

LODI BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Lodi, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Lodi Board of Education
Lodi, New Jersey
For The Fiscal Year Ended June 30, 2024**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



OFFICE OF THE BUSINESS ADMINISTRATOR

Lincoln School Building • 8 Hunter Street • Lodi, New Jersey 07644
Phone: (973) 778-4920 • Fax: (973) 778-1175



Mr. Michael Rinderknecht
Interim Business Administrator

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

October 29, 2024

Dear Board Members:

The annual comprehensive financial report of the Lodi Board of Education for the fiscal year ended June 30, 2024, 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 by the Governmental Accounting Standards Board. All funds 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 Pre-K through 12. These include regular as well as special education for handicapped 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, 2024.

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 I.


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

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

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

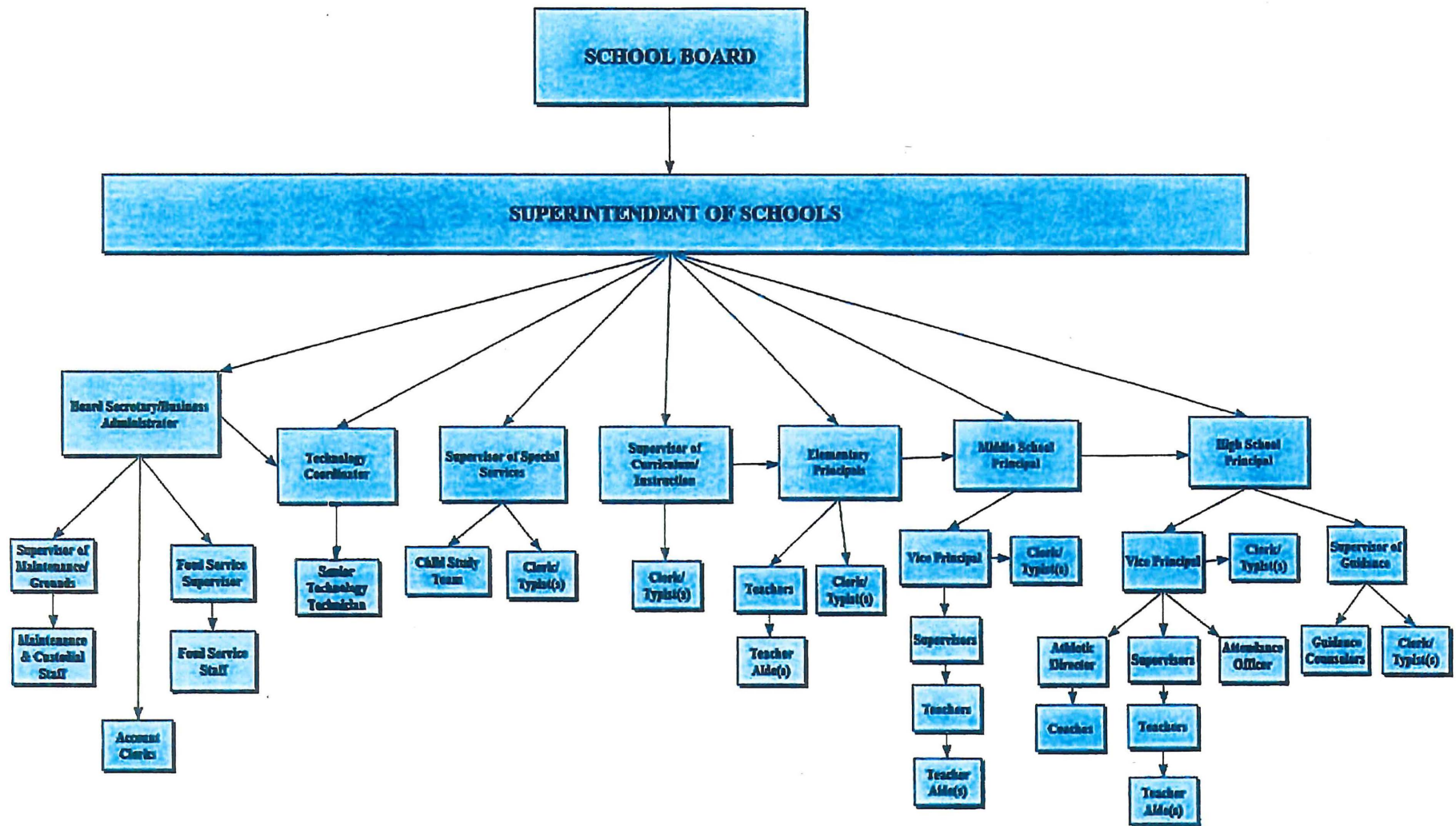

Michael Rinderknecht
Interim Board Secretary/Business Administrator


Frank D'Amico
Superintendent of Schools

10/29/24
Date

10/29/24
Date

Lodi Board of Education Organizational Plan and Flow Chart



LODI BOARD OF EDUCATION
Lodi, New Jersey

Roster of Officials

June 30, 2024

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ms. Nancy Cardone, President	2026
Dr. Laura E. Cima, Vice President	2025
Ms. Jocelyn Anderson	2025
Mr. Alfonso Mastrofilipo Jr.	2026
Mr. John Cannizzaro	2025
Mr. Joseph Ramos	2026
Mr. Joseph LaFranca	2027
Mr. Alcenovel Bautista	2027
Ms. Mikaela Alcala	2027

Frank D'Amico, Superintendent of Schools

Michael Rinderknecht, Interim School Business Administrator/Board Secretary

LODI BOARD OF EDUCATION

Consultants & Advisors

June 30, 2024

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
Webster Bank

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, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

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, 2024 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 accompanying 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, 2024, 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 October 29, 2024 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
October 29, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

This section of 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, 2024. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 fiscal year include the following:

- The 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 \$26,260,699 (net position).
- Overall District revenues were \$94,645,292. General revenues accounted for \$72,294,813 or 76% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$22,350,479 of total revenues.
- The School District had \$81,419,765 in expenses for governmental activities; only \$20,448,319 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$72,263,570 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 \$25,762,086 an increase of \$6,792,419 when compared to the ending fund balance at June 30, 2023 of \$18,999,667.
- The General Fund unassigned fund balance at June 30, 2024 was in a deficit position of \$3,193,485, a decrease of \$1,149,818 when compared with the ending fund balance deficit of \$2,043,667 at June 30, 2023.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$1,764,843 which represents a decrease of \$810,277 when compared to the ending unassigned fund balance at June 30, 2023 of \$2,575,120.

LODI BOARD OF EDUCATION

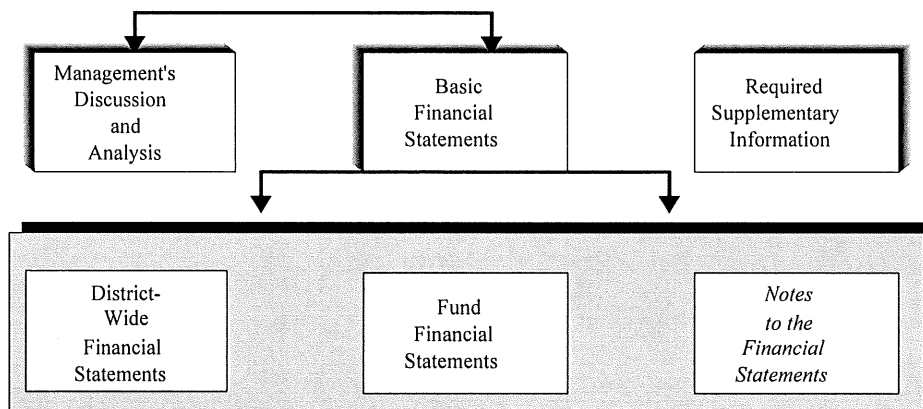
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental 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.
 - 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 financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



LODI BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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/liability information	All assets, deferred outflows, liabilities, 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, deferred outflows, liabilities, 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.

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

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 it has 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

- Over time, increases or decreases in the District's net position are 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 instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts 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 here.

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).

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

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. The District's Enterprise Fund is 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.

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 fund 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.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. 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 if required.

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$26,260,699 and \$14,877,118 as of June 30, 2024 and 2023, respectively, as shown below.

