1,952,221,656 | 2,209,792,311 | 1.931 |
| 2012 | 9,104,300 | 1,414,368,100 | 263,305,600 | 122,614,100 | 136,472,400 | 1,945,864,500 | 3,409,544 | 1,949,274,044 | 2,066,736,528 | 1.964 |
| 2013 | 8,821,800 | 1,413,420,900 | 259,623,100 | 122,451,100 | 135,466,300 | 1,939,783,200 | 93,220 | 1,939,876,420 | 2,093,287,811 | 2.015 |
| 2014 | 8,838,400 | 1,411,681,200 | 259,022,100 | 118,490,200 | 135,466,300 | 1,933,498,200 | 98,390 | 1,933,596,590 | 1,977,484,838 | 2.026 |

Source: County Abstract of Ratables

^a Tax rates are per \$100

**LODI BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
(Unaudited)**

| <u>Assessment Year</u> | <u>School District</u> | <u>Borough</u> | <u>County</u> | <u>County Open Space</u> | <u>Total</u> |
|----------------------------|----------------------------|----------------|---------------|----------------------------------|--------------|
| 2005 | \$ 1.516 | \$ 0.702 | \$ 0.175 | \$ 0.010 | \$ 2.403 |
| 2006 | 1.595 | 0.786 | 0.189 | 0.010 | 2.580 |
| 2007 | 1.651 | 0.873 | 0.206 | 0.010 | 2.740 |
| 2008 | 1.661 | 0.898 | 0.218 | 0.013 | 2.790 |
| 2009 | 1.691 | 0.883 | 0.232 | 0.013 | 2.819 |
| 2010 | 1.821 | 0.882 | 0.233 | 0.003 | 2.939 |
| 2011 | 1.931 | 0.899 | 0.232 | 0.003 | 3.065 |
| 2012 | 1.964 | 0.906 | 0.230 | 0.003 | 3.103 |
| 2013 | 2.015 | 0.918 | 0.244 | 0.003 | 3.180 |
| 2014 | 2.026 | 0.930 | 0.234 | 0.003 | 3.193 |

Source: Borough of Lodi, Tax Assessor

**LODI BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

| Taxpayer | 2015 | | 2006 | |
|--------------------------------------|------------------------------|--|------------------------------|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | Taxable Assessed Value | % of Total District Net Assessed Value |
| Cedar Wright Gardens | \$ 27,697,100 | 1.43% | | |
| Vornado Realty Trust | 20,302,900 | 1.05% | | |
| Parker Properties c/o The Home Depot | 16,266,600 | 0.84% | | |
| Rothman, Leonard & Mildred | 13,154,700 | 0.68% | | |
| Vornado Lodi Delaware LLC | 12,415,400 | 0.64% | | |
| Lodi Market, LLC | 11,345,700 | 0.59% | | |
| Kmart Corp. | 10,000,000 | 0.52% | | |
| Cedar Wright Gardens c/o J. Ratner | 8,955,700 | 0.46% | | |
| 240 Associates c/o David F. Bolger | 8,000,000 | 0.41% | | |
| Vista Garden Associates, LLC | 7,790,900 | 0.40% | | |
| Total | \$ 135,929,000 | 7.03% | - | 0.00% |

Information Not Available

Source: Municipal Tax Assessor

**LODI BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST NINE FISCAL YEARS
(Unaudited)**

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years |
|-------------------------------------|-------------------------------------|---|-----------------------|---------------------------------------|
| | | Amount | Percentage of Levy | |
| 2007 | \$ 31,679,127 | \$ 31,679,127 | 100.00% | - |
| 2008 | 32,701,525 | 32,701,525 | 100.00% | - |
| 2009 | 32,514,298 | 32,514,298 | 100.00% | - |
| 2010 | 33,705,497 | 33,705,497 | 100.00% | - |
| 2011 | 37,525,554 | 37,525,554 | 100.00% | - |
| 2012 | 37,849,957 | 37,849,957 | 100.00% | - |
| 2013 | 38,712,642 | 38,712,642 | 100.00% | - |
| 2014 | 39,463,253 | 37,818,951 | 95.83% | \$ 1,644,302 |
| 2015 | 38,878,553 | 38,878,553 | 100.00% | - |

**LODI BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

Governmental Activities

| Fiscal Year Ended June 30, | General Obligation Bonds | Certificates of Participation | Total District | Population | Per Capita |
|-------------------------------|-----------------------------|----------------------------------|----------------|------------|------------|
| 2006 | \$ 2,410,000 | \$ 5,305,000 | \$ 7,715,000 | 23,929 | \$ 322 |
| 2007 | 2,105,000 | 5,080,000 | 7,185,000 | 23,822 | 302 |
| 2008 | 1,785,000 | 4,845,000 | 6,630,000 | 23,747 | 279 |
| 2009 | 1,455,000 | 4,595,000 | 6,050,000 | 23,705 | 255 |
| 2010 | 1,105,000 | 4,330,000 | 5,435,000 | 23,766 | 229 |
| 2011 | 740,000 | 4,055,000 | 4,795,000 | 24,166 | 198 |
| 2012 | 545,000 | 3,760,000 | 4,305,000 | 24,295 | 177 |
| 2013 | 340,000 | 3,450,000 | 3,790,000 | 24,360 | 156 |
| 2014 | 120,000 | 3,125,000 | 3,245,000 | 24,522 | 132 |
| 2015 | | 2,780,000 | 2,780,000 | 24,654 | 113 |

