

**LODI BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2022**

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

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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

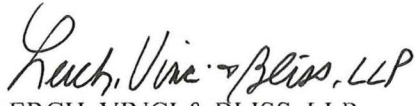
AUDITOR'S MANAGEMENT REPORT

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

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Lodi Board of Education as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated February 24, 2023.

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

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


LERCH, VINCI & 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
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Dennis R. Frohnapfel	Board Secretary/School Business Administrator (January 13, 2021-June 30,2021)	\$ 400,000

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

P.L. 2020 c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness. The data submitted included all health benefit plans offered by the District, was completed by the Chief School Administrator and was submitted timely.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

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

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

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

**LODI BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

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

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

Finding 2022-1 – Our audit indicated that employee rates utilized to determine the year end value of accumulated sick time were not calculated in accordance with the respective employee contracts.

Recommendation – The value of accumulated sick time for existing employees be calculated in accordance with the respective employee contract.

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures

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

Finding 2022-2 – Our audit indicated payments to vendors for capital outlay expenditures were charged to the budget line entitled “capital outlay transfer to capital projects.”

Recommendation – The District reference the Uniform Minimum Chart of Accounts for New Jersey School Districts to ensure accurate reporting of capital outlay appropriations and expenditures.

Board Secretary's Records

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

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

**LODI BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's (Continued)

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

Finding 2022-3 – Our audit indicated that an additional appropriation was included in the District's budgetary reporting system which was not approved by the Board. Furthermore, an additional appropriation was made to a non-equipment capital outlay line item without seeking the required approval of the County.

Recommendation – Required approvals be sought prior to modifications of the approved District budget.

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

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

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

Finding 2022-4 (ACFR Finding 2022-002) – Our audit of the ESEA and IDEA grant programs indicated the following:

- Reimbursements were requested and received prior to the expenditure of funds.
- Expenditures claimed on the final grant expenditure reports were not always in agreement with actual district expenditures.

Recommendation – With respect to the ESEA and IDEA grant programs, it is recommended that:

- Reimbursements of federal grant funds be requested subsequent to the expenditure of funds.
- Expenditures claimed on the final grant reports be in agreement with actual expenditures incurred by the District for the respective federal programs.

Other Special Federal and/or State Projects

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

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

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

**LODI BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Planning, Accounting and Reporting (Continued)

Teachers Pension and Annuity Fund

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

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

Non Public State Aid

Project completion reports were finalized and transmitted to the State by the due date.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under 18A:39-3 is currently \$20,200. The Board has designated the School Business Administrator as the Qualified Purchasing Agent for the District.

Contracts and Agreements Requiring Advertisement for Bids

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

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

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

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

**LODI BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

School Purchasing Programs (Continued)

Finding 2022-5 (ACFR Findings 2022-001 and 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.

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.

Food Service Fund

Public Health Emergency

In accordance with the Governor’s Declaration of Emergency pertaining to COVID-19, all public, charter and non-public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to eligible students during the period of school closures. Governor Murphy’s emergency declaration ended June 4, 2021; however, the United States Department of Agriculture’s federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

As a result, School Food Service Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO). SFA’s could also choose to participate in the National School Lunch Program utilizing the standard counting and claiming practices.

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

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

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis. Cash receipts and bank records were reviewed for timely deposit.

**LODI BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Food Service Fund (Continued)

The District utilized a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. Provisions of the FSMC contract were reviewed and audited. The FSMC contract did not include a guarantee of return. Vendor discounts, rebates and credits from vendors and/or FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

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

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

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

Applications for free and reduced-price meals were reviewed for completeness and accuracy. The number of free and reduced-price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced-price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced-price applications were completed and available for review.

U.S.D.A. Food Distribution Program Food and/or commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

Exhibits reflecting Child Nutrition Program operations are included in the section of the CAFR entitled Enterprise Funds.

Finding 2022-6 (ACFR Finding 2022-003) -Our audit indicated that the net cash resources of the food service enterprise fund exceeded three month's average expenditures.

