

**LODI BOARD OF EDUCATION  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2023**

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

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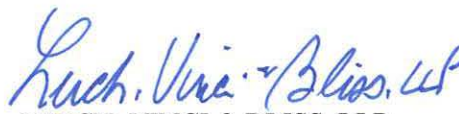
## AUDITOR'S MANAGEMENT REPORT


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

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, 2023, and have issued our report thereon dated November 14, 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  
November 14, 2023

**LODI BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 (July 1, 2022 – August 14, 2022)	\$ 400,000
Nicholas Cipriano	Board Secretary/School Business Administrator (August 15, 2022 – June 30, 2023)	\$ 500,000

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, 2023**

**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.

**Year-End 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.

**Finding 2023-1 (ACFR Finding 2023-002)** - Our audit of year end liabilities indicated certain purchase orders were not properly classified as accounts payable and encumbrances. Additionally, unrecorded liabilities exist at year end.

**Recommendation** - Procedures be reviewed and revised to ensure open purchase orders are reviewed at year end for accuracy, appropriateness and proper classification as an accounts payable or encumbrance. Additionally, all liabilities be recorded at year end.

**Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with the New Jersey Administrative Code (N.J.A.C.) 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. As a result of the procedures performed, no additional testing was deemed necessary to test the propriety of expenditure classifications. Certain audit findings were noted which are detailed below.

**Travel Policy**

The District has an approved Board travel policy as required by NJAC 6A:23A-6.13 and NJSA 18A:11-12. Exceptions were noted pertaining to travel expense reimbursement payments tested.

**Finding 2023-2** – Our audit revealed travel reimbursements were not always charged to the proper budget account lines in accordance with the Uniform Minimum Chart of Accounts. Additionally, non-travel related expenditures were charged to the travel budget.

**Recommendation** – Travel reimbursements be reviewed to ensure expenditures are charged to the appropriate budget accounts in accordance with the Uniform Minimum Chart of Accounts.

**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, 2023**

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

**Board Secretary's Records (Continued)**

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

**Finding 2023-3** – Our audit indicated that additional appropriations were included in the District’s budgetary reporting system which were incorrectly calculated and not approved by the Board.

**Recommendation** – Additional appropriations be properly calculated and required approvals be sought prior to modifications of the approved District budget.

**Finding 2023-4** – Our audit revealed a depository utilized by the Board was not approved as a designated depository by the Board.

**Recommendation** – All banks utilized by the District be approved as designated depositories and included in the official minutes.

**Finding 2023-5** – Our audit of Capital Projects Fund indicated that interest earned and a payment to a certain vendor in the District’s energy savings lease escrow account was not recorded in the financial reporting system. Additionally, expenditures were not reported in accordance with the Uniform Minimum Chart of Accounts.

**Recommendation** – All transactions included in the District’s energy savings lease escrow account be recorded in the District’s financial reporting system and charged in accordance with the Uniform Minimum Chart of Accounts.

**Finding 2023-6** – Our audit of the District’s financial reporting system indicated that the beginning balances in the general ledger were not in agreement with the prior year annual audit.

**Recommendation** – Beginning balances in the District’s general ledger be in agreement with the prior year annual audit.

**Finding 2023-7** -Our audit revealed the District’s annual employer contribution for the Public Employees’ Retirement System (PERS), due April 1, 2023, was not paid until September 5, 2023.

**Recommendation** – The District’s annual employer pension contribution be remitted by the required due date.

**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.

**LODI BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

**Finding 2023-8 (ACFR Finding 2023-003)** – 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. In addition, 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.

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.

**LODI BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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.

**Finding 2023-9 (ACFR Findings 2023-001 and 2023-004)** – Our audit of the District's contracts indicated the following:

- Contracts in excess of the bid threshold for energy saving improvements were not submitted to the Board for their approval.
- Post award notice for a contract in excess of \$2.5 million was not submitted to the New Jersey Office of the State Comptroller within twenty days of award.
- Request for proposal and public advertisement of award was not available for a professional service contract.
- Invoices for various capital construction contracts were not detailed as to hourly rates, time and material utilized in accordance with the cooperative purchasing agreement. In addition, certain contracts and change orders were not submitted to the Board for their approval.

**Recommendation** – Internal controls over expenditures be reviewed and enhanced to ensure compliance with the public school contracts law.



**LODI BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Food Service Fund**

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.

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 (ACFR 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 ACFR entitled Enterprise Funds.

**Finding** – The Food Service Fund net cash resources exceeded the maximum amount permitted by the New Jersey State Department of Education. Management is aware and has implemented a multi-year plan to reduce available net cash resources. Therefore, an audit recommendation is not warranted.

**Student Activity and Athletic Association Accounts**

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

Cash disbursements were supported by proper documentation.

**Finding 2023-10** – Our audit of athletic account receipts indicated that deposits were not always made in a timely manner.