Source: District records

LODI BOARD OF EDUCATION
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 of Property | Per Capita |
|-------------------------------------|---------------------------------|------------|---|---|------------|
| | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | | |
| 2006 | \$ 2,410,000 | | \$ 2,410,000 | 0.12% | \$ 101 |
| 2007 | 2,105,000 | | 2,105,000 | 0.11% | 88 |
| 2008 | 1,785,000 | | 1,785,000 | 0.09% | 75 |
| 2009 | 1,455,000 | | 1,455,000 | 0.07% | 61 |
| 2010 | 1,105,000 | | 1,105,000 | 0.06% | 46 |
| 2011 | 740,000 | | 740,000 | 0.04% | 31 |
| 2012 | 545,000 | | 545,000 | 0.03% | 22 |
| 2013 | 340,000 | | 340,000 | 0.02% | 14 |
| 2014 | 120,000 | | 120,000 | 0.01% | 5 |
| 2015 | - | | - | - | - |

Source: District records

N/A - Information Not Available

**LODI BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2015
(Unaudited)**

| | | |
|---|------------------|--------------------------|
| Net Direct Debt of School District as of June 30, 2015 | | \$ - |
| Net Overlapping Debt of School District | | |
| Borough of Lodi | \$ 22,410,673 | |
| Bergen County (A) | 11,372,867 | |
| Passaic Valley Sewerage Commission (B) | <u>3,449,844</u> | |
| | | <u>37,233,384</u> |
| Total Direct and Overlapping Debt as of June 30, 2015 | | <u>\$ 37,233,384</u> |

(A) The debt for this entity was apportioned by dividing the Municipality's 2015 equalized value by the total 2015 equalized value for Bergen County.

(B) Overlapping debt was computed based upon usage

Sources:

- (1) Borough of Lodi 2014 Annual Debt Statement
- (2) Bergen County 2014 Annual Debt Statement
- (3) Passaic Valley Sewerage Commission

**LODI BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

| <u>Year</u> | <u>Population</u> | <u>County Per Capita Personal Income</u> | <u>Unemployment Rate</u> |
|-------------|-------------------|--|------------------------------|
| 2006 | 23,929 | \$ 63,166 | 4.8% |
| 2007 | 23,822 | 67,606 | 4.3% |
| 2008 | 23,747 | 67,375 | 5.6% |
| 2009 | 23,705 | 63,862 | 9.9% |
| 2010 | 23,766 | 63,950 | 10.2% |
| 2011 | 24,166 | 67,240 | 10.0% |
| 2012 | 24,295 | 69,919 | 10.2% |
| 2013 | 24,360 | 69,495 | 7.8% |
| 2014 | 24,522 | N/A | 7.8% |
| 2015 | 24,654 | N/A | N/A |

Source: New Jersey State Department of Education

N/A - Information Not Available

**LODI BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

INFORMATION NOT AVAILABLE

LODI BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS
(Unaudited)

| Function/Program | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction | | | | | | | | |
| Regular | 222 | 230 | 208 | 208 | 186 | 187 | 191 | 186 |
| Special Education | 12 | 12 | 13 | 13 | 30 | 30 | 29 | 28 |
| Other Instruction | 21 | 18 | 18 | 18 | 19 | 19 | 16 | 21 |
| School Sponsored Activities And Athletics | 2 | 2 | 2 | 2 | | | | |
| Support Services | | | | | | | | |
| Student and Instruction Related Services | 17 | 19 | 17 | 17 | 16 | 16 | 16 | 16 |
| General Administration | 6 | 6 | 6 | 6 | 5 | 5 | 5 | 5 |
| School Administrative Services | 23 | 23 | 24 | 24 | 23 | 23 | 23 | 23 |
| Central Services | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Administrative Information Technology | 2 | 3 | 2 | 2 | 2 | 2 | 2 | 2 |
| Plant Operations and Maintenance | 31 | 30 | 33 | 33 | 26 | 26 | 26 | 26 |
| Other Support Services | 17 | 19 | 39 | 39 | 23 | 23 | 23 | 23 |
| Total | 358 | 367 | 367 | 367 | 335 | 336 | 336 | 335 |

Source: District Personnel Records

LODI BOARD OF EDUCATION
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)