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

Student Activity and Athletic Association Accounts

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

Cash disbursements were supported by proper documentation.

**LODI BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Application for State School Aid

Our audit procedures included a test information reported in the October 15, 2021 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified with immaterial exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2021-22 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The information on the DRTRS was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

Facilities and Capital Assets

The district maintains a capital assets ledger.

Finding 2022-7 – Our audit indicated that the District utilized \$300 as a threshold for the capitalization of assets. In addition, the capital asset appraisal report was prepared as of March 11, 2022 and therefore did not coincide with the date of the District’s fiscal year end.

Recommendation – The District utilize the appropriate threshold for the capitalization of assets and the date of the appraisal report coincide with the District’s fiscal year end date.

Miscellaneous

Testing for Lead of All Drinking Water in Educational Facilities

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations, including findings.

**LODI BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Suggestions to Management

- The appropriation of additional extraordinary aid be calculated based on the excess revenue of the applicable budget year.
- Transactions and balances maintained in the District's energy savings lease escrow account be reflected in the District's financial reporting system.
- Athletic account receipts be deposited in a timely manner from the date of collection.
- Payments for non-travel related expenditures be charged to the appropriated budgetary object code.

**LODI BOARD OF EDUCATION
 FOOD SERVICE ENTERPRISE FUND
 NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

SCHEDULE OF MEAL COUNT ACTIVITY

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
National School Lunch (Regular Rate)	Paid				
	Reduced				
	Free	<u>364,416</u>	<u>155,731</u>	<u>155,731</u>	<u>-</u>
		<u>364,416</u>	<u>155,731</u>	<u>155,731</u>	<u>-</u>
School Breakfast (Severe Rate)	Paid				
	Reduced				
	Free	<u>16,430</u>	<u>7,297</u>	<u>7,297</u>	<u>-</u>
		<u>16,430</u>	<u>7,297</u>	<u>7,297</u>	<u>-</u>

**LODI BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Current Assets	
Cash and Cash Equivalents	\$ 610,883
Due from Other Governments	95,602
Current Liabilities	
Accounts Payable	(71,337)
Unearned Revenue	(11,314)
Net Cash Resources	<u>\$ 623,834</u>
<u>Adjusted Total Operating Expense:</u>	
Total Operating Expenses	\$ 1,639,731
Less Depreciation	(8,204)
Adjusted Total Operating Expense	<u>\$ 1,631,527</u>
<u>Average Monthly Operating Expense:</u>	
	<u>\$ 163,153</u>
<u>Three Times Monthly Average:</u>	
	<u>\$ 489,458</u>
Total Net Cash Resources	\$ 623,834
Three Times Monthly Average	(489,458)
Excess Net Cash Resources	<u>\$ 134,376</u>

**LODI BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2021
SCHEDULE OF AUDITED ENROLLMENTS**

	2022-23 Application for State School Aid						Sample for Verification						Private Schools for Disabled					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported on		Sample		Sample	Errors
	A.S.S.A.		Workpapers				Selected from		Register		Registers		A.S.S.A. as		for			
	On Roll	On Roll	Full	Shared	Full	Shared	Workpapers	On Roll	On Roll	On Roll	Private	Private	Verifi-	Sample	Errors			
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	cation	Verified	Sample	Errors		
Half Day 4year Preschool	108	-	108	-	-	-	31		31		-	-					-	
Full Day Kindergarten	199	-	199	-	-	-	51		51		-	-					-	
Grade 1	204	-	204	-	-	-	50		50		-	-					-	
Grade 2	199	-	199	-	-	-	22		22		-	-					-	
Grade 3	207	-	207	-	-	-	36		36		-	-					-	
Grade 4	191	-	191	-	-	-	34		34		-	-					-	
Grade 5	184	-	184	-	-	-	38		38		-	-					-	
Grade 6	217	-	217	-	-	-	217		217		-	-					-	
Grade 7	196	-	196	-	-	-	196		196		-	-					-	
Grade 8	213	-	213	-	-	-	213		213		-	-					-	
Grade 9	181	1	181	1	-	-	181	1	181	1	-	-					-	
Grade 10	204	9	204	9	-	-	204	9	204	9	-	-					-	
Grade 11	189	11	189	11	-	-	189	11	189	11	-	-					-	
Grade 12	195	10	195	10	-	-	195	10	195	10	-	-					-	
Subtotal	2,687	31	2,687	31	-	-	1,657	31	1,657	31	-	-					-	
Sp Ed - Elementary	81		81		-	-	20		20		-	-	4	3	3		-	
Sp Ed - Middle School	72		72		-	-	20		20		-	-	3	3	3		-	
Sp Ed - High School	93	4	93	4	-	-	16	4	16	4	-	-	5	4	4		-	
Subtotal	246	4	246	4	-	-	56	4	56	4	-	-	12	10	10		-	
Totals	2,933	35	2,933	35	-	-	1,713	35	1,713	35	-	-	12	10	10		-	
Percentage Error	<u>0.00%</u>						<u>0.00%</u>						<u>0.00%</u>					

