

LODI BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Lodi, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Lodi Board of Education
Lodi, New Jersey
For The Fiscal Year Ended June 30, 2022**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



BUSINESS OFFICE
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nick.cipriano@lodi.k12.nj.us

Nicholas Cipriano
Business Administrator/Board Secretary

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

February 24, 2023

Dear Board Members:

The annual comprehensive financial report of the Lodi Board of Education for the fiscal year ended June 30, 2022, 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 annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements, supplementary information, 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 *GASE 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 through 12. These include regular as well as special education forhandicapped students.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2022.

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

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

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

8. **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, & Bliss, 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,



Frank D'Amico
Acting Superintendent of Schools

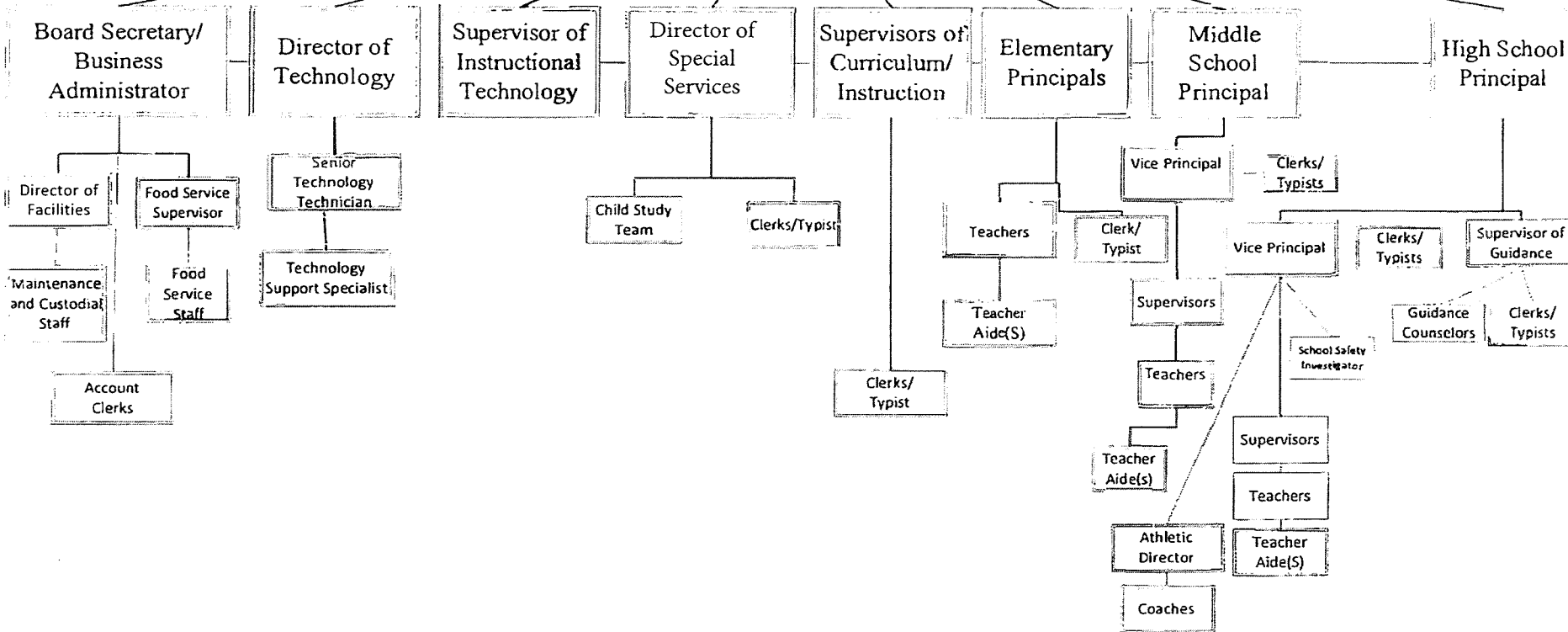


Nicholas Cipriano
Board Secretary/Business Administrator

LODI SCHOOL DISTRICT ORGANIZATIONAL PLAN AND FLOW CHART

BOARD OF EDUCATION

SUPERINTENDENT OF SCHOOLS



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LODI BOARD OF EDUCATION
Lodi, New Jersey

Roster of Officials

June 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mrs. Nancy Cardone, President	2025
Mrs. Sharon Salvacion, Vice President	2023
Ms. Jocelyn Anderson	2024
Ms. Marjorie Breitwieser	2022
Mr. John Cannizzaro	2024
Dr. Laura E. Cima	2024
Ms. Paula Cortez	2023
Ms. Karin Gilcher	2022
Ms. Yadiria Jimenez	2023

Dr. Douglas J. Petty, Superintendent of School
Dr. Dennis R. Frohnappel, Interim SBA/Board Secretary

LODI BOARD OF EDUCATION

Consultants & Advisors

June 30, 2022

Independent Audit Firm

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

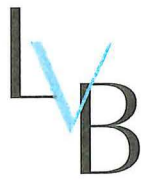
Attorney

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

Official Depositories

Valley National Bank
TD Bank North
The Bank of New York, Mellon

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, 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, 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

Report on the Financial Statements

Opinions

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, 2022 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.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lodi Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lodi Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Lodi Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lodi Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and 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.

Supplementary 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 accompanying 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. Such information is the responsibility of management and was derived from and relate 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 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 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.

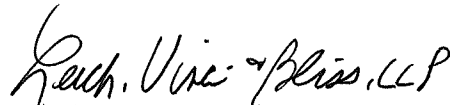
Other Information


Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 24, 2023 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 & BLISS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 24, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

This section of the Lodi Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. 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 2021-2022 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 \$8,566,086.
- Overall district revenues were \$82,001,365. General revenues accounted for \$59,087,690 or 72% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$22,913,675 or 28% of total revenues.
- The school district had \$72,932,570 in expenses for governmental activities; only \$20,969,967 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 \$18,050,686.
- The General Fund fund balance (GAAP Basis) at June 30, 2022 was \$10,322,334, an increase of \$1,244,965 from the June 30, 2021 balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and 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.

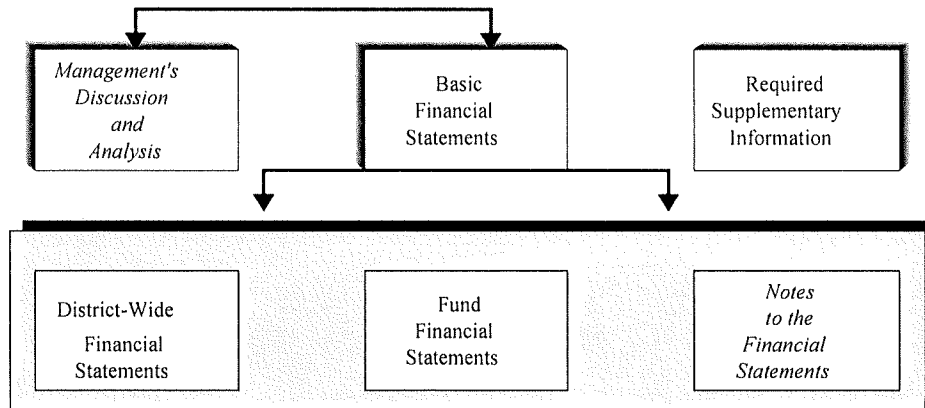
LODI BOARD OF EDUCATION

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 thereafter; no capital assets or long-term liabilities included	All assets, liabilities, and deferred inflows, both financial and capital, and short-term and long-term
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 \$8,566,086 as of June 30, 2022.

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, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021 (Restated)	2022	2021 (Restated)	2022	2021 (Restated)
Assets						
Current Assets	\$ 23,656,747	\$ 11,701,164	\$ 730,533	\$ 335,873	\$ 24,387,280	\$ 12,037,037
Capital Assets	7,089,314	34,159,894	53,990	189,660	7,143,304	34,349,554
Total Assets	30,746,061	45,861,058	784,523	525,533	31,530,584	46,386,591
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	-	3,220			-	3,220
Deferred Amounts on Net Pension Liability	201,022	774,859	-	-	201,022	774,859
Total Assets & Deferred Outflows of Resources	30,947,083	46,639,137	784,523	525,533	31,731,606	47,164,670
Liabilities						
Long-Term Liabilities	13,678,349	10,510,310			13,678,349	10,510,310
Other Liabilities	5,625,525	504,862	82,651	-	5,708,176	504,862
Total Liabilities	19,303,874	11,015,172	82,651	-	19,386,525	11,015,172
Deferred Inflows of Resources						
Deferred Commodities Revenue			633	1,244	633	1,244
Deferred Amounts on Net Pension Liability	3,778,362	3,505,732	-	-	3,778,362	3,505,732
Total Liabilities & Deferred Inflows of Resources	23,082,236	14,520,904	83,284	1,244	23,165,520	14,522,148
Net Position						
Net Investment in Capital Assets	7,089,314	2,559,587	53,990	189,660	7,143,304	2,749,247
Restricted	3,356,171	4,469,033			3,356,171	4,469,033
Unrestricted (Deficit)	(2,580,638)	(6,288,421)	647,249	334,629	(1,933,389)	(5,953,792)
Total Net Position	\$ 7,864,847	\$ 740,199	\$ 701,239	\$ 524,289	\$ 8,566,086	\$ 1,264,488

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

Change in Net Position For The Fiscal Years Ended June 30, 2022 and 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u> (Restated)	<u>2022</u>	<u>2021</u> (Restated)	<u>2022</u>	<u>2021</u> (Restated)
Revenues						
Program Revenues						
Charges for Services	\$ 196,958	\$ 116,110	\$ 1,955	\$ 7,060	\$ 198,913	\$ 123,170
Grants and Contributions	20,773,009	25,056,784	1,941,753	598,156	22,714,762	25,654,940
General Revenues						
Property Taxes	39,148,169	38,955,659			39,148,169	38,955,659
State and Federal Aid	19,496,349	16,317,704			19,496,349	16,317,704
Other	442,733	195,592	439	98	443,172	195,690
Total Revenues	<u>80,057,218</u>	<u>80,641,849</u>	<u>1,944,147</u>	<u>605,314</u>	<u>82,001,365</u>	<u>81,247,163</u>
Expenses						
Instruction						
Regular	28,766,895	32,471,706			28,766,895	32,471,706
Special Education	17,028,138	17,323,452			17,028,138	17,323,452
Other	2,070,017	2,655,539			2,070,017	2,655,539
School Sponsored Activities and Athletics	1,269,884	1,082,181			1,269,884	1,082,181
Support Services						
Student and Instruction Related Services	9,858,404	9,490,579			9,858,404	9,490,579
General Administration	1,050,380	1,105,005			1,050,380	1,105,005
School Administration	3,255,892	4,270,344			3,255,892	4,270,344
Plant Operations and Maintenance	5,036,971	5,996,834			5,036,971	5,996,834
Student Transportation	3,562,600	1,965,924			3,562,600	1,965,924
Business Services	1,010,260	1,449,190			1,010,260	1,449,190
Interest on Long Term Debt and Other Chgs	23,129	13,396			23,129	13,396
Food Services	-	-	1,639,731	526,182	1,639,731	526,182
Total Expenses	<u>72,932,570</u>	<u>77,824,150</u>	<u>1,639,731</u>	<u>526,182</u>	<u>74,572,301</u>	<u>78,350,332</u>
Net Change in Net Position	7,124,648	2,817,699	304,416	79,132	7,429,064	2,896,831
Net Position, Beginning of Year	740,199	29,300,534	396,823	445,157	1,137,022	29,745,691
Prior Period Adjustment	-	(31,378,034)	-	(127,466)	-	(31,505,500)
Net Position, End of Year	<u>\$ 7,864,847</u>	<u>\$ 740,199</u>	<u>\$ 701,239</u>	<u>\$ 396,823</u>	<u>\$ 8,566,086</u>	<u>\$ 1,137,022</u>

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$80,057,218 for the fiscal year ended June 30, 2022. Property taxes of \$39,148,169 represented 49 percent of revenues. Another significant portion of revenues came from Government aid; total State, Federal, Local Aid was \$40,269,358. Another source of revenues is miscellaneous income which includes items such as interest, rentals, prior year refunds, etc.

The total cost of all governmental activities programs and services was \$72,932,570. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$49,134,934 (67%) of total expenditures. Student support services, exclusive of administration, total \$9,858,404 or (14%) of total expenditures.

Total governmental activities revenues surpassed expenses increasing net position by \$7,124,648 from the previous year.

Net Cost of Governmental Activities. The District's total cost of services was \$72,932,570. After applying program revenues, including changes for services of \$196,958 and grants and contributions of \$20,773,009 the net cost of services of the District is \$51,962,603.

Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction				
Regular	\$ 28,766,895	\$ 32,471,706	\$ 21,716,697	\$ 21,155,781
Special Education	17,028,138	17,323,452	10,554,582	11,046,851
Other Instruction	2,070,017	2,655,539	1,533,996	1,699,004
School Sponsored Activities and Athletics	1,269,884	1,082,181	953,292	888,284
Support Services				
Student and Instruction Related Services	9,858,404	9,490,579	7,809,348	6,633,482
General Administrative Services	1,050,380	1,105,005	988,114	1,040,242
School Administrative Services	3,255,892	4,270,344	2,563,704	3,137,726
Plant Operations and Maintenance	5,036,971	5,996,834	2,128,626	4,650,491
Pupil Transportation	3,562,600	1,965,924	2,890,499	1,291,841
Business Services	1,010,260	1,449,190	801,031	1,095,872
Interest on Long-Term Debt and Other Chgs	23,129	13,396	22,714	11,682
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 72,932,570</u>	<u>\$ 77,824,150</u>	<u>\$ 51,962,603</u>	<u>\$ 52,651,256</u>

Business-Type Activities – The District's total business-type activities revenues were \$1,944,147 for the fiscal year ended June 30, 2022. 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 \$1,639,731. 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 \$304,416 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 \$18,050,686. At June 30, 2021, the fund balance was \$11,197,614.

Revenues for the District's governmental funds were \$81,422,948, while total expenses were \$80,181,201. In addition, the District realized \$5,611,325 from capital financing agreement proceeds.

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

The following schedule presents a summary of General Fund revenues.

	Fiscal Year Ended		Increase (Decrease)	Percentage Change
	June 30, 2022	June 30, 2021		
Local Sources				
Property Taxes	\$ 38,962,813	\$ 38,556,561	\$ 406,252	1.05%
Miscellaneous	439,665	220,776	218,889	99.1%
State Sources	37,210,673	30,958,449	6,252,224	20.2%
Federal Sources	<u>100,605</u>	<u>98,025</u>	<u>2,580</u>	2.6%
Total General Fund Revenues	<u>\$ 76,713,756</u>	<u>\$ 69,833,811</u>	<u>\$ 6,879,945</u>	9.9%

Total General Fund Revenues increased by \$6,879,945 or 10% 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.

