

LODI BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Lodi, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Lodi Board of Education

Lodi, New Jersey

For The Fiscal Year Ended June 30, 2021

Prepared by

Business Office

**LODI BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	1-2
Organizational Chart	3
Roster of Officials	4
Consultants and Advisors	5

FINANCIAL SECTION

Independent Auditor's Report	6-8
------------------------------	-----

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis	9-20
--------------------------------------	------

Basic Financial Statements

A. District-wide Financial Statements

A-1 Statement of Net Position	21
A-2 Statement of Activities	22-23

B. Fund Financial Statements

Governmental Funds

B-1 Balance Sheet	24
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	25
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with the District-Wide Statements	26

Proprietary Funds

B-4 Statement of Net Position	27
B-5 Statement of Revenues, Expenses, and Changes in Net Position	28
B-6 Statement of Cash Flows	29

Fiduciary Funds – Not Applicable

Notes to the Financial Statements	30-71
------------------------------------------	--------------

**LODI BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

C-1	Budgetary Comparison Schedule – General Fund	72-77
C-2	Budgetary Comparison Schedule – Special Revenue Fund	78
C-3	Budgetary Comparison Schedule – Notes to Required Supplementary Information	79

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**L. Schedules Related to Accounting and Reporting for Pensions and
Other Postemployment Benefits**

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	80
L-2	Required Supplementary Information – Schedule of the District Contributions – Public Employees Retirement System	81
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	82
L-4	Notes to Required Supplementary Information – Net Pension Liability	83
L-5	Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total Other Post Employment Benefits Liability	84
L-6	Notes to Required Supplementary Information – OPEB Liability	85

OTHER SUPPLEMENTARY INFORMATION

D. School Level Schedules – Not Applicable

E. Special Revenue Fund

E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	86-87
E-2	Preschool Education Aid Schedule of Expenditures – Budgetary Basis	88
E-3	Schedule of Student Activities Receipts and Disbursements	89

F. Capital Projects Fund

F-1	Summary Schedule of Project Expenditures	90
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	91
F-2a	Schedule of Project Revenues, Expenditures, Project Balances and and Project Status	92

**LODI BOARD OF EDUCATION
TABLE OF CONTENTS**

		<u>Page</u>
G.	Proprietary Funds	
G-1	Combining Statement of Net Position – Not Applicable	93
G-2	Combining Statements of Revenues, Expenses and Changes in Net Position – Not Applicable	93
G-3	Combining Statement of Cash Flows – Not Applicable	93
H.	Fiduciary Funds – Not Applicable	
I.	Long-Term Debt	
I-1	Schedule of Serial Bonds – Not Applicable	94
I-2	Obligations under Lease-Purchase Agreements	95
I-3	Debt Service Fund Budgetary Comparison Schedule	96
J.	STATISTICAL SECTION (Unaudited)	
J-1	Net Position by Component	97
J-2	Changes in Net Position	98-99
J-3	Fund Balances – Governmental Funds	100
J-4	Changes in Fund Balances - Governmental Funds	101
J-5	General Fund Other Local Revenues by Source	102
J-6	Assessed Value and Actual Value of Taxable Property	103
J-7	Property Tax Rates – Direct and Overlapping Governments	104
J-8	Principal Property Taxpayers	105
J-9	Property Tax Levies and Collections	106
J-10	Ratios of Outstanding Debt by Type	107
J-11	Ratios of Net General Bonded Debt Outstanding	108
J-12	Computation of Direct and Overlapping Debt	109
J-13	Legal Debt Margin Information	110
J-14	Demographic and Economic Statistics	111
J-15	Principal Employers	112
J-16	Full-Time Equivalent District Employees by Function/Program	113
J-17	Operating Statistics	114
J-18	School Building Information	115
J-19	Schedule of Required Maintenance for School Facilities	116
J-20	Schedule of Insurance	117

**LODI BOARD OF EDUCATION
TABLE OF CONTENTS**

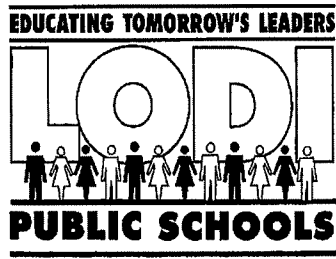
Page

K

SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	118-119
K-2	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 the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	120-122
K-3	Schedule of Expenditures of Federal Awards	123
K-4	Schedule of State Financial Assistance	124
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	125-126
K-6	Schedule of Findings and Questioned Costs –Summary of Auditor’s Results	127-128
K-6	Schedule of Findings and Questioned Costs – Schedule of Financial Statement Findings – Part 2 Schedule Financial Statement Findings	129-130
K-6	Schedule of Findings and Questioned Costs – Part 3 Schedule of Federal and State Award Findings and Questioned Costs	131-132
K-7	Summary Schedule of Prior Audit Findings	133

INTRODUCTORY SECTION



BUSINESS OFFICE

8 Hunter Street, Lodi, NJ 07644
973-778-4920 (Fax) 973-778-1175
dennis.frohnapfel@lodi.k12.nj.us

Dr. Dennis R. Frohnapfel, R.S.B.A.
Interim SBA/Board Secretary

February 9, 2022

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

Dear Board Members:

The comprehensive annual financial report of the Lodi Board of Education for the fiscal year ended June 30, 2021, 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: **1)** introductory; **2)** financial; **3)** statistical; and **4)** 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 requirements of Title 2 U.S. CFR Part 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (U.S. Uniform Guidance), and the State OMB Circular 15-08, "*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 Board of Education is an independent reporting entity as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards. All funds of the District 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 thru 12. These include regular as well as special education for handicapped students.

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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2021.

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 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 Trustees. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Uniform Guidance and State OMB Circular 15-08. 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,



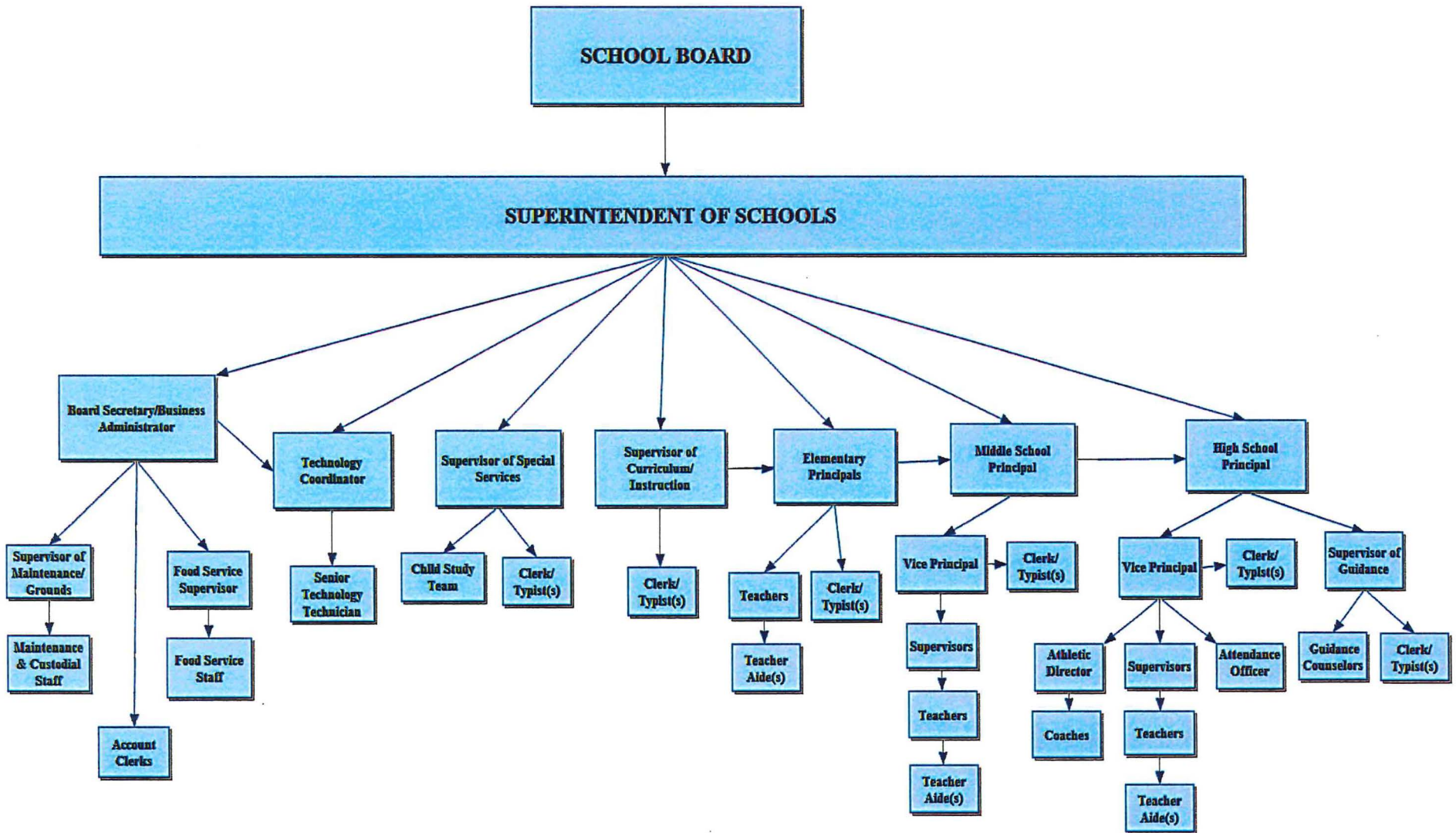
Douglas J. Petty, Ed.D.
Superintendent of Schools



Dennis R. Frohnapfel, Ed.D.
Interim SBA/Board Secretary

Lodi Board of Education Organizational Plan and Flow Chart

3



**LODI BOARD OF EDUCATION
LODI, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Marc N. Schrieks, President	2021
Nancy Cardone, Vice-President	2022
Natalie Delgado	2022
Alfonso Mastrofilipo, Jr.	2021
Kerry Anne Mastrofilipo	2022
Joseph Ramos	2021
Sharon Salvacion	2020
Donald Scorzetti	2020
Jeffrey Telep	2020

Other Officials

Dr. Douglas J. Petty, Superintendent

James R. Sekelsky, Board Secretary/Business Administrator

LODI BOARD OF EDUCATION

Consultants & Advisors

June 30, 2021

Independent Audit Firm

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

Attorney

Cleary, Giacobbe, Alfieri, Jacobs, LLC
169 Ramapo Valley Road
Oakland, NJ 07436

Official Depositories

Valley National Bank
Bank of America
TD Bank North
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
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Lodi Board of Education
8 Hunter Street
Lodi, New Jersey 07644

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Lodi Board of Education, as of and for the fiscal year ended June 30, 2021 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 and each major fund of the Lodi Board of Education as of June 30, 2021, 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, 2021, the Lodi Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. 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, pension information and other postemployment benefits 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, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 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 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 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 February 9, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lodi Board of Education's 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
February 9, 2022

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, 2021. 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 2020-2021 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 \$32,642,522.
- Overall district revenues were \$81,247,163. General revenues accounted for \$55,469,053 or 68% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$25,778,110 or 32% of total revenues.
- The school district had \$77,824,150 in expenses for governmental activities; only \$25,172,894 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 \$11,197,614.
- The General Fund fund balance (GAAP Basis) at June 30, 2021 was \$9,077,369, an increase of \$1,888,025 from the June 30, 2020 balance, as restated.

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 other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

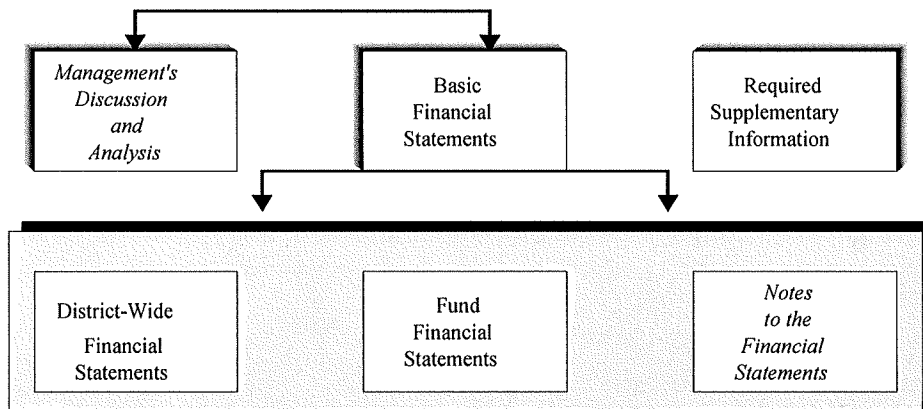
LODI BOARD OF EDUCATION

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.

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
Scope	Entire district	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
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
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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 there after; no capital assets or long-term liabilities included	All assets, liabilities, and deferred inflows, both financial and capital, and short-term and long-term
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.

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 two 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.

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 \$32,642,522 as of June 30, 2021.

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, 2021 and 2020

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u> <u>(Restated)</u>	<u>2021</u>	<u>2020</u> <u>(Restated)</u>	<u>2021</u>	<u>2020</u> <u>(Restated)</u>
Assets						
Current Assets	\$ 11,701,164	\$ 10,753,220	\$ 335,873	\$ 258,588	\$ 12,037,037	\$ 11,011,808
Capital Assets	<u>34,159,894</u>	<u>34,120,368</u>	<u>189,660</u>	<u>211,186</u>	<u>34,349,554</u>	<u>34,331,554</u>
Total Assets	<u>45,861,058</u>	<u>44,873,588</u>	<u>525,533</u>	<u>469,774</u>	<u>46,386,591</u>	<u>45,343,362</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	3,220	11,363			3,220	11,363
Deferred Amounts on Net Pension Liability	<u>774,859</u>	<u>1,213,828</u>	<u>-</u>	<u>-</u>	<u>774,859</u>	<u>1,213,828</u>
Total Assets & Deferred Outflows of Resources	<u>46,639,137</u>	<u>46,098,779</u>	<u>525,533</u>	<u>469,774</u>	<u>47,164,670</u>	<u>46,568,553</u>
Liabilities						
Long-Term Liabilities	10,510,310	11,998,417			10,510,310	11,998,417
Other Liabilities	<u>504,862</u>	<u>1,466,626</u>	<u>-</u>	<u>22,664</u>	<u>504,862</u>	<u>1,489,290</u>
Total Liabilities	<u>11,015,172</u>	<u>13,465,043</u>	<u>-</u>	<u>22,664</u>	<u>11,015,172</u>	<u>13,487,707</u>
Deferred Inflows of Resources						
Deferred Commodities Revenue			1,244	1,953	1,244	1,953
Deferred Amounts on Net Pension Liability	<u>3,505,732</u>	<u>3,333,202</u>	<u>-</u>	<u>-</u>	<u>3,505,732</u>	<u>3,333,202</u>
Total Liabilities & Deferred Inflows of Resources	<u>14,520,904</u>	<u>16,798,245</u>	<u>1,244</u>	<u>24,617</u>	<u>14,522,148</u>	<u>16,822,862</u>
Net Position						
Net Investment in Capital Assets	33,937,621	33,424,991	189,660	211,186	34,127,281	33,636,177
Restricted	4,469,033	5,402,726			4,469,033	5,402,726
Unrestricted (Deficit)	<u>(6,288,421)</u>	<u>(9,527,183)</u>	<u>334,629</u>	<u>233,971</u>	<u>(5,953,792)</u>	<u>(9,293,212)</u>
Total Net Position	<u>\$ 32,118,233</u>	<u>\$ 29,300,534</u>	<u>\$ 524,289</u>	<u>\$ 445,157</u>	<u>\$ 32,642,522</u>	<u>\$ 29,745,691</u>

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

Change in Net Position

For The Fiscal Years Ended June 30, 2021 and 2020

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program Revenues						
Charges for Services	\$ 116,110		\$ 7,060	\$ 346,650	\$ 123,170	\$ 346,650
Grants and Contributions	25,056,784	\$ 18,092,459	598,156	640,383	25,654,940	18,732,842
General Revenues						
Property Taxes	38,955,659	38,951,132			38,955,659	38,951,132
State and Federal Aid	16,317,704	15,473,554			16,317,704	15,473,554
Other	195,592	245,621	98	3,925	195,690	249,546
Total Revenues/Donations	<u>80,641,849</u>	<u>72,762,766</u>	<u>605,314</u>	<u>990,958</u>	<u>81,247,163</u>	<u>73,753,724</u>
Expenses						
Instruction						
Regular	32,471,706	27,648,165			32,471,706	27,648,165
Special Education	17,323,452	18,161,581			17,323,452	18,161,581
Other	2,655,539	2,389,611			2,655,539	2,389,611
School Sponsored Activities and Athletics	1,082,181	976,973			1,082,181	976,973
Support Services						
Student and Instruction Related Services	9,490,579	8,753,490			9,490,579	8,753,490
General Administration	1,105,005	1,064,530			1,105,005	1,064,530
School Administration	4,270,344	3,825,035			4,270,344	3,825,035
Plant Operations and Maintenance	5,996,834	6,236,726			5,996,834	6,236,726
Student Transportation	1,965,924	2,534,443			1,965,924	2,534,443
Business Services	1,449,190	1,219,187			1,449,190	1,219,187
Interest on Long Term Debt and Other Chgs	13,396	25,046			13,396	25,046
Food Services	-	-	526,182	1,068,716	526,182	1,068,716
Total Expenses	<u>77,824,150</u>	<u>72,834,787</u>	<u>526,182</u>	<u>1,068,716</u>	<u>78,350,332</u>	<u>73,903,503</u>
Net Change in Net Position	2,817,699	(72,021)	79,132	(77,758)	2,896,831	(149,779)
Net Position, Beginning of Year	29,300,534	28,448,497	445,157	599,316	29,745,691	29,047,813
Prior Period Adjustment	-	924,058	-	(76,401)	-	847,657
Net Position, End of Year	<u>\$ 32,118,233</u>	<u>\$ 29,300,534</u>	<u>\$ 524,289</u>	<u>\$ 445,157</u>	<u>\$ 32,642,522</u>	<u>\$ 29,745,691</u>

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$80,641,849 for the fiscal year ended June 30, 2021. Property taxes of \$38,955,659 represented 48 percent of revenues. Another significant portion of revenues came from Government aid; total State, Federal, Local Aid was \$41,374,488. Another source of revenues is miscellaneous income which includes items such as interest, rentals, prior year refunds, etc.