| Fiscal Year | Enrollment | Operating Expenditures (A) | Cost Per Pupil | Percentage Change | Teaching Staff ^b | Average Daily Enrollment (ADE) | Average Daily Attendance (ADA) | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|----------------------------|----------------|-------------------|-----------------------------|--------------------------------|--------------------------------|--------------------------------------|-------------------------------|
| 2006 | 3,126 | \$ 40,164,981 | \$ 12,850 | n/a | 254 | 3,126 | 2,968 | n/a | 94.96% |
| 2007 | 3,175 | 43,573,173 | 13,723 | 6.79% | 254 | 3,175 | 3,011 | 1.59% | 94.83% |
| 2008 | 3,163 | 42,925,660 | 13,572 | -1.10% | 257 | 3,163 | 2,978 | -0.39% | 94.15% |
| 2009 | 3,199 | 45,868,377 | 14,340 | 5.66% | 262 | 3,199 | 3,022 | 1.13% | 94.48% |
| 2010 | 3,218 | 49,045,871 | 15,241 | 6.28% | 241 | 3,218 | 3,044 | 0.61% | 94.59% |
| 2011 | 3,274 | 50,112,734 | 15,308 | 0.44% | 241 | 3,274 | 3,073 | 1.73% | 93.87% |
| 2012 | 3,316 | 53,699,008 | 16,194 | 5.79% | 235 | 3,316 | 3,138 | 1.29% | 94.63% |
| 2013 | 3,293 | 51,835,097 | 15,743 | -2.78% | 236 | 3,293 | 3,112 | -0.71% | 94.52% |
| 2014 | 3,310 | 56,565,186 | 17,089 | 8.55% | 236 | 3,310 | 3,120 | 0.53% | 94.26% |
| 2015 | 3,227 | 57,405,218 | 17,789 | 4.10% | 235 | 3,227 | 3,035 | -2.51% | 94.05% |

Student/Faculty Ratios

| | <u>2005</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> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Columbus | 15.3 to 1 | 16.0 to 1 | 15.4 to 1 | 12.4 to 1 | 10.3 to 1 | 10.4 to 1 | 13.8 to 1 | 17.3 to 1 | 18.0 to 1 | 16.0 to 1 |
| Hilltop | 15.4 to 1 | 14.9 to 1 | 14.6 to 1 | 10.2 to 1 | 10.8 to 1 | 15.4 to 1 | 14.5 to 1 | 17.5 to 1 | 16.0 to 1 | 16.1 to 1 |
| Roosevelt | 14.3 to 1 | 16.0 to 1 | 14.6 to 1 | 14.7 to 1 | 15.6 to 1 | 16.3 to 1 | 13.3 to 1 | 13.4 to 1 | 12.0 to 1 | 14.0 to 1 |
| Washington | 15.6 to 1 | 14.3 to 1 | 15.7 to 1 | 15.4 to 1 | 11.7 to 1 | 16.0 to 1 | 15.8 to 1 | 18.3 to 1 | 16.0 to 1 | 16.0 to 1 |
| Wilson | 13.8 to 1 | 14.6 to 1 | 14.6 to 1 | 14.0 to 1 | 14.6 to 1 | 10.7 to 1 | 12.1 to 1 | 14.6 to 1 | 16.0 to 1 | 16.0 to 1 |
| Thomas Jefferson Middle School | 12.0 to 1 | 11.6 to 1 | 12.2 to 1 | 12.4 to 1 | 11.8 to 1 | 12.7 to 1 | 13.3 to 1 | 13.0 to 1 | 12.0 to 1 | 12.0 to 1 |
| Lodi High School | 12.5 to 1 | 12.1 to 1 | 12.0 to 1 | 12.2 to 1 | 12.0 to 1 | 12.4 to 1 | 12.8 to 1 | 12.8 to 1 | 11.0 to 1 | 15.0 to 1 |

Sources: District records

(A) Includes General and Special Revenue Funds

N/A - Not Available

**LODI BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST EIGHT FISCAL YEARS
(Unaudited)**

| District Building | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Lodi High School</u> | | | | | | | | |
| Square Feet | 139,800 | 139,800 | 139,800 | 139,800 | 139,800 | 139,800 | 139,800 | 139,509 |
| Capacity (students) | 836.40 | 836.40 | 836.40 | 836.40 | 836.40 | 836.40 | 836.40 | 836.40 |
| Enrollment | 881.20 | 891.20 | 883.20 | 903.70 | 914.30 | 951.50 | 990.64 | 919.49 |
| <u>Thomas Jefferson Middle School</u> | | | | | | | | |
| Square Feet | 86,700 | 86,700 | 86,700 | 86,700 | 86,700 | 86,700 | 86,700 | 88,900 |
| Capacity (students) | 651.10 | 651.10 | 651.10 | 651.10 | 651.10 | 651.10 | 651.10 | 651.10 |
| Enrollment ^a | 759.20 | 734.70 | 764.80 | 802.00 | 763.80 | 732.50 | 683.99 | 714.91 |
| <u>Columbus Elementary School</u> | | | | | | | | |
| Square Feet | 42,400 | 42,400 | 42,400 | 42,400 | 42,400 | 42,400 | 42,400 | 42,100 |
| Capacity (students) | 289.80 | 289.80 | 289.80 | 289.80 | 289.80 | 289.80 | 289.80 | 289.80 |
| Enrollment | 246.50 | 250.40 | 263.90 | 254.80 | 259.50 | 265.50 | 278.41 | 294.51 |
| <u>Hilltop Elementary School</u> | | | | | | | | |
| Square Feet | 54,340 | 54,340 | 54,340 | 54,340 | 54,340 | 54,340 | 54,340 | 64,340 |
| Capacity (students) | 420.00 | 420.00 | 420.00 | 420.00 | 420.00 | 420.00 | 420.00 | 420.00 |
| Enrollment | 399.50 | 401.40 | 379.10 | 397.30 | 412.80 | 405.80 | 392.02 | 378.19 |
| <u>Roosevelt Elementary School</u> | | | | | | | | |
| Square Feet | 18,150 | 18,150 | 18,150 | 18,150 | 18,150 | 18,150 | 18,150 | 16,736 |
| Capacity (students) | 142.80 | 142.80 | 142.80 | 142.80 | 142.80 | 142.80 | 142.80 | 142.80 |
| Enrollment | 150.90 | 161.50 | 162.30 | 155.70 | 162.00 | 164.30 | 181.41 | 175.17 |
| <u>Washington Elementary School</u> | | | | | | | | |
| Square Feet | 58,170 | 58,170 | 58,170 | 58,170 | 58,170 | 58,170 | 58,170 | 57,200 |
| Capacity (students) | 414.30 | 414.30 | 414.30 | 414.30 | 414.30 | 414.30 | 414.30 | 414.30 |
| Enrollment | 380.60 | 393.80 | 414.10 | 420.40 | 439.90 | 424.50 | 420.18 | 407.94 |
| <u>Wilson Elementary School</u> | | | | | | | | |
| Square Feet | 53,640 | 53,640 | 53,640 | 53,640 | 53,640 | 53,640 | 53,640 | 51,500 |
| Capacity (students) | 400.80 | 400.80 | 400.80 | 400.80 | 400.80 | 400.80 | 400.80 | 400.80 |
| Enrollment | 345.00 | 365.60 | 350.70 | 339.80 | 363.60 | 348.40 | 363.14 | 336.65 |