	Fiscal Year Ended		Increase (Decrease)	Percentage Change
	June 30, 2022	June 30, 2021		
Instruction	\$ 48,231,815	\$ 45,633,529	\$ 2,598,286	5.7%
Support Services	23,605,401	20,713,064	2,892,337	14.0%
Capital Outlay	<u>3,469,867</u>	<u>1,443,432</u>	<u>2,026,435</u>	140.4%
Total Expenditures	<u>\$ 75,307,083</u>	<u>\$ 67,790,025</u>	<u>\$ 7,517,058</u>	11.1%

Total General Fund expenditures increased \$7,517,058 from the previous year.

In 2021-2022 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$1,244,965. As a result, total fund balance increased to \$10,322,334 at June 30, 2022. After deducting restricted, committed and assigned fund balances, the unassigned fund balance deficit at June 30, 2022 is \$609,035. The deficit is attributable to the timing differences in the recognition of state aid payments. State aid payments delayed until July 2022 totaled \$4,202,711. The District's unassigned fund balance (budgetary basis) is \$3,593,676.

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 \$4,478,874 for the fiscal year ended June 30, 2022. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 83% of the total revenue for the year. The General Fund contributed \$164,138 towards preschool education programs.

Expenditures of the Special Revenue Fund were \$4,646,868. Instructional expenditures were \$2,687,185, support services expenditures were \$391,950 and capital outlay expenditures were \$1,567,733.

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, 2021 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, 2022 amounts to \$7,143,304 (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 2021-2022 amounted to \$730,146 for governmental activities and \$8,204 for business-type activities.

Capital Assets at June 30, 2022 and 2021
(Net of Accumulated Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u> (Restated)	<u>2022</u>	<u>2021</u> (Restated)	<u>2022</u>	<u>2021</u> (Restated)
Land	\$ 632,418	\$ 632,418			\$ 632,418	\$ 632,418
Site Improvements	175,680	\$ 223,615			175,680	223,615
Building and Building Improvements	12,585	13,592			12,585	13,592
Machinery and Equipment	1,641,649	1,912,235	\$ 53,990	\$ 62,194	1,695,639	1,974,429
Construction in Progress	<u>4,626,982</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,626,982</u>	<u>-</u>
Total Capital Assets (Net)	<u>\$ 7,089,314</u>	<u>\$ 2,781,860</u>	<u>\$ 53,990</u>	<u>\$ 62,194</u>	<u>\$ 7,143,304</u>	<u>\$ 2,844,054</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 \$2,880,209, capital financing agreements payable of \$5,611,325, and net pension liability for the Public Employees' Retirement System of \$5,186,815.

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

Outstanding Long-Term Liabilities

	<u>2022</u>	<u>2021</u>
Capital Financing Agreements	\$ 5,611,325	\$ 225,000
Net Pension Liability	5,186,815	7,380,446
Compensated Absences	<u>2,880,209</u>	<u>2,904,371</u>
Total Long-Term Liabilities	<u>\$ 13,678,349</u>	<u>\$ 10,509,817</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 2022-2023 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, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 13,978,386	\$ 610,883	\$ 14,589,269
Cash with Fiscal Agents	5,611,963		5,611,963
Receivables, net			
Receivables from Other Governments	4,066,398	95,602	4,162,000
Inventory		24,048	24,048
Capital Assets			
Not Being Depreciated	5,259,400		5,259,400
Being Depreciated, Net	<u>1,829,914</u>	<u>53,990</u>	<u>1,883,904</u>
Total Assets	<u>30,746,061</u>	<u>784,523</u>	<u>31,530,584</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>201,022</u>	<u>-</u>	<u>201,022</u>
Total Deferred Outflows of Resources	<u>201,022</u>	<u>-</u>	<u>201,022</u>
Total Assets and Deferred Outflows of Resources	<u>30,947,083</u>	<u>784,523</u>	<u>31,731,606</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	479,293	71,337	550,630
Payable to Other Governments	391,730		391,730
Accrued Interest Payable	19,464		19,464
Unearned Revenue	4,735,038	11,314	4,746,352
Noncurrent Liabilities			
Due Within One Year	150,000		150,000
Due Beyond One Year	<u>13,528,349</u>	<u>-</u>	<u>13,528,349</u>
Total Liabilities	<u>19,303,874</u>	<u>82,651</u>	<u>19,386,525</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		633	633
Deferred Amounts on Net Pension Liability	<u>3,778,362</u>	<u>-</u>	<u>3,778,362</u>
Total Deferred Inflows of Resources	<u>3,778,362</u>	<u>633</u>	<u>3,778,995</u>
Total Liabilities and Deferred Inflows of Resources	<u>23,082,236</u>	<u>83,284</u>	<u>23,165,520</u>
NET POSITION			
Net Investment in Capital Assets	7,089,314	53,990	7,143,304
Restricted for:			
Capital Projects	3,239,782		3,239,782
Student Activity	116,389		116,389
Unrestricted	<u>(2,580,638)</u>	<u>647,249</u>	<u>(1,933,389)</u>
Total Net Position	<u>\$ 7,864,847</u>	<u>\$ 701,239</u>	<u>\$ 8,566,086</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, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</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>	
Governmental Activities							
Instruction							
Regular	\$ 28,766,895		\$ 7,050,198		\$ (21,716,697)		\$ (21,716,697)
Special Education	17,028,138		6,473,556		(10,554,582)		(10,554,582)
Other Instruction	2,070,017		530,532	\$ 5,489	(1,533,996)		(1,533,996)
School Sponsored Activities and Athletics	1,269,884	\$ 196,958	119,634		(953,292)		(953,292)
Support Services							
Student and Instruction Related Services	9,858,404		2,049,056		(7,809,348)		(7,809,348)
General Administrative Services	1,050,380		62,266		(988,114)		(988,114)
School Administrative Services	3,255,892		692,188		(2,563,704)		(2,563,704)
Plant Operations and Maintenance	5,036,971		1,346,101	1,562,244	(2,128,626)		(2,128,626)
Pupil Transportation	3,562,600		672,101		(2,890,499)		(2,890,499)
Business Services	1,010,260		209,229		(801,031)		(801,031)
Interest on Long-Term Debt and Other Charges	23,129	-	415	-	(22,714)	-	(22,714)
 Total Governmental Activities	 <u>72,932,570</u>	 <u>196,958</u>	 <u>19,205,276</u>	 <u>1,567,733</u>	 <u>(51,962,603)</u>	 <u>-</u>	 <u>(51,962,603)</u>
Business-Type Activities							
Food Service	<u>1,639,731</u>	\$ 1,955	<u>1,941,753</u>	-	-	\$ 303,977	<u>303,977</u>
 Total Business-Type Activities	 <u>1,639,731</u>	 <u>1,955</u>	 <u>1,941,753</u>	 <u>-</u>	 <u>-</u>	 <u>303,977</u>	 <u>303,977</u>
 Total Primary Government	 <u>\$ 74,572,301</u>	 <u>\$ 198,913</u>	 <u>\$ 21,147,029</u>	 <u>\$ 1,567,733</u>	 <u>(51,962,603)</u>	 <u>303,977</u>	 <u>(51,658,626)</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, 2022**

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Balance, Carry Forward	\$ (51,962,603)	\$ 303,977	\$ (51,658,626)
General Revenues			
Property Taxes, General Purposes	38,962,813		38,962,813
Property Taxes, Debt Service	185,356		185,356
State Aid - Restricted for Debt Service	41,479		41,479
State Aid - Unrestricted	19,454,870		19,454,870
Miscellaneous Income	442,733	439	443,172
Total General Revenues	<u>59,087,251</u>	<u>439</u>	<u>59,087,690</u>
Change in Net Position	7,124,648	304,416	7,429,064
Net Position, July 1, 2021	<u>740,199</u>	<u>396,823</u>	<u>1,137,022</u>
Net Position, June 30, 2022	<u>\$ 7,864,847</u>	<u>\$ 701,239</u>	<u>\$ 8,566,086</u>

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, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash	\$ 10,594,585	\$ 1,351,818	\$ 2,031,983		\$ 13,978,386
Receivables from Other Governments	76,995	3,989,403			4,066,398
Due From Other Funds	31,983				31,983
Restricted Assets					
Cash with Fiscal Agents	-	-	5,611,963	-	5,611,963
Total Assets	<u>\$ 10,703,563</u>	<u>\$ 5,341,221</u>	<u>\$ 7,643,946</u>	<u>\$ -</u>	<u>\$ 23,688,730</u>
LIABILITIES and FUND BALANCES					
Liabilities					
Accounts Payable	\$ 358,972	\$ 98,064			\$ 457,036
Accrued Salaries and Wages	1,979				1,979
Payroll Deductions Payable	20,278				20,278
Due To Other Funds			\$ 31,983		31,983
Payables to Other Governments		391,730			391,730
Unearned Revenue	-	4,735,038	-	-	4,735,038
Total Liabilities	<u>381,229</u>	<u>5,224,832</u>	<u>31,983</u>	<u>-</u>	<u>5,638,044</u>
Fund Balances					
Restricted					
Capital Reserve	1,239,144				1,239,144
Excess Surplus	3,870,457				3,870,457
Excess Surplus - Designated for Subsequent Year's (2022/23) Budget	4,382,860				4,382,860
Student Activities		116,389			116,389
Capital Projects			7,611,963		7,611,963
Committed					
Encumbrances	616,869				616,869
Assigned					
Encumbrances	263,474				263,474
Designated for Subsequent Year's (2022/23) Budget	558,565				558,565
Unassigned	(609,035)	-	-	-	(609,035)
Total Fund Balances	<u>10,322,334</u>	<u>116,389</u>	<u>7,611,963</u>	<u>-</u>	<u>18,050,686</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 10,703,563</u>	<u>\$ 5,341,221</u>	<u>\$ 7,643,946</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 \$22,032,070 and the accumulated depreciation is \$14,942,756. 7,089,314

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (19,464)

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

Capital Financing Agreement	\$ (5,611,325)	
Compensated Absences Payable	(2,880,209)	
Net Pension Liability	(5,186,815)	
		(13,678,349)

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	201,022	
Deferred Inflows of Resources	(3,778,362)	
		(3,577,340)
		<u>\$ 7,864,847</u>

**LODI BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<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	\$ 38,962,813			\$ 185,356	\$ 39,148,169
Interest	19,449		\$ 3,068		22,517
Miscellaneous	<u>420,216</u>	<u>\$ 198,955</u>	<u>-</u>	<u>-</u>	<u>619,171</u>
Total - Local Sources	39,402,478	198,955	3,068	185,356	39,789,857
State Sources	37,210,673	551,339		41,894	37,803,906
Federal Sources	<u>100,605</u>	<u>3,728,580</u>	<u>-</u>	<u>-</u>	<u>3,829,185</u>
Total Revenues	<u>76,713,756</u>	<u>4,478,874</u>	<u>3,068</u>	<u>227,250</u>	<u>81,422,948</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	28,558,675	1,539,092			30,097,767
Special Education Instruction	16,320,306	938,010			17,258,316
Other Instruction	2,180,810	9,269			2,190,079
School Sponsored Activities and Athletics	1,172,024	200,814			1,372,838
Support Services					
Student and Instruction Related Services	9,839,614	365,985			10,205,599
General Administrative Services	1,103,812				1,103,812
School Administrative Services	3,487,979				3,487,979
Plant Operations and Maintenance	4,545,456	20,958			4,566,414
Pupil Transportation	3,562,600				3,562,600
Business Services	1,065,940	5,007			1,070,947
Debt Service					
Principal				225,000	225,000
Interest and Other Charges				2,250	2,250
Capital Outlay	<u>3,469,867</u>	<u>1,567,733</u>	<u>-</u>	<u>-</u>	<u>5,037,600</u>
Total Expenditures	<u>75,307,083</u>	<u>4,646,868</u>	<u>-</u>	<u>227,250</u>	<u>80,181,201</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,406,673</u>	<u>(167,994)</u>	<u>3,068</u>	<u>-</u>	<u>1,241,747</u>
OTHER FINANCING SOURCES (USES)					
Capital Financing Agreement Proceeds			5,611,325		5,611,325
Transfers In	2,430	164,138			166,568
Transfers Out	<u>(164,138)</u>	<u>-</u>	<u>(2,430)</u>	<u>-</u>	<u>(166,568)</u>
Total Other Financing Sources (Uses)	<u>(161,708)</u>	<u>164,138</u>	<u>5,608,895</u>	<u>-</u>	<u>5,611,325</u>
Net Change in Fund Balances	1,244,965	(3,856)	5,611,963	-	6,853,072
Fund Balance, Beginning of Year	<u>9,077,369</u>	<u>120,245</u>	<u>2,000,000</u>	<u>-</u>	<u>11,197,614</u>
Fund Balance, End of Year	<u>\$ 10,322,334</u>	<u>\$ 116,389</u>	<u>\$ 7,611,963</u>	<u>\$ -</u>	<u>\$ 18,050,686</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, 2022**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 6,853,072**

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	\$ 5,037,600	
Depreciation Expense	<u>(730,146)</u>	4,307,454

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):

Decrease in Compensated Absences		24,162
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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.

Issuance of Capital Financing Agreement	(5,611,325)	
Principal Repayments - Capital Financing Agreements	<u>225,000</u>	(5,386,325)

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	493	
Amortization of Deferred Amount on Refunding of Debt	<u>(3,220)</u>	(2,727)

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		1,347,164
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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.