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

The total cost of all governmental activities programs and services was \$77,824,150. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$53,532,878 (69%) of total expenditures. Student support services, exclusive of administration, total \$17,453,337 or (22%) of total expenditures.

Total governmental activities revenues surpassed expenses increasing net position by \$2,817,699 from the previous year.

Net Cost of Governmental Activities. The District's total cost of services was \$77,824,150. After applying program revenues, including changes for services of \$116,110 and grants and contributions of \$25,056,784 the net cost of services of the District is \$52,651,256.

Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Instruction				
Regular	\$ 32,471,706	\$ 27,648,165	\$ 21,155,781	\$ 20,433,246
Special Education	17,323,452	18,161,581	11,046,851	12,355,194
Other Instruction	2,655,539	2,389,611	1,699,004	1,729,506
School Sponsored Activities and Athletics	1,082,181	976,973	888,284	972,881
Support Services				
Student and Instruction Related Services	9,490,579	8,753,490	6,633,482	6,919,343
General Administrative Services	1,105,005	1,064,530	1,040,242	1,062,063
School Administrative Services	4,270,344	3,825,035	3,137,726	3,192,520
Plant Operations and Maintenance	5,996,834	6,236,726	4,650,491	5,168,405
Pupil Transportation	1,965,924	2,534,443	1,291,841	1,860,332
Business Services	1,449,190	1,219,187	1,095,872	1,027,249
Interest on Long-Term Debt and Other Chgs	13,396	25,046	11,682	21,589
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 77,824,150</u>	<u>\$ 72,834,787</u>	<u>\$ 52,651,256</u>	<u>\$ 54,742,328</u>

Business-Type Activities – The District's total business-type activities revenues were \$605,314 for the fiscal year ended June 30, 2021. Operating grants and contributions accounted for 99% of total revenue for the year.

The total cost of all business-type activities programs and services was \$526,182. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District.

Total business-type activities revenues surpassed expenses increasing net position by \$79,132 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 \$11,197,614. At June 30, 2020, the fund balance was \$9,290,706, as restated.

Revenues for the District's governmental funds were \$73,914,577, while total expenses were \$72,007,669.

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.

	<u>Fiscal Year Ended</u>		<u>Increase</u>	<u>Percentage</u>
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>(Decrease)</u>	<u>Change</u>
Local Sources				
Property Taxes	\$ 38,556,561	\$ 38,556,561		0.0%
Tuition	26,212		\$ 26,212	100.0%
Miscellaneous	194,564	217,096	(22,532)	-10.4%
State Sources	30,958,449	28,411,702	2,546,747	9.0%
Federal Sources	<u>98,025</u>	<u>112,295</u>	<u>(14,270)</u>	-12.7%
Total General Fund Revenues	<u>\$ 69,833,811</u>	<u>\$ 67,297,654</u>	<u>\$ 2,536,157</u>	3.8%

Total General Fund Revenues increased by \$2,536,157 or 3.8% over the previous year.

Local property taxes remained level from the previous year. General state aid revenues increased, as well as the state on-behalf TPAF pension contributions.

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

The following schedule presents a summary of General Fund expenditures.

	<u>Fiscal Year Ended</u>		Increase (Decrease)	Percentage Change
	<u>June 30, 2021</u>	<u>June 30, 2020</u>		
Instruction	\$ 45,633,529	\$ 44,969,230	\$ 664,299	1.5%
Support Services	20,713,064	21,127,822	(414,758)	-2.0%
Capital Outlay	<u>1,443,432</u>	<u>2,407,026</u>	<u>(963,594)</u>	-40.0%
Total Expenditures	<u>\$ 67,790,025</u>	<u>\$ 68,504,078</u>	<u>\$ (714,053)</u>	-1.0%

Total General Fund expenditures decreased \$714,053 from the previous year. A significant portion of the decrease is attributed to a decrease in capital outlay expenditures in 2020/21.

In 2020-2021 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$1,888,025. As a result, total fund balance increased to \$9,077,369 at June 30, 2021. After deducting restricted, committed and assigned fund balances, the unassigned fund balance deficit at June 30, 2021 is \$410,205. The deficit is attributable to the timing differences in the recognition of state aid payments. State aid payments delayed until July 2021 totaled \$3,659,253. The District's unassigned fund balance (budgetary basis) is \$3,249,048.

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 \$3,590,438 for the fiscal year ended June 30, 2021. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 85% of the total revenue for the year. The General Fund contributed \$156,789 towards preschool education programs.

Expenditures of the Special Revenue Fund were \$3,728,344. Instructional expenditures were \$3,353,686, support services expenditures were \$345,192 and capital outlay expenditures were \$29,466.

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, 2020 encumbrances).
- Appropriation of additional State Aid.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2021 amounts to \$34,349,554 (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 2020-2021 amounted to \$1,433,372 for governmental activities and \$21,526 for business-type activities.

Capital Assets at June 30, 2021 and 2020
(Net of Accumulated Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u> (Restated)
Land and Site Improvements	\$ 8,897,419	\$ 8,959,372			\$ 8,897,419	\$ 8,959,372
Building and Building Improvements	23,820,483	24,561,819			23,820,483	24,561,819
Machinery and Equipment	988,478	571,980	\$ 189,660	\$ 211,186	1,178,138	783,166
Construction in Progress	<u>453,514</u>	<u>27,197</u>	<u>-</u>	<u>-</u>	<u>453,514</u>	<u>27,197</u>
Total Capital Assets (Net)	<u>\$ 34,159,894</u>	<u>\$ 34,120,368</u>	<u>\$ 189,660</u>	<u>\$ 211,186</u>	<u>\$ 34,349,554</u>	<u>\$ 34,331,554</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 \$2,904,371, lease purchase obligations of \$225,000, and net pension liability for the Public Employees' Retirement System of \$7,380,446.

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

Outstanding Long-Term Liabilities

	<u>2021</u>	<u>2020</u>
Obligations Under Lease Purchase	\$ 225,000	\$ 705,000
Net Pension Liability	7,380,446	8,407,177
Compensated Absences	<u>2,904,371</u>	<u>2,884,500</u>
Total Long-Term Liabilities	<u>\$ 10,509,817</u>	<u>\$ 11,996,677</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 2021-2022 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, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 9,891,075	\$ 185,692	\$ 10,076,767
Receivables, net			
Receivables from Other Governments	1,810,089	142,065	1,952,154
Inventory		8,116	8,116
Capital Assets			
Not Being Depreciated	8,445,219		8,445,219
Being Depreciated, Net	<u>25,714,675</u>	<u>189,660</u>	<u>25,904,335</u>
Total Assets	<u>45,861,058</u>	<u>525,533</u>	<u>46,386,591</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	3,220		3,220
Deferred Amounts on Net Pension Liability	<u>774,859</u>	<u>-</u>	<u>774,859</u>
Total Deferred Outflows of Resources	<u>778,079</u>	<u>-</u>	<u>778,079</u>
Total Assets and Deferred Outflows of Resources	<u>46,639,137</u>	<u>525,533</u>	<u>47,164,670</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	44,640		44,640
Payable to State Government	51,028		51,028
Accrued Interest Payable	1,312		1,312
Unearned Revenue	407,882		407,882
Noncurrent Liabilities			
Due Within One Year	375,000		375,000
Due Beyond One Year	<u>10,135,310</u>	<u>-</u>	<u>10,135,310</u>
Total Liabilities	<u>11,015,172</u>	<u>-</u>	<u>11,015,172</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		1,244	1,244
Deferred Amounts on Net Pension Liability	<u>3,505,732</u>	<u>-</u>	<u>3,505,732</u>
Total Deferred Inflows of Resources	<u>3,505,732</u>	<u>1,244</u>	<u>3,506,976</u>
Total Liabilities and Deferred Inflows of Resources	<u>14,520,904</u>	<u>1,244</u>	<u>14,522,148</u>
NET POSITION			
Net Investment in Capital Assets	33,937,621	189,660	34,127,281
Restricted for:			
Capital Projects	3,948,788		3,948,788
Plant Maintenance	400,000		400,000
Student Activity and Athletics	120,245		120,245
Unrestricted	<u>(6,288,421)</u>	<u>334,629</u>	<u>(5,953,792)</u>
Total Net Position	<u>\$ 32,118,233</u>	<u>\$ 524,289</u>	<u>\$ 32,642,522</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, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
Instruction							
Regular	\$ 32,471,706		\$ 11,286,459	\$ 29,466	\$ (21,155,781)		\$ (21,155,781)
Special Education	17,323,452	\$ 26,212	6,250,389		(11,046,851)		(11,046,851)
Other Instruction	2,655,539		956,535		(1,699,004)		(1,699,004)
School Sponsored Activities and Athletics	1,082,181	89,898	103,999		(888,284)		(888,284)
Support Services							
Student and Instruction Related Services	9,490,579		2,857,097		(6,633,482)		(6,633,482)
General Administrative Services	1,105,005		64,763		(1,040,242)		(1,040,242)
School Administrative Services	4,270,344		1,132,618		(3,137,726)		(3,137,726)
Plant Operations and Maintenance	5,996,834		1,346,343		(4,650,491)		(4,650,491)
Pupil Transportation	1,965,924		674,083		(1,291,841)		(1,291,841)
Business Services	1,449,190		353,318		(1,095,872)		(1,095,872)
Interest on Long-Term Debt and Other Charges	13,396	-	1,714	-	(11,682)	-	(11,682)
Total Governmental Activities	<u>77,824,150</u>	<u>116,110</u>	<u>25,027,318</u>	<u>29,466</u>	<u>(52,651,256)</u>	<u>-</u>	<u>(52,651,256)</u>
Business-Type Activities							
Food Service	526,182	\$ 7,060	598,156	-	-	\$ 79,034	79,034
Total Business-Type Activities	<u>526,182</u>	<u>7,060</u>	<u>598,156</u>	<u>-</u>	<u>-</u>	<u>79,034</u>	<u>79,034</u>
Total Primary Government	<u>\$ 78,350,332</u>	<u>\$ 123,170</u>	<u>\$ 25,625,474</u>	<u>\$ 29,466</u>	<u>(52,651,256)</u>	<u>79,034</u>	<u>(52,572,222)</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, 2021**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Balance, Carry Forward	\$ (52,651,256)	\$ 79,034	\$ (52,572,222)
General Revenues			
Property Taxes, General Purposes	38,556,561		38,556,561
Property Taxes, Debt Service	399,098		399,098
State Aid - Restricted for Debt Service	88,488		88,488
State Aid - Unrestricted	16,229,216		16,229,216
Miscellaneous Income	195,592	98	195,690
Total General Revenues	55,468,955	98	55,469,053
Change in Net Position	2,817,699	79,132	2,896,831
Net Position, Beginning of Year (Restated)	29,300,534	445,157	29,745,691
Net Position, End of Year	\$ 32,118,233	\$ 524,289	\$ 32,642,522

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, 2021**

	<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	\$ 7,741,277	\$ 120,245	\$ 2,029,553		\$ 9,891,075
Receivables from Other Governments	112,106	1,697,983			1,810,089
Due From Other Funds	<u>1,268,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,268,626</u>
Total Assets	<u>\$ 9,122,009</u>	<u>\$ 1,818,228</u>	<u>\$ 2,029,553</u>	<u>\$ -</u>	<u>\$ 12,969,790</u>
LIABILITIES and FUND BALANCES					
Liabilities					
Payroll Deductions Payable	\$ 44,640				\$ 44,640
Due To Other Funds		\$ 1,239,073	\$ 29,553		1,268,626
Payables to Other Governments		51,028			51,028
Unearned Revenue	<u>-</u>	<u>407,882</u>	<u>-</u>	<u>-</u>	<u>407,882</u>
Total Liabilities	<u>44,640</u>	<u>1,697,983</u>	<u>29,553</u>	<u>-</u>	<u>1,772,176</u>
Fund Balances					
Restricted					
Capital Reserve	1,234,792				1,234,792
Capital Reserve Designated for Subsequent Year's (2021/22) Budget	713,996				713,996
Emergency Reserve Designated for Subsequent Year's (2021/22) Budget	3,501				3,501
Maintenance Reserve	400,000				400,000
Excess Surplus	4,382,860				4,382,860
Excess Surplus - Designated for Subsequent Year's (2021/22) Budget	1,548,546				1,548,546
Student Activities and Athletics		120,245			120,245
Capital Projects			2,000,000		2,000,000
Committed					
Encumbrances	593,901				593,901
Assigned					
Encumbrances	50,826				50,826
Designated for Subsequent Year's (2021/22) Budget	559,152				559,152
Unassigned	<u>(410,205)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(410,205)</u>
Total Fund Balances	<u>9,077,369</u>	<u>120,245</u>	<u>2,000,000</u>	<u>-</u>	<u>11,197,614</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 9,122,009</u>	<u>\$ 1,818,228</u>	<u>\$ 2,029,553</u>	<u>\$ -</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 \$74,456,589 and the accumulated depreciation is \$40,296,695. 34,159,894

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (1,312)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt 3,220

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

Lease Purchase (Including Unamortized Premium)	\$ (225,493)	
Compensated Absences Payable	(2,904,371)	
Net Pension Liability	<u>(7,380,446)</u>	
		(10,510,310)

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	774,859	
Deferred Inflows of Resources	<u>(3,505,732)</u>	
		<u>(2,730,873)</u>
		<u>\$ 32,118,233</u>

**LODI BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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 Taxes	\$ 38,556,561			\$ 399,098	\$ 38,955,659
Tuition	26,212				26,212
Interest	7,689		\$ 1,028		8,717
Miscellaneous	<u>186,875</u>	<u>\$ 101,898</u>	<u>-</u>	<u>-</u>	<u>288,773</u>
Total - Local Sources	38,777,337	101,898	1,028	399,098	39,279,361
State Sources	30,958,449	420,653		90,202	31,469,304
Federal Sources	<u>98,025</u>	<u>3,067,887</u>	<u>-</u>	<u>-</u>	<u>3,165,912</u>
Total Revenues	<u>69,833,811</u>	<u>3,590,438</u>	<u>1,028</u>	<u>489,300</u>	<u>73,914,577</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	26,365,303	2,559,239			28,924,542
Special Education Instruction	16,030,904	723,432			16,754,336
Other Instruction	2,275,857				2,275,857
School Sponsored Activities and Athletics	961,465	71,015			1,032,480
Support Services					
Student and Instruction Related Services	8,160,678	319,646			8,480,324
General Administrative Services	1,073,785				1,073,785
School Administrative Services	3,806,828				3,806,828
Plant Operations and Maintenance	4,401,120	25,546			4,426,666
Pupil Transportation	1,965,924				1,965,924
Business Services	1,304,729				1,304,729
Debt Service					
Principal				480,000	480,000
Interest and Other Charges				9,300	9,300
Capital Outlay	<u>1,443,432</u>	<u>29,466</u>	<u>-</u>	<u>-</u>	<u>1,472,898</u>
Total Expenditures	<u>67,790,025</u>	<u>3,728,344</u>	<u>-</u>	<u>489,300</u>	<u>72,007,669</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,043,786</u>	<u>(137,906)</u>	<u>1,028</u>	<u>-</u>	<u>1,906,908</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	1,028	156,789			157,817
Transfers Out	<u>(156,789)</u>	<u>-</u>	<u>(1,028)</u>	<u>-</u>	<u>(157,817)</u>
Total Other Financing Sources (Uses)	<u>(155,761)</u>	<u>156,789</u>	<u>(1,028)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,888,025	18,883	-	-	1,906,908
Fund Balance, Beginning of Year (Restated)	<u>7,189,344</u>	<u>101,362</u>	<u>2,000,000</u>	<u>-</u>	<u>9,290,706</u>
Fund Balance, End of Year	<u>\$ 9,077,369</u>	<u>\$ 120,245</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 11,197,614</u>

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, 2021**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 1,906,908

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 expense in the current period.

