

**LODI BOARD OF EDUCATION  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2020**

**LODI BOARD OF EDUCATION  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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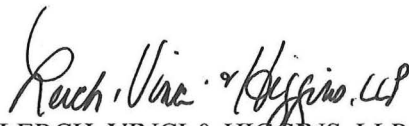
## AUDITOR'S MANAGEMENT REPORT

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

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Lodi Board of Education as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated February 4, 2021.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
February 4, 2021

**LODI BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

**Administrative Practices and Procedures**

**Insurance**

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Schedule of Insurance, as reported in the District's Comprehensive Annual Financial Report (CAFR).

**Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32)**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Robert R Brown	Board Secretary/School Business Administrator (July 1, 2019-February 29,2020)	\$ 400,000
James Sekelsky	Board Secretary/School Business Administrator (March 1, 2020-June 30, 2020)	400,000

There is a Public Employees' Dishonesty with Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$100,000.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review did not indicate any significant discrepancies with respect to signatures, certifications or supporting documentation.

**Payroll Account**

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls tested were certified by the Board President, Board Secretary/School Business Administrator and Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefit contributions withheld and due to the General Fund.

The District maintains a personnel tracking and accounting (Position Control) system.

The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

**LODI BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Financial Planning, Accounting and Reporting (Continued)**

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition, to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-2.4.

Board Secretary's Records

The financial records, books of account and minutes were maintained by the Board Secretary.

Acknowledgment of the Board's receipt of the Board Secretary's monthly financial reports was included in the minutes.

The prescribed contractual order system was followed. Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

**Finding** – Our audit indicated that additional funds were appropriated during the year and transferred into the capital outlay budget without approval by the Board.

**Recommendation** – All additional budget appropriations made during the year be submitted to the Board for approval and made part of the official District minutes.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under the Elementary and Secondary Education Act as amended and reauthorized.

Our examination indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

**LODI BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Financial Planning, Accounting and Reporting (Continued)**

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA (Continued)

**Finding (CAFR Finding 2020-001)** – Our audit of the District’s Title I grant program indicated the following:

- Time and activity reports of Title I funded personnel did not indicate the time periods devoted to Title I activities and percentages of time worked on Title I and non-federal activities.
- Appointments of Title I instructional personnel were not approved by the Board as federally funded employees.

**Recommendation** – With respect to the District’s Title I Program:

- Title I funded personnel prepare time and activity reports which conform to the federal program guidelines.
- Title I appointments, including their salary and funding percentages, be approved by the Board and included in the official minutes.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 and Exhibit K-4 located in the CAFR.

Our examination indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits contained herein represent a true statement of the financial position pertaining to the aforementioned special projects.

Teachers Pension and Annuity Fund

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund.

The amount of the expenditure charged to the current year for all federal awards to the school district to reimburse the state for the TPAF FICA payments made by the state on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period, required by the Office of Grants Management. The expenditure was reviewed and no exceptions were noted.

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under 18A:39-3 is currently \$19,000. The Board has designated the School Business Administrator as the Qualified Purchasing Agent for the District.

**LODI BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**School Purchasing Programs (Continued)**

Contracts and Agreements Requiring Advertisement for Bids

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Board Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed; however, to determine whether any clear-cut violations existed.

The results of my examination indicated that no individual payments, contracts, or agreements were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that purchases were made through the use of State contracts.

**Finding** – Our audit indicated that contracts awarded through the use of cooperative purchasing agreements, the cost of which exceeded the bid threshold, were not approved by the Board and included in the official minutes.

**Recommendation** – Contracts awarded through the use of cooperative purchasing agreements, the cost of which exceed the bid threshold, be submitted to the Board for approval and made part of the official District minutes.

**Food Service Fund**

In accordance with the Governor's Declaration of Emergency pertaining to COVID-19, all public, charter and non-public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to free and reduced price eligible students during the period of school closures.