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, 2024 and 2023

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Assets						
Current Assets	\$ 28,359,809	\$ 23,794,574	\$ 811,989	\$ 828,016	\$ 29,171,798	\$ 24,622,590
Capital Assets	14,458,100	11,160,490	133,147	60,336	14,591,247	11,220,826
Total Assets	42,817,909	34,955,064	945,136	888,352	43,763,045	35,843,416
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	667,851	367,955	-	-	667,851	367,955
Total Assets & Deferred Outflows of Resources	43,485,760	35,323,019	945,136	888,352	44,430,896	36,211,371
Liabilities						
Long-Term Liabilities	14,688,347	14,743,044			14,688,347	14,743,044
Other Liabilities	2,662,470	4,969,006	31,584	67,330	2,694,054	5,036,336
Total Liabilities	17,350,817	19,712,050	31,584	67,330	17,382,401	19,779,380
Deferred Inflows of Resources						
Deferred Commodities Revenue			1,073		1,073	-
Deferred Amounts on Net Pension Liability	786,723	1,554,873	-	-	786,723	1,554,873
Total Liabilities & Deferred Inflows of Resources	18,137,540	21,266,923	32,657	67,330	18,170,197	21,334,253
Net Position						
Net Investment in Capital Assets	10,386,924	8,720,790	133,147	60,336	10,520,071	8,781,126
Restricted	20,576,887	7,889,654			20,576,887	7,889,654
Unrestricted (Deficit)	(5,615,591)	(2,554,348)	779,332	760,686	(4,836,259)	(1,793,662)
Total Net Position	\$ 25,348,220	\$ 14,056,096	\$ 912,479	\$ 821,022	\$ 26,260,699	\$ 14,877,118

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2024 and 2023 are as follows:

Changes in Net Position For the Fiscal Years June 30, 2024 and 2023						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program Revenues						
Charges for Services	\$ 314,086	\$ 368,492	\$ 599,627	\$ 533,954	\$ 913,713	\$ 902,446
Grants and Contributions	20,096,701	18,239,643	1,302,533	1,358,708	21,399,234	19,598,351
Capital Grants and Contributions	37,532	3,184,388			37,532	3,184,388
General Revenues						
Property Taxes	39,869,638	39,060,220			39,869,638	39,060,220
State and Federal Aid	30,584,306	24,370,797			30,584,306	24,370,797
Other	1,809,626	1,120,723	31,243	20,961	1,840,869	1,141,684
Total Revenues	<u>92,711,889</u>	<u>86,344,263</u>	<u>1,933,403</u>	<u>1,913,623</u>	<u>94,645,292</u>	<u>88,257,886</u>
Expenses						
Instruction						
Regular	31,388,224	28,941,844			31,388,224	28,941,844
Special Education	17,914,933	16,928,985			17,914,933	16,928,985
Other Instruction	2,096,178	2,203,241			2,096,178	2,203,241
School Sponsored Activities and Athletics	1,310,921	1,437,791			1,310,921	1,437,791
Support Services						
Student and Instruction Related Services	11,994,404	11,846,460			11,994,404	11,846,460
General Administrative Services	1,201,084	1,064,976			1,201,084	1,064,976
School Administrative Services	3,750,124	3,086,202			3,750,124	3,086,202
Plant Operations and Maintenance	5,927,456	4,242,403			5,927,456	4,242,403
Pupil Transportation	4,401,599	4,098,309			4,401,599	4,098,309
Central Services	1,291,891	968,516			1,291,891	968,516
Interest on Long Term Debt and Other Chgs	142,951	154,635			142,951	154,635
Food Services	-	-	1,841,946	1,747,107	1,841,946	1,747,107
Total Expenses	<u>81,419,765</u>	<u>74,973,362</u>	<u>1,841,946</u>	<u>1,747,107</u>	<u>83,261,711</u>	<u>76,720,469</u>
Net Change in Net Position	11,292,124	11,370,901	91,457	166,516	11,383,581	11,537,417
Net Position, Beginning of Year	<u>14,056,096</u>	<u>2,685,195</u>	<u>821,022</u>	<u>654,506</u>	<u>14,877,118</u>	<u>3,339,701</u>
Net Position, End of Year	<u>\$ 25,348,220</u>	<u>\$ 14,056,096</u>	<u>\$ 912,479</u>	<u>\$ 821,022</u>	<u>\$ 26,260,699</u>	<u>\$ 14,877,118</u>

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

As discussed, the financial position of the District improved significantly. However, maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2024 and 2023.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Instruction				
Regular	\$ 31,388,224	\$ 28,941,844	\$ 24,728,302	\$ 23,515,095
Special Education	17,914,933	16,928,985	11,679,183	10,520,557
Other Instruction	2,096,178	2,203,241	1,353,847	1,403,352
School Sponsored Activities and Athletics	1,310,921	1,437,791	994,376	1,048,376
Support Services				
Student and Instruction Related Services	11,994,404	11,846,460	9,534,506	9,393,355
General Administrative Services	1,201,084	1,064,976	1,104,679	979,738
School Administrative Services	3,750,124	3,086,202	3,296,050	2,617,524
Plant Operations and Maintenance	5,927,456	4,242,403	3,408,478	(573,876)
Pupil Transportation	4,401,599	4,098,309	3,555,187	3,284,067
Central Services	1,291,891	968,516	1,173,887	838,016
Interest on Long-Term Debt and Other Chgs	<u>142,951</u>	<u>154,635</u>	<u>142,951</u>	<u>154,635</u>
Total	<u>\$ 81,419,765</u>	<u>\$ 74,973,362</u>	<u>\$ 60,971,446</u>	<u>\$ 53,180,839</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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, unreserved 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 \$25,762,086, an increase of \$6,762,419 from last year's fund balance of \$18,999,667.

Revenues for the District's governmental funds were \$98,170,782; total expenditures were \$91,408,363.

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues and other financing sources of the General Fund were \$94,278,600 for the fiscal year ended June 30, 2024. State sources amounts to \$48,972,774, federal sources amounts to \$1,572,945 and local sources amounts to \$40,573,875.

Expenditures and other financing uses of the General Fund were \$85,224,319. Instructional expenditures were \$52,814,504 for support services were \$28,839,398, for debt service were \$809,418 and capital expenditures totaled \$760,999 for the fiscal year ended June 30, 2024.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$5,908,267 for the fiscal year ended June 30, 2024. State sources amounts to \$1,264,395, federal sources amounts to \$4,329,786 and local sources amounts to \$314,086.

Expenditures of the Special Revenue Fund were \$5,914,583. Instructional expenditures were \$3,743,491 for support services were \$1,456,777 and capital expenditures totaled \$714,315 for the fiscal year ended June 30, 2024.

Capital Projects - The capital projects expenditures and other financing uses exceeded revenues and other financing sources by \$2,285,546 decreasing the fund balance from \$3,493,961 at June 30, 2023 to \$1,208,415 at June 30, 2024.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

Enterprise Fund - 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 this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

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 June 30, 2023 encumbrances.
- Appropriation of 2022/23 Extraordinary Aid

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2024 and 2023 amounts to \$14,591,247 and \$11,220,826 (net of accumulated depreciation), respectively. The capital assets consist of land, land improvements, buildings and building improvements and various other types of equipment. Depreciation charges for the fiscal year 2023-2024 amounted to \$447,165 for governmental activities and \$19,750 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2024 and 2023.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 632,418	\$ 632,418			\$ 632,418	\$ 632,418
Land Improvements	405,197	573,467			405,197	573,467
Building and Building Improvements	6,803,733	4,235,780			6,803,733	4,235,780
Machinery and Equipment	1,107,591	996,565	\$ 133,147	\$ 60,336	1,240,738	1,056,901
Construction in Progress	<u>5,509,161</u>	<u>4,722,260</u>	<u>-</u>	<u>-</u>	<u>5,509,161</u>	<u>4,722,260</u>
Total Capital Assets (Net)	\$ <u>14,458,100</u>	\$ <u>11,160,490</u>	\$ <u>133,147</u>	\$ <u>60,336</u>	\$ <u>14,591,247</u>	\$ <u>11,220,826</u>

Additional information on the District's capital assets are presented in the Notes to the Financial Statements.

LONG TERM LIABILITIES

At June 30, 2024, the District's long-term liabilities consisted of compensated absences payable of \$2,862,708, capital financing agreements of \$5,054,210 and net pension liability of \$6,771,429 totaling \$14,688,347. This is in comparison to long-term liabilities at June 30, 2023 of \$14,743,044 or a decrease of \$54,697.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2024-2025 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

LODI BOARD OF EDUCATION

Management's Discussion and Analysis

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 Business Office, Lodi Board of Education, 8 Hunter Street, Lodi, NJ 07644.