Capital Outlay	\$ 1,472,898	
Depreciation Expense	<u>(1,433,372)</u>	39,526

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		(19,871)
----------------------------------	--	----------

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		480,000
----------------------	--	---------

The issuance of debt is an Other Financing Source in the Governmental funds, but the issuance increases the long-term liabilities in the statement of net position and is not reported in the statement of activities

Amortization of Premium	1,247	
Amortization of Deferred Amount on Refunding of Debt	<u>(8,143)</u>	(6,896)

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):

Decrease in Pension Expense-Employees' Retirement System		415,232
----------------------------------------------------------	--	---------

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>2,800</u>
------------------------------	--	--------------

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 2,817,699**

**LODI BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2021**

ASSETS

Current Assets

Cash	\$ 185,692
Intergovernmental Accounts Receivable	
State	3,248
Federal	138,817
Inventory	<u>8,116</u>
 Total Current Assets	 <u>335,873</u>

Capital Assets:

Machinery and Equipment	663,910
Less: Accumulated Depreciation	<u>(474,250)</u>
 Total Capital Assets, Net	 <u>189,660</u>

Total Assets	<u>525,533</u>
--------------	----------------

LIABILITIES

Current Liabilities

Accounts Payable	<u>-</u>
 Total Current Liabilities	 <u>-</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Commodities Revenue	<u>1,244</u>
 Total Deferred Inflows of Resources	 <u>1,244</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>1,244</u>

NET POSITION

Investment in Capital Assets	189,660
Unrestricted	<u>334,629</u>
 Total Net Position	 <u>\$ 524,289</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, 2021**

OPERATING REVENUES

Charges for Services	
Daily Sales	
Reimbursable Programs	\$ 1,498
Non-Reimbursable Programs	34
Other Sales	<u>5,528</u>
 Total Operating Revenues	 <u>7,060</u>

OPERATING EXPENSES

Cost of Sales	
Reimbursable Programs	177,778
Non-Reimbursable Programs	8
Salaries and Wages	200,829
Employee Benefits	29,401
Management Fee	30,529
Other Expenses	61,882
Supplies and Materials	4,229
Depreciation	<u>21,526</u>
 Total Operating Expenses	 <u>526,182</u>

Operating Income (Loss)	<u>(519,122)</u>
-------------------------	------------------

NONOPERATING REVENUES (EXPENSES)

Local Sources	
Interest Earned	98
State Sources	
State School Lunch Program	17,196
Federal Sources	
National School Lunch Program	333,630
Food Distribution Program (USDA Commodities)	40,004
School Breakfast Program	<u>207,326</u>
 Total Nonoperating Revenues	 <u>598,254</u>

Change in Net Position	79,132
------------------------	--------

Net Position, Beginning of Year (Restated)	<u>445,157</u>
--------------------------------------------	----------------

Net Position, End of Year	<u><u>\$ 524,289</u></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 CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Received from Customers	\$ 7,060
Payments for Employees Salaries and Benefits	(230,230)
Payments to Suppliers	<u>(227,875)</u>
Net Cash Provided By (Used For) Operating Activities	<u>(451,045)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State and Federal Reimbursements	<u>434,725</u>
Net Cash Provided By Non-Capital Financing Activities	<u>434,725</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on Investments	<u>98</u>
Net Cash Provided By Investing Activities	<u>98</u>

Net Change in Cash and Cash Equivalents	(16,222)
Cash, Beginning of Year	<u>201,914</u>
Cash, End of Year	<u>\$ 185,692</u>

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

Operating Income (Loss)	\$ <u>(519,122)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities	
Noncash Federal Assistance - Food Distribution Program	40,004
Depreciation Expense	21,526
Change in Assets, Liabilities and Deferred Inflows of Resources	
(Increase) Decrease in Inventories	29,920
Increase (Decrease) in Accounts Payable	(22,664)
Increase (Decrease) in Deferred Commodities Revenue	<u>(709)</u>
Total Adjustments	<u>68,077</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (451,045)</u>

Non-Cash Financing Activities	
Fair Value of Food Distribution Program - National School Lunch	\$ 39,295

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

NOTES TO THE FINANCIAL STATEMENTS

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions 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 currently operates a pre-kindergarten through grade twelve (12) school district.

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 Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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 2021, the District adopted the following GASB statement:

- GASB No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Currently, the District has no fiduciary funds.

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 activities of the Board of Education. 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 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 and proprietary activities. 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, student activity funds derived from athletic events or other activities of pupil organizations.

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.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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 administrators, teachers and special events.

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.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations 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.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property taxes, 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 Board'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.

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 inventory 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 acquisition 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.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are 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

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 Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items which arise only under the accrual basis of accounting that qualify for reporting in this category. 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 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 inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. 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

In the district-wide financial statements and proprietary fund types in the fund financial statements, 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.

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. Differences resulting from debt refundings are classified as deferred inflows of resources or as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable include the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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*

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 2D).

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

Emergency Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of emergency reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes. (See Note 2F).

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2E).

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that is required to be appropriated in the 2022/2023 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, 2020 audited excess surplus that was appropriated in the 2021/2022 original budget certified for taxes.

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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.

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.

Designated for Subsequent Year’s Budget – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2021/2022 District 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.

In the general operating fund and other governmental funds (special revenue, capital projects and debt service fund types), it is the District’s policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

10. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Board of Education itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board’s highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Board for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2019/2020 and 2020/2021 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 are charges to customers for sales and services. Operating expenses 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, 2021**

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. Districts that have their school board members elected in November do not have to submit 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. The District previously adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore, voter approval of the annual budget is not required.

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 2020/2021. Also, during 2020/2021 the Board increased the original General Fund budget by \$2,059,257 and Special Revenue Fund budget by \$1,977,227. The increases were funded by prior year extraordinary aid, grant awards, reappropriation of prior year encumbrances and school sponsored activated and athletics. In addition, the District reduced the revenues in the General Fund by \$1,626,071 as a result of reduction in state aid.

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.

C. Deficit Fund Equity

The District has an unassigned fund deficit of \$410,205 in the General Fund as of June 30, 2021 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 2020/2021 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 Fund deficit 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.

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 deficit in the GAAP (fund) financial statements is less than the delayed state aid payments at June 30, 2021.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Capital Reserve

A capital reserve account was 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, 2021 is as follows:

Balance, July 1, 2020		\$	2,901,364
Increased by			
Interest Earnings	\$	1,842	
Unexpended Project Balances Restored to Capital Reserve		<u>676,108</u>	
Total Increases			<u>677,950</u>
			3,579,314
Decreased by			
Withdrawals Approved in District Budget			<u>1,630,526</u>
Balance, June 30, 2021		\$	<u>1,948,788</u>
Designated for Subsequent Year's (2021/22) Budget		\$	713,996
Available for Future Capital Projects			<u>1,234,792</u>
		\$	<u>1,948,788</u>

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020	\$ 400,000
Balance, June 30, 2021	<u>\$ 400,000</u>

F. 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 or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. 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, 2021 is as follows:

Balance, July 1, 2020	\$ 421,254
Increased by Interest Earnings	<u>999</u>
	422,253
Decreased by Budgeted Withdrawal	<u>418,752</u>
Balance, June 30, 2021	<u>\$ 3,501</u>
Designated for Subsequent Year's (2021/22) Budget	<u>\$ 3,501</u>

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

G. 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 restrict General Fund fund balance in excess of 4% 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 fund balance at June 30, 2021 is \$5,931,406. Of this amount, \$1,548,546 was designated and appropriated in the 2021/2022 original budget certified for taxes and the remaining amount of \$4,382,860 is required to be appropriated in the 2022/2023 original budget certified for taxes.

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), National Credit Union Share Insurance Fund (NCUSIF), 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 and NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021, the book value of the Board's deposits were \$10,076,767 and bank and brokerage firm balances of the Board's deposits amounted to \$12,150,563. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

Depository Account

Insured	<u>\$ 12,150,563</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, 2021 none of the Board's bank balances were exposed to custodial credit risk.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

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; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law,” (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2021, the Board had no outstanding investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

Interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

B. Receivables

Receivables as of June 30, 2021 for the district’s individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 1,697,983	\$ 138,817	\$ 1,836,800
State	\$ 112,106	-	3,248	115,354
Gross Receivables	112,106	1,697,983	142,065	1,952,154
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 112,106</u>	<u>\$ 1,697,983</u>	<u>\$ 142,065</u>	<u>\$ 1,952,154</u>

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Special Revenue Fund		
Unencumbered Grant Draw Downs	\$	403,995
Grant Draw Downs Year End Encumbrances		<u>3,887</u>
	\$	<u>407,882</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance July 1, 2020 (Restated)	Increases	Decreases	Balance June 30, 2021
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 7,991,705			\$ 7,991,705
Construction in Progress	27,197	\$ 426,317	\$ -	453,514
Total Capital Assets, Not Being Depreciated	<u>8,018,902</u>	<u>426,317</u>	<u>-</u>	<u>8,445,219</u>
Capital Assets, Being Depreciated:				
Site Improvements	1,940,879			1,940,879
Building Improvements	61,323,434	589,127		61,912,561
Machinery and Equipment	1,700,476	457,454	-	2,157,930
Total Capital Assets Being Depreciated	<u>64,964,789</u>	<u>1,046,581</u>	<u>-</u>	<u>66,011,370</u>
Less Accumulated Depreciation for:				
Site Improvements	(973,212)	(61,953)		(1,035,165)
Building Improvements	(36,761,615)	(1,330,463)		(38,092,078)
Machinery and Equipment	(1,128,496)	(40,956)	-	(1,169,452)
Total Accumulated Depreciation	<u>(38,863,323)</u>	<u>(1,433,372)</u>	<u>-</u>	<u>(40,296,695)</u>
Total Capital Assets, Being Depreciated, net	<u>26,101,466</u>	<u>(386,791)</u>	<u>-</u>	<u>25,714,675</u>
Governmental Activities Capital Assets, net	<u>\$ 34,120,368</u>	<u>\$ 39,526</u>	<u>\$ -</u>	<u>\$ 34,159,894</u>

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 663,910	-	-	\$ 663,910
Total Capital Assets Being Depreciated	<u>663,910</u>	<u>-</u>	<u>-</u>	<u>663,910</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(452,724)	\$ (21,526)	-	(474,250)
Total Accumulated Depreciation	<u>(452,724)</u>	<u>(21,526)</u>	<u>-</u>	<u>(474,250)</u>
Total Capital Assets, Being Depreciated, net	<u>211,186</u>	<u>(21,526)</u>	<u>-</u>	<u>189,660</u>
Business-Type Activities Capital Assets, net	<u>\$ 211,186</u>	<u>\$ (21,526)</u>	<u>\$ -</u>	<u>\$ 189,660</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 922
Special Education	77
School-Sponsored Activities and Athletics	307
Total Instruction	<u>1,306</u>
Support Services	
Student and Instruction Related Services	154
General Administrative Services	461
School Administrative Services	154
Plant Operations and Maintenance	1,431,220
Business Services	77
Total Support Services	<u>1,432,066</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,433,372</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 21,526</u>

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2021:

<u>Project</u>	<u>Remaining Commitment</u>
Lodi High School New Medical Science Classroom	<u>\$ 232,510</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 1,239,073
General Fund	Capital Projects Fund	<u>29,553</u>
		<u>\$ 1,268,626</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 expenditures paid by one fund on behalf of another fund.

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

Interfund Transfers

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 156,789	\$ 156,789
Capital Projects Fund	<u>\$ 1,028</u>	-	<u>1,028</u>
	<u>\$ 1,028</u>	<u>\$ 156,789</u>	<u>\$ 157,817</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.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Operating Leases

The District leases copiers and mailing systems under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2021 were \$24,283. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2022	\$ 24,283
2023	24,011
2024	<u>7,550</u>
	<u>\$ 55,844</u>

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 “COPS” were refunded in 2015/16 and \$2,795,000 of refunding “COPS” were issued.

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

Governmental Activities:

<u>Fiscal Year Ending June 30,</u>	<u>Certificates of Participation</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ <u>225,000</u>	\$ <u>2,250</u>	\$ <u>227,250</u>
	<u>\$ 225,000</u>	<u>\$ 2,250</u>	<u>\$ 227,250</u>

G. Long-Term Debt

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2021 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 103,553,017
Less: Net Debt Issued	<u>-</u>
Remaining Borrowing Power	<u>\$ 103,553,017</u>

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities:					
Obligations Under Lease					
Purchase Agreements	\$ 705,000		\$ 480,000	\$ 225,000	\$ 225,000
Add: Unamortized Premium	1,740	-	1,247	493	-
	<u>706,740</u>		<u>481,247</u>	<u>225,493</u>	<u>225,000</u>
Net Pension Liability	8,407,177		1,026,731	7,380,446	
Compensated Absence Payable	<u>2,884,500</u>	<u>\$ 352,314</u>	<u>332,443</u>	<u>2,904,371</u>	<u>150,000</u>
Governmental Activity Long-Term Liabilities	<u>\$ 11,998,417</u>	<u>\$ 352,314</u>	<u>\$ 1,840,421</u>	<u>\$ 10,510,310</u>	<u>\$ 375,000</u>

For the governmental activities, the liabilities for compensated absences and net pension liability are generally liquidated by the general fund.

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 Insurance Group (“NJSIG” or “Group”). The NJSIG 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 NJSIG 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 group, to report claims on a timely basis, cooperate with the management of the group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the group. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

NJSIG provides 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 Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021, 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, 2021, the District has no estimated arbitrage earnings due to the IRS.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, 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. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represent the membership tiers for TPAF:

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

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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.

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 and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. 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 (“Division”), 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.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

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 members 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 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2021.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer 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. All PERS and DCRP contributions made by the Board for fiscal years 2021, 2020 and 2019 were equal to the required contributions.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

During the fiscal years ended June 30, 2021, 2020 and 2019 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2021	\$ 495,104	\$ 5,685,276	\$ 23,992
2020	453,651	4,291,325	24,296
2019	471,880	3,816,281	15,590

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$-0-, \$2,663 and \$2,829, respectively for PERS and the State contributed \$2,576, \$2,877 and \$3,438, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental 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 \$1,549,728 during the fiscal year ended June 30, 2021 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 governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2019 through June 30, 2020. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2020 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$7,380,446 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2020. At June 30, 2020, the District's proportionate share was .04525 percent, which was a decrease of .0014 percent from its proportionate share measured as of June 30, 2019 of .04665 percent.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$79,872 for PERS. The pension contribution made by the District during the current 2020/2021 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2020 with a measurement date of the prior fiscal year end of June 30, 2020. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, 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>
Difference Between Expected and Actual Experience	\$ 134,386	\$ 26,100
Changes of Assumptions	239,430	3,090,262
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	252,270	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>148,773</u>	<u>389,370</u>
Total	<u>\$ 774,859</u>	<u>\$ 3,505,732</u>

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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)

At June 30, 2021, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2022	\$ (1,001,166)
2023	(890,546)
2024	(537,712)
2025	(251,294)
2026	(50,155)
Thereafter	<u>-</u>
	<u>\$ (2,730,873)</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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 PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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)

Discount Rate (Continued)

There was no crossover period for the PERS defined benefit plan. Therefore the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 9,290,750</u>	<u>\$ 7,380,446</u>	<u>\$ 5,759,501</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2020. A sensitivity analysis specific to the District's net pension liability at June 30, 2020 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS 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 report may be accessed via the New Jersey, 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, 2021**

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)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2019 through June 30, 2020. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2020, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, 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% of the net pension liability attributable to the District 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, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$7,870,276 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the net pension liability attributable to the District is \$126,563,797. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2020. At June 30, 2021, the State's share of the net pension liability attributable to the District was .19220 percent, which was a decrease of .00214 percent from its proportionate share measured as of June 30, 2019 of .19006 percent.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:

Price	2.75%
Wage	3.25%

Salary Increases:

Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service

Investment Rate of Return 7.00%

Mortality Rate Table Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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 TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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:

Fiscal Year	Measurement Date	Discount Rate
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. 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 5.40%, 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 (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 148,664,002</u>	<u>\$ 126,563,797</u>	<u>\$ 108,213,286</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2020. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 report 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 plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) 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 employer 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.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the June 30, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.18 billion to the OPEB plan in fiscal year 2020.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2021, 2020 and 2019 were \$1,781,677, \$1,592,003 and \$1,731,059, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2019 through June 30, 2020. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$6,323,949. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$128,673,932. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was 0.18976 percent, which was an increase of 0.00067 from its proportionate share measured as of June 30, 2019 of 0.18909 percent.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

The OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.45%
Rate Thereafter	1.55% to 4.45%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0 %.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

The discount rate represents the municipal bond return rate as chosen by the Division. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>78,907,179</u>
Changes Recognized for the Fiscal Year:	
Service Cost	3,239,956
Interest on the Total OPEB Liability	2,837,463
Differences Between Expected and Actual Experience	22,357,237
Changes of Assumptions	23,504,306
Gross Benefit Payments	(2,240,107)
Contributions from the Member	<u>67,898</u>
Net Changes	<u>49,766,753</u>
Balance, June 30, 2020 Measurement Date	\$ <u>128,673,932</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2020.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.21%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 155,123,067	\$ 128,673,932	\$ 107,993,256

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 103,869,937	\$ 128,673,932	\$ 158,209,977

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

NOTE 5 RESTATEMENT

On July 1, 2020, the Lodi Board of Education implemented GASB Statement No. 84 "Fiduciary Activities". In addition, the District's capital assets appraisal report has been updated. The Lodi Board of Education has determined that the effect of implementing these accounting changes on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to student activities and payroll related activities which were previously reported as fiduciary activities to governmental activities as well as to reflect the values and related depreciation of District capital assets. The effect of this restatement is to increase net position of governmental activities by \$924,058 from \$28,376,476 as previously reported to \$29,300,534 as of June 30, 2020.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 RESTATEMENT (Continued)

Governmental Funds

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to student activities and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$101,362 from \$9,189,344 as previously reported to \$9,290,706 as of June 30, 2020. Special Revenue Fund fund balance increased \$101,362 from \$0- as previously reported to \$101,362 as of June 30, 2020.