Increase in Accrued Interest		<u>(18,152)</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 7,124,648**

**LODI BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2022**

ASSETS

Current Assets

Cash	\$ 610,883
Intergovernmental Accounts Receivable	
State	2,099
Federal	93,503
Inventory	<u>24,048</u>
 Total Current Assets	 <u>730,533</u>

Capital Assets:

Machinery and Equipment	306,202
Less: Accumulated Depreciation	<u>(252,212)</u>
 Total Capital Assets, Net	 <u>53,990</u>

Total Assets	<u>784,523</u>
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LIABILITIES

Current Liabilities

Accounts Payable	71,337
Unearned Revenue	<u>11,314</u>
 Total Current Liabilities	 <u>82,651</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Commodities Revenue	<u>633</u>
 Total Deferred Inflows of Resources	 <u>633</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>83,284</u>

NET POSITION

Investment in Capital Assets	53,990
Unrestricted	<u>647,249</u>
 Total Net Position	 <u>\$ 701,239</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, 2022**

OPERATING REVENUES

Charges for Services	
Daily Sales	
Reimbursable Programs	\$ 774
Non-Reimbursable Programs	1,181
	<hr/>
Total Operating Revenues	1,955

OPERATING EXPENSES

Cost of Sales	
Reimbursable Programs	629,918
Non-Reimbursable Programs	406
USDA Commodities	87,717
Salaries and Wages	567,283
Employee Benefits	41,160
Insurance	55,354
Management Fee	62,598
Other Expenses	179,591
Supplies and Materials	7,500
Depreciation	8,204
	<hr/>
Total Operating Expenses	1,639,731

Operating Income (Loss)	<hr/> <u>(1,637,776)</u>
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NONOPERATING REVENUES (EXPENSES)

Local Sources	
Interest Earned	439
State Sources	
State School Lunch Program	40,116
Federal Sources	
National School Lunch Program	1,639,534
Food Distribution Program (USDA Commodities)	87,717
School Breakfast Program	45,722
COVID - Emergency Operations	122,466
COVID - P-EBT Administrative Cost Reimbursement	6,198
	<hr/>
Total Nonoperating Revenues	1,942,192

Change in Net Position	304,416
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Net Position, July 1, 2021	<hr/> <u>396,823</u>
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Net Position, June 30, 2022	<hr/> <u>\$ 701,239</u>
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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, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Received from Customers	\$ 13,269
Payments for Employees Salaries and Benefits	(608,443)
Payments to Suppliers	<u>(880,573)</u>
Net Cash Provided By (Used For) Operating Activities	<u>(1,475,747)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State and Federal Reimbursements	<u>1,900,499</u>
Net Cash Provided By Non-Capital Financing Activities	<u>1,900,499</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on Investments	<u>439</u>
Net Cash Provided By Investing Activities	<u>439</u>

Net Change in Cash and Cash Equivalents	425,191
Cash, July 1, 2021	<u>185,692</u>
Cash, June 30, 2022	<u><u>\$ 610,883</u></u>

(Used for) Operating Activities:

Operating Income (Loss)	\$ <u>(1,637,776)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities	
Noncash Federal Assistance - Food Distribution Program	87,717
Depreciation Expense	8,204
Change in Assets, Liabilities and Deferred Inflows of Resources	
(Increase) Decrease in Inventories	(15,932)
Increase (Decrease) in Accounts Payable	71,337
Increase (Decrease) in Unearned Revenue	11,314
Increase (Decrease) in Deferred Commodities Revenue	<u>(611)</u>
Total Adjustments	<u>162,029</u>
Net Cash Provided By (Used For) Operating Activities	<u><u>\$ (1,475,747)</u></u>
Non-Cash Financing Activities	
Fair Value of Food Distribution Program - National School Lunch	\$ 87,106

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, 2022**

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 of Schools 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 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. 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 Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. 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.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 92, *Omnibus 2020*. 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 Statement 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 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.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement 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 Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, financing agreements 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, 2022**

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, acquisitions under financing agreements and leases payable for intangible right-to-use leased assets are reported as other financing sources.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 except for intangible right-to-use leased assets, the measurement of which is described in Note 3, if applicable. 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, 2022**

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>
Site Improvements	15-20
Buildings and Improvements	15-40
Machinery and Equipment	5-15

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, 2022**

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.

11. *Financing Agreements*

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

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, 2022

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).

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that is required to be appropriated in the 2023/2024 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, 2021 audited excess surplus that was appropriated in the 2022/2023 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.

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

LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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)

Committed Fund Balance – Amounts constrained to specific purposes by a school district 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 2022/2023 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 District’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 of Education 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, 2022**

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 2020/2021 and 2021/2022 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. 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, 2022**

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 2021/2022. Also, during 2021/22 the Board increased the original General Fund budget by \$2,070,039 and Special Revenue Fund budget by \$8,990,769. The increases were funded by extraordinary aid, grant awards, reappropriation of prior year encumbrances.

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

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

C. Deficit Fund Equity

The District has an unassigned fund deficit of \$609,035 in the General Fund as of June 30, 2022 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 2021/22 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, 2022.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022 is as follows:

Balance, July 1, 2021	\$ 1,948,788
Increased by	
Interest Earnings	<u>4,352</u>
	1,953,140
Decreased by	
Withdrawals Approved in District Budget	<u>713,996</u>
Balance, June 30, 2022	<u>\$ 1,239,144</u>

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, 2022 is as follows:

Balance, July 1, 2021	\$ 400,000
Decreased by	
Budgeted Withdrawal	<u>400,000</u>
Balance, June 30, 2022	<u>\$ -</u>

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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, 2022 is as follows:

Balance, July 1, 2021	\$	3,501
Decreased by		
Budgeted Withdrawal		3,501
Balance, June 30, 2022	\$	-

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, 2022 is \$8,253,317. Of this amount, \$4,382,860 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$3,870,457 is required to be appropriated in the 2023/2024 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.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2022, the book value of the Board's deposits were \$20,201,232 and bank and brokerage firm balances of the Board's deposits amounted to \$21,991,363. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash with fiscal agents" are categorized as:

Depository Account

Insured	\$ 16,343,031
Uninsured and Collateralized	<u>5,648,332</u>
	<u>\$ 21,991,363</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, 2022 the Board's bank balance of \$5,648,332 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized	
Collateral held by Board's Agent in the Board's name	\$ 5,611,963
Collateral held by pledging financial institution's trust department but not in the Board's name	<u>36,369</u>
	<u>\$ 5,648,332</u>

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, 2022, the Board had no outstanding investments.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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, 2022 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		\$ 3,989,403	\$ 93,503	\$ 4,082,906
State	\$ 76,995	-	2,099	79,094
Gross Receivables	76,995	3,989,403	95,602	4,162,000
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 76,995</u>	<u>\$ 3,989,403</u>	<u>\$ 95,602</u>	<u>\$ 4,162,000</u>

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	\$ 519,528
Grant Draw Downs Year End Encumbrances	<u>4,215,510</u>
	<u>\$ 4,735,038</u>

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance <u>July 1, 2021</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2022</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 632,418			\$ 632,418
Construction in Progress	-	\$ 4,626,982	-	4,626,982
Total Capital Assets, Not Being Depreciated	<u>632,418</u>	<u>4,626,982</u>	<u>-</u>	<u>5,259,400</u>
Capital Assets, Being Depreciated:				
Site Improvements	1,266,350			1,266,350
Buildings and Improvements	8,088,046	-		8,088,046
Machinery and Equipment	7,007,656	410,618	-	7,418,274
Total Capital Assets Being Depreciated	<u>16,362,052</u>	<u>410,618</u>	<u>-</u>	<u>16,772,670</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,042,735)	(47,935)		(1,090,670)
Buildings and Improvements	(8,074,454)	(1,007)		(8,075,461)
Machinery and Equipment	(5,095,421)	(681,204)	-	(5,776,625)
Total Accumulated Depreciation	<u>(14,212,610)</u>	<u>(730,146)</u>	<u>-</u>	<u>(14,942,756)</u>
Total Capital Assets, Being Depreciated, net	<u>2,149,442</u>	<u>(319,528)</u>	<u>-</u>	<u>1,829,914</u>
Governmental Activities Capital Assets, net	<u>\$ 2,781,860</u>	<u>\$ 4,307,454</u>	<u>\$ -</u>	<u>\$ 7,089,314</u>

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance July 1, 2021 (Restated)	Increases	Decreases	Balance June 30, 2022
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 306,202	-	-	\$ 306,202
Total Capital Assets Being Depreciated	<u>306,202</u>	<u>-</u>	<u>-</u>	<u>306,202</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(244,008)	\$ (8,204)	-	(252,212)
Total Accumulated Depreciation	<u>(244,008)</u>	<u>(8,204)</u>	<u>-</u>	<u>(252,212)</u>
Total Capital Assets, Being Depreciated, net	<u>62,194</u>	<u>(8,204)</u>	<u>-</u>	<u>53,990</u>
Business-Type Activities Capital Assets, net	<u>\$ 62,194</u>	<u>\$ (8,204)</u>	<u>\$ -</u>	<u>\$ 53,990</u>

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

Governmental Activities:

Instruction	
Regular	\$ 470
Special Education	39
School-Sponsored Activities and Athletics	156
Total Instruction	<u>665</u>
Support Services	
Student and Instruction Related Services	78
General Administrative Services	235
School Administrative Services	78
Plant Operations and Maintenance	729,050
Business Services	39
Total Support Services	<u>729,481</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 730,146</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 8,204</u>

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022:

<u>Project</u>	<u>Remaining Commitment</u>
FEMA/Construction Services	\$ 551,000
HVAC Upgrades	3,717,661

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	<u>\$ 31,983</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		\$ 164,138	\$ 164,138
Capital Projects Fund	\$ 2,430	-	2,430
	<u>\$ 2,430</u>	<u>\$ 164,138</u>	<u>\$ 166,568</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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements

Capital Financing Agreements

The District entered into the following agreement to finance energy savings improvements under a capital financing agreement. The repayments under this financing agreement are subject to the annual appropriation of funds in the District's approved budget.

Capital financing agreements at June 30, 2022 are comprised of the following:

\$5,611,325, fiscal year 2022 Agreement for energy savings improvements for a term of 16 years due in annual principal installments of \$260,682 to \$557,115 through July 15, 2038, interest at 2.795%	<u>\$ 5,611,325</u>
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The unexpended proceeds from the capital financing agreements, including interest earned on balances which remain on deposit, are held with the respective fiscal agents. As of June 30, 2022, \$5,611,963 remains held with the fiscal agent.

The maturity schedule of the remaining capital financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Capital Agreements</u> <u>Interest</u>	<u>Total</u>
2023	-	-	-
2024	\$ 557,115	\$ 252,302	\$ 809,417
2025	271,733	137,468	409,201
2026	260,682	130,027	390,709
2027	275,897	122,528	398,425
2028-2032	1,536,955	489,449	2,026,404
2033-2037	1,976,501	246,117	2,222,618
2038-2039	<u>732,462</u>	<u>17,890</u>	<u>750,352</u>
	<u>\$ 5,611,345</u>	<u>\$ 1,395,781</u>	<u>\$ 7,007,126</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, 2022 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 107,354,735
Less: Net Debt Issued	<u>-</u>
Remaining Borrowing Power	<u>\$ 107,354,735</u>

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022, was as follows:

	Balance			Balance	Due
	July 1, 2021	Additions	Reductions	June 30, 2022	Within
					One Year
Governmental Activities:					
Obligations Under Capital					
Financing Agreements	\$ 225,000	\$ 5,611,325	\$ (225,000)	\$ 5,611,325	
Add: Unamortized Premium	493	-	(493)	-	-
	225,493		(225,493)	5,611,325	-
Net Pension Liability	7,380,446		(2,193,631)	5,186,815	
Compensated Absence Payable	2,904,371	56,475	(80,637)	2,880,209	\$ 150,000
Governmental Activity					
Long-Term Liabilities	<u>\$ 10,510,310</u>	<u>\$ 56,475</u>	<u>\$ (2,499,761)</u>	<u>\$ 13,678,349</u>	<u>\$ 150,000</u>

For the governmental activities, the liabilities for capital financing agreements, 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 Annual Comprehensive 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, 2022**

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, 2022, 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, 2022, 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) Annual Comprehensive Financial Report (ACFR) 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, 2022**

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) Annual Comprehensive Financial Report (ACFR) 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, 2022**

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 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 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 for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments 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, 2022**

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, 2022**

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, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 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 2022.

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, 2022 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 2022, 2021 and 2020 were equal to the required contributions.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022, 2021 and 2020 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 <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2022	\$ 512,756	\$ 7,978,890	\$ 14,359
2021	495,104	5,685,276	23,992
2020	453,651	4,291,325	24,296

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$-0- and \$2,663, respectively for PERS and the State contributed \$2,382, \$2,576 and \$2,877, 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 \$1,595,583 during the fiscal year ended June 30, 2022 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, 2020 through June 30, 2021. 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, 2022**

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, 2021 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$5,186,815 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. 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, 2021. At June 30, 2021, the District’s proportionate share was .04378 percent, which was a decrease of .00147 percent from its proportionate share measured as of June 30, 2020 of .04525 percent.

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$834,408 for PERS. The pension contribution made by the District during the current 2021/2022 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, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. 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, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, 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	\$ 81,803	\$ 37,131
Changes of Assumptions	27,013	1,846,540
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		1,366,343
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>92,206</u>	<u>528,348</u>
Total	<u>\$ 201,022</u>	<u>\$ 3,778,362</u>

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022, 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>
2023	\$ (1,350,861)
2024	(998,027)
2025	(711,609)
2026	(510,468)
2027	(6,375)
Thereafter	<u>-</u>
	<u>\$ (3,577,340)</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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%

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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, 2021) 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 rates 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, 2021 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%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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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

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining 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 <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 7,063,390</u>	<u>\$ 5,186,815</u>	<u>\$ 3,594,275</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, 2021. A sensitivity analysis specific to the District’s net pension liability at June 30, 2021 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
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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, 2020 through June 30, 2021. 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, 2021, 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, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,171,152 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, 2022 the State's proportionate share of the net pension liability attributable to the District is \$92,269,943. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. 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, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .19192 percent, which was a decrease of .00028 percent from its proportionate share measured as of June 30, 2020 of .19220 percent.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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 Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 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, 2022**

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, 2021) 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, 2021 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%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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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)

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 7.00%, 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 (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ <u>109,170,755</u>	\$ <u>92,269,943</u>	\$ <u>78,074,323</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, 2021. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

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 a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified 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.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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. 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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

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 plan 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 plan. 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.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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 \$60.0 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, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the June 30, 2020 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.

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 \$1.23 billion to the OPEB plan in fiscal year 2021.

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, 2022, 2021 and 2020 were \$1,864,191, \$1,781,677 and \$1,592,003, 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, 2020 through June 30, 2021. Nonemployer allocation percentages have been rounded for presentation purposes.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
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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)

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, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$6,306,199. 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, 2022 the State’s proportionate share of the OPEB liability attributable to the District is \$113,351,977. 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, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state’s share of the OPEB liability attributable to the District was 0.18889 percent, which was a decrease of 0.00087 from its proportionate share measured as of June 30, 2020 of 0.18976 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
Salary Increases*	<u>PERS</u>	<u>TPAF</u>
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

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

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This 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.

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, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2020 Measurement Date	\$ 128,673,932
Changes Recognized for the Fiscal Year:	
Service Cost	5,861,348
Interest on the Total OPEB Liability	2,940,470
Changes in Benefit Terms	(120,649)
Differences Between Expected and Actual Experience	(21,873,861)
Changes of Assumptions	111,830
Gross Benefit Payments	(2,316,266)
Contributions from the Member	75,173
Net Changes	<u>\$ (15,321,955)</u>
Balance, June 30, 2021 Measurement Date	<u>\$ 113,351,977</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

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, 2021.

**LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 2.16%, 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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 135,777,874</u>	<u>\$ 113,351,977</u>	<u>\$ 95,692,929</u>

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
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 91,758,794</u>	<u>\$ 113,351,977</u>	<u>\$ 142,350,026</u>

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

NOTE 5 RESTATEMENT

Net position of June 30, 2021 has been restated to reflect capital asset and related depreciation amounts as a result of the District obtaining a new capital asset appraisal report. The effect of this restatement is a reduction of \$31,378,034 in governmental activities net position from a balance of \$32,118,233 as previously reported to a balance of \$740,199 at June 30, 2021; and a reduction of \$127,466 in business-type activities net position from a balance of \$524,289 as previously reported to a balance of \$396,823 as of June 30, 2021.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS

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. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. 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. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$9,461,599 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, 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 School District 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 its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$38,962,813		\$38,962,813	\$38,962,813	
Interest Earned on Capital Reserve	5,680		5,680	4,352	\$ (1,328)
Interest Earned on Emergency Reserve				505	505
Interest on Investments				14,592	14,592
Unrestricted Miscellaneous Revenues	89,250	-	89,250	420,216	330,966
Total Revenues - Local Sources	39,057,743	-	39,057,743	39,402,478	344,735
State Sources					
Transportation Aid	674,487		674,487	674,487	
Extraordinary Aid	470,000	\$ 430,000	900,000	1,932,469	1,032,469
Special Education Aid	2,835,516		2,835,516	2,835,516	
Equalization Aid	19,841,750		19,841,750	19,841,750	
Security Aid	1,028,863		1,028,863	1,028,863	
On-Behalf TPAF (Non-Budgeted)					
Pension				7,867,885	7,867,885
NCGI Premium				111,005	111,005
Post Retirement Medical				1,864,191	1,864,191
Long Term Disability				2,382	2,382
Social Security Contributions	-	-	-	1,595,583	1,595,583
Total State Sources	24,850,616	430,000	25,280,616	37,754,131	11,441,046
Federal Sources					
Medicaid - MAC				5,568	5,568
Medicaid Reimbursement	128,533	-	128,533	95,037	(33,496)
Total Federal Sources	128,533	-	128,533	100,605	(27,928)
Total Revenues	64,036,892	430,000	64,466,892	77,257,214	11,757,853
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers:					
Kindergarten	1,018,887		1,018,887	998,542	20,345
Grades 1 - 5	5,069,946		5,069,946	4,914,551	155,395
Grades 6 - 8	3,406,202		3,406,202	3,122,789	283,413
Grades 9 - 12	4,143,900		4,143,900	3,814,972	328,928
Regular Programs - Home Instruction:					
Salaries of Teachers	22,000	\$ 69,273	91,273	91,273	
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	837,192	204,524	1,041,716	1,022,215	19,501
Purchased Professional-Educational Services	96,000	2,660	98,660	96,336	2,324
Purchased Technical Services	36,000	(5,337)	30,663	30,663	
Other Purchased Services	364,000	(440)	363,560	358,757	4,803
General Supplies	453,150	(54,260)	398,890	373,430	25,460
Textbooks	120,840	(7,503)	113,337	106,204	7,133
Other Objects	119,674	(56,995)	62,679	38,793	23,886
Total Instruction Regular Programs	15,687,791	151,922	15,839,713	14,968,525	871,188
Special Education					
Learning/Language Disabilities					
Salaries of Teachers	451,750		451,750	306,263	145,487
Other Salaries for Instruction	160,960	788	161,748	161,748	
General Supplies	18,525	(9,131)	9,394	8,895	499
Total Learning/Language Disabilities	631,235	(8,343)	622,892	476,906	145,986

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Resource Room/Resource Center					
Salaries of Teachers	\$ 1,515,132	\$ 56,000	\$ 1,571,132	\$ 1,541,950	\$ 29,182
Other Salaries for Instruction	201,200	100,000	301,200	252,560	48,640
General Supplies	18,525	(8,679)	9,846	9,827	19
Total Resource Room/Resource Center	<u>1,734,857</u>	<u>147,321</u>	<u>1,882,178</u>	<u>1,804,337</u>	<u>77,841</u>
Total Special Education	<u>2,366,092</u>	<u>138,978</u>	<u>2,505,070</u>	<u>2,281,243</u>	<u>223,827</u>
Basic Skills/Remedial					
Salaries of Teachers	<u>726,261</u>	<u>-</u>	<u>726,261</u>	<u>717,029</u>	<u>9,232</u>
Total Basic Skills/Remedial	<u>726,261</u>	<u>-</u>	<u>726,261</u>	<u>717,029</u>	<u>9,232</u>
Bilingual Education					
Salaries of Teachers	<u>645,369</u>	<u>-</u>	<u>645,369</u>	<u>565,574</u>	<u>79,795</u>
Total Bilingual Education	<u>645,369</u>	<u>-</u>	<u>645,369</u>	<u>565,574</u>	<u>79,795</u>
School Sponsored Co-Curricular Activities					
Salaries	247,219	1,720	248,939	179,002	69,937
Supplies and Materials	3,600	(2,154)	1,446	1,446	
Other Objects	2,400	(597)	1,803	1,560	243
Total Co-Curricular Activities	<u>253,219</u>	<u>(1,031)</u>	<u>252,188</u>	<u>182,008</u>	<u>70,180</u>
School Sponsored Athletics					
Salaries	564,569	3,149	567,718	567,718	
Purchased Services	51,000	(35,834)	15,166	11,748	3,418
Supplies and Materials	72,000	(24,153)	47,847	47,847	
Other Objects	8,000	22,375	30,375	12,302	18,073
Transfers to Cover Deficit (Agency Funds)	-	35,000	35,000	35,000	-
Total Athletics	<u>695,569</u>	<u>537</u>	<u>696,106</u>	<u>674,615</u>	<u>21,491</u>
Total Instruction	<u>20,374,301</u>	<u>290,406</u>	<u>20,664,707</u>	<u>19,388,994</u>	<u>1,275,713</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within State - Regular	54,310	(1,200)	53,110	36,786	16,324
Tuition to Other LEA's Within State - Special	10,971,923	(409,459)	10,562,464	9,963,352	599,112
Tuition to County Vocational School District- Regular	711,650	207,835	919,485	886,475	33,010
Tuition to County Vocational School District - Special	594,000	(175,374)	418,626	418,626	
Tuition to County Special Services and Regional Day School	2,470,356	(200,018)	2,270,338	1,938,861	331,477
Tuition to Private School for the Disabled W/i State	953,268	(411,270)	541,998	248,455	293,543
Tuition - Other	85,660	4,400	90,060	86,718	3,342
Total Tuition	<u>15,841,167</u>	<u>(985,086)</u>	<u>14,856,081</u>	<u>13,579,273</u>	<u>1,276,808</u>

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 433,128	\$ 87,165	\$ 520,293	\$ 458,312	\$ 61,981
Purchased Professional and Technical Services	144,000	(24,045)	119,955	103,830	16,125
Supplies and Materials	15,105	(184)	14,921	14,651	270
Total Health Services	592,233	62,936	655,169	576,793	78,376
Other Supp. Svcs.-					
Speech, OT, PT and Related Services					
Salaries	306,981		306,981	273,831	33,150
Purchased Professional Educational Services	325,000	47,550	372,550	340,341	32,209
Total Speech, OT, PT and Related Services	631,981	47,550	679,531	614,172	65,359
Other Supp. Svcs.-Extraord. Serv.					
Salaries	100,600	16,314	116,914	116,914	
Purchased Professional - Educational Services	785,000	522,021	1,307,021	1,244,426	62,595
Total Other Support/Extraordinary Services	885,600	538,335	1,423,935	1,361,340	62,595
Other Supp. Svcs.-Guidance					
Salaries of Other Professional Staff	1,058,306	20,675	1,078,981	1,078,981	
Salaries of Secretarial and Clerical Assistants	70,015		70,015	70,015	
Other Salaries	150,064		150,064	135,932	14,132
Purchased Professional and Educational Services	90,000	22,029	112,029	112,029	
Other Purchased Professional and Technical Services	75,000	(15,024)	59,976	59,976	
Supplies and Materials	72,000	(5,040)	66,960	66,760	200
Total Other Support Services-Guidance	1,515,385	22,640	1,538,025	1,523,693	14,332
Other Supp. Svcs.-Child Study Teams					
Salaries of Other Professional Staff	920,100	200,500	1,120,600	1,042,112	78,488
Salaries of Secretarial and Clerical Assistants	125,490	56,000	181,490	170,386	11,104
Purchased Professional - Educational Services	45,200	34,000	79,200	47,726	31,474
Other Purchased Professional and Technical Services	12,000	14,150	26,150	25,550	600
Supplies and Materials	8,400	16,373	24,773	22,109	2,664
Total Other Support Services-Child Study Teams	1,111,190	321,023	1,432,213	1,307,883	124,330
Improvement of Instruction					
Salaries of Supervisor of Instruction	635,188	9,752	644,940	644,940	
Other Salaries	190,200	2,174	192,374	192,374	
Purchased Professional Educational Services	144,000	(42,799)	101,201	96,201	5,000
Other Purchased Services	173,789	(4,172)	169,617	169,617	
Supplies and Materials	24,000	-	24,000	22,143	1,857
Total Improvement of Instruction	1,167,177	(35,045)	1,132,132	1,125,275	6,857
Educational Media Services/ School Library					
Salaries	396,065		396,065	302,034	94,031
Other Purchased Services	18,000	(18,000)			
Supplies and Materials	96,775	28,740	125,515	69,408	56,107
Total Educational Media Services/ School Library	510,840	10,740	521,580	371,442	150,138
Instructional Staff Training Services					
Other Purchased Services	32,000	(10,316)	21,684	21,684	
Supplies and Materials	32,000	(30)	31,970	31,678	292
Total Instructional Staff Training Services	64,000	(10,346)	53,654	53,362	292

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	\$ 378,765	17,519	\$ 396,284	\$ 388,650	\$ 7,634
Legal Services	120,000	6,000	126,000	110,208	15,792
Audit Fees	48,000		48,000	41,961	6,039
Architectural/Engineering Services	36,000	80,702	116,702	72,871	43,831
Other Purchased Professional Services	9,000		9,000	4,830	4,170
Communications/Telephone	156,500	(44,849)	111,651	94,319	17,332
BOE Other Purchased Services	3,000		3,000	1,385	1,615
Misc. Purchased Services	193,200	(33,500)	159,700	155,522	4,178
General Supplies	12,000	(1,251)	10,749	8,011	2,738
Miscellaneous Expenditures		6,000	6,000	6,000	
BOE Membership Dues and Fees	-	22,751	22,751	22,652	99
Total Support Services General Administration	956,465	53,372	1,009,837	906,409	103,428
Support Services School Administration					
Salaries of Principals/Assistant Principals/Prog Dir	1,412,178	7,629	1,419,807	1,419,807	
Salaries of Other Professional Staff	152,983		152,983	1,700	151,283
Salaries of Secretarial and Clerical Assistants	685,425	103,462	788,887	717,128	71,759
Supplies and Materials	45,315	(2,848)	42,467	40,961	1,506
Other Objects	15,105	(67)	15,038	12,079	2,959
Total Support Services School Administration	2,311,006	108,176	2,419,182	2,191,675	227,507
Central Services					
Salaries	437,670	16,920	454,590	449,175	5,415
Purchased Professional Services	76,235	(59)	76,176	71,448	4,728
Miscellaneous Purchased Services	14,330	(3,408)	10,922	10,091	831
Supplies and Materials	18,000	4,519	22,519	22,453	66
Miscellaneous Expenditures	1,500	(36)	1,464	1,464	-
Total Undistributed Expenditures - Central Services	547,735	17,936	565,671	554,631	11,040
Admin. Info. Tech.					
Salaries	134,200	1,080	135,280	135,280	
Other Purchased Services	3,600	(683)	2,917	2,917	
Supplies and Materials	9,000	(7,077)	1,923	1,923	-
Total Undistributed Expenditures - Admin. Info. Technology	146,800	(6,680)	140,120	140,120	-
Required Maintenance for School Facilities					
Salaries	262,012	119,121	381,133	381,133	
Cleaning, Repair and Maintenance Services	650,500	(131,537)	518,963	472,223	46,740
General Supplies	60,000	17,521	77,521	71,663	5,858
Total Required Maint for School Facilities	972,512	5,105	977,617	925,019	52,598
Custodial Services					
Salaries	1,482,927	73,825	1,556,752	1,411,411	145,341
Purchased Professional and Technical Services	24,000	1,037	25,037	18,362	6,675
Cleaning, Repair and Maintenance Services	78,000	(8,259)	69,741	66,563	3,178
Other Purchased Property Services	30,000	4,423	34,423	33,027	1,396
Insurance	252,000	20,740	272,740	272,740	
Miscellaneous Purchased Services	6,000	279	6,279	6,279	
General Supplies	96,000	6,267	102,267	99,531	2,736
Energy (Natural Gas)	190,550		190,550	171,682	18,868
Energy (Electricity)	515,000		515,000	406,709	108,291
Energy (Gasoline)	3,000	21,000	24,000	24,000	
Other Objects	3,600	1,168	4,768	4,768	-
Total Custodial Services	2,681,077	120,480	2,801,557	2,515,072	286,485
Undistributed Expenditures - Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	60,000	(14,621)	45,379	38,981	6,398
General Supplies	12,000	2,262	14,262	14,038	224
Total Care and Upkeep of Grounds	72,000	(12,359)	59,641	53,019	6,622

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures - Security					
Salaries	\$ 75,000	\$ 4,465	\$ 79,465	\$ 79,465	
Purchased Professional and Technical Services	156,000	14,289	170,289	165,234	\$ 5,055
Cleaning, Repair, and Maintenance Services	24,000	(9,645)	14,355	11,205	3,150
General Supplies	24,000	(17,937)	6,063	5,741	322
Total Security	279,000	(8,828)	270,172	261,645	8,527
Student Transportation Services					
Contr Serv - Aid in Lieu Pymts-Charter Sch	14,000		14,000	14,000	
Contr Serv(Bet Home &Sch)-Vendors	20,150	(1,218)	18,932	16,391	2,541
Contr Serv(Oth. Than Bet Home &Sch)-Vendors	102,700	2,080	104,780	104,780	
Contr Serv(Bet Home &Sch)-Joint Agreements	384,400		384,400	384,400	
Contr Serv(Special Education)-Joint Agreements	2,184,000	859,030	3,043,030	3,043,029	1
Total Student Transportation Services	2,705,250	859,892	3,565,142	3,562,600	2,542
Unallocated Employee Benefits					
Social Security Contributions	432,000	49,039	481,039	481,039	
Other Retirement Contributions - PERS/DCRP	519,800	7,315	527,115	527,115	
Unemployment Compensation	100,800	(7,889)	92,911	90,313	2,598
Workmen's Compensation	212,400	(31,062)	181,338	152,730	28,608
Health Benefits	7,712,129	(2,300,947)	5,411,182	5,058,806	352,376
Tuition Reimbursements	10,000	9,815	19,815	19,815	
Other Employee Benefits	140,000	389	140,389	139,117	1,272
Unused Sick Payment to Terminated/Retired Staff	150,000	-	150,000	80,637	69,363
Total Unallocated Employee Benefits	9,277,129	(2,273,340)	7,003,789	6,549,572	454,217
On-Behalf TPAF (Non-Budgeted)					
Pension				7,867,885	(7,867,885)
NCGI Premium				111,005	(111,005)
Post Retirement Medical				1,864,191	(1,864,191)
Long Term Disability				2,382	(2,382)
Social Security Contributions	-	-	-	1,595,583	(1,595,583)
Total TPAF Pension and Social Security Contributions	-	-	-	11,441,046	(11,441,046)
Total Undistributed Expenditures	42,268,547	(1,163,499)	41,105,048	49,614,041	(8,508,993)
Total Current Expenditures	62,642,848	(873,093)	61,769,755	69,003,035	(7,233,280)
CAPITAL OUTLAY					
Equipment					
Grades 6 - 8		142,934	142,934	76,551	66,383
Undistributed Expenditure - Required Maintenance for School Facilities	96,845	76,152	172,997	162,295	10,702
Total Equipment	96,845	219,086	315,931	238,846	77,085
Facilities Acquisition and Construction Services					
Construction Services		4,242,441	4,242,441	3,231,021	1,011,420
Assessment for Debt Service on SDA Funding	33,244	-	33,244	33,244	-
Total Facilities Acq. And Construction Services	33,244	4,242,441	4,275,685	3,264,265	1,011,420
Capital Reserve - Transfer to Capital Projects	1,113,996	(1,113,996)	-	-	-
Interest Deposit to Capital Reserve	5,680	-	5,680	-	5,680
Total Expenditures - Capital Outlay	1,249,765	3,347,531	4,597,296	3,503,111	1,094,185
Transfer of Funds to Charter Schools	3,205,336	(404,399)	2,800,937	2,800,937	-
Total Expenditures - General Fund	67,097,949	2,070,039	69,167,988	75,307,083	(6,139,095)