FINANCIAL STATEMENTS

**LODI BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 24,408,970	\$ 440,247	\$ 24,849,217
Cash with Fiscal Agents	896,954		896,954
Receivables, net			
Receivables from Other Governments	3,050,385	184,883	3,235,268
Other	3,500	141,836	145,336
Inventory		45,023	45,023
Capital Assets			
Not Being Depreciated	6,141,579		6,141,579
Being Depreciated, Net	<u>8,316,521</u>	<u>133,147</u>	<u>8,449,668</u>
Total Assets	<u>42,817,909</u>	<u>945,136</u>	<u>43,763,045</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>667,851</u>	<u>-</u>	<u>667,851</u>
Total Deferred Outflows of Resources	<u>667,851</u>	<u>-</u>	<u>667,851</u>
Total Assets and Deferred Outflows of Resources	<u>43,485,760</u>	<u>945,136</u>	<u>44,430,896</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	594,251	20,089	614,340
Payable to Other Governments	44,710		44,710
Accrued Interest Payable	64,747		64,747
Unearned Revenue	1,958,762	11,495	1,970,257
Noncurrent Liabilities			
Due Within One Year	421,733		421,733
Due Beyond One Year	<u>14,266,614</u>	<u>-</u>	<u>14,266,614</u>
Total Liabilities	<u>17,350,817</u>	<u>31,584</u>	<u>17,382,401</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		1,073	1,073
Deferred Amounts on Net Pension Liability	<u>786,723</u>	<u>-</u>	<u>786,723</u>
Total Deferred Inflows of Resources	<u>786,723</u>	<u>1,073</u>	<u>787,796</u>
Total Liabilities and Deferred Inflows of Resources	<u>18,137,540</u>	<u>32,657</u>	<u>18,170,197</u>
NET POSITION			
Net Investment in Capital Assets	10,386,924	133,147	10,520,071
Restricted for:			
Capital Projects	19,467,958		19,467,958
Plant Maintenance	1,000,000		1,000,000
Other Purposes	108,929		108,929
Unrestricted	<u>(5,615,591)</u>	<u>779,332</u>	<u>(4,836,259)</u>
Total Net Position	<u>\$ 25,348,220</u>	<u>\$ 912,479</u>	<u>\$ 26,260,699</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, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 31,388,224		\$ 6,659,922		\$ (24,728,302)		\$ (24,728,302)
Special Education	17,914,933		6,235,750		(11,679,183)		(11,679,183)
Other Instruction	2,096,178		742,331		(1,353,847)		(1,353,847)
School Sponsored Activities and Athletics	1,310,921	\$ 314,086	2,459		(994,376)		(994,376)
Support Services							
Student and Instruction Related Services	11,994,404		2,459,898		(9,534,506)		(9,534,506)
General Administrative Services	1,201,084		96,405		(1,104,679)		(1,104,679)
School Administrative Services	3,750,124		454,074		(3,296,050)		(3,296,050)
Plant Operations and Maintenance	5,927,456		2,481,446	\$ 37,532	(3,408,478)		(3,408,478)
Pupil Transportation	4,401,599		846,412		(3,555,187)		(3,555,187)
Central Services	1,291,891		118,004		(1,173,887)		(1,173,887)
Interest on Long-Term Debt and Other Charges	142,951	-	-	-	(142,951)	-	(142,951)
Total Governmental Activities	81,419,765	314,086	20,096,701	37,532	(60,971,446)	-	(60,971,446)
Business-Type Activities							
Food Service	1,841,946	599,627	1,302,533	-	-	\$ 60,214	60,214
Total Business-Type Activities	1,841,946	599,627	1,302,533	-	-	60,214	60,214
Total Primary Government	\$ 83,261,711	\$ 913,713	\$ 21,399,234	\$ 37,532	(60,971,446)	60,214	(60,911,232)
Balance, Carry Forward					\$ (60,971,446)	\$ 60,214	\$ (60,911,232)
General Revenues							
Property Taxes, General Purposes					39,060,220		39,060,220
Property Taxes, Debt Service					809,418		809,418
State Aid - Unrestricted					30,584,306		30,584,306
Miscellaneous Income					1,809,626	31,243	1,840,869
Total General Revenues					72,263,570	31,243	72,294,813
Change in Net Position					11,292,124	91,457	11,383,581
Net Position, July 1, 2023					14,056,096	821,022	14,877,118
Net Position, June 30, 2024					\$ 25,348,220	\$ 912,479	\$ 26,260,699

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, 2024**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash	\$ 17,187,717	\$ 108,929	\$ 7,112,324		\$ 24,408,970
Receivables from Other Governments	108,678	2,092,013	849,694		3,050,385
Other Receivables		3,500			3,500
Due From Other Funds	7,530,183				7,530,183
Restricted Assets					
Cash with Fiscal Agents	-	-	896,954	-	896,954
Total Assets	<u>\$ 24,826,578</u>	<u>\$ 2,204,442</u>	<u>\$ 8,858,972</u>	<u>\$ -</u>	<u>\$ 35,889,992</u>
LIABILITIES and FUND BALANCES					
Liabilities					
Accounts Payable	\$ 265,490	\$ 212,415			\$ 477,905
Accrued Salaries and Wages	13,768				13,768
Payroll Deductions Payable	102,578				102,578
Due To Other Funds		691,788	\$ 6,838,395		7,530,183
Payables to Other Governments		44,710			44,710
Unearned Revenue	-	1,146,600	812,162	-	1,958,762
Total Liabilities	<u>381,836</u>	<u>2,095,513</u>	<u>7,650,557</u>	<u>-</u>	<u>10,127,906</u>
Fund Balances					
Restricted					
Capital Reserve	14,420,688				14,420,688
Capital Reserve Designated for Subsequent Year's (2024/25) Budget	4,009,727				4,009,727
Maintenance Reserve	1,000,000				1,000,000
Excess Surplus	2,600,000				2,600,000
Excess Surplus - Designated for Subsequent Year's (2024/25) Budget	3,689,303				3,689,303
Student Activities		108,929			108,929
Capital Projects			1,208,415		1,208,415
Committed					
Encumbrances	742,466				742,466
Assigned					
Encumbrances	1,176,043				1,176,043
Unassigned	(3,193,485)	-	-	-	(3,193,485)
Total Fund Balances	<u>24,444,742</u>	<u>108,929</u>	<u>1,208,415</u>	<u>-</u>	<u>25,762,086</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 24,826,578</u>	<u>\$ 2,204,442</u>	<u>\$ 8,858,972</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 \$27,817,467 and the accumulated depreciation is \$13,359,367. 14,458,100

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (64,747)

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	\$ (5,054,210)	
Compensated Absences Payable	(2,862,708)	
Net Pension Liability	(6,771,429)	
		(14,688,347)

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	667,851	
Deferred Inflows of Resources	(786,723)	
		(118,872)
		<u>\$ 25,348,220</u>

**LODI BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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	\$ 39,060,220			\$ 809,418	\$ 39,869,638
Interest	170,559		\$ 295,971		466,530
Miscellaneous	<u>1,343,096</u>	<u>\$ 314,086</u>	<u>-</u>	<u>-</u>	<u>1,657,182</u>
Total - Local Sources	40,573,875	314,086	295,971	809,418	41,993,350
State Sources	48,972,774	1,264,395	37,532	-	50,274,701
Federal Sources	<u>1,572,945</u>	<u>4,329,786</u>	<u>-</u>	<u>-</u>	<u>5,902,731</u>
Total Revenues	<u>91,119,594</u>	<u>5,908,267</u>	<u>333,503</u>	<u>809,418</u>	<u>98,170,782</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	32,460,751	2,025,781			34,486,532
Special Education Instruction	17,426,809	931,881			18,358,690
Other Instruction	1,857,097	465,427			2,322,524
School Sponsored Activities and Athletics	1,069,847	320,402			1,390,249
Support Services					
Student and Instruction Related Services	11,636,184	1,283,115			12,919,299
General Administrative Services	1,269,752				1,269,752
School Administrative Services	4,223,980				4,223,980
Plant Operations and Maintenance	6,040,211				6,040,211
Pupil Transportation	4,227,937	173,662			4,401,599
Central Services	1,441,334				1,441,334
Debt Service					
Principal	557,115				557,115
Interest and Other Charges	252,303				252,303
Capital Outlay	<u>760,999</u>	<u>714,315</u>	<u>2,269,461</u>	<u>-</u>	<u>3,744,775</u>
Total Expenditures	<u>83,224,319</u>	<u>5,914,583</u>	<u>2,269,461</u>	<u>-</u>	<u>91,408,363</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,895,275</u>	<u>(6,316)</u>	<u>(1,935,958)</u>	<u>809,418</u>	<u>6,762,419</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	3,159,006		2,000,000		5,159,006
Transfers Out	<u>(2,000,000)</u>	<u>-</u>	<u>(2,349,588)</u>	<u>(809,418)</u>	<u>(5,159,006)</u>
Total Other Financing Sources (Uses)	<u>1,159,006</u>	<u>-</u>	<u>(349,588)</u>	<u>(809,418)</u>	<u>-</u>
Net Change in Fund Balances	9,054,281	(6,316)	(2,285,546)	-	6,762,419
Fund Balance, Beginning of Year	<u>15,390,461</u>	<u>115,245</u>	<u>3,493,961</u>	<u>-</u>	<u>18,999,667</u>
Fund Balance, End of Year	<u>\$ 24,444,742</u>	<u>\$ 108,929</u>	<u>\$ 1,208,415</u>	<u>\$ -</u>	<u>\$ 25,762,086</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, 2024**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)	\$ 6,762,419
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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	\$ 3,744,775	
Depreciation Expense	<u>(447,165)</u>	
		3,297,610

In the statement of activities, certain operating expenses - compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Increase in Compensated Absences	(158,175)
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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.

Principal Repayments - Capital Financing Agreements	557,115
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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-Public Employees' Retirement System	723,803
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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.