Number of Schools at June 30, 2015

Elementary = 5
Middle School = 1
High School = 1

Source: District Records

**LODI BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

| <u>School</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> |
|--------------------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| Lodi High School | \$ 181,879 | \$ 258,111 | \$ 322,879 | \$ 448,831 | \$ 333,061 | \$ 395,045 | \$ 620,761 | \$ 591,266 | \$ 341,052 | \$ 323,465 |
| Columbus School | 55,283 | 78,268 | 50,159 | 48,607 | 54,186 | 119,666 | 79,873 | 116,925 | 181,977 | 79,243 |
| Hilltop School | 74,131 | 102,863 | 88,815 | 72,725 | 241,163 | 369,802 | 120,795 | 139,447 | 102,696 | 64,946 |
| Thomas Jefferson Middle School | 110,443 | 154,295 | 173,092 | 251,587 | 201,323 | 183,390 | 208,772 | 106,852 | 99,349 | 215,045 |
| Lincoln School | 25,137 | 34,288 | 34,187 | 44,429 | 23,570 | 69,773 | 38,681 | 64,533 | 69,248 | 29,471 |
| Roosevelt School | 25,140 | 34,288 | 41,781 | 19,775 | 24,464 | 51,485 | 90,670 | 32,867 | 44,030 | 56,788 |
| Washington School | 75,089 | 102,863 | 102,086 | 195,658 | 53,030 | 82,805 | 198,665 | 101,348 | 106,419 | 106,591 |
| Wilson School | 69,199 | 94,291 | 65,745 | 84,244 | 89,483 | 123,669 | 176,500 | 105,889 | 142,372 | 86,764 |
| Grand Total | <u>\$ 616,301</u> | <u>\$ 859,267</u> | <u>\$ 878,744</u> | <u>\$ 1,165,856</u> | <u>\$ 1,020,280</u> | <u>\$ 1,395,635</u> | <u>\$ 1,534,717</u> | <u>\$ 1,259,127</u> | <u>\$ 1,087,143</u> | <u>\$ 962,313</u> |

**LODI BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2015
(Unaudited)**

| Insurance Company | Coverage | Deductible |
|--|-------------------|------------------------------------|
| Property Coverages | | |
| Special Form R.C. | | |
| Blanket Building and Contents | \$ 115,911,713 | \$ 5,000 |
| Equipment Breakdown | 100,000,000 | Environmental Coverage Included |
| Extra Expenses | 50,000,000 | \$1,000,000 - Ded. \$25,000 |
| Valuable Papers | 10,000,000 | |
| EDP | 1,226,138 | 1,000 |
| Liability Coverages | | |
| General Liability | 16,000,000 | |
| Crime | | |
| Faithful Performance | 100,000 | 500 |
| forgery and Alteration | 25,000 | |
| Money and Securities | 10,000 | |
| Automobile Coverage | | |
| Liability | 16,000,000 | |
| Auto Physical Damage | | 1,000 |
| School Leaders Errors and Omissions | 16,000,000 | 10,000 |
| Bond - School Business Administrator | C.N.A. 325,000 | |

Source: School District's records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLOSI, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

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 AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Lodi Board of Education
Lodi, 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lodi Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Lodi Board of Education's basic financial statements and have issued our report thereon dated November 23, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lodi Board of Education'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 Lodi Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lodi Board of Education'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 entity'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 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.