Business-Type Activities and Proprietary Funds

The financial statements of the business-type activities and the proprietary funds have been restated to reflect the values and related depreciation of District assets. The effect of this restatement is to decrease net position of business-type activities and net position of the food service enterprise fund by \$76,401 from \$521,558 as previously reported to \$445,157 at June 30, 2020.

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measure, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School District. It is too early to predict if the legislation will have its intended affect.

The largest portion of the School District’s revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 38,556,561		\$ 38,556,561	\$ 38,556,561	
Tuition - Other LEAs				26,212	\$ 26,212
Tuition - Other Sources				1,842	(63,158)
Interest Earned on Capital Reserve	65,000		65,000	999	(1)
Interest Earned on Emergency Reserve	1,000		1,000	4,848	4,848
Interest on Investments				186,875	81,875
Unrestricted Miscellaneous Revenues	105,000	-	105,000	186,875	81,875
Total Revenues - Local Sources	38,727,561	-	38,727,561	38,777,337	49,776
State Sources					
Equalization Aid	17,932,465	\$ (1,626,071)	16,306,394	16,306,394	
Transportation Aid	674,487		674,487	674,487	
Special Education Aid	2,835,516		2,835,516	2,835,516	
Security Aid	1,028,863		1,028,863	1,028,863	
Extraordinary Aid	900,000		900,000	1,791,946	891,946
On-Behalf TPAF (Non-Budgeted)					
Pension				5,579,126	5,579,126
NCGI Premium				106,150	106,150
Post Retirement Medical				1,781,677	1,781,677
Long Term Disability				2,576	2,576
Social Security Contributions	-	-	-	1,549,728	1,549,728
Total State Sources	23,371,331	(1,626,071)	21,745,260	31,656,463	9,911,203
Federal Sources					
Medicaid - MAC	-			14,399	14,399
Medicaid Reimbursement	133,583	-	133,583	83,626	(49,957)
Total Federal Sources	133,583	-	133,583	98,025	(35,558)
Total Revenues	62,232,475	(1,626,071)	60,606,404	70,531,825	9,925,421
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers:					
Kindergarten	937,133	(776)	936,357	904,833	31,524
Grades 1 - 5	4,946,000	(187,119)	4,758,881	4,727,895	30,986
Grades 6 - 8	3,268,001	(96,837)	3,171,164	3,170,620	544
Grades 9 - 12	4,223,096	(391,736)	3,831,360	3,776,805	54,555
Regular Programs - Home Instruction:					
Salaries of Teachers	22,000	(6,615)	15,385	6,868	8,517
Purchased Professional-Educational Services		13,591	13,591	4,770	8,821
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	40,450		40,450	19,725	20,725
Purchased Professional-Educational Services	99,800	233,800	333,600	315,555	18,045
Purchased Technical Services	37,000	(16,016)	20,984	20,111	873
Other Purchased Services	221,620	128,712	350,332	315,149	35,183
General Supplies	615,889	(177,443)	438,446	376,975	61,471
Textbooks	132,202	372,466	504,668	496,236	8,432
Other Objects	800	-	800	-	800
Total Instruction Regular Programs	14,543,991	(127,973)	14,416,018	14,135,542	280,476
Special Education					
Learning/Language Disabilities					
Salaries of Teachers	502,298	(9,506)	492,792	416,861	75,931
Other Salaries for Instruction	162,648		162,648	157,800	4,848
General Supplies	24,500	300	24,800	17,189	7,611
Textbooks	2,000	(800)	1,200	-	1,200
Total Learning/Language Disabilities	691,446	(10,006)	681,440	591,850	89,590

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Resource Room/Resource Center					
Salaries of Teachers	\$ 1,557,891	\$ (29,364)	\$ 1,528,527	\$ 1,511,200	\$ 17,327
Other Salaries for Instruction	251,226		251,226	196,201	55,025
Other Purchased Services	699		699	699	
General Supplies	9,500	(1,834)	7,666	6,927	739
Textbooks	2,100	(1,800)	300	-	300
Total Resource Room/Resource Center	<u>1,821,416</u>	<u>(32,998)</u>	<u>1,788,418</u>	<u>1,715,027</u>	<u>73,391</u>
Home Instruction					
Purchased Professional - Educational Services					
	31,250	(14,329)	16,921	15,781	1,140
Total Home Instruction	<u>31,250</u>	<u>(14,329)</u>	<u>16,921</u>	<u>15,781</u>	<u>1,140</u>
Total Special Education	<u>2,544,112</u>	<u>(57,333)</u>	<u>2,486,779</u>	<u>2,322,658</u>	<u>164,121</u>
Basic Skills/Remedial					
Salaries of Teachers					
	918,676	(57,301)	861,375	811,641	49,734
Total Basic Skills/Remedial	<u>918,676</u>	<u>(57,301)</u>	<u>861,375</u>	<u>811,641</u>	<u>49,734</u>
Bilingual Education					
Salaries of Teachers					
	585,396	(15,002)	570,394	545,718	24,676
Other Purchased Services	200		200		200
Textbooks	300	-	300	-	300
Total Bilingual Education	<u>585,896</u>	<u>(15,002)</u>	<u>570,894</u>	<u>545,718</u>	<u>25,176</u>
School Sponsored Co-Curricular Activities					
Salaries of Teachers					
	192,924	18,639	211,563	186,970	24,593
Purchased Services	260		260		260
Supplies and Materials	7,960		7,960		7,960
Other Objects	2,855	-	2,855	1,495	1,360
Total Co-Curricular Activities	<u>203,999</u>	<u>18,639</u>	<u>222,638</u>	<u>188,465</u>	<u>34,173</u>
School Sponsored Athletics					
Salaries					
	396,094	18,770	414,864	401,376	13,488
Purchased Services	8,300	130	8,430	360	8,070
Supplies and Materials	77,800	(4,767)	73,033	63,429	9,604
Other Objects	8,275		8,275	6,500	1,775
Transfers to Cover Deficit (Agency Funds)	45,000	-	45,000	25,000	20,000
Total Athletics	<u>535,469</u>	<u>14,133</u>	<u>549,602</u>	<u>496,665</u>	<u>52,937</u>
Community Service Programs					
Supplies and Materials					
	7,500	(7,500)	-	-	-
Total Community Service Programs	<u>7,500</u>	<u>(7,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Instruction	<u>19,339,643</u>	<u>(232,337)</u>	<u>19,107,306</u>	<u>18,500,689</u>	<u>606,617</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within State - Regular	80,249	(34,499)	45,750	32,734	13,016
Tuition to Other LEA's Within State - Special	9,930,619	(526,569)	9,404,050	8,637,788	766,262
Tuition to County Vocational School District- Regular	808,242	108,728	916,970	916,970	
Tuition to County Vocational School District - Special	660,960		660,960	585,600	75,360
Tuition to County Special Services and Regional Day School	2,683,822	2,015,187	4,699,009	2,350,471	2,348,538
Tuition to Private School for the Disabled W/I State	747,188	63,255	810,443	663,370	147,073
Tuition to State Facilities		57,943	57,943		57,943
Tuition - Other	176,202	5,009	181,211	118,415	62,796
Total Tuition	<u>15,087,282</u>	<u>1,689,054</u>	<u>16,776,336</u>	<u>13,305,348</u>	<u>3,470,988</u>

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 474,202	\$ (54,656)	\$ 419,546	\$ 414,472	\$ 5,074
Purchased Professional and Technical Services	249,426	(88,051)	161,375	46,486	114,889
Supplies and Materials	16,187	110	16,297	10,171	6,126
Total Health Services	739,815	(142,597)	597,218	471,129	126,089
Other Supp. Svcs.-					
Speech, OT, PT and Related Services					
Salaries	296,523		296,523	230,796	65,727
Purchased Professional Educational Services	400,000	69,469	469,469	382,203	87,266
Supplies and Materials	1,500	1,500	3,000	1,511	1,489
Total Speech, OT, PT and Related Services	698,023	70,969	768,992	614,510	154,482
Other Supp. Svcs.-Extraord. Serv.					
Salaries	150,900	7,526	158,426	129,945	28,481
Purchased Professional - Educational Services	960,000	145,039	1,105,039	835,323	269,716
Total Other Support/Extraordinary Services	1,110,900	152,565	1,263,465	965,268	298,197
Other Supp. Svcs.-Guidance					
Salaries of Other Professional Staff	1,031,287	18,397	1,049,684	1,018,905	30,779
Salaries of Secretarial and Clerical Assistants	67,674		67,674	63,725	3,949
Purchased Professional and Educational Services	135,400	(12,700)	122,700	88,550	34,150
Other Purchased Professional and Technical Services	75,000	(3,300)	71,700	65,243	6,457
Supplies and Materials	98,830	(10,000)	88,830	65,221	23,609
Total Other Support Services-Guidance	1,408,191	(7,603)	1,400,588	1,301,644	98,944
Other Supp. Svcs.-Child Study Teams					
Salaries of Other Professional Staff	895,058	(65,001)	830,057	825,231	4,826
Salaries of Secretarial and Clerical Assistants	138,899	2,591	141,490	140,306	1,184
Other Salaries	14,560		14,560	6,225	8,335
Purchased Professional - Educational Services	95,000	65,278	160,278	79,787	80,491
Other Purchased Professional and Technical Services	44,222	(29,922)	14,300	13,800	500
Other Purchased Services	1,824		1,824	1,824	
Supplies and Materials	10,700	3,000	13,700	13,685	15
Total Other Support Services-Child Study Teams	1,200,263	(24,054)	1,176,209	1,080,858	95,351
Improvement of Instruction					
Salaries of Supervisor of Instruction	612,272	4,861	617,133	612,271	4,862
Purchased Professional Educational Services	195,393	(37,483)	157,910	106,411	51,499
Supplies and Materials	25,000	(5,009)	19,991	15,781	4,210
Total Improvement of Instruction	832,665	(37,631)	795,034	734,463	60,571
Educational Media Services/ School Library					
Salaries	399,803	(33,372)	366,431	316,380	50,051
Other Purchased Services	21,744	(20,200)	1,544	1,544	
Supplies and Materials	148,510	(26,139)	122,371	115,181	7,190
Total Educational Media Services/ School Library	570,057	(79,711)	490,346	433,105	57,241
Instructional Staff Training Services					
Other Purchased Services	47,000	(24,837)	22,163	18,927	3,236
Supplies and Materials	42,333	-	42,333	41,839	494
Total Instructional Staff Training Services	89,333	(24,837)	64,496	60,766	3,730

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	\$ 381,856		\$ 381,856	\$ 366,377	\$ 15,479
Legal Services	100,000	\$ 32,950	132,950	130,913	2,037
Audit Fees	47,816		47,816	42,000	5,816
Architectural/Engineering Services	5,500	42,200	47,700	44,891	2,809
Other Purchased Professional Services	7,135		7,135	5,140	1,995
Communications/Telephone	156,459	(2,000)	154,459	129,209	25,250
BOE Other Purchased Services	2,855		2,855	900	1,955
Other Purchased Services	193,211	(50,578)	142,633	114,185	28,448
Supplies and materials	12,500		12,500	10,892	1,608
Miscellaneous Expenditures	5,798		5,798	3,458	2,340
BOE Membership Dues and Fees	21,500	-	21,500	20,496	1,004
Total Support Services General Administration	934,630	22,572	957,202	868,461	88,741
Support Services School Administration					
Salaries of Principals/Assistant Principals/Prog Dir	1,354,486	13,134	1,367,620	1,356,446	11,174
Salaries of Other Professional Staff	412,341	(16,022)	396,319	379,992	16,327
Salaries of Secretarial and Clerical Assistants	673,457	(18,004)	655,453	619,793	35,660
Other Purchased Services	8,270	21	8,291	2,291	6,000
Supplies and Materials	66,210	(11,208)	55,002	49,610	5,392
Other Objects	12,715	26	12,741	11,496	1,245
Total Support Services School Administration	2,527,479	(32,053)	2,495,426	2,419,628	75,798
Central Services					
Salaries	424,396	10,064	434,460	426,074	8,386
Purchased Professional Services	41,649	79,654	121,303	119,251	2,052
Miscellaneous Purchased Services	9,614	(4,178)	5,436	2,274	3,162
Supplies and Materials	20,000	425	20,425	20,275	150
Miscellaneous Expenditures	2,240	(260)	1,980	1,480	500
Total Undistributed Expenditures - Central Services	497,899	85,705	583,604	569,354	14,250
Admin. Info. Tech.					
Salaries	303,819		303,819	300,177	3,642
Other Purchased Services	3,800		3,800	1,200	2,600
Supplies and Materials	12,500	(7,710)	4,790	4,776	14
Total Undistributed Expenditures - Admin. Info. Technology	320,119	(7,710)	312,409	306,153	6,256
Required Maintenance for School Facilities					
Salaries	357,098	(111,700)	245,398	211,222	34,176
Cleaning, Repair and Maintenance Services	650,500	142,160	792,660	755,868	36,792
General Supplies	62,000	35,162	97,162	90,933	6,229
Total Required Maint for School Facilities	1,069,598	65,622	1,135,220	1,058,023	77,197
Custodial Services					
Salaries	1,398,826	32,636	1,431,462	1,368,190	63,272
Purchased Professional and Technical Services	25,242	1,213	26,455	25,285	1,170
Cleaning, Repair and Maintenance Services	79,370	(4,837)	74,533	69,906	4,627
Other Purchased Property Services	30,000	1,920	31,920	31,357	563
Insurance	240,000	15,000	255,000	254,988	12
Miscellaneous Purchased Services	7,995	5,460	13,455	13,455	
General Supplies	102,000	59,373	161,373	158,873	2,500
Energy (Natural Gas)	185,000	(5,000)	180,000	135,888	44,112
Energy (Electricity)	500,000		500,000	396,683	103,317
Energy (Gasoline)	3,000	(1,870)	1,130	1,129	1
Other Objects	3,340	633	3,973	3,910	63
Total Custodial Services	2,574,773	104,528	2,679,301	2,459,664	219,637
Undistributed Expenditures - Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	61,002	(6,585)	54,417	19,721	34,696
General Supplies	15,500	(9,584)	5,916	5,916	-
Total Care and Upkeep of Grounds	76,502	(16,169)	60,333	25,637	34,696

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures - Security					
Salaries	\$ 75,000	\$ 617	\$ 75,617	\$ 75,617	
Purchased Professional and Technical Services	170,000		170,000		\$ 170,000
Cleaning, Repair, and Maintenance Services	25,000	(14,300)	10,700	3,880	6,820
General Supplies	25,000	(440)	24,560	964	23,596
Total Security	295,000	(14,123)	280,877	80,461	200,416
Student Transportation Services					
Contr Serv(Bet Home &Sch)-Vendors	20,165		20,165	1,950	18,215
Contr Serv(Oth. Than Bet Home &Sch)-Vendors	102,644		102,644	88,849	13,795
Contr Serv(Bet Home &Sch)-Joint Agreements	384,362	2,158	386,520	314,161	72,359
Contr Serv(Special Education)-Vendors	250		250		250
Contr Serv(Special Education)-Joint Agreements	2,183,619	-	2,183,619	1,560,653	622,966
Contr Serv - Aid in Lieu Pymts-Charter Sch	14,000	-	14,000	311	13,689
Total Student Transportation Services	2,705,040	2,158	2,707,198	1,965,924	741,274
Unallocated Employee Benefits					
Group Insurance		384	384	384	
Social Security Contributions	420,233	19,900	440,133	440,133	
Other Retirement Contributions - PERS/DCRP	499,749	36,912	536,661	535,972	689
Unemployment Compensation	90,866	3,531	94,397	80,925	13,472
Workmen's Compensation	202,298	459	202,757	171,881	30,876
Health Benefits	7,148,060	(450,968)	6,697,092	5,737,610	959,482
Tuition Reimbursements	10,000		10,000	3,120	6,880
Other Employee Benefits	154,900	59,616	214,516	139,638	74,878
Unused Sick Payment to Terminated/Retired Staff	150,000	224,626	374,626	332,443	42,183
Total Unallocated Employee Benefits	8,676,106	(105,540)	8,570,566	7,442,106	1,128,460
On-Behalf TPAF (Non-Budgeted)					
Pension				5,579,126	(5,579,126)
NCGI Premium				106,150	(106,150)
Post Retirement Medical				1,781,677	(1,781,677)
Long Term Disability				2,576	(2,576)
Social Security Contributions	-	-	-	1,549,728	(1,549,728)
Total TPAF Pension and Social Security Contributions	-	-	-	9,019,257	(9,019,257)
Total Undistributed Expenditures	41,413,675	1,701,145	43,114,820	45,181,759	(2,066,939)
Interest Earned on Current Expense Emergency Reserve	1,000	-	1,000	-	1,000
Total Current Expenditures	60,754,318	1,468,808	62,223,126	63,682,448	(1,459,322)
CAPITAL OUTLAY					
Equipment					
Grades 9 - 12	6,500	43,350	49,850	33,348	16,502
School Administration		24,999	24,999	24,999	
Central Services	15,000	(15,000)			
Administrative Information Technology	144,000	(67,671)	76,329	76,328	1
Security	430,752	(46,078)	384,674	293,313	91,361
Total Equipment	596,252	(60,400)	535,852	427,988	107,864
Facilities Acquisition and Construction Services					
Other Purchased Prof. and Tech. Services		46,899	46,899	7,977	38,922
Construction Services		2,281,211	2,281,211	1,007,467	1,273,744
Assessment for Debt Service on SDA Funding	33,244	33,244	66,488	33,244	33,244
Total Facilities Acq. And Construction Services	33,244	2,361,354	2,394,598	1,048,688	1,345,910
Interest Deposit to Capital Reserve	65,000	-	65,000	-	65,000
Total Expenditures - Capital Outlay	694,496	2,300,954	2,995,450	1,476,676	1,518,774
Transfer of Funds to Charter Schools	2,936,220	(79,979)	2,856,241	2,630,901	225,340
Total Expenditures - General Fund	64,385,034	3,689,783	68,074,817	67,790,025	284,792