**LODI BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2021
SCHEDULE OF AUDITED ENROLLMENTS**

	Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application	Sample Errors
Half Day Preschool						
Full Day Kindergarten	93.0	93.0	-	4.0	4.0	-
Grade 1	100.0	100.0	-	4.0	4.0	-
Grade 2	107.0	107.0	-	4.0	4.0	-
Grade 3	104.0	104.0	-	4.0	4.0	-
Grade 4	110.0	110.0	-	5.0	5.0	-
Grade 5	91.0	91.0	-	5.0	5.0	-
Grade 6	125.0	125.0	-	5.0	5.0	-
Grade 7	114.0	114.0	-	4.0	4.0	-
Grade 8	115.0	115.0	-	5.0	5.0	-
Grade 9	104.0	104.0	-	5.0	5.0	-
Grade 10	104.5	104.5	-	5.0	5.0	-
Grade 11	121.5	121.5	-	5.0	5.0	-
Grade 12	108.5	108.5	-	5.0	5.0	-
Subtotal	1,398	1,398	-	60	60	-
Sp Ed - Elementary	91	91	-	5.0	5.0	-
Sp Ed - Middle School	50	50	-	2.0	2.0	-
Sp Ed - High School	67	67	-	3.0	3.0	-
Subtotal	208	208	-	10	10	-
Totals	1,606	1,606	-	70	70	-
Percentage Error			0.00%			0.00%

	Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Half Day Preschool						
Full Day Kindergarten	14.0	14.0	-	6.0	6.0	-
Grade 1	16.0	16.0	-	7.0	7.0	-
Grade 2	8.0	8.0	-	3.0	3.0	-
Grade 3	12.0	12.0	-	5.0	4.0	1
Grade 4	4.0	4.0	-	2.0	2.0	-
Grade 5	5.0	5.0	-	2.0	2.0	-
Grade 6	8.0	8.0	-	4.0	4.0	-
Grade 7	3.0	3.0	-	1.0	1.0	-
Grade 8	6.0	6.0	-	3.0	3.0	-
Grade 9	4.0	4.0	-	2.0	2.0	-
Grade 10	4.0	4.0	-	2.0	2.0	-
Grade 11	6.0	6.0	-	3.0	3.0	-
Grade 12	3.0	3.0	-	1.0	1.0	-
Subtotal	93	93	-	41	40	-
Sp Ed - Elementary	3	3	-	1	1	-
Sp Ed - Middle School	-	-	-	-	-	-
Sp Ed - High School	-	-	-	-	-	-
Subtotal	3	3	-	1	1	-
Totals	96	96	-	42	41	1
Percentage Error			0.00%			2.38%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	240	240	-	49	49	-
Transported - Non Public		-	-			-
AIL Non-Public		-	-			-
Regular - Special Ed	45	45	-	7	7	-
Special Needs	159	159	-	33	33	-
Subtotal	444	444	-	89	89	-
Percentage Error			0%			0%