Compliance and Other Matters

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

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 results of that testing, and not to provide an opinion on the effectiveness of the Lodi Board of Education’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 Lodi Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 23, 2015



LERCH, VINCI & HIGGINS, LLP

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
U.S. OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Lodi Board of Education
Lodi, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Lodi Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Lodi Board of Education's major federal and state programs for the fiscal year ended June 30, 2015. The Lodi Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Lodi Board of Education's major federal and 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Lodi Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Lodi Board of Education 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 federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Lodi Board of Education 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 Lodi Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 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 the Lodi Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. 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 of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lodi Board of Education, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 23, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 23, 2015

**LODI BOARD OF EDUCATION
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 Period | Award Amount | Balance July 1, 2014 | | | Carryover | Cash Received | Budgetary Expenditures | Adjustment | Prior Year Reclassification | Balance June 30, 2015 | | | Memo GAAP Receivable |
|--|---------------------|------------------|--------------|-----------------------|------------------|----------------|-----------|---------------|------------------------|------------|-----------------------------|-----------------------|------------------|----------------|----------------------|
| | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | |
| U.S. Department of Education Passed-through State Department of Education | | | | | | | | | | | | | | | |
| General Fund | | | | | | | | | | | | | | | |
| Medicaid Reimbursement - MAC | 93.778 | 7/1/14-6/30/15 | \$ 10,585 | | | | | \$ 10,585 | \$ 10,585 | | | | | | |
| Medicaid Assistance Program | 93.778 | 7/1/14-6/30/15 | 61,200 | | | | | 61,200 | 61,200 | | | | | | |
| Medicaid Assistance Program - ARRA | 93.778 | 10/1/08-12/31/10 | 44,699 | - | - | - | - | 44,699 | 44,699 | - | - | - | - | - | - |
| Total General Fund | | | | - | - | - | - | 116,484 | 116,484 | - | - | - | - | - | - |
| Special Revenue Fund: | | | | | | | | | | | | | | | |
| Title I | 84.010 | 7/01/14-6/30/15 | 664,547 | | | | \$ 22,196 | 372,323 | 664,547 | | | \$ (270,028) | | | \$ (270,028) |
| Title I | 84.010 | 7/01/13-6/30/14 | 560,972 | | \$ 22,196 | | (22,196) | | | | | | | | |
| Title II, Part A | 84.367 | 7/01/14-6/30/15 | 111,465 | | | | 4,759 | 62,839 | \$ 111,465 | | | (43,867) | | | (43,867) |
| Title II, Part A | 84.367 | 7/01/13-6/30/14 | 103,645 | | 4,759 | | (4,759) | | | | | - | | | |
| Title III | 84.365 | 7/01/14-6/30/15 | 48,712 | | | | 2,163 | 17,344 | 48,712 | | | (29,205) | | | (29,205) |
| Title III | 84.365 | 7/01/13-6/30/14 | 47,116 | | 2,163 | | (2,163) | | | | | - | | | |
| IDEA Part B - Basic | 84.027 | 7/01/14-6/30/15 | 802,000 | | | | 6,372 | 792,032 | 808,352 | \$ (6,372) | | (16,340) | 20 | | (16,320) |
| IDEA Part B - Basic | 84.027 | 7/01/13-6/30/14 | 782,369 | \$ (6,372) | 6,372 | | (6,372) | | | 6,372 | | - | | | |
| IDEA Part B - Preschool | 84.173 | 7/01/14-6/30/15 | 25,022 | | | | | 25,022 | 25,022 | | | | | | |
| Carl D. Perkins Grant | 84.048 | 7/01/14-6/30/15 | 19,640 | | | | | 19,640 | 19,640 | | | | | | |
| Total Special Revenue Fund | | | | (6,372) | 35,490 | - | - | 1,289,200 | 1,677,738 | - | - | (359,440) | 20 | - | (359,420) |
| U.S.D.A. Department of Agriculture Passed Through State Department of Education | | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | | |
| School Breakfast Program | 10.553 | 9/01/14-6/30/15 | 56,575 | | | | | 53,701 | 56,575 | | | (2,874) | | | |
| School Breakfast Program | 10.553 | 9/01/13-6/30/14 | 64,974 | (11,786) | | | | 11,786 | | | | | | | |
| National School Lunch Program | 10.555 | 9/01/14-6/30/15 | 735,444 | | | | | 696,452 | 735,444 | | | (38,992) | | | |
| National School Lunch Program | 10.555 | 9/01/13-6/30/14 | 772,319 | (134,749) | | | | 134,749 | | | | | | | |
| Special Milk Program for Children | 10.556 | 9/01/14-6/30/15 | 2,506 | | | | | 2,346 | 2,506 | | | (160) | - | - | - |
| Special Milk Program for Children | 10.556 | 9/01/13-6/30/14 | 2,424 | (442) | | | | 442 | | | | | - | - | - |
| Non-Cash Assistance (Food Distribution) | 10.555 | 9/01/14-6/30/15 | 79,265 | | | | | 79,265 | 71,239 | | | | 8,026 | | |
| Non-Cash Assistance (Food Distribution) | 10.555 | 9/01/13-6/30/14 | 70,905 | - | 3,742 | | - | - | 3,742 | | | - | - | - | - |
| Total Enterprise Fund | | | | (146,977) | 3,742 | - | - | 978,741 | 869,506 | - | - | (42,026) | 8,026 | - | - |
| US Department of Homeland Security General Fund | | | | | | | | | | | | | | | |
| FEMA - Hurricane Sandy | | | | | | | | 18,727 | 18,727 | | | | | | |
| Total Federal Financial Awards | | | | \$ (153,349) | \$ 39,232 | \$ - | \$ - | \$ 2,403,152 | \$ 2,682,455 | \$ - | \$ - | \$ (401,466) | \$ 8,046 | \$ - | \$ (359,420) |