Therefore, SFA's were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A. 18A:18A-7. The SFA's were also authorized to submit contract modifications to their existing cost reimbursable or fixed price contracts as necessary to ensure the feeding of free and reduce priced meal eligible students.

SFA's were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced price meal eligible students during the emergency. The financial transactions and statistical records of the school food services were received.

The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

**LODI BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Food Service Fund (Continued)**

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$15,000. The operating results provision has been met. All vendor discounts, rebates and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursement records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did not exceed three months average expenditures.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Distribution Program food and/or commodities were received and a single inventory was maintained on a first in, first-out basis. No exceptions were noted.

The Statement of Revenues and Expenses and Changes in Net Position (CAFR Exhibit B-5) does separate program and non-program revenue and non-program cost of sales.

Exhibits reflecting Child Nutrition Program operations are included on Exhibits B-4, B-5 and B-6 of the district's CAFR.

**Student Activity and Athletic Association Accounts**

The Board has established policies and procedures regarding student activity funds.

Cash disbursements were supported by proper documentation.

**Finding** – Our audit of the middle school student activity account indicated that the year end bank reconciliation was not in agreement with transaction ledger balance.

**Recommendation** – The bank account balance of the middle school student activities account be reconciled with the transaction ledger.



**LODI BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Application for State School Aid**

Our audit procedures included a test information reported in the October 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District had adequate written procedures for the recording of student enrollment data.

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2019-20 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The information on the DRTRS was verified with immaterial exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures included a review of transportation related contracts and purchases. Based on our review, and except as previously noted, the district complied with proper bidding procedures and award of contracts.

**Facilities and Capital Assets**

The district maintains a capital assets ledger.

**Finding** – Our audit indicated that the capital asset additions were not reconciled with the capital outlay budgetary expenditures.

**Recommendation** – The capital assets report be reconciled with the District's capital outlay expenditures.

**Miscellaneous**

The school district complied with continuing disclosure agreements made in relation to prior year bond issuances.

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 relating to the testing for lead of all drinking water in educational facilities. The annual Statement of Assurance was submitted to the Department of Education pursuant to N.J.A.C. 6A:26-12.4 (g).

**LODI BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Not Applicable

**LODI BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
CALCULATION OF NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 201,914
Due from Other Governments	18,638
<b>Current Liabilities</b>	
Accounts Payable	(22,664)
<b>Net Cash Resources</b>	<u>\$ 197,888</u>
<b><u>Adjusted Total Operating Expense:</u></b>	
Total Operating Expenses	\$ 1,068,716
Less Depreciation	(17,485)
<b>Adjusted Total Operating Expense</b>	<u>\$ 1,051,231</u>
<b><u>Average Monthly Operating Expense:</u></b>	<u>\$ 105,123</u>
<b><u>Three Times Monthly Average:</u></b>	<u>\$ 315,369</u>
Total Net Cash Resources	\$ 197,888
Three Times Monthly Average	315,369
<b>Net</b>	<u>\$ (117,481)</u>