(Continued)

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (2,152,559)	\$ (5,315,854)	\$ (7,468,413)	\$ 2,741,800	\$ 10,210,213
Other Financing Sources (Uses)					
Transfer In - Capital Projects Fund				1,028	1,028
Transfers Out - Special Revenue Fund	(156,789)		(156,789)	(156,789)	
Transfer Capital Projects Fund	(1,630,526)	1,630,526	-	-	-
Total Other Financing Sources (Uses)	(1,787,315)	1,630,526	(156,789)	(155,761)	1,028
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,939,874)	(3,685,328)	(7,625,202)	2,586,039	10,211,241
Fund Balance, Beginning of Year	10,150,583	-	10,150,583	10,150,583	-
Fund Balance, End of Year	<u>\$ 6,210,709</u>	<u>\$ (3,685,328)</u>	<u>\$ 2,525,381</u>	<u>\$ 12,736,622</u>	<u>\$ 10,211,241</u>
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 1,234,792	
Capital Reserve - Designated for Subsequent Year's Budget				713,996	
Emergency Reserve - Designated for Subsequent Year's Budget				3,501	
Maintenance Reserve - Designated for Subsequent Year's Budget				400,000	
Excess Surplus				4,382,860	
Excess Surplus - Designated for Subsequent Year's Budget				1,548,546	
Committed					
Encumbrances				593,901	
Assigned					
Encumbrances				50,826	
Designated for Subsequent Year's Budget				559,152	
Unassigned					
Unreserved				<u>3,249,048</u>	
Fund Balance (Budgetary Basis)				12,736,622	
Reconciliation to Governmental Fund Statements (GAAP)					
State Aid Payments Not Recognized on a GAAP Basis				<u>(3,659,253)</u>	
Fund Balance per Governmental Funds (GAAP Basis)				<u>\$ 9,077,369</u>	

**LODI BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
Local		\$ 2,000	\$ 2,000	\$ 101,898	\$ 99,898
State	\$ 537,702	142,717	680,419	420,653	(259,766)
Federal	1,462,680	1,832,510	3,295,190	3,031,369	(263,821)
Total Revenues	<u>2,000,382</u>	<u>1,977,227</u>	<u>3,977,609</u>	<u>3,553,920</u>	<u>(423,689)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	1,184,840	(264,390)	920,450	892,849	27,601
Other Salaries for Instruction	100,503		100,503	79,284	21,219
Purchased Professional and Technical Services		20,354	20,354	15,500	4,854
Other Purchased Services	114,236	(45,643)	68,593	41,384	27,209
Tuition	689,209	1,014	690,223	684,200	6,023
General Supplies	9,452	1,558,046	1,567,498	1,385,034	182,464
Textbooks	8,423	496	8,919	7,946	973
Student Activities and Athletics (Non-Budget)	-	-	-	71,015	(71,015)
Total Instruction	<u>2,106,663</u>	<u>1,269,877</u>	<u>3,376,540</u>	<u>3,177,212</u>	<u>199,328</u>
Support Services					
Salaries of Other Professional Staff		3,250	3,250	3,250	
Other Salaries		470	470	470	
Employee Benefits	50,508	236,708	287,216	178,861	108,355
Other Purchased Services				15,260	(15,260)
Purchased Prof. and Technical Services		346,495	346,495	230,440	116,055
Leases and Rentals		25,550	25,550	25,546	4
Cleaning, Repairs and Maintenance		32,654	32,654	10,000	22,654
Supplies and Material		30,703	30,703	19,321	11,382
Other Objects	-	2,000	2,000	2,000	-
Total Support Services	<u>50,508</u>	<u>677,830</u>	<u>728,338</u>	<u>485,148</u>	<u>243,190</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	-	29,520	29,520	29,466	54
Total Facilities Acquisition and Construction	<u>-</u>	<u>29,520</u>	<u>29,520</u>	<u>29,466</u>	<u>54</u>
Total Expenditures	<u>2,157,171</u>	<u>1,977,227</u>	<u>4,134,398</u>	<u>3,691,826</u>	<u>442,572</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(156,789)	-	(156,789)	(137,906)	(18,883)
Other Financing Sources					
Transfers In - General Fund Contribution	156,789	-	156,789	156,789	-
Excess (Deficiency) of Revenues and Other Financing					
Sources Over/(Under) Expenditures	-	-	-	18,883	(18,883)
Fund Balance, July 1, 2020	101,362	-	101,362	101,362	-
Fund Balance, June 30, 2021	<u>\$ 101,362</u>	<u>\$ -</u>	<u>\$ 101,362</u>	<u>\$ 120,245</u>	<u>\$ (18,883)</u>

**LODI BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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				
Revenues (budgetary basis)	C-1	\$ 70,531,825	C-2	\$ 3,553,920
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
State Aid payments recognized for GAAP Statements, not recognized for budgetary purposes.		2,961,239		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.		(3,659,253)		
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.				
Encumbrances, June 30, 2021				(3,887)
Encumbrances, June 30, 2020		-		40,405
		<hr/>		<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2	\$ <u>69,833,811</u>	B-2	\$ <u>3,590,438</u>
Uses/Outflows of Resources				
Expenditures (budgetary basis)	C-1	\$ 67,790,025	C-2	\$ 3,691,826
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.				
Encumbrances, June 30, 2021				(3,887)
Encumbrances, June 30, 2020		-		40,405
		<hr/>		<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	\$ <u>67,790,025</u>	B-2	\$ <u>3,728,344</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.04525 %	0.04665 %	0.04744 %	0.04603 %	0.04609 %	0.04719 %	0.04861 %	0.04722 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,380,446	\$ 8,407,177	\$ 9,340,804	\$ 10,714,702	\$ 13,651,037	\$ 10,593,590	\$ 9,100,717	\$ 9,024,932
District's Covered Payroll	\$ 3,150,902	\$ 3,229,591	\$ 3,290,768	\$ 3,320,907	\$ 3,222,757	\$ 3,240,821	\$ 3,286,043	\$ 3,354,157
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	234.23%	260.32%	283.85%	322.64%	423.58%	326.88%	276.95%	269.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	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 Eight Fiscal Years ***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 495,104	\$ 453,651	\$ 471,880	\$ 426,405	\$ 409,472	\$ 405,722	\$ 400,716	\$ 355,803
Contributions in Relation to the Contractually Required Contributions	<u>495,104</u>	<u>453,651</u>	<u>471,880</u>	<u>426,405</u>	<u>409,472</u>	<u>405,722</u>	<u>400,716</u>	<u>355,803</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 3,050,852	\$ 3,150,902	\$ 3,229,591	\$ 3,290,768	\$ 3,320,907	\$ 3,222,757	\$ 3,240,821	\$ 3,286,043
Contributions as a Percentage of Covered Payroll	16.23%	14.40%	14.61%	12.96%	12.33%	12.59%	12.19%	10.61%

* 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 PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
States Proportionate Share of Net Pension Liability (Asset) Associated With the District	<u>\$ 126,563,797</u>	<u>\$ 116,642,045</u>	<u>\$ 127,029,727</u>	<u>\$ 138,256,371</u>	<u>\$ 160,643,953</u>	<u>\$ 127,397,084</u>	<u>\$ 112,288,092</u>	<u>\$ 103,166,969</u>
Total	<u>\$ 126,563,797</u>	<u>\$ 116,642,045</u>	<u>\$ 127,029,727</u>	<u>\$ 138,256,371</u>	<u>\$ 160,643,953</u>	<u>\$ 127,397,084</u>	<u>\$ 112,288,092</u>	<u>\$ 103,166,969</u>
 District's Covered Payroll	 \$ 21,354,625	 \$ 21,075,260	 \$ 20,071,980	 \$ 20,173,456	 \$ 20,605,037	 \$ 20,764,258	 \$ 20,498,253	 \$ 20,247,819
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	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, 2021**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

**LODI BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY**

Postemployment Health Benefit Plan

Last Four Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 3,239,956	\$ 3,023,621	\$ 3,415,711	\$ 4,101,043
Interest on Total OPEB Liability	2,837,463	3,426,474	3,673,321	3,187,295
Differences Between Expected and Actual Experiences	22,357,237	(13,048,833)	(8,524,609)	
Changes of Assumptions	23,504,306	1,176,513	(9,946,943)	(13,251,084)
Gross Benefit Payments	(2,240,107)	(2,422,215)	(2,317,787)	(2,284,585)
Contribution from the Member	<u>67,898</u>	<u>71,801</u>	<u>80,106</u>	<u>84,124</u>
Net Change in Total OPEB Liability	49,766,753	(7,772,639)	(13,620,201)	(8,163,207)
Total OPEB Liability - Beginning of Year	<u>78,907,179</u>	<u>86,679,818</u>	<u>100,300,019</u>	<u>108,463,226</u>
Total OPEB Liability - End of Year	<u>\$ 128,673,932</u>	<u>\$ 78,907,179</u>	<u>\$ 86,679,818</u>	<u>\$ 100,300,019</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>128,673,932</u>	<u>78,907,179</u>	<u>86,679,818</u>	<u>100,300,019</u>
Total OPEB Liability - Ending	<u>\$ 128,673,932</u>	<u>\$ 78,907,179</u>	<u>\$ 86,679,818</u>	<u>\$ 100,300,019</u>
District's Covered Payroll	<u>\$ 24,505,527</u>	<u>\$ 24,304,851</u>	<u>\$ 23,362,748</u>	<u>\$ 23,494,363</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*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. 75. 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 CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

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, 2021

	Local Grants	Nonpublic Auxiliary	Nonpublic Handicapped		Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Security	Nonpublic	Student	Sub-Total Carried Forward
		Compensatory Education	Supplemental Instruction	Examination/ Classification				Digital Divide	Acitivities/ Athletics	
REVENUES										
Local Sources	\$ 12,000								\$ 89,898	\$ 101,898
State Sources		\$ 21,568	\$ 9,747	\$ 10,069	\$ 7,946	\$ 14,892	\$ 25,546			89,768
Federal Sources								\$ 6,290		6,290
Total Revenues	12,000	21,568	9,747	10,069	7,946	14,892	25,546	6,290	89,898	197,956
EXPENDITURES										
Instruction:										
Other Purchased Services		21,568	9,747	10,069						41,384
General Supplies	2,000							6,290		8,290
Textbooks					7,946					7,946
Student Activities and Athletics									71,015	71,015
Total Instruction	2,000	21,568	9,747	10,069	7,946	-	-	6,290	71,015	128,635
Support Services										
Other Salaries						470				470
Purchased Professional and Technical						14,422				14,422
Leases and Rentals							25,546			25,546
Supplies and Materials	10,000									10,000
Total Support Services	10,000	-	-	-	-	14,892	25,546	-	-	50,438
Total Expenditures	12,000	21,568	9,747	10,069	7,946	14,892	25,546	6,290	71,015	179,073
Excess (Deficiency) of Revenues										
Over/(Under) Expenditures									18,883	18,883
Other Financing Sources										
Transfer In - General Fund										
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures									18,883	18,883
Fund Balance, July 1, 2020 (Restated)									101,362	101,362
Fund Balance, June 30, 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,245	\$ 120,245

**LODI BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Sub-Total Brought Forward	CARES	Digital Divide	Coronavirus Relief Fund	Title I	Title II A	Title III	Title IV	IDEA B Basic/Preschool	Perkins Vocational Preschool	Preschool Education Aid	Total
REVENUES												
Local Sources	\$ 101,898											\$ 101,898
State Sources	89,768										\$ 330,885	420,653
Federal Sources	6,290	\$ 558,401	\$ 575,232	\$ 240,614	\$ 721,789	\$ 112,241	\$ 19,959	\$ 49,901	\$ 719,960	\$ 26,982	-	3,031,369
Total Revenues	197,956	558,401	575,232	240,614	721,789	112,241	19,959	49,901	719,960	26,982	330,885	3,553,920
EXPENDITURES												
Instruction:												
Salaries of Teachers					475,254		15,581				\$ 402,014	892,849
Other Salaries for Instruction											79,284	79,284
Purchased Professional and Technical Services									15,500			15,500
Other Purchased Services	41,384											41,384
Tuition									684,200			684,200
General Supplies	8,290	456,692	575,232	240,614	39,879			34,219		23,732	6,376	1,385,034
Textbooks	7,946											7,946
Student Activities and Athletics	71,015	-	-	-	-	-	-	-	-	-	-	71,015
Total Instruction	128,635	456,692	575,232	240,614	515,133	-	15,581	34,219	699,700	23,732	487,674	3,177,212
Support Services												
Salaries of Other Professional Staff										3,250		3,250
Other Salaries for Instruction	470											470
Employee Benefits					174,383	500	3,978					178,861
Other Purchased Services									15,260			15,260
Purchased Professional and Technical	14,422	82,388			807	111,741	400	15,682	5,000			230,440
Leases and Rentals	25,546											25,546
Cleaning, Repairs and Maintenance	10,000											10,000
Supplies and Material		19,321										19,321
Other Objects	-	-	-	-	2,000	-	-	-	-	-	-	2,000
Total Support Services	50,438	101,709	-	-	177,190	112,241	4,378	15,682	20,260	3,250	-	485,148
Facilities Acq. and Construct.												
Instructional Equipment	-	-	-	-	29,466	-	-	-	-	-	-	29,466
Total facilities Acquisition and Construction	-	-	-	-	29,466	-	-	-	-	-	-	29,466
Total Expenditures	179,073	558,401	575,232	240,614	721,789	112,241	19,959	49,901	719,960	26,982	487,674	3,691,826
Excess (Deficiency) of Revenues												
Over/(Under) Expenditures	18,883	-	-	-	-	-	-	-	-	-	(156,789)	(137,906)
Other Financing Sources												
Transfer In - General Fund	-	-	-	-	-	-	-	-	-	-	156,789	156,789
Excess (Deficiency) of Revenues and Other Financing												
Sources Over/(Under) Expenditures	18,883	-	-	-	-	-	-	-	-	-	-	18,883
Fund Balance, July 1, 2020 (Restated)	101,362	-	-	-	-	-	-	-	-	-	-	101,362
Fund Balance, June 30, 2021	\$ 120,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,245

**LODI BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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	\$ 308,913	\$ 102,456	\$ 411,369	\$ 402,014	\$ 9,355
Other Salaries for Instruction	100,503	-	100,503	79,284	21,219
General Supplies	<u>100,292</u>	<u>-</u>	<u>100,292</u>	<u>6,376</u>	<u>93,916</u>
Total Instruction	<u>509,708</u>	<u>102,456</u>	<u>612,164</u>	<u>487,674</u>	<u>124,490</u>
Support Services					
Personal Services - Employee Benefits	<u>111,122</u>	<u>(10,413)</u>	<u>100,709</u>	<u>-</u>	<u>100,709</u>
Total Support Services	<u>111,122</u>	<u>(10,413)</u>	<u>100,709</u>	<u>-</u>	<u>100,709</u>
Total Expenditures	<u>\$ 620,830</u>	<u>\$ 92,043</u>	<u>\$ 712,873</u>	<u>\$ 487,674</u>	<u>\$ 225,199</u>

Calculation of Budget Carryover

Total Revised 2020-2021 Preschool Education Aid Allocation	\$ 415,043
Add:	
Preschool Education Aid Carryover (June 30, 2020)	151,193
Budgeted Transfer from the General Fund 2020-2021	<u>156,789</u>
Total Preschool Education Aid Funds Available for 2020-2021 Budget	723,025
Less: 2020-2021 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>712,873</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2021	10,152
Add: June 30, 2021 Unexpended Preschool Education Aid	<u>225,199</u>
2020-2021 Carryover - Preschool Education Aid Programs	<u>\$ 235,351</u>
2020-2021 Preschool Education Aid Carryover Budgeted in 2021-2022	<u>\$ -</u>

LODI BOARD OF EDUCATION
SCHEDULE OF STUDENT ACTIVITIES RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Balance</u> <u>July 1, 2020</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2021</u>
Thomas Jefferson Middle School	\$ 15,271	\$ 13,149	\$ 12,398	\$ 16,022
Lodi High School	78,285	51,466	38,206	91,545
Athletic Account	<u>7,806</u>	<u>25,283</u>	<u>20,411</u>	<u>12,678</u>
	<u>\$ 101,362</u>	<u>\$ 89,898</u>	<u>\$ 71,015</u>	<u>\$ 120,245</u>

CAPITAL PROJECTS FUND

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Issue/Project Title</u>	<u>Modified Appropriations</u>	<u>Prior Years</u>	<u>Current Year Expenditures</u>	<u>Balance, June 30, 2021</u>
Construction of Admin/Child Study Team Building	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>