**LODI BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| State Department of Education | Grant or State Project Number | Grant | Award Amount | Balance June 30, 2014 | Carryover Amount | Cash Received | Budgetary Expenditures | Adjustment | Repayment of Prior Year Balances | Balance June 30, 2015 | | | Memorandum | | |
|---|-------------------------------|-----------------|---------------|-----------------------|------------------|-------------------|------------------------|---------------|----------------------------------|-----------------------|------------------|----------------|-----------------|------------------------|-------------------|
| | | | | | | | | | | (Accts. Receivable) | Unearned Revenue | Due to Grantor | GAAP Receivable | Budgetary Expenditures | |
| General Fund: | | | | | | | | | | | | | | | |
| Equalization Aid | 15-495-034-5120-078 | 7/01/14-6/30/15 | \$ 11,767,636 | | | \$ 10,730,440 | \$ 11,767,636 | | | | | | | * | \$ 11,767,636 |
| Equalization Aid | 14-495-034-5120-078 | 7/01/13-6/30/14 | 11,767,636 | \$ (1,017,556) | | 1,017,556 | | | | | | | | * | |
| Categorical Transportation Aid | 15-495-034-5120-014 | 7/01/14-6/30/15 | 133,818 | | | 122,023 | 133,818 | | | | (11,795) | | | * | 133,818 |
| Categorical Transportation Aid | 14-495-034-5120-014 | 7/01/13-6/30/14 | 133,818 | (11,571) | | 11,571 | | | | | | | | * | |
| Categorical Special Education Aid | 15-495-034-5120-089 | 7/01/14-6/30/15 | 2,096,287 | | | 1,911,521 | 2,096,287 | | | | (184,766) | | | * | 2,096,287 |
| Categorical Special Education Aid | 14-495-034-5120-089 | 7/01/13-6/30/14 | 2,096,287 | (181,267) | | 181,267 | | | | | | | | * | |
| Categorical Security Aid | 15-495-034-5120-084 | 7/01/14-6/30/15 | 224,397 | | | 204,619 | 224,397 | | | | (19,778) | | | * | 224,397 |
| Categorical Security Aid | 14-495-034-5120-084 | 7/01/13-6/30/14 | 224,397 | (19,404) | | 19,404 | | | | | | | | * | |
| Under Adequacy Aid | 14-495-034-5120-096 | 7/01/14-6/30/15 | 76,849 | | | 70,075 | 76,849 | | | | (6,774) | | | * | 76,849 |
| Under Adequacy Aid | 14-495-034-5120-096 | 7/01/13-6/30/14 | 76,849 | (6,645) | | 6,645 | | | | | | | | * | |
| Paroc Readiness Aid | 15-495-034-5120-098 | 7/01/14-6/30/15 | 35,130 | | | 32,034 | 35,130 | | | | (3,096) | | | * | 35,130 |
| Paroc Readiness Aid | 14-495-034-5120-098 | 7/01/13-6/30/14 | 35,130 | | | 32,034 | 35,130 | | | | (3,096) | | | * | 35,130 |
| Per Pupil Growth Aid | 15-100-034-5120-473 | 7/01/14-6/30/15 | 543,138 | | | | 543,138 | | | | (543,138) | | | * | 543,138 |
| Extraordinary Aid | 14-100-034-5120-473 | 7/01/13-6/30/14 | 489,652 | (489,652) | | 494,766 | 5,114 | | | | | | | * | 5,114 |
| TPAF Social Security Contribution | 15-495-034-5094-003 | 7/01/14-6/30/15 | 1,512,210 | | | 1,512,210 | 1,512,210 | | | | | | | * | 1,512,210 |
| TPAF Social Security Contribution | 14-495-034-5094-003 | 7/01/13-6/30/14 | 1,513,222 | (75,253) | | 75,253 | | | | | | | | * | |
| TPAF Pension Contribution - NCGI | 15-495-034-5094-007 | 7/01/14-6/30/15 | 73,139 | | | | 73,139 | | | | | | | * | 73,139 |
| TPAF Pension Contribution | 15-495-034-5094-006 | 7/01/14-6/30/15 | 1,016,590 | | | 1,016,590 | 1,016,590 | | | | | | | * | 1,016,590 |
| TPAF Pension Contribution - Post Retirement | 15-100-034-5095-001 | 7/01/14-6/30/15 | 1,729,946 | - | - | 1,729,946 | 1,729,946 | - | - | - | - | - | - | * | 1,729,946 |
| Total General Fund | | | | (1,801,348) | - | 19,241,093 | 19,249,384 | - | - | (1,809,639) | - | - | - | * | 19,249,384 |
| Special Revenue Fund: | | | | | | | | | | | | | | | |
| Preschool Education Aid (State Share) | 15-495-034-5120-086 | 7/01/14-6/30/15 | 553,298 | | \$ 10,901 | 497,968 | 614,617 | \$ 50,418 | | | (53,330) | | | * | 614,617 |
| Preschool Education Aid (State Share) | 14-495-034-5120-086 | 7/01/13-6/30/14 | 523,390 | (41,438) | (10,901) | 52,339 | | | | | | | | * | |
| New Jersey Nonpublic Aid: | | | | | | | | | | | | | | | |
| Nursing Aid | 15-100-034-5120-070 | 7/01/14-6/30/15 | 20,108 | | | 20,108 | 20,108 | | | | | | | * | 20,108 |
| Textbooks | 15-100-034-5120-064 | 7/01/14-6/30/15 | 12,512 | | | 12,512 | 12,512 | | | | | | | * | 12,512 |
| Textbooks | 13-100-034-5120-064 | 7/01/12-6/30/13 | 7,576 | 186 | | | | | | | | \$ 186 | | * | |
| Technology Aid | 15-100-034-5120-373 | 7/01/14-6/30/15 | 6,720 | | | 6,720 | 6,720 | | | | | | | * | 6,720 |
| Auxiliary Services | | | | | | | | | | | | | | | |
| Compensatory Education | 15-100-034-5120-067 | 7/01/14-6/30/15 | 40,311 | | | 40,311 | 38,072 | | | | | | 2,239 | * | 38,072 |
| Compensatory Education | 14-100-034-5120-067 | 7/01/13-6/30/14 | 22,341 | 6,762 | | | | \$ 6,762 | | | | | | * | |
| English as a Second Language | 15-100-034-5120-067 | 7/01/14-6/30/15 | 1,827 | | | 1,827 | 913 | | | | | | 914 | * | 913 |
| English as a Second Language | 14-100-034-5120-067 | 7/01/13-6/30/14 | 3,492 | 1,048 | | | | | 1,048 | | | | | * | |
| Home Instruction | 14-100-034-5120-067 | 7/01/13-6/30/14 | 8,920 | | | 8,920 | | (8,920) | | | | | | * | |
| Handicapped Services | | | | | | | | | | | | | | | |
| Supplemental Instruction | 15-100-034-5120-066 | 7/01/14-6/30/15 | 21,972 | | | 21,972 | 18,754 | | | | | | 3,218 | * | 18,754 |
| Supplemental Instruction | 14-100-034-5120-066 | 7/01/13-6/30/14 | 16,792 | 1,736 | | | | | 1,736 | | | | | * | |
| Examination and Classification | 15-100-034-5120-066 | 7/01/14-6/30/15 | 21,078 | | | 21,078 | 18,375 | | | | | | 2,703 | * | 18,375 |
| Examination and Classification | 14-100-034-5120-066 | 7/01/13-6/30/14 | 19,589 | 3,342 | | | | | 3,342 | | | | | * | |
| Corrective Speech | 15-100-034-5120-066 | 7/01/14-6/30/15 | 2,651 | | | 2,651 | 884 | | | | | | 1,767 | * | 884 |
| Total Special Revenue Fund | | | | (28,364) | - | 686,406 | 730,955 | 41,498 | 12,888 | (53,330) | - | 11,027 | - | * | 730,955 |