Decrease in Accrued Interest	<u>109,352</u>
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Change in Net Position of Governmental Activities (Exhibit A-2)	\$ <u>11,292,124</u>
--	-----------------------------

**LODI BOARD OF EDUCATION
PROPRIETARY FUNDS
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

ASSETS

Current Assets

Cash	\$ 440,247
Intergovernmental Accounts Receivable	
State	12,124
Federal	172,759
Accounts Receivable	141,836
Inventory	<u>45,023</u>
 Total Current Assets	 <u>811,989</u>

Capital Assets:

Machinery and Equipment	519,413
Less: Accumulated Depreciation	<u>(386,266)</u>
 Total Capital Assets, Net	 <u>133,147</u>

Total Assets	<u>945,136</u>
--------------	----------------

LIABILITIES

Current Liabilities

Accounts Payable	20,089
Unearned Revenue	<u>11,495</u>
 Total Current Liabilities	 <u>31,584</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Commodities Revenue	<u>1,073</u>
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Total Deferred Inflows of Resources	<u>1,073</u>
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Total Liabilities	<u>32,657</u>
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NET POSITION

Investment in Capital Assets	133,147
Unrestricted	<u>779,332</u>
 Total Net Position	 <u>\$ 912,479</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, 2024**

OPERATING REVENUES

Charges for Services	
Daily Sales	
Reimbursable Programs	\$ 558,426
Non-Reimbursable Programs	41,201
Miscellaneous	-
	<hr/>
Total Operating Revenues	599,627

OPERATING EXPENSES

Cost of Sales	
Reimbursable Programs	690,246
Non-Reimbursable Programs	51,954
USDA Commodities	133,061
Salaries and Wages	617,491
Employee Benefits	37,884
Insurance	55,390
Management Fee	69,257
Other Expenses	108,372
Supplies and Materials	58,541
Depreciation	19,750
	<hr/>
Total Operating Expenses	1,841,946

Operating Income (Loss)	<hr/> (1,242,319)
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NONOPERATING REVENUES (EXPENSES)

Local Sources	
Interest Earned	31,243
State Sources	
School Lunch Program	65,706
Breakfast Program	2,216
Summer Food Service Supplemental	514
Federal Sources	
National School Lunch Program	957,194
Food Distribution Program (USDA Commodities)	133,061
School Breakfast Program	45,639
P-EBT Administrative Costs	3,256
Summer Food Service Program for Children	21,937
Supply Chain Assistance Program	73,010
	<hr/>
Total Nonoperating Revenues	1,333,776

Change in Net Position	91,457
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Net Position, July 1, 2023	<hr/> 821,022
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Net Position, June 30, 2024	<hr/> <hr/> \$ 912,479
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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, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Received from Customers	\$ 459,414
Payments for Employees Salaries and Benefits	(655,375)
Payments to Suppliers	<u>(1,065,119)</u>
Net Cash Provided By (Used For) Operating Activities	<u>(1,261,080)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State and Federal Reimbursements	<u>1,041,848</u>
Net Cash Provided By Non-Capital Financing Activities	<u>1,041,848</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on Investments	<u>31,243</u>
Net Cash Provided By Investing Activities	<u>31,243</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of Capital Assets	<u>(92,561)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(92,561)</u>

Net Change in Cash and Cash Equivalents	(280,550)
Cash Balance, July 1, 2023	<u>720,797</u>
Cash Balance, June 30, 2024	<u><u>\$ 440,247</u></u>

(Used for) Operating Activities:

Operating Income (Loss)	\$ (1,242,319)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities	
Noncash Federal Assistance - Food Distribution Program	133,061
Depreciation Expense	19,750
Change in Assets, Liabilities and Deferred Inflows of Resources	
(Increase) Decrease in Accounts Receivable	(141,836)
(Increase) Decrease in Inventories	4,937
Increase (Decrease) in Accounts Payable	(36,296)
Increase (Decrease) in Unearned Revenue	1,073
Increase (Decrease) in Deferred Commodities Revenue	<u>550</u>
Total Adjustments	<u>(18,761)</u>
Net Cash Provided By (Used For) Operating Activities	<u><u>\$ (1,261,080)</u></u>
Non-Cash Financing Activities	
Fair Value of Food Distribution Program - National School Lunch	<u><u>\$ 134,134</u></u>

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, 2024**

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 2024, the District adopted the following GASB statements:

- 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.

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

- 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, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 102, *Certain Risk Disclosures*, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

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.

LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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, grants 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.

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.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software assets are reported as other financing sources.

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.

LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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. *Restricted Assets*

Certain assets are classified as restricted on the balance sheet because they are maintained in a separate bank account for energy savings improvements.

6. *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 one item which arises only under the accrual basis of accounting that qualify for reporting in this category. The 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 which arise only under the accrual basis of accounting that qualify for reporting in this category. The first 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 second 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, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. *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.

8. *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.

9. *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.

10. *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, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *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 2C).

Capital Reserve – Designated for Subsequent Year's Expenditures - This designation was created to dedicate the portion of capital reserve fund balance appropriated in the 2024/2025 original budget certified for taxes.

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2024 audited excess surplus that is required to be appropriated in the 2025/2026 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, 2023 audited excess surplus that was appropriated in the 2024/2025 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, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *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.

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.

12. *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, 2024**

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 2022/2023 and 2023/2024 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. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system.

Revenues and expenses of governmental activities include the State’s proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system.

5. 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.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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.

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year’s general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

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 2023/24. Also, during 2023/24 the Board increased the original General Fund budget by \$2,280,197 and Special Revenue Fund budget by \$3,557,339. The increases were funded by extraordinary aid, grant awards, transfer from Debt Service Fund and the 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.

LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$3,193,485 in the General Fund as of June 30, 2024 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 2023/24 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, 2024.

C. 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, 2024 is as follows:

Balance, July 1, 2023	\$ 7,452,073
Increased by	
Interest Earnings	\$ 170,559
Deposits Approved by Board Resolution	9,250,604
Return of Unencumbered Withdrawals from Capital Projects Fund	<u>2,057,179</u>
Total Increases	<u>11,478,342</u>
	18,930,415
Decreased by	
Withdrawals Approved in District Budget	<u>500,000</u>
Balance, June 30, 2024	<u>\$ 18,430,415</u>

LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$4,009,727 of the capital reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

D. 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, 2024 is as follows:

Balance, July 1, 2023	\$ -
Increased by	
Deposits Approved by Board Resolution	<u>1,000,000</u>
Balance, June 30, 2024	<u>\$ 1,000,000</u>

The June 30, 2024 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,744,027.

E. Transfers to Capital Outlay

During the 2023/2024 school year, the district transferred \$514,000 to the non-equipment capital outlay accounts. The transfer was approved by the County Superintendent to support an emergent circumstance pursuant to N.J.A.C. 6A:23A-13.3(h).

F. 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 2% 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, 2024 is \$6,289,303. Of this amount, \$3,689,303 was designated and appropriated in the 2024/2025 original budget certified for taxes and the remaining amount of \$2,600,000 is required to be appropriated in the 2025/2026 original budget certified for taxes.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

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, 2024, the book value of the Board's deposits was \$25,746,171 and bank and brokerage firm balances of the Board's deposits amounted to \$29,603,245. 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	\$ 28,076,619
Uninsured and Collateralized	<u>1,526,626</u>
	<u>\$ 29,603,245</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, 2024 the Board's bank balance of \$1,526,626 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized	
Collateral held by Board's Agent in the Board's name	\$ 896,954
Collateral held by pledging financial institution's trust department but not in the Board's name	<u>629,672</u>
	<u>\$ 1,526,626</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.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2024, the Board had no outstanding investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

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, 2024 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>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Federal		\$ 2,092,013		\$ 172,759	\$ 2,264,772
State	\$ 108,678		\$ 849,694	12,124	970,496
Accounts	-	3,500	-	141,836	145,336
Gross Receivables	108,678	2,095,513	849,694	326,719	3,380,604
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 108,678</u>	<u>\$ 2,095,513</u>	<u>\$ 849,694</u>	<u>\$ 326,719</u>	<u>\$ 3,380,604</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	\$ 1,146,600
Capital Projects Fund	
Unrealized SDA -ROD Grants	<u>812,162</u>
	<u>\$ 1,958,762</u>

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Balance <u>June 30, 2024</u>
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 632,418				\$ 632,418
Construction in Progress	<u>4,722,260</u>	<u>\$ 2,269,461</u>	<u>-</u>	<u>\$ (1,482,560)</u>	<u>5,509,161</u>
Total Capital Assets, Not Being Depreciated	<u>5,354,678</u>	<u>2,269,461</u>	<u>-</u>	<u>(1,482,560)</u>	<u>6,141,579</u>
Capital Assets, Being Depreciated:					
Site Improvements	1,739,885				1,739,885
Buildings and Improvements	12,312,248	1,086,400		1,482,560	14,881,208
Machinery and Equipment	<u>4,665,881</u>	<u>388,914</u>	<u>-</u>	<u>-</u>	<u>5,054,795</u>
Total Capital Assets Being Depreciated	<u>18,718,014</u>	<u>1,475,314</u>	<u>-</u>	<u>1,482,560</u>	<u>21,675,888</u>
Less Accumulated Depreciation for:					
Site Improvements	(1,166,418)	(168,270)			(1,334,688)
Buildings and Improvements	(8,076,468)	(1,007)			(8,077,475)
Machinery and Equipment	<u>(3,669,316)</u>	<u>(277,888)</u>	<u>-</u>	<u>-</u>	<u>(3,947,204)</u>
Total Accumulated Depreciation	<u>(12,912,202)</u>	<u>(447,165)</u>	<u>-</u>	<u>-</u>	<u>(13,359,367)</u>
Total Capital Assets, Being Depreciated, net	<u>5,805,812</u>	<u>1,028,149</u>	<u>-</u>	<u>1,482,560</u>	<u>8,316,521</u>
Governmental Activities Capital Assets, net	<u>\$ 11,160,490</u>	<u>\$ 3,297,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,458,100</u>