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<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	\$ (3,061,057)	\$ (1,640,039)	\$ (4,701,096)	\$ 1,950,131	\$ 6,651,227
Other Financing Sources (Uses)					
Transfer In - Capital Projects Fund				2,430	2,430
Transfers Out - Special Revenue Fund	(164,138)	-	(164,138)	(164,138)	-
Total Other Financing Sources (Uses)	(164,138)	-	(164,138)	(161,708)	2,430
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,225,195)	(1,640,039)	(4,865,234)	1,788,423	6,653,657
Fund Balance, July 1, 2021	12,736,622	-	12,736,622	12,736,622	-
Fund Balance, June 30, 2022	<u>\$ 9,511,427</u>	<u>\$ (1,640,039)</u>	<u>\$ 7,871,388</u>	<u>\$ 14,525,045</u>	<u>\$ 6,653,657</u>
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 1,239,144	
Excess Surplus				3,870,457	
Excess Surplus - Designated for Subsequent Year's Budget				4,382,860	
Committed					
Encumbrances				616,869	
Assigned					
Encumbrances				263,474	
Designated for Subsequent Year's Budget				558,565	
Unassigned					
Unreserved				<u>3,593,676</u>	
Fund Balance (Budgetary Basis)				14,525,045	
Reconciliation to Governmental Fund Statements (GAAP)					
State Aid Payments Not Recognized on a GAAP Basis				<u>(4,202,711)</u>	
Fund Balance per Governmental Funds (GAAP Basis)				<u>\$10,322,334</u>	

**LODI BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
Local		\$ 8,997	\$ 8,997	\$ 205,955	\$ 196,958
State	\$ 437,965	371,767	809,732	624,131	(185,601)
Federal	1,493,921	8,610,005	10,103,926	7,860,411	(2,243,515)
Total Revenues	<u>1,931,886</u>	<u>8,990,769</u>	<u>10,922,655</u>	<u>8,690,497</u>	<u>(2,232,158)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	908,699	372,906	1,281,605	815,647	465,958
Other Salaries for Instruction	100,600		100,600	76,375	24,225
Purchased Professional and Technical Services	12,017	53,085	65,102	62,967	2,135
Other Purchased Services		89,726	89,726	38,129	51,597
Tuition	626,631	280,129	906,760	906,760	
General Supplies	86,537	672,974	759,511	533,165	226,346
Student Activities and Athletics (Non-Budget)	-	-	-	200,814	(200,814)
Total Instruction	<u>1,734,484</u>	<u>1,468,820</u>	<u>3,203,304</u>	<u>2,633,857</u>	<u>569,447</u>
Support Services					
Salaries of Other Professional Staff		2,017	2,017	2,017	
Employee Benefits	267,670	107,462	375,132	76,172	298,960
Other Purchased Services		5,948	5,948	4,466	1,482
Purchased Prof. and Technical Services	89,669	1,097,911	1,187,580	749,718	437,862
Leases and Rentals		21,000	21,000	20,958	42
Supplies and Material		16,779	16,779	10,487	6,292
Other Objects	4,201	2,000	6,201	4,201	2,000
Total Support Services	<u>361,540</u>	<u>1,253,117</u>	<u>1,614,657</u>	<u>868,019</u>	<u>746,638</u>
Facilities Acquisition and Construction Services					
Instructional Equipment		5,500	5,500	5,489	11
Non-Instructional Equipment		166,345	166,345	166,283	62
Construction Services	-	6,096,987	6,096,987	5,184,843	912,144
Total Facilities Acquisition and Construction	<u>-</u>	<u>6,268,832</u>	<u>6,268,832</u>	<u>5,356,615</u>	<u>912,217</u>
Total Expenditures	<u>2,096,024</u>	<u>8,990,769</u>	<u>11,086,793</u>	<u>8,858,491</u>	<u>2,228,302</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(164,138)	-	(164,138)	(167,994)	3,856
Other Financing Sources					
Transfers In - General Fund Contribution	164,138	-	164,138	164,138	-
Excess (Deficiency) of Revenues and Other Financing					
Sources Over/(Under) Expenditures	-	-	-	(3,856)	3,856
Fund Balance, July 1	120,245	-	120,245	120,245	-
Fund Balance, June 30	<u>\$ 120,245</u>	<u>\$ -</u>	<u>\$ 120,245</u>	<u>\$ 116,389</u>	<u>\$ 3,856</u>

**LODI BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 \$ 77,257,214	C-2 \$ 8,690,497
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.	3,659,253	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.	(4,202,711)	
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, 2022		(4,215,510)
Encumbrances, June 30, 2021	<u>-</u>	<u>3,887</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2 \$ <u>76,713,756</u>	B-2 \$ <u>4,478,874</u>
Uses/Outflows of Resources		
Expenditures (budgetary basis)	C-1 \$ 75,307,083	C-2 \$ 8,858,491
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, 2022		(4,215,510)
Encumbrances, June 30, 2021	<u>-</u>	<u>3,887</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2 \$ <u>75,307,083</u>	B-2 \$ <u>4,646,868</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 Nine Fiscal Years ***

	<u>2022</u>	<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)	0.04348 %	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)	\$ 5,186,815	\$ 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	\$ 3,050,852	\$ 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	170.01%	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	70.33%	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 Nine Fiscal Years ***

	<u>2022</u>	<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	\$ 512,756	\$ 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>512,756</u>	<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>	<u>\$ -</u>
District's Covered Payroll	\$ 3,419,383	\$ 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	15.00%	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 Nine Fiscal Years ***

	<u>2022</u>	<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%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
States Proportionate Share of Net Pension Liability (Asset) Associated With the District	<u>\$ 92,269,943</u>	<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>\$ 92,269,943</u>	<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	\$ 21,134,951	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	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, 2022**

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 Five Fiscal Years*

	2022	2021	2020	2019	2018
Service Cost	\$ 5,861,348	\$ 3,239,956	\$ 3,023,621	\$ 3,415,711	\$ 4,101,043
Interest on Total OPEB Liability	2,940,470	2,837,463	3,426,474	3,673,321	3,187,295
Changes of Benefit Terms	(120,649)				-
Differences Between Expected and Actual Experiences	(21,873,861)	22,357,237	(13,048,833)	(8,524,609)	
Changes of Assumptions	111,830	23,504,306	1,176,513	(9,946,943)	(13,251,084)
Gross Benefit Payments	(2,316,266)	(2,240,107)	(2,422,215)	(2,317,787)	(2,284,585)
Contribution from the Member	<u>75,173</u>	<u>67,898</u>	<u>71,801</u>	<u>80,106</u>	<u>84,124</u>
Net Change in Total OPEB Liability	(15,321,955)	49,766,753	(7,772,639)	(13,620,201)	(8,163,207)
Total OPEB Liability - Beginning of Year	<u>128,673,932</u>	<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>\$ 113,351,977</u>	<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>113,351,977</u>	<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>\$ 113,351,977</u>	<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>\$ 24,185,803</u>	<u>\$ 24,304,851</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>	<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, 2022**

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, 2022**

	Local Grants	Nonpublic Auxiliary	Nonpublic Handicapped			Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	Alyssa's Law	Student	Sub-Total Carried Forward
		Compensatory Education	Supplemental Instruction	Corrective Speech	Examination/Classification					School Security	Activities/Athletics	
REVENUES												
Local Sources	\$ 8,997										\$ 196,958	\$ 205,955
State Sources		\$ 16,380	\$ 9,797	\$ 744	\$ 9,968	\$ 7,113	\$ 12,991	\$ 5,007	\$ 20,958	\$ 166,283		249,241
Federal Sources	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	8,997	16,380	9,797	744	9,968	7,113	12,991	5,007	20,958	166,283	196,958	455,196
EXPENDITURES												
Instruction:												
Salaries	7,000											7,000
Other Purchased Services		16,380	9,797	744	9,968							36,889
General Supplies	1,997					7,113						9,110
Student Activities and Athletics	-	-	-	-	-	-	-	-	-	-	200,814	200,814
Total Instruction	8,997	16,380	9,797	744	9,968	7,113	-	-	-	-	200,814	253,813
Support Services												
Purchased Professional and Technical Leases and Rentals	-	-	-	-	-	-	12,991	5,007	20,958	-	-	17,998
												20,958
Total Support Services	-	-	-	-	-	-	12,991	5,007	20,958	-	-	38,956
Facilities Acquisition and Construction												
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	166,283	-	166,283
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	-	166,283	-	166,283
Total Expenditures	8,997	16,380	9,797	744	9,968	7,113	12,991	5,007	20,958	166,283	200,814	459,052
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-	(3,856)	(3,856)
Other Financing Sources												
Transfer In - General Fund	-	-	-	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-	(3,856)	(3,856)
Fund Balance, July 1, 2021	-	-	-	-	-	-	-	-	-	-	120,245	120,245
Fund Balance, June 30, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,389	\$ 116,389

**LODI BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Sub-Total Brought Forward	Title I	Title II A	Title III	Title IV	IDEA Basic	ARP IDEA Basic	IDEA Preschool	ARP IDEA Preschool	Perkins Vocational Preschool	Preschool Education Aid	Total
REVENUES												
Local Sources	\$ 205,955											\$ 205,955
State Sources	249,241										\$ 303,669	552,910
Federal Sources	-	\$ 509,370	\$ 90,700	\$ 27,997	\$ 52,131	\$ 759,237	\$ 155,211	\$ 26,948	\$ 13,367	\$ 19,704	-	1,654,665
Total Revenues	455,196	509,370	90,700	27,997	52,131	759,237	155,211	26,948	13,367	19,704	303,669	2,413,530
EXPENDITURES												
Instruction:												
Salaries of Teachers	7,000	465,270		26,296							307,332	805,898
Other Salaries for Instruction											76,375	76,375
Purchased Professional and Technical Services					12,017	20,300	15,950					48,267
Other Purchased Services	36,889									1,240		38,129
Tuition						738,937	127,508	26,948	13,367			906,760
General Supplies	9,110	40,100			40,114					6,032	7,928	103,284
Student Activities and Athletics	200,814	-	-	-	-	-	-	-	-	-	-	200,814
Total Instruction	253,813	505,370	-	26,296	52,131	759,237	143,458	26,948	13,367	7,272	391,635	2,179,527
Support Services												
Salaries of Other Professional Staff										2,017		2,017
Employee Benefits											76,172	76,172
Other Purchased Services										4,466		4,466
Purchased Professional and Technical	17,998		90,700	1,500			11,753			460		122,411
Leases and Rentals	20,958											20,958
Other Objects	-	4,000	-	201	-	-	-	-	-	-	-	4,201
Total Support Services	38,956	4,000	90,700	1,701	-	-	11,753	-	-	6,943	76,172	230,225
Facilities Acq. and Construct.												
Instructional Equipment										5,489		5,489
Non-Instructional Equipment	166,283	-	-	-	-	-	-	-	-	-	-	166,283
Total Facilities Acquisition and Construction Services	166,283	-	-	-	-	-	-	-	-	5,489	-	171,772
Total Expenditures	459,052	509,370	90,700	27,997	52,131	759,237	155,211	26,948	13,367	19,704	467,807	2,581,524
Excess (Deficiency) of Revenues												
Over/(Under) Expenditures	(3,856)	-	-	-	-	-	-	-	-	-	(164,138)	(167,994)
Other Financing Sources												
Transfer In - General Fund	-	-	-	-	-	-	-	-	-	-	164,138	164,138
Excess (Deficiency) of Revenues and Other Financing												
Sources Over/(Under) Expenditures	(3,856)	-	-	-	-	-	-	-	-	-	-	(3,856)
Fund Balance, July 1, 2021	120,245	-	-	-	-	-	-	-	-	-	-	120,245
Fund Balance, June 30, 2022	\$ 116,389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,389

**LODI BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Sub-Total Brought Forward	CRRSA			ARP	Capital and Emergent Needs	Total
		ESSER II	Learning Acceleration	Mental Health	ESSER III		
REVENUES							
Local Sources	\$ 205,955						\$ 205,955
State Sources	552,910					71,221	624,131
Federal Sources	1,654,665	\$ 2,285,465	\$ 5,280	\$ 44,415	\$ 3,870,586	\$ -	7,860,411
Total Revenues	2,413,530	2,285,465	5,280	44,415	3,870,586	71,221	8,690,497
EXPENDITURES							
Instruction:							
Salaries of Teachers	805,898		3,030	6,719			815,647
Other Salaries for Instruction	76,375						76,375
Purchased Professional and Technical Services	48,267			14,700			62,967
Other Purchased Services	38,129						38,129
Tuition	906,760						906,760
General Supplies	103,284	352,521		1,209	76,151		533,165
Student Activities and Athletics	200,814	-	-	-	-	-	200,814
Total Instruction	2,179,527	352,521	3,030	22,628	76,151	-	2,633,857
Support Services							
Salaries of Other Professional Staff	2,017						2,017
Employee Benefits	76,172						76,172
Other Purchased Services	4,466						4,466
Purchased Professional and Technical	122,411	112,944	2,250	21,300	490,813		749,718
Leases and Rentals	20,958						20,958
Supplies and Material		10,000		487			10,487
Other Objects	4,201	-	-	-	-	-	4,201
Total Support Services	230,225	122,944	2,250	21,787	490,813	-	868,019
Facilities Acq. and Construct.							
Instructional Equipment	5,489						5,489
Non-Instructional Equipment	166,283						166,283
Construction Services	-	1,810,000	-	-	3,303,622	71,221	5,184,843
Total Facilities Acquisition and Construction Services	171,772	1,810,000	-	-	3,303,622	71,221	5,356,615
Total Expenditures	2,581,524	2,285,465	5,280	44,415	3,870,586	71,221	8,858,491
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(167,994)	-	-	-	-	-	(167,994)
Other Financing Sources Transfer In - General Fund	164,138	-	-	-	-	-	164,138
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(3,856)	-	-	-	-	-	(3,856)
Fund Balance, July 1, 2021	120,245	-	-	-	-	-	120,245
Fund Balance, June 30, 2022	\$ 116,389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,389