LODI BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| State Department of Education | Grant or State Project Number | Grant | Award Amount | Balance June 30, 2014 | Carryover Amount | Cash Received | Budgetary Expenditures | Cancellation | Repayment of Prior Year Balances | Balance June 30, 2015 | | | Memorandum | |
|--|-------------------------------|-----------------|--------------|-----------------------|------------------|---------------|------------------------|--------------|----------------------------------|-----------------------|------------------|----------------|-----------------|------------------------|
| | | | | | | | | | | (Accts. Receivable) | Unearned Revenue | Due to Grantor | GAAP Receivable | Budgetary Expenditures |
| Capital Projects Fund | | | | | | | | | | | | | | |
| NJ Economic Development Authority | | | | | | | | | | | | | | |
| Lodi H.S. Boilers | 2740-050-14-1001-G04 | | \$ 453,272 | \$ (204,834) | | \$ 338,405 | \$ 133,571 | | | | | * | | 133,571 |
| Roosevelt HVAC Upgrades | 2740-050-14-1011-G04 | | 175,265 | (9,285) | | 113,949 | 104,664 | | | | | * | | 104,664 |
| TJMS Bathroom Renovations | 2740-067-14-1005-G04 | | 78,567 | (14,445) | | 48,522 | 34,077 | | | | | * | | 34,077 |
| TJMS Roof Replacement | 2740-067-14-1006-G04 | | 178,287 | | | | 13,110 | | | \$ (178,287) | \$ 165,177 | * | | 13,110 |
| Roosevelt Security Upgrades | 2740-080-14-1010-G04 | | 26,108 | (7,158) | | 17,013 | 9,855 | | | | | * | | 9,855 |
| TJMS Security Upgrades | 2740-067-14-1007-G04 | | 54,695 | (28,234) | | 54,695 | 26,461 | | | | | * | | 26,461 |
| Washington Security Upgrades | 2740-090-14-1012-G04 | | 36,080 | (11,808) | | 26,199 | 14,391 | | | | | * | | 14,391 |
| Wilson Security Upgrades | 2740-100-14-1013-G04 | | 28,103 | (18,415) | | 28,103 | 9,688 | | | | | * | | 9,688 |
| Hilltop Security Upgrades | 2740-065-14-1004-G04 | | 32,756 | (10,701) | | 25,871 | 15,170 | | | | | * | | 15,170 |
| Columbus Security Upgrades | 2740-060-14-1003-G04 | | 31,759 | (7,437) | | 23,913 | 16,476 | | | | | * | | 16,476 |
| LHS Security Upgrades | 2740-050-14-1002-G04 | | 55,027 | (27,481) | | 55,027 | 27,546 | | | | | * | | 27,546 |
| Total Capital Projects Fund | | | | (339,798) | - | 731,697 | 405,009 | - | - | (178,287) | 165,177 | - | - | 405,009 |
| Debt Service Fund: | | | | | | | | | | | | | | |
| Debt Service Aid | | | | | | | | | | | | | | |
| | 15-495-034-5120-017 | 7/01/14-6/30/15 | 95,470 | - | - | 95,470 | 95,470 | - | - | - | - | - | - | 95,470 |
| State Department of Agriculture | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | |
| State School Lunch Program | | | | | | | | | | | | | | |
| | 15-100-010-3350-023 | 9/01/14-6/30/15 | 17,180 | | | 15,785 | 17,180 | - | - | (1,395) | - | - | (1,395) | 17,180 |
| State School Lunch Program | | | | | | | | | | | | | | |
| | 14-100-010-3350-023 | 9/01/13-6/30/14 | 18,897 | (4,123) | - | 4,123 | - | - | - | - | - | - | - | - |
| | | | | (4,123) | - | 19,908 | 17,180 | - | - | (1,395) | - | - | (1,395) | 17,180 |
| Total State Financial Assistance | | | | \$ (2,173,633) | \$ - | \$ 20,774,574 | \$ 20,497,998 | \$ 41,498 | \$ 12,888 | \$ (2,044,651) | \$ 165,177 | \$ 11,027 | \$ (1,395) | \$ 20,497,998 |
| Less On-Behalf TPAF Pension and Annuity Aid | | | | | | | | | | | | | | |
| TPAF Pension Contribution - NCGI | | | | | | | | | | | | | | |
| | 15-495-034-5094-007 | 7/01/14-6/30/15 | 73,139 | | | 73,139 | 73,139 | | | | | | | 73,139 |
| TPAF Pension Contribution | | | | | | | | | | | | | | |
| | 15-495-034-5094-006 | 7/01/14-6/30/15 | 1,016,590 | | | 1,016,590 | 1,016,590 | | | | | | | 1,016,590 |
| TPAF Pension Contribution - Post Retirement | | | | | | | | | | | | | | |
| | 15-100-034-5094-001 | 7/01/14-6/30/15 | 1,729,946 | | | 1,729,946 | 1,729,946 | | | | | | | 1,729,946 |
| Subject to Single Audit | | | | - | - | 2,819,675 | 2,819,675 | - | - | - | - | - | - | 2,819,675 |
| Total for State Financial Assistance Determination | | | | \$ (2,173,633) | \$ - | \$ 17,954,899 | \$ 17,678,323 | \$ 41,498 | \$ 12,888 | \$ (2,044,651) | \$ 165,177 | \$ 11,027 | \$ (1,395) | \$ 17,678,323 |