Recapitulation of Fund Balance:

Restricted for Capital Projects \$ 2,000,000

**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, 2021**

Revenues and Other Financing Sources	
Interest Income	\$ <u>1,028</u>
Total Revenues	<u>1,028</u>
 Expenditures and Other Financing Uses	
Transfer to General Fund	<u>1,028</u>
Total Expenditures	<u>1,028</u>
Excess Of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources	-
Fund Balance, Beginning of Year	<u>2,000,000</u>
Fund Balance, End of Year	<u>\$ 2,000,000</u>

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
CONSTRUCTION OF ADMIN/CHILD STUDY TEAM BUILDING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Local Sources - Capital Reserve	\$ 2,000,000	-	\$ 2,000,000	\$ 2,000,000
 Total Revenues	 2,000,000	 -	 2,000,000	 2,000,000
Expenditures and Other Financing Uses				
Professional Services			-	200,000
Construction Services	-	-	-	1,800,000
 Total Expenditures and Other Financing Uses	 -	 -	 -	 2,000,000
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ 2,000,000	 \$ -	 \$ 2,000,000	 \$ -
 Additional Project Information:				
Project Number		-		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	2,000,000			
Additional Authorized Cost	-			
Revised Authorized Cost	2,000,000			
 Percentage Increase over Original Authorized Cost		0%		
Percentage Completion		N/A		
Original Target Completion Date		December 31, 2019		

PROPRIETARY FUND

**LODI BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

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, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS
(Not Applicable)

LONG-TERM DEBT

**LODI BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**LODI BOARD OF EDUCATION
LONG-TERM DEBT
OBLIGATIONS UNDER LEASE-PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<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, 2020</u>	<u>Paid</u>	<u>Balance June 30, 2021</u>
Refunding Certificates of Participation	8/13/2015	\$ 2,795,000	9/15/21	\$ 225,000	2.00%	<u>\$ 705,000</u>	<u>\$ 480,000</u>	<u>\$ 225,000</u>

**LODI BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 399,098		\$ 399,098	\$ 399,098	
State Sources					
Debt Service Aid	<u>90,202</u>	<u>-</u>	<u>90,202</u>	<u>90,202</u>	<u>-</u>
Total Revenues	<u>489,300</u>	<u>-</u>	<u>489,300</u>	<u>489,300</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal Payments - Comm Approved Lease Purchase	480,000		480,000	480,000	-
Interest for Comm. Approved Lease Purchase	<u>9,300</u>	<u>-</u>	<u>9,300</u>	<u>9,300</u>	<u>-</u>
Total Expenditures	<u>489,300</u>	<u>-</u>	<u>489,300</u>	<u>489,300</u>	<u>-</u>
Excess (Deficit) of Revenues Over/(Under)					
Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
									(Restated)	
Governmental Activities										
Net Investment In Capital Assets	\$ 28,618,260	\$ 29,592,115	\$ 31,047,402	\$ 32,817,931	\$ 32,826,729	\$ 32,197,528	\$ 31,336,608	\$ 31,423,228	\$ 33,424,991	\$ 33,937,621
Restricted	1,122,405	3,187,051	7,161,080	8,472,291	9,235,108	9,055,820	7,609,435	5,844,612	5,402,726	4,469,033
Unrestricted	<u>(2,666,682)</u>	<u>988,842</u>	<u>(617,457)</u>	<u>(10,511,258)</u>	<u>(11,092,318)</u>	<u>(10,154,950)</u>	<u>(8,534,943)</u>	<u>(8,819,343)</u>	<u>(9,527,183)</u>	<u>(6,288,421)</u>
Total Governmental Activities Net Position	<u>\$ 27,073,983</u>	<u>\$ 33,768,008</u>	<u>\$ 37,591,025</u>	<u>\$ 30,778,964</u>	<u>\$ 30,969,519</u>	<u>\$ 31,098,398</u>	<u>\$ 30,411,100</u>	<u>\$ 28,448,497</u>	<u>\$ 29,300,534</u>	<u>\$ 32,118,233</u>
Business-Type Activities										
Net Investment In Capital Assets	\$ 180,828	\$ 286,355	\$ 255,647	\$ 266,427	\$ 300,098	\$ 280,291	\$ 277,574	\$ 264,446	\$ 211,186	\$ 189,660
Unrestricted	<u>275,814</u>	<u>281,952</u>	<u>413,061</u>	<u>382,161</u>	<u>320,432</u>	<u>329,579</u>	<u>308,567</u>	<u>334,870</u>	<u>233,971</u>	<u>334,629</u>
Total Business-Type Activities Net Position	<u>\$ 456,642</u>	<u>\$ 568,307</u>	<u>\$ 668,708</u>	<u>\$ 648,588</u>	<u>\$ 620,530</u>	<u>\$ 609,870</u>	<u>\$ 586,141</u>	<u>\$ 599,316</u>	<u>\$ 445,157</u>	<u>\$ 524,289</u>
District-Wide										
Net Investment In Capital Assets	\$ 28,799,088	\$ 29,878,470	\$ 31,303,049	\$ 33,084,358	\$ 33,126,827	\$ 32,477,819	\$ 31,614,182	\$ 31,687,674	\$ 33,636,177	\$ 34,127,281
Restricted	1,122,405	3,187,051	7,161,080	8,472,291	9,235,108	9,055,820	7,609,435	5,844,612	5,402,726	4,469,033
Unrestricted	<u>(2,390,868)</u>	<u>1,270,794</u>	<u>(204,396)</u>	<u>(10,129,097)</u>	<u>(10,771,886)</u>	<u>(9,825,371)</u>	<u>(8,226,376)</u>	<u>(8,484,473)</u>	<u>(9,293,212)</u>	<u>(5,953,792)</u>
Total District Net Position	<u>\$ 27,530,625</u>	<u>\$ 34,336,315</u>	<u>\$ 38,259,733</u>	<u>\$ 31,427,552</u>	<u>\$ 31,590,049</u>	<u>\$ 31,708,268</u>	<u>\$ 30,997,241</u>	<u>\$ 29,047,813</u>	<u>\$ 29,745,691</u>	<u>\$ 32,642,522</u>

Note 1 - Net position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Reporting for Pensions".
 Note 2 - Net position at June 30, 2020 was restated to reflect of the implementation of GASB Statement No. 84 "Fiduciary Activities".

Source : District's financial statements

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 15,643,796	\$ 15,941,575	\$ 21,025,223	\$ 25,286,800	\$ 26,280,042	\$ 29,361,270	\$ 28,962,892	\$ 29,453,412	\$ 27,648,165	\$ 32,471,706
Special Education	3,283,393	12,588,204	13,529,203	14,968,663	15,749,984	15,355,192	16,579,747	17,405,573	18,161,581	17,323,452
Other Instruction	1,267,586	1,218,306	1,918,561	2,109,553	1,867,675	2,226,049	2,236,311	2,442,385	2,389,611	2,655,539
School Sponsored Activities And Athletics	472,499	501,347	653,789	797,017	857,029	1,091,667	1,100,422	1,067,194	976,973	1,082,181
Community Services							1,288	645		-
Support Services										
Student And Instruction Related Services	14,201,748	4,547,314	6,295,710	7,399,427	8,505,882	8,951,873	9,086,831	9,229,405	8,753,490	9,490,579
General Administration	831,457	836,061	1,031,137	1,146,902	1,431,245	1,191,958	1,268,041	1,143,295	1,064,530	1,105,005
School Administrative Services	2,268,377	2,236,611	3,080,163	3,677,520	3,668,600	4,409,417	4,329,762	4,094,029	3,825,035	4,270,344
Plant Operations And Maintenance	4,042,757	3,871,420	6,261,688	5,923,142	6,285,496	6,329,612	6,533,146	6,596,646	6,236,726	5,996,834
Pupil Transportation	1,695,122	1,982,970	1,945,076	1,754,530	2,191,051	2,333,253	2,373,251	2,613,351	2,534,443	1,965,924
Business Services	677,795	712,482	895,792	1,017,553	1,050,862	1,146,386	1,252,422	1,307,640	1,219,187	1,449,190
Unallocated Employee Benefits	12,751,252	8,854,106								
Capital Outlay	1,537,681	996,241								
Interest On Long-Term Debt and Other Charges	261,962	235,894	295,362	204,430	171,998	91,956	81,012	36,569	25,046	13,396
Total Governmental Activities Expenses	58,935,425	54,522,531	56,931,704	64,285,537	68,059,864	72,488,633	73,805,125	75,390,144	72,834,787	77,824,150
Business-Type Activities:										
Food Service	1,509,584	1,324,732	1,318,033	1,365,030	1,375,593	1,388,608	1,374,423	1,363,031	1,068,716	526,182
Total Business-Type Activities Expense	1,509,584	1,324,732	1,318,033	1,365,030	1,375,593	1,388,608	1,374,423	1,363,031	1,068,716	526,182
Total District Expenses	\$ 60,445,009	\$ 55,847,263	\$ 58,249,737	\$ 65,650,567	\$ 69,435,457	\$ 73,877,241	\$ 75,179,548	\$ 76,753,175	\$ 73,903,503	\$ 78,350,332
Program Revenues										
Governmental Activities:										
Charges For Services	\$ 21,549		\$ 43,902	\$ 119,939	\$ 109,712	\$ 68,445	\$ 27,473	\$ 29,129		\$ 116,110
Operating Grants And Contributions	8,621,547	\$ 9,680,663	8,703,944	14,696,528	16,756,882	21,060,518	20,846,446	20,324,889	\$ 18,092,459	25,027,318
Capital Grants And Contributions			339,798	405,010	165,177	-	-	-	-	29,466
Total Governmental Activities Program Revenues	8,643,096	9,680,663	9,087,644	15,221,477	17,031,771	21,128,963	20,873,919	20,354,018	18,092,459	25,172,894
Business-Type Activities:										
Charges For Services										
Food Service	548,607	497,591	491,476	458,194	437,137	438,374	445,558	455,218	346,650	7,060
Operating Grants And Contributions	776,024	938,799	926,945	886,686	913,865	944,044	903,879	914,915	640,383	598,156
Total Business Type Activities Program Revenues	1,324,631	1,436,390	1,418,421	1,344,880	1,351,002	1,382,418	1,349,437	1,370,133	987,033	605,216
Total District Program Revenues	\$ 9,967,727	\$ 11,117,053	\$ 10,506,065	\$ 16,566,357	\$ 18,382,773	\$ 22,511,381	\$ 22,223,356	\$ 21,724,151	\$ 19,079,492	\$ 25,778,110

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental Activities	\$ (50,292,329)	\$ (44,841,868)	\$ (47,844,060)	\$ (49,064,060)	\$ (51,028,093)	\$ (51,359,670)	\$ (52,931,206)	\$ (55,036,126)	\$ (54,742,328)	\$ (52,651,256)
Business-Type Activities	(184,953)	111,658	100,388	(20,150)	(24,591)	(6,190)	(24,986)	7,102	(81,683)	79,034
Total District-Wide Net Expense	<u>\$ (50,477,282)</u>	<u>\$ (44,730,210)</u>	<u>\$ (47,743,672)</u>	<u>\$ (49,084,210)</u>	<u>\$ (51,052,684)</u>	<u>\$ (51,365,860)</u>	<u>\$ (52,956,192)</u>	<u>\$ (55,029,024)</u>	<u>\$ (54,824,011)</u>	<u>\$ (52,572,222)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 37,849,957	\$ 38,712,642	\$ 39,463,253	\$ 38,878,553	\$ 39,028,935	\$ 39,040,604	\$ 38,452,529	\$ 38,707,933	\$ 38,951,132	\$ 38,955,659
State Aid	11,168,711	11,803,487	11,913,661	11,984,254	11,956,668	12,156,831	13,272,916	13,778,053	15,473,554	16,317,704
Federal Sources										
Interest Earned on Capital Reserve Funds										
Miscellaneous Income	168,208	400,192	290,825	341,201	232,623	287,297	524,914	587,537	245,621	195,592
Donation of Capital Assets			4,805	72,923	6,945	-				
Loss on Disposal of Capital Assets			(5,467)		(6,523)	(1,539)	(6,451)			
LPA Adjustments										
Transfers			-							
Total Governmental Activities	<u>49,186,876</u>	<u>50,916,321</u>	<u>51,667,077</u>	<u>51,276,931</u>	<u>51,218,648</u>	<u>51,483,193</u>	<u>52,243,908</u>	<u>53,073,523</u>	<u>54,670,307</u>	<u>55,468,955</u>
Business-Type Activities:										
Unrestricted Miscellaneous Revenues	28	7	13	30	44	19	1,257	6,073	3,925	98
Loss on Disposal of Capital Assets	-	-	-	-	(3,511)	(4,489)	-	-	-	-
Total Business-Type Activities	<u>28</u>	<u>7</u>	<u>13</u>	<u>30</u>	<u>(3,467)</u>	<u>(4,470)</u>	<u>1,257</u>	<u>6,073</u>	<u>3,925</u>	<u>98</u>
Total District-Wide	<u>\$ 49,186,904</u>	<u>\$ 50,916,328</u>	<u>\$ 51,667,090</u>	<u>\$ 51,276,961</u>	<u>\$ 51,215,181</u>	<u>\$ 51,478,723</u>	<u>\$ 52,245,165</u>	<u>\$ 53,079,596</u>	<u>\$ 54,674,232</u>	<u>\$ 55,469,053</u>
Change in Net Position										
Governmental Activities	\$ (1,105,453)	\$ 6,074,453	\$ 3,823,017	\$ 2,212,871	\$ 190,555	\$ 123,523	\$ (687,298)	\$ (1,962,603)	\$ (72,021)	\$ 2,817,699
Business-Type Activities	(184,925)	111,665	100,401	(20,120)	(28,058)	(10,660)	(23,729)	13,175	(77,758)	79,132
Total District	<u>\$ (1,290,378)</u>	<u>\$ 6,186,118</u>	<u>\$ 3,923,418</u>	<u>\$ 2,192,751</u>	<u>\$ 162,497</u>	<u>\$ 112,863</u>	<u>\$ (711,027)</u>	<u>\$ (1,949,428)</u>	<u>\$ (149,779)</u>	<u>\$ 2,896,831</u>

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021
General Fund										
Restricted	\$ 3,279,628	\$ 4,979,845	\$ 8,186,028	\$ 9,392,393	\$ 3,082,707	\$ 12,325,271	\$ 9,947,124	\$ 7,178,827	\$ 6,807,392	\$ 8,283,695
Committed			835,457	854,750	383,000		932,195	2,073,863	689,905	593,901
Assigned	2,278,695	4,009,119	507,162	73,969	185,537	357,226	556,437	508,243	952,855	609,978
Unassigned	<u>(103,843)</u>	<u>(211,131)</u>	<u>(657,736)</u>	<u>(643,189)</u>	<u>(500,082)</u>	<u>(657,449)</u>	<u>(856,706)</u>	<u>(1,212,067)</u>	<u>(1,260,808)</u>	<u>(410,205)</u>
Total General Fund	<u>\$ 5,454,480</u>	<u>\$ 8,777,833</u>	<u>\$ 8,870,911</u>	<u>\$ 9,677,923</u>	<u>\$ 3,151,162</u>	<u>\$ 12,025,048</u>	<u>\$ 10,579,050</u>	<u>\$ 8,548,866</u>	<u>\$ 7,189,344</u>	<u>\$ 9,077,369</u>
All Other Governmental Funds										
Restricted	\$ 13,465	\$ 13,451	\$ 508,320	\$ 227,563	\$ 7,399,228	\$ 29,555	\$ 2,000,000	\$ 2,000,000	\$ 2,101,362	\$ 2,120,245
Unassigned			(41,388)	(55,330)	(50,096)	(38,361)				
Total All Other Governmental Funds	<u>\$ 13,465</u>	<u>\$ 13,451</u>	<u>\$ 466,932</u>	<u>\$ 172,233</u>	<u>\$ 7,349,132</u>	<u>\$ (8,806)</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,101,362</u>	<u>\$ 2,120,245</u>