**LODI BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<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	\$ 417,081		\$ 417,081	\$ 307,332	\$ 109,749
Other Salaries for Instruction	100,600		100,600	76,375	24,225
General Supplies	8,250	-	8,250	7,928	322
	<u>525,931</u>	<u>-</u>	<u>525,931</u>	<u>391,635</u>	<u>134,296</u>
Total Instruction					
Support Services					
Personal Services - Employee Benefits	76,172	-	76,172	76,172	-
	<u>76,172</u>	<u>-</u>	<u>76,172</u>	<u>76,172</u>	<u>-</u>
Total Support Services					
Total Expenditures	<u>\$ 602,103</u>	<u>\$ -</u>	<u>\$ 602,103</u>	<u>\$ 467,807</u>	<u>\$ 134,296</u>

Calculation of Budget Carryover

Total Revised 2021-2022 Preschool Education Aid Allocation	\$ 437,965
Add:	
Preschool Education Aid Carryover (June 30, 2021)	235,351
Budgeted Transfer from the General Fund 2021-2022	164,138
Total Preschool Education Aid Funds Available for 2021-2022 Budget	837,454
Less: 2021-2022 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	602,103
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2022	235,351
Add: June 30, 2022 Unexpended Preschool Education Aid	134,296
2021-2022 Carryover - Preschool Education Aid Programs	<u>\$ 369,647</u>
2021-2022 Preschool Education Aid Carryover Budgeted in 2022-2023	<u>\$ -</u>

CAPITAL PROJECTS FUND

LODI BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Interest Earned</u>	<u>Expenditures</u>		<u>Balance, June 30, 2022</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Construction of Admin/Child Study Team Building	\$ 2,000,000				\$ 2,000,000
Energy Savings Improvements	<u>5,611,325</u>	\$ 638	-	-	<u>5,611,963</u>
	<u>\$ 7,611,325</u>	<u>\$ 638</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,611,963</u>
<u>Recapitulation of Fund Balance:</u>					
					<u>Restricted for Capital Projects</u> <u>\$ 7,611,963</u>

**LODI BOARD OF EDUCATION
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Revenues and Other Financing Sources	
Capital Financing Agreement Proceeds	\$ 5,611,325
Interest on Capital Financing Agreement	638
Interest Income	<u>2,430</u>
 Total Revenues	 <u>5,614,393</u>
 Expenditures and Other Financing Uses	
Transfer to General Fund	<u>2,430</u>
 Total Expenditures	 <u>2,430</u>
 Excess Of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources	 5,611,963
 Fund Balance, July 1, 2021	 <u>2,000,000</u>
 Fund Balance, June 30, 2022	 <u>\$ 7,611,963</u>
 <u>Recapitulation</u>	
Year-End Encumbrances	\$ 466,668
Restricted for Capital Projects	<u>7,145,295</u>
	 <u>\$ 7,611,963</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, 2022**

	<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	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>
Expenditures and Other Financing Uses				
Professional Services			-	200,000
Construction Services	-	-	-	1,800,000
Total Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>
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		

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ENERGY SAVINGS IMPROVEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Local Sources				
Capital Financing Agreement		\$ 5,611,325	\$ 5,611,325	\$ 5,611,325
Interest on Capital Financing Agreement	-	638	638	-
	<u>-</u>	<u>5,611,963</u>	<u>5,611,963</u>	<u>5,611,325</u>
Total Revenues	-	5,611,963	5,611,963	5,611,325
Expenditures and Other Financing Uses				
Professional Services			-	-
Construction Services	-	-	-	5,611,325
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,611,325</u>
Total Expenditures and Other Financing Uses	-	-	-	5,611,325
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 5,611,963</u>	<u>\$ 5,611,963</u>	<u>\$ -</u>
 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		5,611,325		
Additional Authorized Cost		-		
Revised Authorized Cost		5,611,325		
 Percentage Increase over Original Authorized				
Cost		0%		
Percentage Completion		N/A		
Original Target Completion Date				

PROPRIETARY FUND

**LODI BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

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, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022**

NOT APPLICABLE

**LODI BOARD OF EDUCATION
LONG-TERM DEBT
OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2021</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2022</u>
Refunding Certificates of Participation	8/13/2015	\$ 2,795,000	2.00%	\$ 225,000		\$ 225,000	
Energy Savings Improvements	5/18/2022	5,611,325	2.795	-	\$ 5,611,325	-	\$ 5,611,325
				<u>\$ 225,000</u>	<u>\$ 5,611,325</u>	<u>\$ 225,000</u>	<u>\$ 5,611,325</u>

**LODI BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<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	\$ 185,356		\$ 185,356	\$ 185,356	
State Sources					
Debt Service Aid	<u>41,894</u>	<u>-</u>	<u>41,894</u>	<u>41,894</u>	<u>-</u>
Total Revenues	<u>227,250</u>	<u>-</u>	<u>227,250</u>	<u>227,250</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal Payments - Comm Approved Lease Purchase	225,000		225,000	225,000	-
Interest for Comm. Approved Lease Purchase	<u>2,250</u>	<u>-</u>	<u>2,250</u>	<u>2,250</u>	<u>-</u>
Total Expenditures	<u>227,250</u>	<u>-</u>	<u>227,250</u>	<u>227,250</u>	<u>-</u>
Excess (Deficit) of Revenues Over/(Under)					
Expenditures	-	-	-	-	-
Fund Balance, July 1, 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the district'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 district'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 district's current levels of outstanding debt and the district'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 district'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 district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment In Capital Assets	\$ 29,592,115	\$ 31,047,402	\$ 32,817,931	\$ 32,826,729	\$ 32,197,528	\$ 31,336,608	\$ 31,423,228	\$ 33,424,991	\$ 2,559,587	\$ 7,089,314
Restricted	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	3,356,171
Unrestricted	988,842	(617,457)	(10,511,258)	(11,092,318)	(10,154,950)	(8,534,943)	(8,819,343)	(9,527,183)	(6,288,421)	(2,580,638)
Total Governmental Activities Net Position	\$ 33,768,008	\$ 37,591,025	\$ 30,778,964	\$ 30,969,519	\$ 31,098,398	\$ 30,411,100	\$ 28,448,497	\$ 29,300,534	\$ 740,199	\$ 7,864,847
Business-Type Activities										
Net Investment In Capital Assets	\$ 286,355	\$ 255,647	\$ 266,427	\$ 300,098	\$ 280,291	\$ 277,574	\$ 264,446	\$ 211,186	\$ 62,194	\$ 53,990
Unrestricted	281,952	413,061	382,161	320,432	329,579	308,567	334,870	233,971	334,629	647,249
Total Business-Type Activities Net Position	\$ 568,307	\$ 668,708	\$ 648,588	\$ 620,530	\$ 609,870	\$ 586,141	\$ 599,316	\$ 445,157	\$ 396,823	\$ 701,239
District-Wide										
Net Investment In Capital Assets	\$ 29,878,470	\$ 31,303,049	\$ 33,084,358	\$ 33,126,827	\$ 32,477,819	\$ 31,614,182	\$ 31,687,674	\$ 33,636,177	\$ 2,621,781	\$ 7,143,304
Restricted	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	3,356,171
Unrestricted	1,270,794	(204,396)	(10,129,097)	(10,771,886)	(9,825,371)	(8,226,376)	(8,484,473)	(9,293,212)	(5,953,792)	(1,933,389)
Total District Net Position	\$ 34,336,315	\$ 38,259,733	\$ 31,427,552	\$ 31,590,049	\$ 31,708,268	\$ 30,997,241	\$ 29,047,813	\$ 29,745,691	\$ 1,137,022	\$ 8,566,086

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 the implementation of GASB Statement No. 84 "Fiduciary Activities".

Note 3 - Net position at June 30, 2021 was restated to reflect the updated appraisal report of District owned capital assets and related depreciation.

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 28,766,895
Special Education	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	17,028,138
Other Instruction	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	2,070,017
School Sponsored Activities And Athletics	501,347	653,789	797,017	857,029	1,091,667	1,100,422	1,067,194	976,973	1,082,181	1,269,884
Community Services						1,288	645			
Support Services										
Student And Instruction Related Services	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	9,858,404
General Administration	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	1,050,380
School Administrative Services	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	3,255,892
Plant Operations And Maintenance	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	5,036,971
Pupil Transportation	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	3,562,600
Business Services	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	1,010,260
Unallocated Employee Benefits	8,854,106									
Capital Outlay	996,241									
Interest On Long-Term Debt and Other Charges	235,894	295,362	204,430	171,998	91,956	81,012	36,569	25,046	13,396	23,129
Total Governmental Activities Expenses	<u>54,522,531</u>	<u>56,931,704</u>	<u>64,285,537</u>	<u>68,059,864</u>	<u>72,488,633</u>	<u>73,805,125</u>	<u>75,390,144</u>	<u>72,834,787</u>	<u>77,824,150</u>	<u>72,932,570</u>
Business-Type Activities:										
Food Service	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	1,639,731
Total Business-Type Activities Expense	<u>1,324,732</u>	<u>1,318,033</u>	<u>1,365,030</u>	<u>1,375,593</u>	<u>1,388,608</u>	<u>1,374,423</u>	<u>1,363,031</u>	<u>1,068,716</u>	<u>526,182</u>	<u>1,639,731</u>
Total District Expenses	<u>\$ 55,847,263</u>	<u>\$ 58,249,737</u>	<u>\$ 65,650,567</u>	<u>\$ 69,435,457</u>	<u>\$ 73,877,241</u>	<u>\$ 75,179,548</u>	<u>\$ 76,753,175</u>	<u>\$ 73,903,503</u>	<u>\$ 78,350,332</u>	<u>\$ 74,572,301</u>
Program Revenues										
Governmental Activities:										
Charges For Services		\$ 43,902	\$ 119,939	\$ 109,712	\$ 68,445	\$ 27,473	\$ 29,129		\$ 116,110	\$ 196,958
Operating Grants And Contributions	\$ 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	19,205,276
Capital Grants And Contributions		339,798	405,010	165,177	-	-	-	-	29,466	1,567,733
Total Governmental Activities Program Revenues	<u>9,680,663</u>	<u>9,087,644</u>	<u>15,221,477</u>	<u>17,031,771</u>	<u>21,128,963</u>	<u>20,873,919</u>	<u>20,354,018</u>	<u>18,092,459</u>	<u>25,172,894</u>	<u>20,969,967</u>
Business-Type Activities:										
Charges For Services										
Food Service	497,591	491,476	458,194	437,137	438,374	445,558	455,218	346,650	7,060	1,955
Operating Grants And Contributions	938,799	926,945	886,686	913,865	944,044	903,879	914,915	640,383	598,156	1,941,753
Total Business Type Activities Program Revenues	<u>1,436,390</u>	<u>1,418,421</u>	<u>1,344,880</u>	<u>1,351,002</u>	<u>1,382,418</u>	<u>1,349,437</u>	<u>1,370,133</u>	<u>987,033</u>	<u>605,216</u>	<u>1,943,708</u>
Total District Program Revenues	<u>\$ 11,117,053</u>	<u>\$ 10,506,065</u>	<u>\$ 16,566,357</u>	<u>\$ 18,382,773</u>	<u>\$ 22,511,381</u>	<u>\$ 22,223,356</u>	<u>\$ 21,724,151</u>	<u>\$ 19,079,492</u>	<u>\$ 25,778,110</u>	<u>\$ 22,913,675</u>

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (51,962,603)
Business-Type Activities	111,658	100,388	(20,150)	(24,591)	(6,190)	(24,986)	7,102	(81,683)	79,034	303,977
Total District-Wide Net Expense	<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>	<u>\$ (51,658,626)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 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	\$ 39,148,169
State Aid	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	19,496,349
Interest Earned on Capital Reserve Funds										
Miscellaneous Income	400,192	290,825	341,201	232,623	287,297	524,914	587,537	245,621	195,592	442,733
Donation of Capital Assets		4,805	72,923	6,945	-					
Loss on Disposal of Capital Assets		(5,467)		(6,523)	(1,539)	(6,451)				
Total Governmental Activities	<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>	<u>59,087,251</u>
Business-Type Activities:										
Unrestricted Miscellaneous Revenues	7	13	30	44	19	1,257	6,073	3,925	98	439
Loss on Disposal of Capital Assets	-	-	-	(3,511)	(4,489)	-	-	-	-	-
Total Business-Type Activities	<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>	<u>439</u>
Total District-Wide	<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>	<u>\$ 59,087,690</u>
Change in Net Position										
Governmental Activities	\$ 6,074,453	\$ 3,823,017	\$ 2,212,871	\$ 190,555	\$ 123,523	\$ (687,298)	\$ (1,962,603)	\$ (72,021)	\$ 2,817,699	\$ 7,124,648
Business-Type Activities	111,665	100,401	(20,120)	(28,058)	(10,660)	(23,729)	13,175	(77,758)	79,132	304,416
Total District	<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>	<u>\$ 7,429,064</u>

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 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	\$ 9,492,461
Committed		835,457	854,750	383,000		932,195	2,073,863	689,905	593,901	616,869
Assigned	4,009,119	507,162	73,969	185,537	357,226	556,437	508,243	952,855	609,978	822,039
Unassigned	<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>	<u>(609,035)</u>
Total General Fund	<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>	<u>\$ 10,322,334</u>
All Other Governmental Funds										
Restricted	\$ 13,451	\$ 508,320	\$ 227,563	\$ 7,399,228	\$ 29,555	\$ 2,000,000	\$ 2,000,000	\$ 2,101,362	\$ 2,120,245	\$ 7,728,352
Unassigned		<u>(41,388)</u>	<u>(55,330)</u>	<u>(50,096)</u>	<u>(38,361)</u>					
Total All Other Governmental Funds	<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>	<u>\$ 7,728,352</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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Property Taxes	\$ 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	\$ 39,148,169
Tuition Charges		43,902	119,939	109,712	68,445	27,473	29,129		26,212	-
Miscellaneous	409,890	290,826	242,351	247,779	297,944	533,895	589,533	245,621	297,490	641,688
State Sources	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	37,803,906
Federal Sources	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	3,829,185
Total Revenues	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	81,422,948
Expenditures										
Instruction										
Regular Instruction	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	30,097,767
Special Education Instruction	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	17,258,316
Other Instruction	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	2,190,079
School Sponsored Activities And Athletics	501,347	672,369	690,895	730,487	865,027	907,168	1,013,500	984,117	1,032,480	1,372,838
Community Services						1,288	645			-
Support Services										
Student and Inst. Related Services	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	10,205,599
General Administration	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	1,103,812
School Administration	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	3,487,979
Plant Operations And Maintenance	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	4,566,414
Pupil Transportation	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	3,562,600
Business Services	712,482	935,599	966,118	971,862	982,447	1,072,545	1,176,909	1,171,441	1,304,729	1,070,947
Unallocated Employee Benefits	11,045,854									
Capital Outlay	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	5,037,600
Debt Service										
Principal	515,000	544,998	465,000	455,000	440,000	445,000	465,000	465,000	480,000	225,000
Interest And Other Charges	235,894	241,540	212,116	193,545	79,244	70,394	28,050	18,750	9,300	2,250
Total Expenditures	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	80,181,201
Excess (Deficiency) Of Revenues Over (Under) Expenditures	3,316,974	546,479	512,313	523,383	1,515,948	562,808	(2,030,184)	(1,359,522)	1,906,908	1,241,747
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	166,568
Transfers Out		(880,724)	(282,842)	(7,716,552)	(7,392,040)	(2,182,576)	(176,705)	(210,148)	(157,817)	(166,568)
Total Other Financing Sources (Uses)	-	-	-	126,755	-	-	-	-	-	-
Net Change In Fund Balances	\$ 3,316,974	\$ 546,479	\$ 512,313	\$ 650,138	\$ 1,515,948	\$ 562,808	\$ (2,030,184)	\$ (1,359,522)	\$ 1,906,908	\$ 1,241,747
Debt Service As A Percentage Of Noncapital Expenditures	1.34%	1.37%	1.17%	1.08%	0.86%	0.81%	0.72%	0.70%	0.69%	0.30%

