

**LODI BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2021**

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

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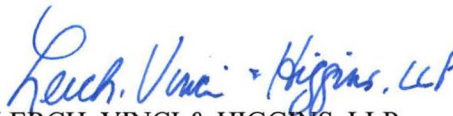
AUDITOR'S MANAGEMENT REPORT


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

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Lodi Board of Education as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated February 9, 2022.

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

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


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 9, 2022

**LODI BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Dennis R. Frohn Apfel	Board Secretary/School Business Administrator (January 13, 2021-June 30, 2021)	\$ 400,000
James Sekelsky	Board Secretary/School Business Administrator (July 1, 2020-January 12, 2021)	400,000

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

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

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

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

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

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

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

**LODI BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Financial Planning, Accounting and Reporting (Continued)

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures

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

Board Secretary's Records

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

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

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

Finding 2021-1 – 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. **(CAFR Finding 2021-001)**

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

Finding 2021-2 – 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. **(CAFR Finding 2021-002)**

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

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

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

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

**LODI BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Financial Planning, Accounting and Reporting (Continued)

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

Finding 2021-3 – Our audit indicated that the District did not maintain the required level of effort with respect to the Special Education expenditures related to the federal IDEA grant program. **(CAFR Finding 2021-003)**

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.

Finding 2021-4 - Our audit of the District's ESEA and IDEA grants indicated that requests for reimbursement of expenditures were not submitted until subsequent to year end.

Recommendation – Reimbursement requests for ESEA and IDEA grant expenditures be submitted in a timely manner.

Other Special Federal and/or State Projects

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

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

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

Teachers Pension and Annuity Fund

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

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

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under 18A:39-3 is currently \$19,600. The Board has designated the School Business Administrator as the Qualified Purchasing Agent for the District.

**LODI BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids

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

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

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

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

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

Finding 2021-5 – Our audit indicated that contracts awarded through the use of cooperative purchasing agreements, the cost of which exceeded the bid threshold, were not approved by the Board and included in the official minutes.

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

Food Service Fund

Public Health Emergency

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

During 2020-2021, the public health emergency was still applicable. As a result, School Food Service Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option.

SFA's were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A. 18A:18A-7. The SFA's were also authorized to submit contract modifications to their existing cost reimbursable or fixed price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFA's were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

**LODI BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Food Service Fund (Continued)

The school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

Net cash resources exceeded three months' average expenditures.

Student Activity and Athletic Association Accounts

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

Cash disbursements were supported by proper documentation.

Finding 2021-6 – Our audit of the middle school student activity account indicated the following:

- Financial records provided for audit did not include certain months of activity.
- Several checks issued in the prior year remain outstanding as of June 30, 2021.
- One (1) check was written but was never issued. Such check remains on hand.
- One (1) check was noted for which the payee was “cash”.
- Several checks were issued to the same individual for reimbursements of items paid for by the employee. Such items do not appear to be items for which reimbursements would be appropriate.

Recommendation – Internal controls over the maintenance of the Middle School student activity account be reviewed and enhanced.

Application for State School Aid

Our audit procedures included a test information reported in the October 15, 2020 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with immaterial exceptions. The information that was included on the workpapers was verified with immaterial exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

**LODI BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2020-21 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The information on the DRTRS was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

Facilities and Capital Assets

The district maintains a capital assets ledger.

Finding 2021-7 – Our audit indicated that numerous capital assets are not being depreciated in the District’s capital asset reporting system. In addition, certain capital asset expenditures were not included in the capital assets reporting system.

Recommendation – The District’s capital assets reporting system be updated to properly depreciate all required District owned assets and to ensure all capital asset expenditures are included.

Miscellaneous

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

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

Suggestions to Management

A course of action be developed to reduce net cash resources in the food service fund to a level below the maximum of three months’ average expenditures.