**LODI BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2019  
SCHEDULE OF AUDITED ENROLLMENTS**

	2020-21 Application for State School Aid						Sample for Verification						Private Schools for Disabled				
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool - 4yr	107		107					27		27							
Full Day Kindergarten	213		213		-	-		40		40		-	-				
One	215		215		-	-		32		32		-	-				
Two	199		199		-	-		24		24		-	-				
Three	177		177		-	-		42		42		-	-				
Four	204		204		-	-		45		45		-	-				
Five	205		205		-	-		37		37		-	-				
Six	204		204		-	-		204		204		-	-				
Seven	206		206		-	-		206		206		-	-				
Eight	221		221		-	-		221		221		-	-				
Nine	189	10	189	10	-	-		189	10	189	10	-	-				
Ten	194	12	194	12	-	-		194	12	194	12	-	-				
Eleven	196	3	196	3	-	-		196	3	196	3	-	-				
Twelve	198	2	198	2	-	-		198	2	198	2	-	-				
Subtotal	<u>2,728</u>	<u>27</u>	<u>2,728</u>	<u>27</u>	-	-		<u>1,655</u>	<u>27</u>	<u>1,655</u>	<u>27</u>	-	-	-	-	-	-
Special Ed - Elementary	101		101		-	-		30		30		-	-	1	1	1	-
Special Ed - Middle School	87		87		-	-		87		87		-	-	3	2	2	-
Special Ed - High School	67	8	67	8	-	-		67	8	67	8	-	-	7	6	6	-
Subtotal	<u>255</u>	<u>8</u>	<u>255</u>	<u>8</u>	-	-		<u>184</u>	<u>8</u>	<u>184</u>	<u>8</u>	-	-	<u>11</u>	<u>9</u>	<u>9</u>	-
Totals	<u>2,983</u>	<u>35</u>	<u>2,983</u>	<u>35</u>	-	-		<u>1,839</u>	<u>35</u>	<u>1,839</u>	<u>35</u>	-	-	<u>11</u>	<u>9</u>	<u>9</u>	-
Percentage Error					<u>0.00%</u>	<u>0.00%</u>						<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>

**LODI BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2019  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
	Full Day Kindergarten	115.0	115.0	-	5.0	5.0	-	7.0	7.0	-	5.0	5.0
One	108.0	108.0	-	5.0	5.0	-	12.0	12.0	-	8.0	8.0	-
Two	110.0	110.0	-	5.0	5.0	-	12.0	12.0	-	8.0	8.0	-
Three	84.0	84.0	-	4.0	4.0	-	3.0	3.0	-	2.0	2.0	-
Four	115.0	115.0	-	5.0	5.0	-	5.0	5.0	-	4.0	4.0	-
Five	126.0	126.0	-	5.0	5.0	-	2.0	2.0	-	1.0	1.0	-
Six	111.0	111.0	-	5.0	5.0	-	7.0	7.0	-	5.0	5.0	-
Seven	104.0	104.0	-	4.0	4.0	-	3.0	3.0	-	2.0	2.0	-
Eight	112.0	112.0	-	5.0	5.0	-	1.0	1.0	-	1.0	1.0	-
Nine	101.5	101.5	-	4.0	4.0	-	6.0	6.0	-	4.0	4.0	-
Ten	97.5	97.5	-	4.0	4.0	-	5.0	5.0	-	3.0	3.0	-
Eleven	99.5	99.5	-	4.0	4.0	-	4.0	4.0	-	2.0	2.0	-
Twelve	87.0	87.0	-	4.0	4.0	-	4.0	4.0	-	2.0	2.0	-
Subtotal	<u>1,370.5</u>	<u>1,370.5</u>	-	<u>59</u>	<u>59</u>	-	<u>71</u>	<u>71</u>	-	<u>47</u>	<u>47</u>	-
Special Ed - Elementary	138.0	138.0	-	6.0	6.0	-	1.0	1.0	-	1.0	1.0	-
Special Ed - Middle	73.0	73.0	-	3.0	3.0	-	-	-	-	-	-	-
Special Ed - High	57.5	57.5	-	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
Subtotal	<u>268.5</u>	<u>268.5</u>	-	<u>11.0</u>	<u>11.0</u>	-	<u>2.0</u>	<u>2.0</u>	-	<u>2.0</u>	<u>2.0</u>	-
Totals	<u>1,639.0</u>	<u>1,639.0</u>	-	<u>70.0</u>	<u>70.0</u>	-	<u>73.0</u>	<u>73.0</u>	-	<u>49.0</u>	<u>49.0</u>	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

**Transportation**

	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
	Reg. - Public Schools	224.0	224.0	-	41.0	41.0
Reg -SpEd	72.0	72.0	-	12.0	9.0	3
Special Ed Spec	199.0	199.0	-	38.0	37.0	1
Totals	<u>495.0</u>	<u>495.0</u>	-	<u>91.0</u>	<u>87.0</u>	<u>4.0</u>
Percentage Error						<u>4.40%</u>