**Recommendation** – Athletic account receipts be deposited in a timely manner.

**LODI BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Application for State School Aid**

Our audit procedures included a test information reported in the October 15, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with immaterial exceptions. The information that was included on the workpapers was verified with immaterial exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2022-23 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.

**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.

**Suggestions to Management**

- Reconciling items on the Net Payroll and Payroll Agency bank reconciliations be reviewed and cleared.

**LODI BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOT APPLICABLE**

**LODI BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
CALCULATION OF NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 720,797
Due from Other Governments	57,259
<b>Current Liabilities</b>	
Accounts Payable	(56,385)
Unearned Revenue	<u>(10,945)</u>
<b>Net Cash Resources</b>	<u><u>\$ 710,726</u></u>
<b><u>Adjusted Total Operating Expense:</u></b>	
Total Operating Expenses	\$ 1,747,107
Less Depreciation	<u>(10,494)</u>
Adjusted Total Operating Expense	<u><u>\$ 1,736,613</u></u>
<b><u>Average Monthly Operating Expense:</u></b>	<u><u>\$ 173,661</u></u>
<b><u>Three Times Monthly Average:</u></b>	<u><u>\$ 520,984</u></u>
Total Net Cash Resources	\$ 710,726
Three Times Monthly Average	<u>520,984</u>
Excess Net Cash Resources	<u><u>\$ 189,742</u></u>

**LODI BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2022  
SCHEDULE OF AUDITED ENROLLMENTS**

	2023-2024 Application for State School Aid						Sample for Verification				On Roll - Special Education			Private Schools for Disabled					
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Sample for Verifi- cation	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared							
Half Day 4year Preschool	122		121		1		-		-										
Full Day Kindergarten	182		183		(1)		53		53										
Grade 1	219		219				26		26										
Grade 2	203		203				41		41										
Grade 3	194		193		1		44		44										
Grade 4	207		207				44		44										
Grade 5	198		198				43		43										
Grade 6	188		188				188		188										
Grade 7	228		229		(1)		228		229		(1)								
Grade 8	204		205		(1)		204		204										
Grade 9	182	3	182	3			182	3	182	3									
Grade 10	187	2	187	2			187	2	187	2									
Grade 11	212	7	212	7			212	7	212	7									
Grade 12	196	4	196	4	-	-	196	4	196	4	-	-							
Subtotal	2,722	16	2,723	16	(1)	-	1,648	16	1,649	16	(1)	-	-	-	-	-	-	-	-
Sp Ed - Elementary	97		97		-	-	4		4		-	-	97	97		4	1	1	-
Sp Ed - Middle School	69		69		-	-	69		69		-	-	69	69	-	1	1	1	-
Sp Ed - High School	97	8	97	8	-	-	97	8	97	8	-	-	97	97	-	10	3	3	-
Subtotal	263	8	263	8	-	-	170	8	170	8	-	-	263	263	-	15	5	5	-
Totals	2,985	24	2,986	24	(1)	-	1,818	24	1,819	24	(1)	-	263	263	-	15	5	5	-
Percentage Error					-0.03%	0.00%					-0.06%	0.00%			0.00%	-			0.00%

**LODI BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2022  
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	100.0	100.0		4.0	4.0	
Grade 1	131.0	131.0		5.0	5.0	
Grade 2	114.0	114.0		5.0	5.0	
Grade 3	107.0	107.0		4.0	4.0	
Grade 4	125.0	125.0		5.0	5.0	
Grade 5	114.0	114.0		5.0	5.0	
Grade 6	102.0	102.0		4.0	4.0	
Grade 7	132.0	132.0		5.0	5.0	
Grade 8	112.0	112.0		5.0	5.0	
Grade 9	96.0	96.0		4.0	4.0	
Grade 10	105.5	105.5		4.0	4.0	
Grade 11	114.0	114.0		5.0	5.0	
Grade 12	122.0	122.0	-	5.0	5.0	-
Subtotal	1,475	1,475	-	60	60	-
Sp Ed - Elementary	114	114	-	5.0	5.0	-
Sp Ed - Middle School	52	52	-	2.0	2.0	-
Sp Ed - High School	77.5	78	(0.5)	3.0	3.0	-
Subtotal	244	244	(1)	10	10	-
Totals	1,718	1,719	(1)	70	70	-
Percentage Error			<u>-0.03%</u>			<u>0.00%</u>

	Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Half Day Preschool						
Full Day Kindergarten	21.0	21.0		7.0	7.0	
Grade 1	24.0	24.0		8.0	8.0	
Grade 2	17.0	17.0		5.0	5.0	
Grade 3	11.0	11.0		4.0	4.0	
Grade 4	13.0	13.0		4.0	4.0	
Grade 5	7.0	7.0		2.0	2.0	
Grade 6	9.0	9.0		3.0	3.0	
Grade 7	9.0	9.0		3.0	3.0	
Grade 8	9.0	9.0		3.0	3.0	
Grade 9	9.0	9.0		3.0	3.0	
Grade 10	6.0	6.0		2.0	2.0	
Grade 11	8.0	9.0	(1)	3.0	3.0	
Grade 12	6.0	6.0	-	2.0	2.0	-
Subtotal	149	150	(1)	49	49	-
Sp Ed - Elementary	3	3	-	-	-	-
Sp Ed - Middle School	-	-	-	-	-	-
Sp Ed - High School	-	-	-	-	-	-
Subtotal	3	3	-	-	-	-
Totals	152	153	(1)	49	49	-
Percentage Error			<u>-0.66%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	199	199	-	32	32	-
Transported - Non Public		-	-			-
ALL Non-Public		-	-			-
Regular - Special Ed	41	41	-	6	6	-
Special Needs	150	150	-	24	24	-
Subtotal	390	390	-	62	62	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**LODI BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2022  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application	Errors
Half Day Preschool						
Full Day Kindergarten	13	13		4	4	
Grade 1	9	9		3	3	
Grade 2	16	16		5	5	
Grade 3	8	9	(1)	2	2	
Grade 4	8	10	(2)	2	2	
Grade 5	7	7		2	2	
Grade 6	8	8		2	2	
Grade 7	10	10		3	3	
Grade 8	9	9		3	3	
Grade 9	2	2		1	1	
Grade 10	5	6	(1)	1	1	
Grade 11	3	3		1	1	
Grade 12	1	1	-	1	1	-
Subtotal	99	103	(4)	30	30	-
Sp Ed - Elementary	1	1		-	-	
Sp Ed - Middle School	-	-	-	-	-	-
Sp Ed - High School	-	-	-	-	-	-
Subtotal	1	1	-	-	-	-
Totals	100	104	(4)	30	30	-
Percentage Error			<u>-4.00%</u>			<u>-</u>

**LODI BOARD OF EDUCATION  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2022-2023 Total General Fund Budgetary Expenditures		\$ 77,075,368
Increased by:		
Transfer to Special Revenue Fund - Preschool Education		536,475
Transfers from Capital Outlay to Capital Projects Fund		4,179,800
Transfers from Capital Reserve to Capital Projects Fund		<u>800,000</u>
		82,591,643
Decreased by:		
On-Behalf TPAF Pension and Social Security		<u>(11,604,551)</u>
Adjusted 2022-2023 General Fund Expenditures		<u>\$ 70,987,092</u>
2% of Adjusted 2022-2023 General Fund Expenditures		
Increased by Allowable Adjustments - Extraordinary Aid		<u>\$ 1,419,742</u> <u>1,155,378</u>
Maximum Unassigned Fund Balance		<u>\$ 2,575,120</u>
Total General Fund - Fund Balance at June 30, 2023		\$ 20,009,248
Decreased by:		
Encumbrances	\$ 315,401	
Capital Reserve	7,452,073	
Excess Surplus Designated for Subsequent Years (2023/24) Budget	3,870,457	
Assigned, Designated for Subsequent Years (2023/24) Budget	<u>2,106,894</u>	
		<u>13,744,825</u>
Total Unreserved, Undesignated Fund Balance		<u>6,264,423</u>
Restricted Fund Balance - Excess Surplus		<u>\$ 3,689,303</u>
Excess Surplus as of June 30, 2023		
Excess Surplus Designated for Subsequent Year's Budget		\$ 3,870,457
Excess Surplus		<u>3,689,303</u>
Total		<u>\$ 7,559,760</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. Procedures be reviewed and revised to ensure open purchase orders are reviewed at year end for accuracy, appropriateness and proper classification as an accounts payable or encumbrance. Additionally, all liabilities be recorded at year end.
2. Travel reimbursements be reviewed to ensure expenditures are charged to the appropriate budget accounts in accordance with the Uniform Minimum Chart of Accounts.
- \* 3. Additional appropriations be properly calculated and required approvals be sought prior to modifications of the approved District budget.
4. All banks utilized by the District be approved as designated depositories and included in the official minutes.
5. All transactions included in the District's energy savings lease escrow account be recorded in the District's financial reporting system and charged in accordance with the Uniform Minimum Chart of Accounts.
6. Beginning balances in the District's general ledger be in agreement with the prior year annual audit.
7. The District's annual employer pension contribution be remitted by the required due date.
- \* 8. 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. In addition, 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**

- \* 9. It is recommended that internal controls over expenditures be reviewed and enhanced to ensure compliance with the public school contracts law.

**IV. School Food Services**

There are none.

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

10. It is recommended that Athletic account receipts be deposited in a timely manner.

**VI. Application for State School Aid**

There are none.

**VII. Pupil Transportation**

There are none.

**LODI BOARD OF EDUCATION  
RECOMMENDATIONS**

**VIII. Facilities and Capital Assets**

There are none.

**IX. Miscellaneous**

There are none.

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

Corrective action was taken on all prior year recommendations except those denoted with an asterisk (\*).

**ACKNOWLEDGEMENT**

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