* 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 Refunds</u>	<u>Other Refunds</u>	<u>E-Rate</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2022	19,449	41,642	114,489	\$ 252,219	11,866	439,665

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
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
2022	5,644,200	1,427,757,400	282,049,400	155,962,000	136,150,900	2,007,563,900	74,160	2,007,638,060	2,803,560,124	1.954

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)**

<u>Assessment Year</u>	<u>School District</u>	<u>Borough</u>	<u>County</u>	<u>County Open Space</u>	<u>Total</u>
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
2021	1.954	0.972	0.324	0.014	3.264

Source: Borough of Lodi, Tax Assessor

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

Taxpayer	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
IPT Lodi DC LLC	\$ 24,250,300	1.21%		
Lodi UE LLC	20,302,900	1.01%		
Sheila Zipporah LP	12,538,400	0.62%		
Lodi Market LLC	11,345,700	0.57%		Information
Extra Space Storage, Inc	10,878,700	0.54%		
IPT Lodi DC LLC	10,127,700	0.50%		not
Lodi Value Add II LLC	9,200,000	0.46%		
Sheila Zipporah LP	9,092,300	0.45%		Available
Cedar Wright Apts	8,955,700	0.45%		
Rothman, Leonard & Mildred	8,787,100	0.44%		
	<u>\$ 125,478,800</u>	<u>6.25%</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	
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	38,955,132	38,955,132	100.00%	
2021	39,148,169	39,148,169	100.00%	

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

<u>Governmental Activities</u>					
Fiscal Year Ended <u>June 30,</u>	Pension <u>Refunding Bonds</u>	Certificates of <u>Participation</u>	Total School <u>District</u>	<u>Population</u>	<u>Per Capita</u>
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	25,966	9
2022		-	-	25,966 *	-

* 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
2013	\$ 340,000	\$ 340,000	-	0.00%	-
2014	120,000	120,000	-	0.00%	-
2015			-	-	-
2016			-	-	-
2017			-	-	-
2018			-	-	-
2019			-	-	-
2020			-	-	-
2021			-	-	-
2022			-	-	-

Source: District records

**LODI BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2022
(Unaudited)**

Net Direct Debt of School District as of June 30, 2022		\$ -
Net Overlapping Debt of School District		
Borough of Lodi	\$ 20,153,369	
Bergen County (A)	21,203,350	
Passaic Valley Sewerage Commission (B)	<u>4,706,493</u>	
		<u>46,063,212</u>
 Total Direct and Overlapping Debt as of June 30, 2022		 <u>\$ 46,063,212</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 2021 Annual Debt Statement
- (2) Bergen County 2021 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.									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 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	\$ 107,354,735
Total Net Debt Applicable To Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 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	\$ 107,354,735
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

2021	\$ 2,737,696,208
2020	2,655,204,288
2019	2,658,704,594
	<u>\$ 8,051,605,090</u>

Average Equalized Valuation of Taxable Property	<u>\$ 2,683,868,363</u>
Debt Limit (4 % of Average Equalization Value)	\$ 107,354,735
Total Net Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>\$ 107,354,735</u>

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>
2013	24,397	\$ 71,286	7.8%
2014	24,419	73,883	7.8%
2015	24,470	77,323	6.5%
2016	24,439	78,836	6.2%
2017	24,492	81,024	5.5%
2018	24,430	85,191	5.0%
2019	24,349	88,241	4.2%
2020	24,206	91,972	13.8%
2021	25,966	N/A	9.0%
2022	25,966 *	N/A	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>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>2022</u>
Instruction										
Regular	187	191	186	185	185	188	189	191	189	
Special Education	30	29	28	29	30	28	28	29	28	
Other Instruction	19	16	21	21	18	17	17	17	17	Information
School Sponsored Activities And Athletics						1	1	1	1	not
Support Services										
Student and Instruction Related Services	16	16	16	15	18	18	18	18	18	Available
General Administration	5	5	5	5	5	5	5	5	5	
School Administrative Services	23	23	23	23	23	23	23	23	23	
Central Services	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	25	27	27	27	27	
Other Support Services	23	23	23	24	23	23	23	23	22	
Total	336	336	335	335	334	337	338	341	338	-

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures (A)	Cost Per Pupil	Percentage Change	Teaching Staff	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2022	2,968	74,916,351	25,241	6.41%	238	2,933	2,739	-7.83%	93.39%

Student/Faculty Ratios

	<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>	<u>2021/22</u>
Columbus	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	16.0 to 1
Hilltop	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	14:0 to 1
Roosevelt	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	14:0 to 1
Washington	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	14:0 to 1
Wilson	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	15:0 to 1
Thomas Jefferson Middle School	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	13:0 to 1
Lodi High School	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	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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District Building										
<u>Lodi High School</u>										
Square Feet	139,800	139,800	139,509	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	951.50	990.64	919.49	908.64	878.62	848.85	864.03	827.00	871.00	897.00
<u>Thomas Jefferson Middle School</u>										
Square Feet	86,700	86,700	88,900	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	732.50	683.99	714.91	715.43	719.44	721.29	723.69	712.00	703.00	698.00
<u>Columbus Elementary School</u>										
Square Feet	42,400	42,400	42,100	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	265.50	278.41	294.51	297.23	271.32	250.41	223.75	231.00	225.00	232.00
<u>Hilltop Elementary School</u>										
Square Feet	54,340	54,340	64,340	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	405.80	392.02	378.19	358.89	358.47	354.99	334.75	300.00	301.00	284.00
<u>Roosevelt Elementary School</u>										
Square Feet	18,150	18,150	16,736	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	164.30	181.41	175.17	179.76	175.46	176.67	171.83	167.00	171.00	179.00
<u>Washington Elementary School</u>										
Square Feet	58,170	58,170	57,200	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	424.50	420.18	407.94	393.15	379.67	387.37	366.13	346.00	347.00	335.00
<u>Wilson Elementary School</u>										
Square Feet	53,640	53,640	51,500	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	348.40	363.14	336.65	348.73	356.58	353.87	337.00	334.00	335.00	343.00

Number of Schools at June 30, 2022
 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>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>2022</u>
Lodi High School	\$ 591,266	\$ 341,052	\$ 323,465	\$ 359,460	\$ 278,190	\$ 252,792	\$ 272,020	\$ 311,016	\$ 320,679	\$ 280,366
Columbus School	116,925	181,977	79,243	124,956	91,564	96,278	83,686	93,856	96,772	84,607
Hilltop School	139,447	102,696	64,946	80,662	76,792	98,371	102,864	143,437	147,894	129,302
Thomas Jefferson Middle School	106,852	99,349	215,045	216,811	152,090	334,999	139,759	198,190	204,348	178,659
Lincoln School	64,533	69,248	29,471	25,769	37,067	36,154	35,741	-	-	-
Roosevelt School	32,867	44,030	56,788	41,656	17,142	30,636	34,869	37,311	38,470	33,634
Washington School	101,348	106,419	106,591	115,960	109,508	89,478	90,659	127,520	131,481	114,953
Wilson School	105,889	142,372	86,764	75,559	92,631	105,098	87,172	114,813	118,379	103,498
Grand Total	\$ 1,259,127	\$ 1,087,143	\$ 962,313	\$ 1,040,833	\$ 854,984	\$ 1,043,806	\$ 846,770	\$ 1,026,143	\$ 1,058,023	\$ 925,019

**LODI BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2022
(Unaudited)**

	<u>Insurance Company</u>	<u>Coverage</u>	<u>Deductible</u>
Property Coverages	NJ School Boards Association Insurance Group		
Special Form R.C.			\$ 5,000
Blanket Building and Contents		\$ 117,508,392	
Equipment Breakdown		100,000,000	Environmental:
Extra Expenses		50,000,000	\$1,000,000 Per Impairment/ \$2,000,000 Aggregate \$11,000,000 Group Policy Aggregate Deductibles \$50,000/\$250,000
Valuable Papers	10,000,000		
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 & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, 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, 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, 2022 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 24, 2023.

Report on 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 a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

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 an instance of noncompliance or other matter that is 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 is described in the accompanying schedule of findings and questioned costs as item 2022-001.

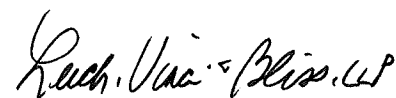
We noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Lodi Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated February 24, 2023.

Lodi Board of Education's Responses to Findings

The Lodi Board of Education's response to the 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 the financial statements and, accordingly, we express no opinion on the response.

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 & BLISS, LLP
Certified Public Accountants
Public School Accountants



Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 24, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND 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**

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

Opinion on Each Major Federal and State Program

We have audited the Lodi Board of Education's compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, the Lodi Board of Education complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal and State Program

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 prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Lodi Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Lodi Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Lodi Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Lodi Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Lodi Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Lodi Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Lodi Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Lodi Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2022-002 through 2022-004. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Lodi Board of Education's responses to the noncompliance findings identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. The Lodi Board of Education's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-004 to be significant deficiencies.

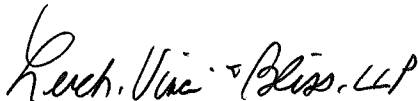
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.


Government Auditing Standards requires the auditor to perform limited procedures on the Lodi Board of Education's responses to the internal control over compliance findings identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. The Lodi Board of Education's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. 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 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, 2022, 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 24, 2023, 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 & BLISS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 24, 2023

LODI BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Federal AL Number	Grant Period	Award Amount	Balance July 1, 2021		Cash Received	Budgetary Expenditures	Balance June 30, 2022			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue			(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education Passed-through State Department of Education General Fund												
Medicaid Assistance Program	93.778	2105NJSMAP	7/1/21-6/30/22	\$ 100,605	-	-	\$ 100,605	\$ 100,605	-	-	-	-
Total General Fund					-	-	100,605	100,605	-	-	-	-
Special Revenue Fund												
Title I	84.010	S010A210030	7/1/21-9/30/22	695,362			695,362	509,370		\$ 185,992		
Title I	84.010	S010A200030	7/1/20-9/30/21	713,018	\$ (721,789)		721,789					
Title II, Part A	84.367	S367A210029	7/1/21-9/30/22	91,757			88,169	90,700	\$ (3,588)	1,057		\$ (2,531)
Title II, Part A	84.367	S367A200029	7/1/20-9/30/21	118,460	(112,951)	710	112,951			\$ 710		
Title III	84.365	S365A210030	7/1/21-9/30/22	33,555			33,555	27,997		5,558		
Title III	84.365	S365A200030	7/1/20-9/30/21	27,767	(21,844)	1,885	21,844				1,885	
Title IV	84.424	S424A200031	7/1/21-9/30/22	52,247			50,204	52,131	(2,043)	116		(1,927)
Title IV	84.424	S424A210031	7/1/20-9/30/21	52,712	(52,235)	2,334	52,235				2,334	
ARP - IDEA Basic	84.027X	H027X210100	7/1/21-9/30/22	157,322			153,111	155,211	(4,211)	\$ 2,111		(2,100)
IDEA Part B - Basic	84.027	H027A210100	7/1/21-9/30/22	759,261			738,937	759,237	(20,324)	24		(20,300)
IDEA Part B - Basic	84.027	H027A200100	7/1/20-9/30/21	818,481	(818,481)	121,638	818,481				121,638	
ARP - IDEA Preschool	84.173X	H173X210114	7/1/21-9/30/22	13,367			13,367	13,367				
IDEA Part B - Preschool	84.173	H173A210114	7/1/21-9/30/22	26,948			26,948	26,948				
IDEA Part B - Preschool	84.173	H173A200114	7/1/20-9/30/21	27,116	(27,116)	3,999	27,116				3,999	
Cluster Total - Special Education					(845,597)	125,637	1,777,960	954,763	(24,535)	2,135	125,637	(22,400)
Carl D. Perkins Grant	84.048	V048A210030	7/1/21-6/30/22	20,337			20,337	19,704		633		
Carl D. Perkins Grant	84.048	V048A200030	7/1/20-6/30/21	27,230	(2)	248	-	-	(2)	248		
Coronavirus Relief Fund												
Coronavirus Relief Fund	21.019		7/1/20-10/31/20	276,157		35,543					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	(61)	61						
Cluster Total - CRF					(61)	207,775					207,714	
CARES - ESSER I												
CARES Emergency Relief Grant	84.425D	S425D200027	3/13/20-9/30/22	635,399	(151,131)	76,998			(151,131)	76,998		(74,133)
Digital Divide	84.425D	S425D200027	3/13/20-9/30/22	578,524	(2,105)	3,292			(2,105)	3,292		
CRRSA - ESSER II												
CRRSA - ESSER II	84.425D	S425D210027	3/13/20-9/30/23	2,346,126	(2,346,126)	2,346,126	2,278,597	2,285,465	(67,529)	60,661		(6,868)
CRRSA - Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	150,562	(150,562)	150,562	2,250	5,280	(148,312)	145,282		(3,030)
CRRSA - Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(45,000)	45,000	36,487	44,415	(8,513)	585		(7,928)
ARP-ESSER III												
ARP - ESSER	84.425U	S425U210027	3/13/20-9/30/24	5,272,766				3,870,586	(5,272,766)	1,402,180		(3,870,586)
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	308,222					(308,222)	308,222		
Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000					(40,000)	40,000		
Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000					(40,000)	40,000		
Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000					(45,000)	45,000		
Cluster Total - ESSER					(2,694,924)	2,621,978	2,317,334	6,205,740	(6,083,578)	2,122,220		(3,962,545)
Total Special Revenue Fund					(4,449,403)	2,960,567	5,891,740	7,860,411	(6,113,746)	2,317,959	338,280	(3,989,403)
Total U.S. Department of Education					(4,449,403)	2,960,567	5,992,345	7,961,016	(6,113,746)	2,317,959	338,280	(3,989,403)
U.S.D.A. Department of Agriculture Passed Through State Department of Education												
School Breakfast Program	10.553	221NJ304N1099	7/1/21-6/30/22	45,722			43,414	45,722		(2,308)		(2,308)
School Breakfast Program	10.553	211NJ304N1099	7/1/20-6/30/21	207,326	(28,046)		28,046					
National School Lunch Program												
Cash Assistance	10.555	221NJ304N1099	7/1/21-6/30/22	1,639,534			1,548,339	1,639,534	(91,195)			(91,195)
Cash Assistance	10.555	211NJ304N1099	7/1/20-6/30/21	333,630	(110,771)		110,771					
Non-Cash Assistance (Food Distribution)	10.555	221NJ304N1099	7/1/21-6/30/22	87,106			87,106	86,471		633		
Non-Cash Assistance (Food Distribution)	10.555	211NJ304N1099	7/1/20-6/30/21	39,295		1,244				1,244		
COVID Emergency Operations	10.555	221NJ304N1099	7/1/21-6/30/22	122,466			122,466	122,466				
Total Child Nutrition Cluster					(138,817)	1,244	1,940,142	1,895,439	(93,503)	633		(93,503)
Pandemic EBT - Administrative Costs	10.649	202222590041	7/1/21-6/30/22	6,198			6,198	6,198				
Total Enterprise Fund					(138,817)	1,244	1,946,340	1,901,637	(93,503)	633		(93,503)
Total Federal Financial Awards					\$ (4,588,220)	\$ 2,961,811	\$ 7,938,685	\$ 9,862,653	\$ (6,207,249)	\$ 2,318,592	\$ 338,280	\$ (4,082,906)