LODI BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2021
SCHEDULE OF AUDITED ENROLLMENTS

	Resident LEP Not Low Income			Sample for Verification		
	Reported on	Reported on	Errors	Sample Selected From	Verified to Application	Errors
	ASSA as NOT Low Income	Workpapers as NOT low Income				
Half Day Preschool						
Full Day Kindergarten	8	8	-	4	4	-
Grade 1	8	8	-	4	4	-
Grade 2	6	6	-	3	3	-
Grade 3	8	8	-	4	4	-
Grade 4	3	3	-	1	1	-
Grade 5	5	5	-	3	3	-
Grade 6	5	5	-	3	3	-
Grade 7	5	5	-	2	2	-
Grade 8	4	4	-	2	2	-
Grade 9	4	4	-	2	2	-
Grade 10	5	5	-	2	2	-
Grade 11	-	-	-	-	-	-
Grade 12	5	5	-	2	2	-
Subtotal	66	66	-	32	32	-
Sp Ed - Elementary	-	-	-	-	-	-
Sp Ed - Middle School	-	-	-	-	-	-
Sp Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	66	66	-	32	32	-
Percentage Error			<u>0.00%</u>			<u>-</u>

**LODI BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2021-2022 Total General Fund Budgetary Expenditures		\$ 75,307,083
Increased by:		
Transfer to Special Revenue Fund - Preschool Education		<u>164,138</u>
		75,471,221
Decreased by:		
On-Behalf TPAF Pension and Social Security		<u>(11,441,046)</u>
Adjusted 2021-2022 General Fund Expenditures		<u>\$ 64,030,175</u>
4% of Adjusted 2021-2022 General Fund Expenditures		\$ 2,561,207
Increased by Allowable Adjustments - Extraordinary Aid		<u>1,032,469</u>
Maximum Unassigned Fund Balance		<u>\$ 3,593,676</u>
Total General Fund - Fund Balance at June 30, 2022		\$ 14,525,045
Decreased by:		
Encumbrances	\$ 880,343	
Capital Reserve	1,239,144	
Excess Surplus Designated for Subsequent Years (2021/22) Budget	4,382,860	
Assigned, Designated for Subsequent Years (2021/22) Budget	<u>558,565</u>	
		<u>7,060,912</u>
Total Unreserved, Undesignated Fund Balance		<u>7,464,133</u>
Restricted Fund Balance - Excess Surplus		<u>\$ 3,870,457</u>
Excess Surplus as of June 30, 2022		
Excess Surplus Designated for Subsequent Year's Budget		\$ 4,382,860
Excess Surplus		<u>3,870,457</u>
Total		<u>\$ 8,253,317</u>

**LODI BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. The value of accumulated sick time for existing employees be calculated in accordance with the respective employee contract.
2. The District reference the Uniform Minimum Chart of Accounts for New Jersey School Districts to ensure accurate reporting of capital outlay appropriations and expenditures.
3. Required approvals be sought prior to modifications of the approved District budget.
4. With respect to the ESEA and IDEA grant programs, it is recommended that:
 - a) Reimbursements of federal grant funds be requested subsequent to the expenditure of funds.
 - b) Expenditures claimed on the final grant reports be in agreement with actual expenditures incurred by the District for the respective federal programs.

III. School Purchasing Program

5. With respect to District contracts, it is recommended that:

- a) Contract approvals for energy savings improvements include amounts to be awarded in the official District minutes.
- b) Contract payments do not exceed the amount authorized by the Board.
- c) 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.

IV. School Food Services

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

V. Student Activity and Athletic Association Accounts

There are none.

**LODI BOARD OF EDUCATION
RECOMMENDATIONS**

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

7. It is recommended that the District utilize the appropriate threshold for the capitalization of assets and the date of the appraisal report coincide with the District's fiscal year end date.

IX. Miscellaneous

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

Corrective action was taken on all prior year recommendations.

ACKNOWLEDGEMENT

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