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2024</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 426,852	\$ 92,561	-	\$ 519,413
Total Capital Assets Being Depreciated	<u>426,852</u>	<u>92,561</u>	<u>-</u>	<u>519,413</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(366,516)	(19,750)	-	(386,266)
Total Accumulated Depreciation	<u>(366,516)</u>	<u>(19,750)</u>	<u>-</u>	<u>(386,266)</u>
Total Capital Assets, Being Depreciated, net	<u>60,336</u>	<u>72,811</u>	<u>-</u>	<u>133,147</u>
Business-Type Activities Capital Assets, net	<u>\$ 60,336</u>	<u>\$ 72,811</u>	<u>\$ -</u>	<u>\$ 133,147</u>

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

Governmental Activities:

Instruction	
Regular	\$ 117,393
Total Instruction	<u>117,393</u>
Support Services	
Student and Instruction Related Services	106,584
General Administrative Services	10,726
School Administrative Services	3,506
Plant Operations and Maintenance	208,956
Total Support Services	<u>329,772</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 447,165</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 19,750</u>

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
HVAC Upgrades at High School	\$ 33,546	\$ 1,221,454
HS CHP Project & TJMS Unit Ventilators	479,138	511,176
HVAC Controls at Various Schools	1,500,267	146,590
Mini Split A/C Units at Various Schools	-	391,950
Upgrade to District's Emergency Notification System	-	289,000

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 6,838,395
General Fund	Special Revenue Fund	691,788
		<u>\$ 7,530,183</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>Capital Projects Fund</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 2,000,000	\$ 2,000,000
Capital Projects Fund	\$ 2,349,588	-	2,349,588
Debt Service Fund	809,418	-	809,418
	<u>\$ 3,159,006</u>	<u>\$ 2,000,000</u>	<u>\$ 5,159,006</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, 2024**

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, 2024 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 \$458,611 through July 15, 2038, interest at 2.795%	\$ 5,054,210
Total	<u>\$ 5,054,210</u>

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, 2024, \$896,954 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 June 30,	<u>Principal</u>	<u>Capital Agreements</u> <u>Interest</u>	<u>Total</u>
2025	\$ 271,733	\$ 137,468	\$ 409,201
2026	260,682	130,027	390,709
2027	275,897	122,528	398,425
2028	291,705	114,596	406,301
2029	286,037	106,522	392,559
2030-2034	1,689,567	399,616	2,089,183
2035-2039	<u>1,978,589</u>	<u>132,723</u>	<u>2,111,312</u>
	<u>\$ 5,054,210</u>	<u>\$ 1,143,480</u>	<u>\$ 6,197,690</u>

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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, 2024 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 119,754,776
Less: Net Debt Issued and Authorized But Not Issued	<u>-</u>
Remaining Borrowing Power	<u>\$ 119,754,776</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

	Balance <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2024</u>	Due Within <u>One Year</u>
Governmental Activities:					
Obligations Under Capital					
Financing Agreements	\$ 5,611,325		\$ 557,115	\$ 5,054,210	\$ 271,733
Net Pension Liability	6,427,186	\$ 969,068	624,825	6,771,429	
Compensated Absence Payable	<u>2,704,533</u>	<u>242,427</u>	<u>84,252</u>	<u>2,862,708</u>	<u>150,000</u>
Governmental Activity					
Long-Term Liabilities	<u>\$ 14,743,044</u>	<u>\$ 1,211,495</u>	<u>\$ 1,266,192</u>	<u>\$ 14,688,347</u>	<u>\$ 421,733</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, 2024**

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, 2024, 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, 2024, 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, 2024**

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 reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the 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, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for their 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 PERS 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, 2024**

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. Empower Retirement (formerly Prudential) 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, 2024**

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, 2023 is \$14.6 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 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 2024.

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, 2024 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 more 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 2024, 2023 and 2022 were equal to the required contributions.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024, 2023 and 2022 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:

<u>Fiscal Year Ended June 30,</u>	<u>PERS</u>	<u>On-Behalf TPAF</u>	<u>DCRP</u>
2024	\$ 624,825	\$ 8,050,837	\$ 15,174
2023	537,061	7,832,811	15,152
2022	512,756	7,978,890	14,359

In addition for fiscal years 2024, 2023 and 2022 the State contributed \$2,880, \$2,470 and \$2,382, 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 \$1,761,051 during the fiscal year ended June 30, 2024 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 based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2022 through June 30, 2024. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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, 2024**

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, 2022 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of \$6,771,429 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2022. 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, 2023. At June 30, 2023, the District's proportionate share was .04675 percent, which was an increase of .00416 percent from its proportionate share measured as of June 30, 2022 of .04259 percent.

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$98,978 for PERS. The pension contribution made by the District during the current 2023/2024 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, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. 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, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, 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	\$ 64,744	\$ 27,679
Changes of Assumptions	14,875	410,378
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	31,183	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>557,049</u>	<u>348,666</u>
Total	<u>\$ 667,851</u>	<u>\$ 786,723</u>

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024, 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:

<u>Year Ending June 30,</u>	<u>Total</u>
2024	\$ (371,144)
2025	(170,003)
2026	334,089
2027	77,504
2028	10,682
Thereafter	-
	<u>\$ (118,872)</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2023. 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
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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)

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>8,814,960</u>	\$ <u>6,771,429</u>	\$ <u>5,032,114</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, 2023. A sensitivity analysis specific to the District’s net pension liability at June 30, 2023 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.

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 based on a measurement date no earlier than the end of the employer’s prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State’s actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2022 through June 30, 2023. 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, 2023, the State’s pension contribution was more than the actuarial determined amount.

LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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)

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, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,369,291 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, 2024 the State's proportionate share of the net pension liability attributable to the District is \$96,441,662. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. 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, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the District was .18898 percent, which was a decrease of .00214 percent from its proportionate share measured as of June 30, 2022 of .19112 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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:	2.75-4.25%
	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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2023. 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 will be based on 100% of the actuarially determined contributions for the State. 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
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 113,722,220	\$ 96,441,662	\$ 81,887,325

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, 2023. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2023 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, 2023. 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, 2024

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, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. 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, 2022:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>152,383</u>
Total	<u>369,595</u>

Measurement Focus and Basis of Accounting

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

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit 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.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2023 is \$52.4 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2022 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 \$1.44 billion to the OPEB plan in fiscal year 2023.

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, 2024, 2023 and 2022 were \$2,191,143, \$2,057,661 and \$1,864,191, 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 based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2022 through June 30, 2023. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,323,016. 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, 2024 the State's proportionate share of the OPEB liability attributable to the District is \$97,530,180. 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, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state's share of the OPEB liability attributable to the District was .18626 percent, which was a decrease of .00212 percent from its proportionate share measured as of June 30, 2021 of .18838 percent.

LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 4.25% Based on 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, 2022 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is, increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% 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, 2023 was 3.65%. 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.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ 95,408,531
Changes Recognized for the Fiscal Year:	
Service Cost	3,847,649
Interest on the Total OPEB Liability	3,434,894
Differences Between Expected and Actual Experience	(2,767,942)
Changes of Assumptions	196,580
Gross Benefit Payments	(2,677,556)
Contributions from the Member	88,024
Net Changes	2,121,649
Balance, June 30, 2023 Measurement Date	\$ 97,530,180

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

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, 2023.

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 3.65%, 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 (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 114,337,392	\$ 97,530,180	\$ 84,035,940

LODI BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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 (Continued)

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% <u>Decrease</u>	Healthcare Cost Trend <u>Rates</u>	1% <u>Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 80,965,086	\$ 97,530,180	\$ 119,205,648

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2023. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2023 were not provided by the pension system.

F. Tropical Storm Ida

On September 1, 2021 Tropical Storm Ida arrived in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The District has incurred significant costs in the clean up and recovery from this federal disaster. The Federal Emergency Management Agency (“FEMA”) provides emergency grant assistance (voluntary nonexchange transaction) to help government’s cope with losses. Although the District has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of June 30, 2024. As of June 30, 2024, the District has received \$1,445,439 in FEMA reimbursements relating to Tropical Storm Ida which have been reflected in the financial statements.

G. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Lodi Board of Education, the District’s share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**LODI BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$10,820,069 in federal aid to address the effects of the COVID-19 pandemic.