Note: Fund balances in the General and Special Revenue Funds at June 30, 2020 were restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property Taxes	\$ 37,849,957	\$ 38,712,642	\$ 39,463,253	\$ 38,878,553	\$ 39,028,935	\$ 39,040,604	\$ 38,452,529	\$ 38,707,933	\$ 38,951,132	\$ 38,955,659
Tuition Charges	21,549		43,902	119,939	109,712	68,445	27,473	29,129		26,212
Miscellaneous	233,927	409,890	290,826	242,351	247,779	297,944	533,895	589,533	245,621	297,490
State Sources	17,637,839	19,620,424	19,199,528	20,332,965	20,808,518	21,620,855	23,649,311	26,561,127	29,021,530	31,469,304
Federal Sources	2,086,700	1,854,028	1,757,875	1,794,222	1,911,292	1,822,169	1,889,959	1,960,836	1,777,850	3,165,912
Total Revenues	57,829,972	60,596,984	60,755,384	61,368,030	62,106,236	62,850,017	64,553,167	67,848,558	69,996,133	73,914,577
Expenditures										
Instruction										
Regular Instruction	15,643,796	15,286,421	21,818,161	22,169,857	22,516,384	23,478,058	24,158,145	26,345,035	26,036,956	28,924,542
Special Education Instruction	3,283,393	3,259,461	13,697,743	14,419,203	15,093,336	14,334,529	15,712,892	16,887,015	17,907,339	16,754,336
Other Instruction	1,267,586	1,159,670	2,009,587	1,813,691	1,549,205	1,693,608	1,790,154	2,127,476	2,212,054	2,275,857
School Sponsored Activities And Athletics	472,499	501,347	672,369	690,895	730,487	865,027	907,168	1,013,500	984,117	1,032,480
Community Services							1,288	645		-
Support Services										
Student and Inst. Related Services	14,201,748	14,589,847	6,518,298	6,751,297	7,640,832	7,479,234	7,786,285	8,354,754	8,305,104	8,480,324
General Administration	831,457	836,061	1,049,110	1,119,251	1,090,123	1,114,621	1,172,428	1,105,996	1,068,514	1,073,785
School Administration	2,268,377	2,236,611	3,227,255	3,313,646	3,279,742	3,566,889	3,616,136	3,678,101	3,668,457	3,806,828
Plant Operations And Maintenance	4,042,757	3,871,420	4,691,988	4,406,730	4,539,439	4,361,039	4,475,992	4,766,108	4,576,454	4,426,666
Pupil Transportation	1,695,122	1,982,970	1,945,076	1,754,530	2,191,051	2,333,253	2,373,251	2,613,351	2,534,443	1,965,924
Business Services	677,795	712,482	935,599	966,118	971,862	982,447	1,072,545	1,176,909	1,171,441	1,304,729
Unallocated Employee Benefits	12,879,461	11,045,854								
Capital Outlay	461,660	1,046,972	2,857,181	2,773,383	1,331,847	606,120	408,681	1,316,802	2,407,026	1,472,898
Debt Service										
Principal	490,000	515,000	544,998	465,000	455,000	440,000	445,000	465,000	465,000	480,000
Interest And Other Charges	261,962	235,894	241,540	212,116	193,545	79,244	70,394	28,050	18,750	9,300
Total Expenditures	58,477,613	57,280,010	60,208,905	60,855,717	61,582,853	61,334,069	63,990,359	69,878,742	71,355,655	72,007,669
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	(647,641)	3,316,974	546,479	512,313	523,383	1,515,948	562,808	(2,030,184)	(1,359,522)	1,906,908
Other Financing Sources (Uses)										
Payments to Escrow Agent (Refunding)					(2,680,585)					
Proceeds from Refunding					2,795,000					
Premium on Refunding					12,340					
Transfers In			880,724	282,842	7,716,552	7,392,040	2,182,576	176,705	210,148	157,817
Transfers Out			(880,724)	(282,842)	(7,716,552)	(7,392,040)	(2,182,576)	(176,705)	(210,148)	(157,817)
Total Other Financing Sources (Uses)	-	-	-	-	126,755	-	-	-	-	-
Net Change In Fund Balances	\$ (647,641)	\$ 3,316,974	\$ 546,479	\$ 512,313	\$ 650,138	\$ 1,515,948	\$ 562,808	\$ (2,030,184)	\$ (1,359,522)	\$ 1,906,908
Debt Service As A Percentage Of										
Noncapital Expenditures	1.30%	1.34%	1.37%	1.17%	1.08%	0.86%	0.81%	0.72%	0.70%	0.69%

* Noncapital expenditures are total expenditures less capital outlay.

**LODI BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUES BY SOURCE
LAST TEN 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>
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
2016	1,789	109,712	26,832	203,384	341,717
2017	1,144	68,445	3,265	282,310	355,164
2018	84,178	27,473	19,787	420,238	551,676
2019	293,118	29,129	79,946	171,955	574,148
2020	170,394		23,988	22,714	217,096
2021	7,689	26,212	47,798	139,077	220,776

Source : District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
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
2015	9,404,800	1,409,360,700	261,520,200	118,290,200	135,466,300	1,934,042,200	93,880	1,934,136,080	2,071,774,153	2.014
2016	9,530,600	1,407,022,800	262,692,300	117,811,600	135,336,800	1,932,394,100	91,160	1,932,485,260	2,131,950,153	2.020
2017	8,597,300	1,408,818,000	261,791,600	117,811,600	135,336,800	1,932,355,300	93,700	1,932,449,000	2,074,659,370	2.005
2018	8,597,300	1,411,145,600	267,400,400	117,991,200	135,336,800	1,940,471,300	93,700	1,940,565,000	2,301,148,884	1.989
2019	7,966,300	1,416,165,100	293,614,500	125,307,900	136,085,900	1,979,139,700	79,120	1,979,218,820	2,514,716,293	1.962
2020	8,951,700	1,416,846,700	285,100,300	122,049,900	136,150,900	1,969,099,500	79,120	1,969,178,620	2,659,461,343	1.978
2021	8,874,800	1,422,879,800	281,378,000	121,584,000	136,150,900	1,970,867,500	74,160	1,970,941,660	2,672,512,071	1.991

Source: Bergen 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)**

Assessment Year	School District	Borough	County	County Open Space	Total
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
2015	2.014	0.932	0.254	0.003	3.203
2016	2.020	0.950	0.269	0.003	3.242
2017	2.005	0.968	0.258	0.011	3.242
2018	1.989	0.967	0.278	0.012	3.246
2019	1.962	0.970	0.296	0.012	3.240
2020	1.978	0.973	0.320	0.014	3.285
2021	1.991	0.973	0.328	0.013	3.305

Source: Borough of Lodi, Tax Assessor

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

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
IPT Lodi DC, LLC	\$ 34,378,000	1.74%		
Cedar Wright Apartments (Other)	26,009,700	1.32%		
Sheila Zipporah, LP (Home Depot)	22,511,900	1.14%		
JMP 150-174 Essex Street, LLC	13,799,000	0.70%		
Rothman, Leonard & Mildred	13,154,700	0.67%		
Lodi UE, LLC	20,302,900	1.03%		
Lodi Market, LLC	11,345,700	0.58%	Information Not Available	
Extra Space Storage, Inc.	10,878,700	0.55%		
Lodi Value Added II, LLC	9,200,000	0.47%		
Cedar Wright Apartments (Marion Norwood)	8,955,700	0.45%		
Total	<u>\$ 170,536,300</u>	<u>8.65%</u>	<u>\$ -</u>	<u>0.00%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	
2016	39,028,935	39,028,935	100.00%	
2017	39,040,604	39,040,604	100.00%	
2018	38,452,529	38,452,529	100.00%	
2019	38,707,933	38,707,933	100.00%	
2020	38,951,132	38,951,132	100.00%	
2021	38,955,659	38,955,659	100.00%	

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

Governmental Activities

Fiscal Year Ended June 30,	Pension Refunding Bonds	Certificates of Participation	Total School District	Population	Per Capita
2012	\$ 545,000	\$ 3,760,000	\$ 4,305,000	24,322	\$ 177
2013	340,000	3,450,000	3,790,000	24,397	155
2014	120,000	3,125,000	3,245,000	24,419	133
2015		2,780,000	2,780,000	24,470	114
2016		2,520,000	2,520,000	24,439	103
2017		2,080,000	2,080,000	24,492	85
2018		1,635,000	1,635,000	24,430	67
2019		1,635,000	1,635,000	24,349	67
2020		705,000	705,000	24,206	29
2021		225,000	225,000	24,206	* 9

* Estimate

Source: District records

**LODI BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)**

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	Pension Refunding Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2012	\$ 545,000	\$ 545,000	-	0.00%	-
2013	340,000	340,000	-	0.00%	-
2014	120,000	120,000	-	0.00%	-
2015			-	-	-
2016			-	-	-
2017			-	-	-
2018			-	-	-
2019			-	-	-
2020			-	-	-
2021			-	-	-

Source: District records

**LODI BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2021
(Unaudited)**

Net Direct Debt of School District as of June 30, 2021		\$ -
Net Overlapping Debt of School District		
Borough of Lodi	\$ 18,597,887	
Bergen County (A)	21,709,508	
Passaic Valley Sewerage Commission (B)	<u>2,417,185</u>	
		<u>42,724,580</u>
 Total Direct and Overlapping Debt as of June 30, 2021		 <u>\$ 42,724,580</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2021 equalized valuation by the total 2021 equalized valuation for Bergen County.
(B) Overlapping debt was computed based upon usage

Sources:

- (1) Borough of Lodi 2020 Annual Debt Statement
- (2) Bergen County 2020 Annual Debt Statement
- (3) Passaic Valley Sewerage Commission

**LODI BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 88,237,626	\$ 84,466,368	\$ 81,494,998	\$ 81,579,419	\$ 82,035,437	\$ 83,246,044	\$ 86,179,179	\$ 90,592,199	\$ 98,543,990	\$ 103,553,017
Total Net Debt Applicable To Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 88,237,626</u>	<u>\$ 84,466,368</u>	<u>\$ 81,494,998</u>	<u>\$ 81,579,419</u>	<u>\$ 82,035,437</u>	<u>\$ 83,246,044</u>	<u>\$ 86,179,179</u>	<u>\$ 90,592,199</u>	<u>\$ 98,543,990</u>	<u>\$ 103,553,017</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2021

Equalized Valuation Basis

2020	\$ 2,655,204,288
2019	2,658,704,594
2018	<u>2,452,567,366</u>
	<u>\$ 7,766,476,248</u>

Average Equalized Valuation of Taxable Property

\$ 2,588,825,416

Debt Limit (4 % of Average Equalization Value)

\$ 103,553,017

Total Net Debt Applicable to Limit

-

Legal Debt Margin

\$ 103,553,017

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

**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>
2012	24,322	\$ 72,164	10.2%
2013	24,397	71,699	7.8%
2014	24,419	74,480	7.8%
2015	24,470	77,767	6.5%
2016	24,439	79,407	6.2%
2017	24,492	81,676	5.5%
2018	24,430	86,404	5.0%
2019	24,349	89,456	4.2%
2020	24,206	N/A	N/A
2021	24,206 *	N/A	

Source: New Jersey State Department of Education

* Estimate

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 TEN FISCAL YEARS
 (Unaudited)

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	186	187	191	186	185	185	188	189	191	189
Special Education	30	30	29	28	29	30	28	28	29	28
Other Instruction	19	19	16	21	21	18	17	17	17	17
School Sponsored Activities And Athletics							1	1	1	1
Support Services										
Student and Instruction Related Services	16	16	16	16	15	18	18	18	18	18
General Administration	5	5	5	5	5	5	5	5	5	5
School Administrative Services	23	23	23	23	23	23	23	23	23	23
Central Services	5	5	5	5	5	5	5	5	5	5
Administrative Information Technology	2	2	2	2	2	2	2	2	2	3
Plant Operations and Maintenance	26	26	26	26	26	25	27	27	27	27
Other Support Services	23	23	23	23	24	23	23	23	23	22
Total	<u>335</u>	<u>336</u>	<u>336</u>	<u>335</u>	<u>335</u>	<u>334</u>	<u>337</u>	<u>338</u>	<u>341</u>	<u>338</u>

Source: District Personnel Records

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

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u> (A)	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
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%
2016	3,202	59,602,461	18,614	4.64%	235	3,202	3,020	-0.77%	94.32%
2017	3,140	60,208,705	19,175	3.01%	233	3,140	2,952	-1.94%	94.01%
2018	3,093	63,066,284	20,390	6.34%	233	3,140	2,952	0.00%	94.01%
2019	3,021	68,068,890	22,532	10.50%	235	3,021	2,728	-3.79%	90.30%
2020	2,917	68,464,879	23,471	4.17%	238	3,177	2,728	5.16%	85.87%
2021	2,953	70,045,471	23,720	1.06%	238	3,182	2,762	0.16%	86.80%

Student/Faculty Ratios

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
Columbus	13.8 to 1	17.3 to 1	18.0 to 1	16.0 to 1	17.0 to 1	19.0 to 1	16.0 to 1	16.0 to 1	16.0 to 1	16.0 to 1
Hilltop	14.5 to 1	17.5 to 1	16.0 to 1	16.1 to 1	15.0 to 1	14.0 to 1	14:0 to 1	14:0 to 1	14:0 to 1	14:0 to 1
Roosevelt	13.3 to 1	13.4 to 1	12.0 to 1	14.0 to 1	13.0 to 1	14.0 to 1	14:0 to 1	14:0 to 1	14:0 to 1	14:0 to 1
Washington	15.8 to 1	18.3 to 1	16.0 to 1	16.0 to 1	16.0 to 1	14.0 to 1	14:0 to 1	14:0 to 1	14:0 to 1	14:0 to 1
Wilson	12.1 to 1	14.6 to 1	16.0 to 1	16.0 to 1	16.0 to 1	15.0 to 1	15:0 to 1	15:0 to 1	15:0 to 1	15:0 to 1
Thomas Jefferson Middle School	13.3 to 1	13.0 to 1	12.0 to 1	12.0 to 1	13.0 to 1	13.0 to 1	13:0 to 1	13:0 to 1	13:0 to 1	13:0 to 1
Lodi High School	12.8 to 1	12.8 to 1	11.0 to 1	15.0 to 1	14.0 to 1	14.0 to 1	14:0 to 1	14:0 to 1	14:0 to 1	14:0 to 1

Sources: District records

(A) Includes General and Special Revenue Funds

N/A - Not Available

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

<u>District Building</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Lodi High School</u>										
Square Feet	139,800	139,800	139,800	139,509	139,509	139,509	139,509	139,509	139,509	139,509
Capacity (students)	836.40	836.40	836.40	836.40	836.40	836.40	836.40	836.40	836.40	836.40
Enrollment	914.30	951.50	990.64	919.49	908.64	878.62	848.85	864.03	827.00	871.00
<u>Thomas Jefferson Middle School</u>										
Square Feet	86,700	86,700	86,700	88,900	88,900	88,900	88,900	88,900	88,900	88,900
Capacity (students)	651.10	651.10	651.10	651.10	651.10	651.10	651.10	651.10	651.10	651.10
Enrollment ^a	763.80	732.50	683.99	714.91	715.43	719.44	721.29	723.69	712.00	703.00
<u>Columbus Elementary School</u>										
Square Feet	42,400	42,400	42,400	42,100	42,100	42,100	42,100	42,100	42,100	42,100
Capacity (students)	289.80	289.80	289.80	289.80	289.80	289.80	289.80	289.80	289.80	289.80
Enrollment	259.50	265.50	278.41	294.51	297.23	271.32	250.41	223.75	231.00	225.00
<u>Hilltop Elementary School</u>										
Square Feet	54,340	54,340	54,340	64,340	64,340	64,340	64,340	64,340	64,340	64,340
Capacity (students)	420.00	420.00	420.00	420.00	420.00	420.00	420.00	420.00	420.00	420.00
Enrollment	412.80	405.80	392.02	378.19	358.89	358.47	354.99	334.75	300.00	301.00
<u>Roosevelt Elementary School</u>										
Square Feet	18,150	18,150	18,150	16,736	16,736	16,736	16,736	16,736	16,736	16,736
Capacity (students)	142.80	142.80	142.80	142.80	142.80	142.80	142.80	142.80	142.80	142.80
Enrollment	162.00	164.30	181.41	175.17	179.76	175.46	176.67	171.83	167.00	171.00
<u>Washington Elementary School</u>										
Square Feet	58,170	58,170	58,170	57,200	57,200	57,200	57,200	57,200	57,200	57,200
Capacity (students)	414.30	414.30	414.30	414.30	414.30	414.30	414.30	414.30	414.30	414.30
Enrollment	439.90	424.50	420.18	407.94	393.15	379.67	387.37	366.13	346.00	347.00
<u>Wilson Elementary School</u>										
Square Feet	53,640	53,640	53,640	51,500	51,500	51,500	51,500	51,500	51,500	51,500
Capacity (students)	400.80	400.80	400.80	400.80	400.80	400.80	400.80	400.80	400.80	400.80
Enrollment	363.60	348.40	363.14	336.65	348.73	356.58	353.87	337.00	334.00	335.00

Number of Schools at June 30, 2021

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Lodi High School	\$ 620,761	\$ 591,266	\$ 341,052	\$ 323,465	\$ 359,460	\$ 278,190	\$ 252,792	\$ 272,020	\$ 311,016	\$ 320,679
Columbus School	79,873	116,925	181,977	79,243	124,956	91,564	96,278	83,686	93,856	96,772
Hilltop School	120,795	139,447	102,696	64,946	80,662	76,792	98,371	102,864	143,437	147,894
Thomas Jefferson Middle School	208,772	106,852	99,349	215,045	216,811	152,090	334,999	139,759	198,190	204,348
Lincoln School	38,681	64,533	69,248	29,471	25,769	37,067	36,154	35,741		-
Roosevelt School	90,670	32,867	44,030	56,788	41,656	17,142	30,636	34,869	37,311	38,470
Washington School	198,665	101,348	106,419	106,591	115,960	109,508	89,478	90,659	127,520	131,481
Wilson School	176,500	105,889	142,372	86,764	75,559	92,631	105,098	87,172	114,813	118,379
Grand Total	\$ 1,534,717	\$ 1,259,127	\$ 1,087,143	\$ 962,313	\$ 1,040,833	\$ 854,984	\$ 1,043,806	\$ 846,770	\$ 1,026,143	\$ 1,058,023

**LODI BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2021
(Unaudited)**

	<u>Insurance Company</u>	<u>Coverage</u>	<u>Deductible</u>
Property Coverages	NJ School Boards Association Insurance Group		
Special Form R.C.			
Blanket Building and Contents		\$ 117,508,392	\$ 5,000
Equipment Breakdown		100,000,000	Environmental:
Extra Expenses		50,000,000	\$1,000,000 Per Impairment/ \$2,000,000 Aggregate
Valuable Papers	10,000,000	\$11,000,000 Group Policy Aggregate Deductibles \$50,000/\$250,000	
EDP		1,226,138	1,000
Liability Coverages			
General Liability		16,000,000	25,000
Crime			
Faithful Performance		100,000	500
Forgery and Alteration		25,000	500
Money and Securities		10,000	500
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.	400,000	

Source: School District's records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

**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
8 Hunter Street
Lodi, New Jersey 07644

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 and each major fund of the Lodi Board of Education as of and for the fiscal year ended June 30, 2021 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 February 9, 2022.