**LODI BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Not Applicable

**LODI BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Current Assets	
Cash and Cash Equivalents	\$ 185,692
Due from Other Governments	142,065
Current Liabilities	
Accounts Payable	-
Net Cash Resources	<u><u>\$ 327,757</u></u>
<u>Adjusted Total Operating Expense:</u>	
Total Operating Expenses	\$ 526,182
Less Depreciation	<u>(21,526)</u>
Adjusted Total Operating Expense	<u><u>\$ 504,656</u></u>
<u>Average Monthly Operating Expense:</u>	<u><u>\$ 50,466</u></u>
<u>Three Times Monthly Average:</u>	<u><u>\$ 151,397</u></u>
Total Net Cash Resources	\$ 327,757
Three Times Monthly Average	<u>151,397</u>
Net	<u><u>\$ 176,360</u></u>

**LODI BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2020
SCHEDULE OF AUDITED ENROLLMENTS**

	2021-2022 Application for State School Aid						Sample for Verification						On Roll - Special Education			Private Schools for Disabled					
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Sample for Verifi- cation	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared									
Half Day Preschool	110		110					26		26											
Full Day Kindergarten	187		187					37		37											
Grade 1	205		205					54		54											
Grade 2	203		203					51		51											
Grade 3	195		195					22		22											
Grade 4	172		172					34		34											
Grade 5	217		217					49		49											
Grade 6	202		202					202		202											
Grade 7	208		208					208		208											
Grade 8	216		216					216		216											
Grade 9	191	9	191	9				191	9	191	9										
Grade 10	180	13	180	13				180	13	180	13										
Grade 11	191	11	191	11				191	11	191	11										
Grade 12	193	3	193	3	-	-		193	3	193	3	-	-	-					-		
Subtotal	2,670	36	2,670	36	-	-		1,654	36	1,654	36	-	-	-				-	-	-	
Sp Ed - Elementary	89		89		-	-		22		22		-	-	20	20			2	2	2	-
Sp Ed - Middle School	86		86		-	-		86		86		-	-	20	20	-		2	2	2	-
Sp Ed - High School	72	3	72	3	-	-		72	3	72	3	-	-	16	16	-		5	3	3	-
Subtotal	247	3	247	3	-	-		180	3	180	3	-	-	56	56	-		9	7	7	-
Totals	2,917	39	2,917	39	-	-		1,834	39	1,834	39	-	-	56	56	-		9	7	7	-
Percentage Error					<u>0.00%</u>					<u>0.00%</u>				<u>0.00%</u>						<u>0.00%</u>	

LODI BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2020
SCHEDULE OF AUDITED ENROLLMENTS

	Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application	Sample Errors
Half Day Preschool	21.0	21.0				
Full Day Kindergarten	60.0	60.0		12.0	11.0	1
Grade 1	103.0	103.0		7.0	7.0	
Grade 2	91.0	91.0		5.0	5.0	
Grade 3	100.0	100.0		6.0	6.0	
Grade 4	76.0	76.0		5.0	5.0	
Grade 5	114.0	114.0		3.0	3.0	
Grade 6	123.0	123.0		4.0	4.0	
Grade 7	105.0	105.0		4.0	4.0	
Grade 8	107.0	107.0		3.0	3.0	
Grade 9	94.0	94.0		6.0	6.0	
Grade 10	105.0	105.0		1.0	1.0	
Grade 11	102.0	101.0	1	2.0	2.0	
Grade 12	111.0	111.0	-	2.0	2.0	
Subtotal	1,312	1,311	1	60	59	1
Sp Ed - Elementary	45	45	-	5	5	-
Sp Ed - Middle School	44	43	1	3	3	-
Sp Ed - High School	43	41	2	2	2	-
Subtotal	132	129	3	10	10	-
Totals	1,444	1,440	4	70	69	1
Percentage Error			<u>0.28%</u>			<u>1.43%</u>

	Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
	6.0	6.0		3.0	3.0	
	13.0	13.0		7.0	7.0	
	10.0	10.0		6.0	6.0	
	11.0	11.0		5.0	5.0	
	4.0	4.0		2.0	2.0	
	10.0	10.0		6.0	6.0	
	2.0	2.0		1.0	1.0	
	11.0	11.0		6.0	6.0	
	8.0	8.0		4.0	4.0	
	3.0	3.0		1.0	1.0	
	7.0	7.0		4.0	4.0	
	4.0	4.0		1.0	1.0	
	3.0	3.0		2.0	2.0	
Subtotal	92	92	-	48	48	-
	2	1	1	-	-	-
	-	-	-	-	-	-
	1	1	-	1	1	-
Subtotal	3	2	1	1	1	-
Totals	95	94	1	49	49	-
Percentage Error			<u>1.05%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	238	238	-	45	45	-
Regular - Special Ed	67	67	-	12	12	-
Special Needs	170	170	-	32	32	-
Subtotal	474	474	-	89	89	-
Percentage Error			<u>0%</u>			<u>0%</u>

**LODI BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2020
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application	Errors
Half Day Preschool						
Full Day Kindergarten						
Grade 1	7	9	(2)	6	6	-
Grade 2	5	5	-	5	5	-
Grade 3	9	10	(1)	9	9	-
Grade 4	13	8	5	7	7	-
Grade 5	4	3	1	2	2	-
Grade 6	9	11	(2)	8	8	-
Grade 7	-	-	-	-	-	-
Grade 8	3	3	-	3	3	-
Grade 9	2	2	-	2	2	-
Grade 10	7	7	-	7	7	-
Grade 11	2	2	-	2	2	-
Grade 12	2	2	-	2	2	-
	1	1	-	1	1	-
Subtotal	<u>64</u>	<u>63</u>	<u>1</u>	<u>54</u>	<u>54</u>	<u>-</u>
Sp Ed - Elementary	1	1	-	-	-	-
Sp Ed - Middle School	-	-	-	1	1	-
Sp Ed - High School	-	-	-	-	-	-
Subtotal	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Totals	<u>65</u>	<u>64</u>	<u>1</u>	<u>55</u>	<u>55</u>	<u>-</u>
Percentage Error			<u>1.54%</u>			<u>-</u>

**LODI BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2020-2021 Total General Fund Budgetary Expenditures	\$ 67,790,025
Increased by:	
Transfer to Special Revenue Fund - Preschool Education	<u>156,789</u>
	67,946,814
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>(9,019,257)</u>
Adjusted 2020-2021 General Fund Expenditures	<u>\$ 58,927,557</u>
4% of Adjusted 2020-2021 General Fund Expenditures	\$ 2,357,102
Increased by Allowable Adjustments - Extraordinary Aid	<u>891,946</u>
Maximum Unassigned Fund Balance	<u>\$ 3,249,048</u>
Total General Fund - Fund Balance at June 30, 2021	\$ 12,736,622
Decreased by:	
Encumbrances	\$ 644,727
Capital Reserve	1,948,788
Emergency Reserve	3,501
Maintenance Reserve	400,000
Excess Surplus Designated for Subsequent Years (2020/21) Budget	1,548,546
Assigned, Designated for Subsequent Years (2020/21) Budget	<u>559,152</u>
	<u>5,104,714</u>
Total Unreserved, Undesignated Fund Balance	<u>7,631,908</u>
Restricted Fund Balance - Excess Surplus	<u>\$ 4,382,860</u>
Excess Surplus as of June 30, 2021	
Excess Surplus Designated for Subsequent Year's Budget	\$ 1,548,546
Excess Surplus	<u>4,382,860</u>
Total	<u>\$ 5,931,406</u>

**LODI BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Internal controls over the recording of District revenues be enhanced to ensure receipts are reflected in the appropriate fund and receivables are properly stated.
2. The District's budgetary reporting system reflect the approved original budget and all Board approved modifications and final grant allotments be properly reflected.
3. 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.
4. Reimbursement requests for ESEA and IDEA grant expenditures be submitted in a timely manner.

III. School Purchasing Program

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

IV. School Food Services

There are none.

V. Student Activity and Athletic Association Accounts

6. Internal controls over the maintenance of the Middle School student activity account be reviewed and enhanced.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

**LODI BOARD OF EDUCATION
RECOMMENDATIONS**

VIII. Facilities and Capital Assets

7. The District's capital assets reporting system be updated to properly depreciate all required District owned assets and to ensure all capital asset expenditures are included.

IX. Miscellaneous

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

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

ACKNOWLEDGEMENT

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