BUDGETARY COMPARISON SCHEDULES

REQUIRED SUPPLEMENTARY INFORMATION - PART II

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Taxes	\$ 39,060,220		\$ 39,060,220	\$ 39,060,220	
Interest Earned on Capital Reserve	2,000		2,000	170,559	\$ 168,559
Unrestricted Miscellaneous Revenues	90,000	-	90,000	1,343,096	1,253,096
Total Revenues - Local Sources	39,152,220	-	39,152,220	40,573,875	1,421,655
State Sources					
Transportation Aid	674,487		674,487	674,487	
Extraordinary Aid	1,200,000		1,200,000	1,500,475	300,475
Special Education Aid	2,835,516		2,835,516	2,835,516	
Equalization Aid	31,267,063		31,267,063	31,267,063	
Security Aid	1,028,863		1,028,863	1,028,863	
On-Behalf TPAF (Non-Budgeted)					
Pension				7,960,057	7,960,057
NCGI Premium				90,780	90,780
Post Retirement Medical				2,191,143	2,191,143
Long Term Disability				2,880	2,880
Social Security Contributions	-	-	-	1,761,051	1,761,051
Total State Sources	37,005,929	-	37,005,929	49,312,315	12,306,386
Federal Sources					
FEMA - Public Assistance				1,445,439	1,445,439
Medicaid Reimbursement	137,149	-	137,149	127,506	(9,643)
Total Federal Sources	137,149	-	137,149	1,572,945	1,435,796
Total Revenues	76,295,298	-	76,295,298	91,459,135	15,163,837
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers:					
Kindergarten	1,106,742	\$ 325	1,107,067	1,003,684	103,383
Grades 1 - 5	5,831,823	202,538	6,034,361	5,974,595	59,766
Grades 6 - 8	3,799,067	99,298	3,898,365	3,843,456	54,909
Grades 9 - 12	4,247,442	312,775	4,560,217	4,434,876	125,341
Regular Programs - Home Instruction:					
Salaries of Teachers	90,000	(5,647)	84,353	67,432	16,921
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	1,061,400	(849,272)	212,128	212,128	-
Purchased Professional-Educational Services	110,000	596,240	706,240	699,748	6,492
Purchased Technical Services	40,000	3,367	43,367	43,367	-
Rentals & Leases		17,739	17,739	17,739	-
Other Purchased Services	500,000	(14,324)	485,676	458,949	26,727
Misc. Purchased Services		30,753	30,753	30,753	-
General Supplies	480,000	(53,142)	426,858	390,124	36,734
Textbooks	200,000	(8,579)	191,421	97,075	94,346
Other Objects	100,000	1,080	101,080	13,671	87,409
Total Instruction Regular Programs	17,566,474	333,151	17,899,625	17,287,597	612,028
Special Education					
Learning/Language Disabilities – Mild or Moderate					
Salaries of Teachers	292,869	133,516	426,385	376,298	50,087
Other Salaries for Instruction	195,936	23,238	219,174	217,686	1,488
Misc. Purchased Services		5,265	5,265	5,265	-
General Supplies	20,000	228	20,228	9,828	10,400
Total Learning/Language Disabilities - Mild/Moderate	508,805	162,247	671,052	609,077	61,975
Learning/Language Disabilities – Severe					
Other Salaries for Instruction	-	50,209	50,209	49,138	1,071
Total Learning/Language Disabilities - Severe	-	50,209	50,209	49,138	1,071

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Special Education					
Multiple Disabilities					
Other Salaries for Instruction	\$ -	\$ 73,476	\$ 73,476	\$ 70,347	\$ 3,129
Total Multiple Disabilities	-	73,476	73,476	70,347	3,129
Resource Room/Resource Center					
Salaries of Teachers	1,854,055	(187,137)	1,666,918	1,522,208	144,710
Other Salaries for Instruction	440,856	(409,231)	31,625	31,625	-
General Supplies	18,525	5,841	24,366	15,208	9,158
Total Resource Room/Resource Center	2,313,436	(590,527)	1,722,909	1,569,041	153,868
Home Instruction					
Purchased Professional - Educational Services	-	107,754	107,754	107,754	-
Total Home Instruction	-	107,754	107,754	107,754	-
Total Special Education	2,822,241	(196,841)	2,625,400	2,405,357	220,043
Basic Skills/Remedial					
Salaries of Teachers	569,121	(5,741)	563,380	529,672	33,708
Total Basic Skills/Remedial	569,121	(5,741)	563,380	529,672	33,708
Bilingual Education					
Salaries of Teachers	625,439	-	625,439	567,837	57,602
Total Bilingual Education	625,439	-	625,439	567,837	57,602
School Sponsored Co-Curricular Activities					
Salaries	300,000	-	300,000	185,042	114,958
Supplies and Materials	6,000	-	6,000	4,499	1,501
Other Objects	4,000	-	4,000	1,050	2,950
Total Co-Curricular Activities	310,000	-	310,000	190,591	119,409
School Sponsored Athletics					
Salaries	559,527	(25,000)	534,527	387,186	147,341
Purchased Services	60,000	(39,788)	20,212	12,764	7,448
Supplies and Materials	75,000	-	75,000	70,671	4,329
Other Objects	40,000	(17,212)	22,788	7,496	15,292
Transfers to Cover Deficit (Agency Funds)	-	124,150	124,150	124,150	-
Total Athletics	734,527	42,150	776,677	602,267	174,410
Total Instruction	22,627,802	172,719	22,800,521	21,583,321	1,217,200
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within State - Regular	75,000	(29,540)	45,460	31,776	13,684
Tuition to Other LEA's Within State - Special	13,082,080	(896,057)	12,186,023	9,542,294	2,643,729
Tuition to County Vocational School District- Regular	1,140,908	(80,147)	1,060,761	782,064	278,697
Tuition to County Vocational School District - Special	543,780	(30,732)	513,048	502,192	10,856
Tuition to County Special Services and Regional Day School	2,254,329	29,630	2,283,959	2,207,814	76,145
Tuition to Private School for the Disabled W/I State	1,802,366	(6,252)	1,796,114	1,196,718	599,396
Tuition to State Facilities	100,000	-	100,000	-	100,000
Tuition - Other	100,000	(20,600)	79,400	69,364	10,036
Total Tuition	19,098,463	(1,033,698)	18,064,765	14,332,222	3,732,543

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Attendance and Social Work					
Salaries	\$ 351,968	\$ (267,920)	\$ 84,048	\$ 81,600	\$ 2,448
Salaries of Drop-Out Prevention Officer/Coordinator	85,000	(85,000)			
Purchased Professional and Technical Services	-	1,080	1,080	1,080	-
Total Attendance and Social Work	436,968	(351,840)	85,128	82,680	2,448
Health Services					
Salaries	607,790	5,500	613,290	499,885	113,405
Purchased Professional and Technical Services	250,000	(6,295)	243,705	95,893	147,812
Other Purchased Services		199	199	199	
Supplies and Materials	16,000	1,102	17,102	16,003	1,099
Total Health Services	873,790	506	874,296	611,980	262,316
Other Supp. Svcs.-					
Speech, OT, PT and Related Services					
Salaries	345,176		345,176	325,431	19,745
Purchased Professional Educational Services	700,000	(35,951)	664,049	569,457	94,592
Total Speech, OT, PT and Related Services	1,045,176	(35,951)	1,009,225	894,888	114,337
Other Supp. Svcs.-Extraord. Serv.					
Salaries	146,952	308,610	455,562	454,874	688
Purchased Professional - Educational Services	1,400,000	184,430	1,584,430	1,362,707	221,723
Supplies and Materials	-	1,622	1,622	1,622	-
Total Other Support/Extraordinary Services	1,546,952	494,662	2,041,614	1,819,203	222,411
Other Supp. Svcs.-Guidance					
Salaries of Other Professional Staff	1,178,610	(8,762)	1,169,848	1,082,507	87,341
Salaries of Secretarial and Clerical Assistants	74,200	-	74,200	74,200	-
Other Salaries	157,586	8,762	166,348	166,348	-
Purchased Professional and Educational Services	120,000	138,500	258,500	257,100	1,400
Other Purchased Professional and Technical Services	80,000	(3,060)	76,940	52,032	24,908
Other Purchased Services		3,678	3,678	3,603	75
Supplies and Materials	100,000	(6,060)	93,940	45,276	48,664
Miscellaneous Expenditures	-	490	490	245	245
Total Other Support Services-Guidance	1,710,396	133,548	1,843,944	1,681,311	162,633
Other Supp. Svcs.-Child Study Teams					
Salaries of Other Professional Staff	1,590,455	(40,487)	1,549,968	1,217,630	332,338
Salaries of Secretarial and Clerical Assistants	194,619	31,531	226,150	194,620	31,530
Other Salaries		4,515	4,515	4,515	-
Purchased Professional - Educational Services	78,000	128,242	206,242	188,957	17,285
Other Purchased Professional and Technical Services	30,000	31,393	61,393	53,666	7,727
Rentals & Leases		949	949	949	-
Other Purchased Services		9,181	9,181	9,172	9
Supplies and Materials	65,000	26,640	91,640	66,669	24,971
Miscellaneous Expenditures	-	700	700	700	-
Total Other Support Services-Child Study Teams	1,958,074	192,664	2,150,738	1,736,878	413,860
Improvement of Instruction					
Salaries of Supervisor of Instruction	684,419	20,317	704,736	704,736	-
Salaries of Other Professional Staff	150,000	(87,998)	62,002		62,002
Other Salaries	288,900	(14,176)	274,724		274,724
Purchased Professional Educational Services	145,000	-	145,000	53,163	91,837
Other Purchased Services	180,000	(7,695)	172,305	84,126	88,179
Supplies and Materials	25,000	623	25,623	15,934	9,689
Miscellaneous Expenditures	-	450	450	450	-
Total Improvement of Instruction	1,473,319	(88,479)	1,384,840	858,409	526,431