LODI BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance Jul 1, 2021	Carryover Amount	Cash Received	Budgetary Expenditures	General Fund Contribution	Repayment of Prior Year Balances	Balance June 30, 2022			Memorandum		
										(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures	
General Fund:															
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	\$ 19,841,750			\$ 17,994,152	\$ 19,841,750			\$ (1,847,598)			*	\$ 19,841,750	
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	16,306,394	(1,460,718)		1,460,718							*		
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	2,835,516			2,571,482	2,835,516			(264,034)			*	2,835,516	
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	2,835,516	(254,004)		254,004							*		
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	1,028,863			933,059	1,028,863			(95,804)			*	1,028,863	
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	1,028,863	(92,165)		92,165							*		
Total State Aid Public				(1,806,887)		23,305,580	23,706,129			(2,207,436)			*	23,706,129	
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	674,487			611,681	674,487			(62,806)			*	674,487	
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	674,487	(60,420)		60,420							*		
Extraordinary Aid	22-100-034-5120-473	7/1/21-6/30/22	1,932,469			1,932,469	1,932,469			(1,932,469)			*	1,932,469	
Extraordinary Aid	21-100-034-5120-473	7/1/20-6/30/21	1,791,946	(1,791,946)		1,791,946							*		
TPAF Social Security Contribution	22-495-034-5094-003	7/1/21-6/30/22	1,595,583			1,518,588	1,595,583			(76,995)			\$	(76,995) 1,595,583	
TPAF Social Security Contribution	21-495-034-5094-003	7/1/20-6/30/21	1,549,728	(112,106)		112,106							*		
TPAF Pension Contribution - NCGI	22-495-034-5094-004	7/1/21-6/30/22	111,005			111,005	111,005						*	111,005	
TPAF Pension Contribution	22-495-034-5094-002	7/1/21-6/30/22	7,867,885			7,867,885	7,867,885						*	7,867,885	
TPAF Pension Contribution - Post Retirement	22-495-034-5094-001	7/1/21-6/30/22	1,864,191			1,864,191	1,864,191						*	1,864,191	
TPAF Long Term Disability	22-495-034-5094-004	7/1/21-6/30/22	2,382			2,382							*	2,382	
Total General Fund				(3,771,359)		37,245,784	37,754,131			(4,279,706)			*	(76,995) 37,754,131	
Special Revenue Fund:															
Preschool Education Aid	22-495-034-5120-086	7/1/21-6/30/22	437,965		\$ 235,351	394,168	467,807	\$ 164,138		(43,797)	\$ 369,647		*	467,807	
Preschool Education Aid	21-495-034-5120-086	7/1/20-6/30/21	415,043	193,846	(235,351)	41,505							*		
New Jersey Nonpublic Aid:															
Nursing	22-100-034-5120-070	7/1/21-6/30/22	13,440			13,440	12,991				\$ 449		*	12,991	
Textbooks	22-100-034-5120-064	7/1/21-6/30/22	7,202			7,202	7,113				89		*	7,113	
Textbooks	21-100-034-5120-064	7/1/20-6/30/21	8,919	973		8,919		\$ 973					*		
Technology	22-100-034-5120-509	7/1/21-6/30/22	5,040			5,040	5,007				33		*	5,007	
Security	22-100-034-5120-509	7/1/21-6/30/22	21,000			21,000	20,958				42		*	20,958	
Security	21-100-034-5120-509	7/1/20-6/30/21	25,550	4					4				*		
Auxiliary Services															
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	43,894			43,894	16,380				27,514		*	16,380	
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	43,546	21,978					21,978				*		
Handicapped Services															
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	15,694			15,694	9,797				5,897		*	9,797	
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	22,665	12,918					12,918				*		
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	10,230			10,230	744				9,486		*	744	
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	2,552	2,552					2,552				*		
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	19,908			19,908	9,968				9,940		*	9,968	
Examination and Classification	21-100-034-5120-066	7/1/20-6/30/21	22,672	12,603					12,603				*		
School Security Grant - Alyssa's Law			166,345			166,345	166,283				62		*	166,283	
SDA - Capital and Emergent Needs Grant			71,221			71,221	71,221						*	71,221	
Total Special Revenue Fund				244,874		809,647	788,269	164,138	51,028	(43,797)	369,709	53,450	*	788,269	
Debt Service Fund															
Debt Service Aid	22-495-034-5120-075	7/1/21-6/30/22	41,894			41,894	41,894						*	41,894	
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	40,116			38,017	40,116			(2,099)			*	(2,099) 40,116	
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	17,196	(3,248)		3,248							*		
Total Enterprise Fund				(3,248)		41,265	40,116			(2,099)			*	(2,099) 40,116	
Total State Financial Assistance Subject to Single Audit Determination				\$ (3,529,733)	\$ -	\$ 38,138,590	\$ 38,624,410	\$ 164,138	\$ 51,028	\$ (4,325,602)	\$ 369,709	\$ 53,450	\$ (79,094)	\$ 38,624,410	
Less On-Behalf TPAF Pension and Annuity Aid															
TPAF Pension Contribution - NCGI	22-495-034-5094-004	7/1/21-6/30/22	106,150			(111,005)	(111,005)						*	(111,005)	
TPAF Pension Contribution	22-495-034-5094-002	7/1/21-6/30/22	5,579,126			(7,867,885)	(7,867,885)						*	(7,867,885)	
TPAF Pension Contribution - Post Retirement	22-495-034-5094-001	7/1/21-6/30/22	1,781,677			(1,864,191)	(1,864,191)						*	(1,864,191)	
TPAF Long Term Disability	22-495-034-5094-004	7/1/20-6/30/21	2,576			(2,382)	(2,382)						*	(2,382)	
Total State Financial Assistance Subject to Major Program Determination				\$ (3,529,733)	\$ -	\$ 28,293,127	\$ 28,778,947	\$ 164,138	\$ 51,028	\$ (4,325,602)	\$ 369,709	\$ 53,450	\$ (79,094)	\$ 28,778,947	

**LODI BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 \$543,458 for the general fund and a decrease of \$4,211,623 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	\$ 100,605	\$ 37,210,673	\$ 37,311,278
Special Revenue Fund	3,728,580	551,339	4,279,919
Debt Service Fund		41,894	41,894
Food Service Fund	<u>1,901,637</u>	<u>40,116</u>	<u>1,941,753</u>
Total Financial Assistance	<u>\$ 5,730,822</u>	<u>\$ 37,844,022</u>	<u>\$ 43,574,844</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, 2022**

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 \$1,595,583 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, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$7,978,890, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,864,191 and TPAF Long-Term Disability Insurance in the amount of \$2,382 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

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, 2022**

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>Federal AL Number</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
84.425D	S425D210027	Coronavirus Response and Relief Supplemental Act (CRRSA - ESSER II)
84.425U	S425U210027	American Rescue Plan - Elementary and Secondary Schools (ARP - ESSER)
84.027	H027A210100	IDEA Part B Basic
84.027X	H027X210100	ARP - IDEA Basic
84.173	H173A210114	IDEA - Part B Preschool
84.173X	H173X210114	ARP - IDEA Preschool
10.553	221NJ304N1099	School Breakfast Program
10.555	221NJ304N1099	National School Lunch Program

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, 2022**

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 no

Internal Control over major programs:

(1) Material weakness(es) identified

yes no

(2) Significant deficiencies identified that are
not considered to be material weakness(es)

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 N.J. Circular Letter 15-08?

yes no

Identification of major state programs:

GMIS Number(s)	Name of State Program
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
100-034-5120-473	Extraordinary Aid
495-034-5094-003	TPAF Social Security Contributions

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 2022-001

Our audit of the District's contracts indicated the following:

- Contracts for energy savings improvements were approved in the minutes but did not specify amounts to be awarded.
- Payments for the high school roof replacement contract exceeded the contract amount approved in the official minutes by the Board.
- Invoices for various capital construction contracts were not detailed as to hourly rates, time and material utilized in accordance with the cooperative purchasing agreement.

Criteria or specific requirement

Public School Contracts Law

Condition

Contracts were approved by the Board for energy savings improvements but did not include an amount to be awarded. Payments to a vendor for the high school roof replacement exceeded the contract amount approved in the minutes. Vendor invoices for construction contracts were submitted for lump sums and did not include detail of hourly rates, time and material utilized.

Context

Four (4) contracts were approved in the minutes for various capital improvements as part of the District's energy savings improvement program. Such contracts did not include an amount to be awarded.

Payments to Northeastern Interior Services in the amount of \$715,750 were made for the high school roof replacement project. The contract amount approved by the Board in the minutes was \$691,000.

Payments were made to GL Group in the amount of \$2,854,936 and to Northeastern Interior Services in the amount of \$507,870 for various construction projects through the use of the Hunterdon County Educational Services Commission (HCESC) cooperative purchasing agreement. Such agreement stipulates hourly rates and material cost as part of the contract. Invoices submitted by the vendors were for lump sum amounts and did not include the detail of hourly rates, time and materials in accordance with the cooperative agreement.

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.

Effect

The District is not in compliance with the public school contracts law.

Cause

Unknown.

Recommendation

With respect to District contracts, it is recommended that:

- Contract approvals for energy savings improvements include amounts to be awarded in the official District minutes.
- Contract payments do not exceed the amount authorized by the Board.
- Invoices presented for payment by vendors for construction services be detailed as to hourly rate, time and material utilized in accordance with the amounts stipulated in the cooperative contract agreement.

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, 2022**

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 2022-002

Expenditures claimed on the final grant expenditure reports were not in agreement with actual district expenditures.

Information on the Federal Program

84.027 IDEA Part B Basic
84.173 IDEA Part B Preschool

Criteria or Specific Requirement

U.S. Uniform Guidance

Condition

Expenditures claimed on the final grant report did not reflect actual District grant program expenditures.

Questioned Costs

None.

Context

The final report for the 2020-21 IDEA Basic grant program reflected \$818,481 of grant program expenditures. Actual district expenditures for the grant program were \$696,843, resulting in an overclaim of \$121,638.

The final report for the 2020-21 IDEA Basic grant program reflected \$27,116 of grant program expenditures. Actual district expenditures for the grant program were \$23,117, resulting in an overclaim of \$3,999.

Effect

The District was reimbursed for expenditures that were not incurred. \$125,637 is due back to the grantor agency.

Cause

Unknown.

Recommendation

Expenditures claimed on the final grant reports be in agreement with actual expenditures incurred by the District for the respective federal programs.

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, 2022**

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 2022-003

The net cash resources of the food service enterprise fund exceeded three month's average expenditures.

Information on the Federal Program

10.553 School Breakfast Program
10.555 National School Lunch Program

Criteria or Specific Requirement

U.S. Uniform Guidance

Condition

The District's net cash resources exceeded the maximum allowed.

Questioned Costs

None.

Context

The net cash resources of the food service enterprise fund is \$623,834 as of June 30, 2022. The maximum allowed net cash resources is a three (3) months' average of food service fund operating expenses, which equates to \$489,458.

Effect

The District's net cash resources is \$134,376 higher than the maximum allowed.

Cause

Unknown.

Recommendation

The District's net cash resources in the food service enterprise fund be reviewed to ensure the statutory maximum level is not exceeded.

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, 2022**

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

Finding 2022-004

Our audit of the District's contracts indicated the following:

- Contracts for energy savings improvements were approved in the minutes but did not specify amounts to be awarded.
- Payments for the high school roof replacement contract exceeded the contract amount approved in the official minutes by the Board.
- Invoices for various capital construction contracts were not detailed as to hourly rates, time and material utilized in accordance with the cooperative purchasing agreement.

Information on the State Program

495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid

Criteria or Specific Requirement

State Aid Public – Grant Compliance Supplement

Condition

Contracts were approved by the Board for energy savings improvements but did not include an amount to be awarded. Payments to a vendor for the high school roof replacement exceeded the contract amount approved in the minutes. Vendor invoices for construction contracts were submitted for lump sums and did not include detail of hourly rates, time and material utilized.

Questioned Costs

Unknown.

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Context

Four (4) contracts were approved in the minutes for various capital improvements as part of the District's energy savings improvement program. Such contracts did not include an amount to be awarded.

Payments to Northeastern Interior Services in the amount of \$715,750 were made for the high school roof replacement project. The contract amount approved by the Board in the minutes was \$691,000.

Payments were made to GL Group in the amount of \$2,854,936 and to Northeastern Interior Services in the amount of \$507,870 for various construction projects through the use of the Hunterdon County Educational Services Commission (HCESC) cooperative purchasing agreement. Such agreement stipulates hourly rates and material cost as part of the contract. Invoices submitted by the vendors were for lump sum amounts and did not include the detail of hourly rates, time and materials in accordance with the cooperative agreement.

Effect

The District is not in compliance with grant requirements pertaining to State Aid – Public.

Cause

Unknown.

Recommendation

With respect to District contracts, it is recommended that:

- Contract approvals for energy savings improvements include amounts to be awarded in the official District minutes.
- Contract payments do not exceed the amount authorized by the Board.
- Invoices presented for payment by vendors for construction services be detailed as to hourly rate, time and material utilized in accordance with the amounts stipulated in the cooperative contract agreement.

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
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 2021-001

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.

Current Status

Corrective action has been taken.

Finding 2021-002

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.

Current Status

Corrective action has been taken.

Finding 2021-003

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

Current Status

Corrective action has been taken.