**LODI BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Lodi Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using 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 basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$83,544 for the general fund and a decrease of \$13,892 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|----------------------------|---------------------|----------------------|----------------------|
| General Fund | \$ 116,484 | \$ 19,165,840 | \$ 19,282,324 |
| Special Revenue Fund | 1,677,738 | 666,645 | 2,344,383 |
| Capital Projects Fund | | 405,010 | 405,010 |
| Debt Service Fund | | 95,470 | 95,470 |
| Food Service Fund | 869,506 | 17,180 | 886,686 |
| | <hr/> | <hr/> | <hr/> |
| Total Financial Assistance | <u>\$ 2,663,728</u> | <u>\$ 20,350,145</u> | <u>\$ 23,013,873</u> |

**LODI BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$1,512,210 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$1,089,729 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,729,946 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified: yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to the basic financial statements noted? yes X no

Federal Awards Section

Internal Control over major programs:

1) Material weakness(es) identified: yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for major programs Unmodified

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

Identification of major federal programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| <u>84.027</u> | <u>IDEA Basic</u> |
| <u>84.173</u> | <u>IDEA Preschool</u> |
| <u>84.367</u> | <u>NCLB Title II</u> |
| <u>10.555</u> | <u>National School Lunch Program</u> |
| <u>10.553</u> | <u>School Breakfast Program</u> |
| <u>10.556</u> | <u>Special Milk Program for Children</u> |

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

Auditee qualified as low-risk auditee? yes X no

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified _____ yes X no

(2) Significant deficiencies identified that are not considered to be material weakness(es) _____ yes X none reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08? _____ yes X no

Identification of major state programs:

| GMIS Number(s) | Name of State Program |
|------------------|------------------------------------|
| 495-034-5120-078 | Equalization Aid |
| 495-034-5120-089 | Special Education Categorical Aid |
| 495-034-5120-084 | Security Aid |
| 495-034-5120-096 | Under Adequacy Aid |
| 495-034-5120-097 | Per Pupil Growth Aid |
| 495-034-5120-098 | PARCC Readiness |
| 495-034-5120-086 | Preschool Education Aid |
| 495-034-5095-003 | TPAF Social Security Contributions |
| 100-034-5120-473 | Extraordinary Aid |

Dollar threshold used to distinguish between Type A and Type B programs: \$530,350

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

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.