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Educational Media Services/ School Library					
Salaries	\$ 405,222	\$ 14,176	\$ 419,398	\$ 370,224	\$ 49,174
Other Purchased Services	18,000	-	18,000	-	18,000
Other Purchased Services	100,000	(1,403)	98,597	50,326	48,271
Miscellaneous Expenditures	-	1,950	1,950	1,700	250
Total Educational Media Services/ School Library	523,222	14,723	537,945	422,250	115,695
Instructional Staff Training Services					
Purchased Professional Educational Services		52,901	52,901	50,921	1,980
Other Purchased Services	32,000	(14,474)	17,526	10,326	7,200
Supplies and Materials	33,000	(33,000)	-	-	-
Total Instructional Staff Training Services	65,000	5,427	70,427	61,247	9,180
Support Services General Administration					
Salaries	294,506	88,141	382,647	382,097	550
Legal Services	90,000	33,191	123,191	87,572	35,619
Audit Fees	63,405	45,544	108,949	65,449	43,500
Architectural/Engineering Services	66,300	107,073	173,373	134,080	39,293
Other Purchased Professional Services	10,000	(1,962)	8,038	6,065	1,973
Rentals & Leases		1,257	1,257	1,257	-
Communications/Telephone	145,000	(28,799)	116,201	114,874	1,327
BOE Other Purchased Services	-	5,604	5,604	5,523	81
Misc. Purchased Services	160,000	(102,142)	57,858	51,753	6,105
General Supplies	14,000	19,374	33,374	27,197	6,177
Judgements Against the School District	-	55,000	55,000	55,000	-
Miscellaneous Expenditures	6,000	7,656	13,656	12,298	1,358
BOE Membership Dues and Fees	22,750	8,811	31,561	29,461	2,100
Total Support Services General Administration	871,961	238,748	1,110,709	972,626	138,083
Support Services School Administration					
Salaries of Principals/Assistant Principals/Prog Dir	1,489,050	325,991	1,815,041	1,786,828	28,213
Salaries of Secretarial and Clerical Assistants	665,737	110,659	776,396	756,469	19,927
Rentals & Leases		12,101	12,101	12,101	-
Misc. Purchased Services		10,220	10,220	9,450	770
Supplies and Materials	58,000	3,182	61,182	53,963	7,219
Other Objects	15,000	(6,473)	8,527	4,987	3,540
Total Support Services School Administration	2,227,787	455,680	2,683,467	2,623,798	59,669
Central Services					
Salaries	446,512	14,795	461,307	461,307	-
Purchased Professional Services	90,000	(24,105)	65,895	62,245	3,650
Rentals & Leases		949	949	949	-
Miscellaneous Purchased Services	10,000	(6,059)	3,941	3,941	-
Supplies and Materials	24,000	(2,312)	21,688	21,142	546
Miscellaneous Expenditures	2,000	603	2,603	2,603	-
Total Undistributed Expenditures - Central Services	572,512	(16,129)	556,383	552,187	4,196
Admin. Info. Tech.					
Salaries	141,000	234,800	375,800	375,800	-
Other Purchased Services	5,000	542	5,542	5,542	-
Supplies and Materials	10,000	(1,480)	8,520	7,313	1,207
Total Undistributed Expenditures - Admin. Info. Technology	156,000	233,862	389,862	388,655	1,207
Required Maintenance for School Facilities					
Salaries	538,258	(8,577)	529,681	476,875	52,806
Cleaning, Repair and Maintenance Services	800,000	443,498	1,243,498	833,941	409,557
Lead Testing of Drinking Water	133,700	(125,465)	8,235	-	8,235
General Supplies	150,000	(14,781)	135,219	75,273	59,946
Total Required Maint for School Facilities	1,621,958	294,675	1,916,633	1,386,089	530,544

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Custodial Services					
Salaries	\$ 1,422,636	\$ 257,344	\$ 1,679,980	\$ 1,677,735	\$ 2,245
Purchased Professional and Technical Services	50,000	(19,053)	30,947	22,230	8,717
Cleaning, Repair and Maintenance Services	120,000	(43,765)	76,235	54,898	21,337
Other Purchased Property Services	60,000	-	60,000	52,060	7,940
Insurance	265,000	221,557	486,557	486,557	-
Miscellaneous Purchased Services	15,000	505	15,505	10,174	5,331
General Supplies	200,000	-	200,000	174,308	25,692
Energy (Natural Gas)	500,000	(66,592)	433,408	167,433	265,975
Energy (Electricity)	1,200,000	(23,000)	1,177,000	504,433	672,567
Energy (Gasoline)	50,000	-	50,000	8,184	41,816
Interest - Energy Savings Improvement Program Bonds		252,303	252,303	252,303	-
Principal - Energy Savings Improvement Program Bonds		557,115	557,115	557,115	-
Other Objects	5,000	-	5,000	3,617	1,383
Total Custodial Services	3,887,636	1,136,414	5,024,050	3,971,047	1,053,003
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	90,000	31,919	121,919	121,919	-
Purchased Professional and Technical Services	50,000	(1,750)	48,250	-	48,250
Cleaning, Repair, and Maintenance Services	80,000	-	80,000	51,054	28,946
General Supplies	24,000	-	24,000	11,501	12,499
Other Objects	50,000	(583)	49,417	491	48,926
Total Care and Upkeep of Grounds	294,000	29,586	323,586	184,965	138,621
Undistributed Expenditures - Security					
Salaries	-	2,573	2,573	2,573	-
Purchased Professional and Technical Services	432,201	(23,202)	408,999	190,500	218,499
Cleaning, Repair, and Maintenance Services	15,000	18,457	33,457	6,618	26,839
General Supplies	10,000	-	10,000	2,229	7,771
Miscellaneous Expenditures	-	2,400	2,400	2,400	-
Total Security	457,201	228	457,429	204,320	253,109
Student Transportation Services					
Contr Serv - Aid in Lieu Pymts-Charter Sch	14,000	(1,282)	12,718	10,485	2,233
Contr Serv(Bet Home &Sch)-Vendors	25,000	(11,904)	13,096	6,500	6,596
Contr Serv(Oth. Than Bet Home &Sch)-Vendors	110,000	36,014	146,014	142,166	3,848
Contr Serv(Bet Home &Sch)-Joint Agreements	400,000	526,722	926,722	834,362	92,360
Contr Serv(Special Education)-Joint Agreements	3,476,000	77,850	3,553,850	3,231,593	322,257
Miscellaneous Expenditures	-	2,831	2,831	2,831	-
Total Student Transportation Services	4,025,000	630,231	4,655,231	4,227,937	427,294
Unallocated Employee Benefits					
Social Security Contributions	500,000	102,778	602,778	602,715	63
Other Retirement Contributions - PERS/DCRP	600,000	39,999	639,999	639,999	-
Unemployment Compensation	100,000	11,565	111,565	111,561	4
Workmen's Compensation	244,260	(55,567)	188,693	181,013	7,680
Health Benefits	9,436,500	(2,136,265)	7,300,235	6,411,986	888,249
Tuition Reimbursements	35,000	(731)	34,269	28,005	6,264
Other Employee Benefits	140,200	32,918	173,118	161,919	11,199
Unused Sick Payment to Terminated/Retired Staff	200,000	-	200,000	84,252	115,748
Total Unallocated Employee Benefits	11,255,960	(2,005,303)	9,250,657	8,221,450	1,029,207
On-Behalf TPAF (Non-Budgeted)					
Pension				7,960,057	(7,960,057)
NCGI Premium				90,780	(90,780)
Post Retirement Medical				2,191,143	(2,191,143)
Long Term Disability				2,880	(2,880)
Social Security Contributions	-	-	-	1,761,051	(1,761,051)
Total TPAF Pension and Social Security Contributions	-	-	-	12,005,911	(12,005,911)
Total Undistributed Expenditures	54,101,375	329,554	54,430,929	57,240,053	(2,809,124)
Total Current Expenditures	76,729,177	502,273	77,231,450	78,823,374	(1,591,924)