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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be significant deficiencies.

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 financial statements. 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 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 and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002.


We noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Lodi Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated February 9, 2022.


Lodi Board of Education's Responses to Findings

The Lodi Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Lodi Board of Education's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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
February 9, 2022



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

**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 THE
U.S. UNIFORM GUIDANCE 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
8 Hunter Street
Lodi, New Jersey 07644

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) 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, 2021. 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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance 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; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular 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, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-003. Our opinion on each major federal and state program is not modified with respect to this matter.

The Lodi Board of Education's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Lodi Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the U.S. Uniform Guidance 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.

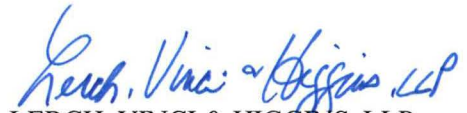
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 the U.S. Uniform Guidance 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 the U.S. Uniform Guidance 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 and each major fund of the Lodi Board of Education, as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 9, 2022, 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 the U.S. Uniform Guidance 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
February 9, 2022

**LODI BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Federal FAIN Number	Grant Period	Award Amount	Balance July 1, 2020		Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	Accounts Receivable Carryover	Balance June 30, 2021		Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue					(Accounts Receivable)	Unearned Revenue	
U.S. Department of Education													
Passed-through State Department of Education													
General Fund													
Medicaid Assistance Program	93.778	2005NJ5MAP	7/1/20-6/30/21	\$ 98,025	-	-	-	\$ 98,025	\$ 98,025	-	-	-	-
Total General Fund					-	-	-	98,025	98,025	-	-	-	-
Special Revenue Fund													
Title I	84.010	S010A200030	7/1/20-9/30/21	713,018			\$ 8,771		721,789	\$ (8,771)	\$ (721,789)		\$ (721,789)
Title I	84.010	S010A190030	7/1/19-9/30/20	718,242	\$ (337,470)	\$ 8,771	(8,771)	328,699		8,771			-
Title II, Part A	84.367	S367A200029	7/1/20-9/30/21	118,460			749	112,241		(749)	(112,951)	\$ 710	(112,241)
Title II, Part A	84.367	S367A190029	7/1/19-9/30/20	98,394	(12,046)	749	(749)	11,297		749			-
Title III	84.365	S365A200030	7/1/20-9/30/21	27,767			3,135	19,959		(3,135)	(21,844)	1,885	(19,959)
Title III	84.365	S365A190030	7/1/19-9/30/20	30,231	(24,026)	3,135	(3,135)	20,891		3,135			-
Title IV	84.424	S424A200031	7/1/20-9/30/21	52,712			3,524	49,901		(3,524)	(52,235)	2,334	(49,901)
Title IV	84.424	S424A190031	7/1/19-9/30/20	44,488	(3,524)	3,524	(3,524)			3,524			-
IDEA Part B - Basic	84.027	H027A200100	7/1/20-9/30/21	818,481				696,843			(818,481)	121,638	(696,843)
IDEA Part B - Basic	84.027	H027A190100	7/1/19-9/30/20	783,637	(52,071)			52,071					-
IDEA Part B - Preschool	84.173	H173A200114	7/1/20-9/30/21	27,116				23,117			(27,116)	3,999	(23,117)
Cluster Total - Special Education					(52,071)	-	-	52,071	719,960	-	(845,597)	125,637	(719,960)
Carl D. Perkins Grant	84.048	V048A200030	7/1/20-6/30/21	27,230	-	-	-	27,228	26,982	-	(2)	248	-
Coronavirus Relief Fund													
Coronavirus Relief Fund	21.019		7/1/20-10/31/20	276,157				276,157	240,614			35,543	
CARES - County of Bergen	21.019		7/1/20-10/31/20	172,171				172,171				172,171	
Nonpublic Digital Divide	21.019		7/1/20-10/31/20	6,351				6,290	6,290		(61)	61	
Cluster Total - CRF					-	-	-	454,618	246,904	-	(61)	207,775	-
ESSER													
CARES Emergency Relief Grant	84.425D	S425D200027	3/13/20-9/30/22	635,399	(635,399)	635,399	-	484,268	558,401	-	(151,131)	76,998	(74,133)
Digital Divide	84.425D	S425D200027	3/13/20-9/30/22	578,524				576,419	575,232		(2,105)	3,292	
CRRSA - ESSER II	84.425D	S425D210027	3/13/20-9/30/23	2,346,126							(2,346,126)	2,346,126	
CRRSA - Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	150,562							(150,562)	150,562	
CRRSA - Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000							(45,000)	45,000	
Cluster Total - ESSER					(635,399)	635,399	-	1,060,687	1,133,633	-	(2,694,924)	2,621,978	(74,133)
Total Special Revenue Fund					(1,064,536)	651,578	-	1,955,491	3,031,369	-	(4,449,403)	2,960,567	(1,697,983)
Total U.S. Department of Education					(1,064,536)	651,578	-	2,053,516	3,129,394	-	(4,449,403)	2,960,567	(1,697,983)
U.S.D.A. Department of Agriculture													
Passed Through State Department of Education													
School Breakfast Program	10.553	211NJ304N1099	7/1/20-6/30/21	207,326				179,280	207,326		(28,046)		(28,046)
National School Lunch Program	10.555	211NJ304N1099	7/1/20-6/30/21	333,630				222,859	333,630		(110,771)		(110,771)
National School Lunch Program	10.555	201NJ304N1099	7/1/19-6/30/20	516,071	(18,350)			18,350					
Non-Cash Assistance (Food Distribution)	10.555	211NJ304N1099	7/1/20-6/30/21	39,295				39,295	38,051			1,244	
Non-Cash Assistance (Food Distribution)	10.555	201NJ304N1099	7/1/19-6/30/20	79,988		1,953			1,953				
Total U.S.D.A. Department of Agriculture					(18,350)	1,953	-	459,784	580,960	-	(138,817)	1,244	(138,817)
Total Federal Financial Awards					\$ (1,082,886)	\$ 653,531	\$ -	\$ 2,513,300	\$ 3,710,354	\$ -	\$ (4,588,220)	\$ 2,961,811	\$ (1,836,800)

LODI BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance July 1, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	General Fund Contribution	Repayment of Prior Year Balances	Balance June 30, 2021			Memorandum			
										(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures		
General Fund:																
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	\$ 16,306,394			\$ 14,845,676	\$ 16,306,394					\$ (1,460,718)			\$ 16,306,394	
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	15,548,944	\$ (1,383,540)		1,383,540										
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	2,835,516			2,581,512	2,835,516					(254,004)			2,835,516	
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	2,835,516	(252,303)		252,303										
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	1,028,863			936,698	1,028,863					(92,165)			1,028,863	
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	1,028,863	(91,548)		91,548										
Total State Aid Public				(1,727,391)	-	20,091,277	20,170,773	-	-			(1,806,887)	-	-	20,170,773	
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	674,487			614,067	674,487					(60,420)			674,487	
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	674,487	(60,016)		60,016										
Extraordinary Aid	21-100-034-5120-473	7/1/20-6/30/21	1,791,946				1,791,946					(1,791,946)			1,791,946	
Extraordinary Aid	20-100-034-5120-473	7/1/19-6/30/20	1,173,832	(1,173,832)		1,173,832										
TPAF Social Security Contribution	21-495-034-5094-003	7/1/20-6/30/21	1,549,728			1,437,622	1,549,728					(112,106)	\$ (112,106)		1,549,728	
TPAF Social Security Contribution	20-495-034-5094-003	7/1/19-6/30/20	1,469,533	(75,706)		75,706										
TPAF Pension Contribution - NCGI	21-495-034-5094-004	7/1/20-6/30/21	106,150			106,150	106,150								106,150	
TPAF Pension Contribution	21-495-034-5094-002	7/1/20-6/30/21	5,579,126			5,579,126	5,579,126								5,579,126	
TPAF Pension Contribution - Post Retirement	21-495-034-5094-001	7/1/20-6/30/21	1,781,677			1,781,677	1,781,677								1,781,677	
TPAF Long Term Disability	21-495-034-5094-004	7/1/20-6/30/21	2,576			2,576	2,576								2,576	
Total General Fund				(3,036,945)	-	30,922,049	31,656,463	-	-			(3,771,359)	-	(112,106)	31,656,463	
Special Revenue Fund:																
Preschool Education Aid	21-495-034-5120-086	7/1/20-6/30/21	415,043		\$ 151,193	373,538	487,674	\$ 156,789				(41,505)	\$ 235,351		487,674	
Preschool Education Aid	20-495-034-5120-086	7/1/19-6/30/20	469,700	104,223	(151,193)	46,970										
New Jersey Nonpublic Aid:																
Nursing Aid	21-100-034-5120-070	7/1/20-6/30/21	14,892			14,892	14,892								14,892	
Textbooks	21-100-034-5120-064	7/1/20-6/30/21	8,919			8,919	7,946						\$ 973		7,946	
Textbooks	20-100-034-5120-064	7/1/19-6/30/20	9,909	7,563				\$ 7,563								
Security Aid	21-100-034-5120-509	7/1/20-6/30/21	25,550			25,550	25,546						4		25,546	
Auxiliary Services																
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	43,546			43,546	21,568						21,978		21,568	
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	40,560	8,113		4,056			12,169							
Handicapped Services																
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	22,665			22,665	9,747						12,918		9,747	
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	22,665	7,690		2,266			9,956							
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	2,552			2,552							2,552			
Examination and Classification	21-100-034-5120-066	7/1/20-6/30/21	22,672			22,672	10,069						12,603		10,069	
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	17,473	1,744		1,747			3,491							
Total Special Revenue Fund				129,333	-	569,373	577,442	156,789	33,179			(41,505)	235,351	51,028	577,442	
Debt Service Fund																
Debt Service Aid	21-495-034-5120-075	7/1/20-6/30/21	90,202			90,202	90,202								90,202	
State Department of Agriculture																
Enterprise Fund:																
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	17,196			13,948	17,196					(3,248)		(3,248)	17,196	
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	11,025	(288)		288										
Total Enterprise Fund				(288)	-	14,236	17,196	-	-			(3,248)	-	(3,248)	17,196	
Total State Financial Assistance Subject to Single Audit Determination				\$ (2,907,900)	\$ -	\$ 31,595,860	\$ 32,341,303	\$ 156,789	\$ 33,179			\$ (3,816,112)	\$ 235,351	\$ 51,028	\$ (115,354)	\$ 32,341,303
Less On-Behalf TPAF Pension and Annuity Aid																
TPAF Pension Contribution - NCGI	21-495-034-5094-004	7/1/20-6/30/21	106,150			(106,150)	(106,150)								(106,150)	
TPAF Pension Contribution	21-495-034-5094-002	7/1/20-6/30/21	5,579,126			(5,579,126)	(5,579,126)								(5,579,126)	
TPAF Pension Contribution - Post Retirement	21-495-034-5094-001	7/1/20-6/30/21	1,781,677			(1,781,677)	(1,781,677)								(1,781,677)	
TPAF Long Term Disability	21-495-034-5094-004	7/1/20-6/30/21	2,576			(2,576)	(2,576)								(2,576)	
Total State Financial Assistance Subject to Major Program Determination				\$ (2,907,900)	\$ -	\$ 24,126,331	\$ 24,871,774	\$ 156,789	\$ 33,179			\$ (3,816,112)	\$ 235,351	\$ 51,028	\$ (115,354)	\$ 24,871,774

**LODI BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) 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 \$698,014 for the general fund and an increase of \$36,518 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	\$ 98,025	\$ 30,958,449	\$ 31,056,474
Special Revenue Fund	3,067,887	420,653	3,488,540
Debt Service Fund		90,202	90,202
Food Service Fund	<u>580,960</u>	<u>17,196</u>	<u>598,156</u>
Total Financial Assistance	<u>\$ 3,746,872</u>	<u>\$ 31,486,500</u>	<u>\$ 35,233,372</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, 2021**

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 Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,549,728 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, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$5,685,276, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,781,677 and TPAF Long-Term Disability Insurance in the amount of \$2,576 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance 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.

NOTE 7 DE MINIMIS INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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? X yes none reported

Noncompliance material to the basic financial statements noted? X yes 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? X yes 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 2 CFR 200 Section 516(a) of U.S. Uniform Guidance X yes no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D</u>	<u>S425D200027</u>	<u>CARES Emergency Relief Grant</u>
<u>84.425D</u>	<u>S425D200027</u>	<u>Digital Divide</u>
<u>84.027</u>	<u>H027A200100</u>	<u>IDEA Basic</u>
<u>84.173</u>	<u>H173A200114</u>	<u>IDEA Preschool</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

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, 2021**

Part I – Summary of Auditor’s Results

State Awards Section

Dollar threshold used to distinguish between
Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

_____ yes x no

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)
21-495-034-5120-078
21-495-034-5120-089
21-495-034-5120-084
21-495-034-5120-014

Name of State Program
Equalization Aid
Special Education Aid
Security Aid
Transportation Aid

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

Finding 2021-001

Our audit indicated that certain District revenues were not recorded in the appropriate fund. In addition, the General Fund tax levy revenue was realized in duplicate resulting in an invalid year end receivable balance.

Criteria or specific requirement

Generally Accepted Accounting Principles

Condition

District revenues were not always recorded in the correct fund. Tax levy revenue was realized twice in the General Fund.

Context

The debt service tax levy revenue of \$399,098 was recorded in the General Fund rather than the Debt Service Fund. Preschool Education Aid receipts of \$373,538 was recorded in the General Fund rather than the Special Revenue Fund. Nonpublic Nursing receipts of \$3,784 was posted in the Debt Service Fund rather than the Special Revenue Fund. General Fund tax levy revenue of \$38,556,561 was recorded twice, resulting in an overstatement of revenues and year end receivables.

Effect

Individual fund financial statements do not properly reflect the revenues and related receivables applicable to the respective funds. Audit adjustments were made to properly report balances in the CAFR.

Cause

Unknown.

Recommendation

Internal controls over the recording of District revenues be enhanced to ensure receipts are reflected in the appropriate fund and receivables and properly stated.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that corrective action will be taken.

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

Finding 2021-002

Our audit indicated that the original budget, as reflected in the District’s budgetary reporting system, was not in agreement with the approved budget. In addition, the modified budget, as reflected in the budgetary reporting system, did not reflect the original budget, as modified by Board actions and final grant awards.

Criteria or specific requirement

NJAC 6A:23A-16.10 Budgetary Controls

Condition

The approved budget was not properly reflected in the District’s accounting records. The modified budget in the District’s accounting records did not reflect the approved budget, as modified by Board approvals.

Context

The approved General Fund budget was \$66,172,349. The District’s budgetary reporting system reflected an original budget of \$64,707,501. The approved Special Revenue Fund budget was \$2,157,171. The District’s budgetary reporting system reflected an original budget of \$3,985,044. The General Fund modified budget was calculated to be \$67,783,246. The District’s budgetary reporting system reflected a General Fund modified budget of \$68,659,393. The District’s Special Revenue Fund budgetary reporting system reflected modified budget appropriations of \$785,504 for Title I and \$6,381 for Nonpublic Technology. The final grant awards for Title I and Nonpublic Technology were \$721,189 and \$-0-, respectively.

Effect

The District’s budgetary reporting system does not represent actual available appropriations, as determined by the approved budget, Board approved modifications, and final grant awards.

Cause

Unknown.

Recommendation

The District’s budgetary reporting system reflect the approved original budget and all Board approved modifications and final grant allotments be properly reflected.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that corrective action will be taken.

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Finding 2021-003

Our audit indicated that the District did not maintain the required level of effort with respect to Special Education expenditures related to the federal IDEA grant program.

Information on the Federal Program

84.027	IDEA, Part B – Basic
84.173	IDEA Preschool

Criteria or Specific Requirement

U.S. Uniform Guidance; Compliance Supplement – Special Education Cluster

Condition

The District did not meet its minimum requirement for special education expenditures funds from local and/or state funds.

Questioned Costs

None.

Context

The District was awarded \$845,597 in IDEA funds for 2020/21, an increase \$34,764 from the 2019/20 award amount. The District's local/state expenditures for special education costs decreased by \$1,813,611 from 2019/20 to 2020/21.

IDEA funds received by a school district cannot be used except under limited circumstances to reduce the level of expenditures for the education of children with disabilities made from state and local funds below the level of those expenditures for the preceding fiscal year.

Effect

The District is not in compliance with the maintenance of effort requirement with respect to the IDEA grant program.

Cause

Unknown.

Recommendation

The District maintain its level of effort with respect to special education expenditures funded from state and/or local funds in accordance with the Federal IDEA grant program compliance requirements.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

There are none.

**LODI BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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. Uniform Guidance (section .315 (a)(b) and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2020-001

- 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.

Current Status

Corrective action has been taken.