**LODI BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2019  
SCHEDULE OF AUDITED ENROLLMENTS**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	8	8	-	7	7	-
One	9	9	-	7	7	-
Two	10	10	-	4	4	-
Three	7	7	-	2	2	-
Four	8	8	-	4	4	-
Five	5	5	-	4	4	-
Six	7	7	-	3	3	-
Seven	8	8	-	4	4	-
Eight	7	7	-	2	2	-
Nine	4	4	-	1	1	-
Ten	5	5	-	3	3	-
Eleven	1	1	-	1	1	-
Twelve	2	2	-	6	6	-
Subtotal	<u>81</u>	<u>81</u>	-	<u>48</u>	<u>48</u>	-
Special Ed - Elementary	4	4	-	1	1	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>4</u>	<u>4</u>	-	<u>1</u>	<u>1</u>	-
Totals	<u>85</u>	<u>85</u>	-	<u>49</u>	<u>49</u>	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**LODI BOARD OF EDUCATION  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2019-2020 Total General Fund Budgetary Expenditures		\$ 68,504,078
Increased by:		
Transfer to Special Revenue Fund - Preschool Education		<u>181,623</u>
		68,685,701
Decreased by:		
On-Behalf TPAF Pension and Social Security		<u>(7,355,738)</u>
Adjusted 2019-2020 General Fund Expenditures		<u>\$ 61,329,963</u>
2% of Adjusted 2019-2020 General Fund Expenditures		\$ 1,226,599
Increased by Allowable Adjustments - Extraordinary Aid		<u>473,832</u>
Maximum Unassigned Fund Balance		<u>\$ 1,700,431</u>
Total General Fund - Fund Balance at June 30, 2020		\$ 10,150,583
Decreased by:		
Encumbrances	\$ (1,288,393)	
Capital Reserve	(2,901,364)	
Emergency Reserve	(421,253)	
Maintenance Reserve	(400,000)	
Excess Surplus Designated for Subsequent Years (2020/21) Budget	(1,536,229)	
Assigned, Designated for Subsequent Years (2020/21) Budget	<u>(354,367)</u>	
		<u>(6,901,606)</u>
Total Unreserved, Undesignated Fund Balance		<u>3,248,977</u>
Restricted Fund Balance - Excess Surplus		<u>\$ 1,548,546</u>
Excess Surplus as of June 30, 2020		
Excess Surplus Designated for Subsequent Year's Budget		\$ 1,536,229
Excess Surplus		<u>1,548,546</u>
Total		<u>\$ 3,084,775</u>

**LODI BOARD OF EDUCATION  
RECOMMENDATIONS**

**I. Administrative Practices and Procedures**

There are none.

**II. Financial Planning, Accounting and Reporting**

It is recommended that:

1. All additional budget appropriations made during the year be submitted to the Board for approval and made part of the official District minutes.
2. With respect to the District's Title I Program:
  - a. Title I funded personnel prepare time and activity reports which conform to the federal program guidelines.
  - b. Title I appointments, including their salary and funding percentages, be approved by the Board and included in the official minutes.

**III. School Purchasing Program**

- \* It is recommended that contracts awarded through the use of cooperative purchasing agreements, the cost of which exceed the bid threshold, be submitted to the Board for approval and made part of the official District minutes.

**IV. School Food Services**

There are none.

**V. Student Activity and Athletic Association Accounts**

- \* It is recommended that the bank account balance of the middle school student activities account be reconciled with the transaction ledger.

**VI. Application for State School Aid**

There are none.

**VII. Pupil Transportation**

There are none.



**LODI BOARD OF EDUCATION  
RECOMMENDATIONS**

**VIII. Facilities and Capital Assets**

The capital assets report be reconciled with the District's capital outlay expenditures.

**IX. Miscellaneous**

There are none.

**X. Status of Prior Years' Audit Findings/Recommendations**

Corrective action was taken on all prior year recommendations other than those denoted with and asterisk (\*) above.

**ACKNOWLEDGEMENT**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.