**LODI BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY					
Equipment					
Instruction - Regular Programs		\$ 205,218	\$ 205,218	\$ 38,367	\$ 166,851
General Administration		9,934	9,934	9,640	294
School Administration		17,220	17,220	17,220	-
Administrative Information Technology	\$ 100,000	96,190	196,190	196,190	-
Undistributed Expenditure - Required Maintenance for School Facilities	100,000	747,673	847,673	179,578	668,095
Undistributed Expenditure - Custodial Services		110,684	110,684	95,004	15,680
Undistributed Expenditure - Security	-	36,417	36,417	-	36,417
Total Equipment	<u>200,000</u>	<u>1,223,336</u>	<u>1,423,336</u>	<u>535,999</u>	<u>887,337</u>
Facilities Acquisition and Construction Services					
Construction Services		514,000	514,000	225,000	289,000
Assessment for Debt Service on SDA Funding	33,244	-	33,244	33,244	-
Total Facilities Acq. And Construction Services	<u>33,244</u>	<u>514,000</u>	<u>547,244</u>	<u>258,244</u>	<u>289,000</u>
Interest Deposit to Capital Reserve	2,000	-	2,000	-	2,000
Total Expenditures - Capital Outlay	<u>235,244</u>	<u>1,737,336</u>	<u>1,972,580</u>	<u>794,243</u>	<u>1,178,337</u>
Transfer of Funds to Charter Schools	3,808,228	40,588	3,848,816	3,606,702	242,114
Total Expenditures - General Fund	<u>80,772,649</u>	<u>2,280,197</u>	<u>83,052,846</u>	<u>83,224,319</u>	<u>(171,473)</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	<u>(4,477,351)</u>	<u>(2,280,197)</u>	<u>(6,757,548)</u>	<u>8,234,816</u>	<u>14,992,364</u>
Other Financing Sources (Uses)					
Transfer In - Capital Projects Fund				2,349,588	2,349,588
Transfer In - Debt Service Fund				809,418	809,418
Transfer Out - Capital Projects Fund- Capital Outlay	(1,500,000)	-	(1,500,000)	(1,500,000)	-
Transfer Out - Capital Projects Fund- Capital Reserve	(500,000)	-	(500,000)	(500,000)	-
Total Other Financing Sources (Uses)	<u>(2,000,000)</u>	<u>-</u>	<u>(2,000,000)</u>	<u>1,159,006</u>	<u>3,159,006</u>
Excess (Deficiency) of Revenues and Other Financing					
Sources Over/(Under) Expenditures and Other	<u>(6,477,351)</u>	<u>(2,280,197)</u>	<u>(8,757,548)</u>	<u>9,393,822</u>	<u>18,151,370</u>
Financing Uses					
Fund Balance, July 1, 2023	<u>20,009,248</u>	<u>-</u>	<u>20,009,248</u>	<u>20,009,248</u>	<u>-</u>
Fund Balance, June 30, 2024	<u>\$ 13,531,897</u>	<u>\$ (2,280,197)</u>	<u>\$ 11,251,700</u>	<u>\$ 29,403,070</u>	<u>\$ 18,151,370</u>
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 14,420,688	
Capital Reserve - Designated for Subsequent Year's Budget				4,009,727	
Maintenance Reserve				1,000,000	
Excess Surplus				2,600,000	
Excess Surplus - Designated for Subsequent Year's Budget				3,689,303	
Committed					
Encumbrances				742,466	
Assigned					
Encumbrances				1,176,043	
Unassigned					
Unreserved				<u>1,764,843</u>	
Fund Balance (Budgetary Basis)				29,403,070	
Reconciliation to Governmental Fund Statements (GAAP)					
State Aid Payments Not Recognized on a GAAP Basis				<u>(4,958,328)</u>	
Fund Balance per Governmental Funds (GAAP Basis)				<u>\$ 24,444,742</u>	

**LODI BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
Local	\$ 20,000	\$ 4,765	\$ 24,765	\$ 314,086	\$ 289,321
State	1,532,483	61,902	1,594,385	1,264,395	(329,990)
Federal	1,477,371	3,490,672	4,968,043	4,255,352	(712,691)
Total Revenues	3,029,854	3,557,339	6,587,193	5,833,833	(753,360)
EXPENDITURES					
Instruction					
Salaries of Teachers	1,158,757	278,774	1,437,531	1,346,028	91,503
Other Salaries for Instruction	220,428	-	220,428	219,203	1,225
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services	-	43,769	43,769	-	43,769
Tuition	746,773	650,535	1,397,308	1,397,308	-
General Supplies	232,808	130,684	363,492	240,350	123,142
Textbooks	8,580	(8,580)	-	-	-
Student Activities and Athletics (Non-Budget)	-	-	-	320,402	(320,402)
Total Instruction	2,367,346	1,095,182	3,462,528	3,523,291	(60,763)
Support Services					
Salaries of Other Professional Staff	14,560	14,845	29,405	17,405	12,000
Other Salaries	-	30,636	30,636	30,636	-
Employee Benefits	347,595	154,241	501,836	317,726	184,110
Purchased Prof. and Technical Services	95,317	642,907	738,224	666,694	71,530
Cleaning, Repairs and Maintenance	56,650	42,293	98,943	98,943	-
Transportation	30,000	143,662	173,662	173,662	-
Misc. Purchased Services	50,000	(50,000)	-	-	-
Supplies and Material	20,000	132,219	152,219	152,219	-
Equipment	-	3,765	3,765	-	3,765
Other Objects	38,386	(31,986)	6,400	3,155	3,245
Total Support Services	652,508	1,082,582	1,735,090	1,460,440	274,650
Facilities Acquisition and Construction Services					
Instructional Equipment	5,000	62,521	67,521	65,886	1,635
Non-Instructional Equipment	5,000	61,622	66,622	66,622	-
Construction Services	-	1,255,432	1,255,432	723,910	531,522
Total Facilities Acquisition and Construction	10,000	1,379,575	1,389,575	856,418	533,157
Total Expenditures	3,029,854	3,557,339	6,587,193	5,840,149	747,044
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	-	-	-	(6,316)	(6,316)
Fund Balance, July 1, 2023	115,245	-	115,245	115,245	-
Fund Balance, June 30, 2024	\$ 115,245	\$ -	\$ 115,245	\$ 108,929	\$ (6,316)

**LODI BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 \$ 91,459,135	C-2 \$ 5,833,833
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.	4,618,787	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.	(4,958,328)	
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, 2024		(697,026)
Encumbrances, June 30, 2023, Net	<u>-</u>	<u>771,460</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2 \$ <u>91,119,594</u>	B-2 \$ <u>5,908,267</u>
Uses/Outflows of Resources		
Expenditures (budgetary basis)	C-1 \$ 83,224,319	C-2 \$ 5,840,149
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, 2024		(697,026)
Encumbrances, June 30, 2023, Net	<u>-</u>	<u>771,460</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2 \$ <u>83,224,319</u>	B-2 \$ <u>5,914,583</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 Ten Fiscal Years *

	<u>2024</u>		<u>2023</u>		<u>2022</u>		<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>	
District's Proportion of the Net Position Liability (Asset)	0.04675	%	0.04259	%	0.04348	%	0.04525		0.04665	%	0.04744	%	0.04603	%	0.04609	%	0.04719	%	0.04861	%
District's Proportionate Share of the Net Pension Liability (Asset)	\$	6,771,429	\$	6,427,186	\$	5,186,815	\$	7,380,446	\$	8,407,177	\$	9,340,804	\$	10,714,702	\$	13,651,037	\$	10,593,590	\$	9,100,717
District's Covered Payroll	\$	3,761,860	\$	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
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll		180.00%		187.96%		170.01%		234.23%		260.32%		283.85%		322.64%		423.58%		326.88%		276.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		65.23%		62.91%		70.33%		58.32%		56.27%		53.60%		48.10%		40.14%		47.93%		52.08%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

LODI BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Last Ten Fiscal Years *

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 624,825	\$ 537,061	\$ 512,756	\$ 495,104	\$ 453,651	\$ 471,880	\$ 426,405	\$ 409,472	\$ 405,722	\$ 400,716
Contributions in Relation to the Contractually Required Contributions	<u>624,825</u>	<u>537,061</u>	<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>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 3,812,150	\$ 3,761,860	\$ 3,419,383	\$ 3,050,852	\$ 3,150,902	\$ 3,229,591	\$ 3,290,768	\$ 3,320,907	\$ 3,222,757	\$ 3,240,821
Contributions as a Percentage of Covered Payroll	16.39%	14.28%	15.00%	16.23%	14.40%	14.61%	12.96%	12.33%	12.59%	12.19%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

**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 Ten Fiscal Years ***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0%	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	\$0
States Proportionate Share of Net Pension Liability (Asset) Associated With the District	<u>\$ 96,441,662</u>	<u>\$ 98,608,898</u>	<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>
Total	<u>\$ 96,441,662</u>	<u>\$ 98,608,898</u>	<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>
District's Covered Payroll	\$ 23,279,644	\$ 22,013,432	\$ 21,134,951	\$ 21,354,625	\$ 21,075,260	\$ 20,071,980	\$ 20,173,456	\$ 20,605,037	\$ 20,764,258	\$ 20,498,253
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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

**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, 2024**

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 Seven Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 3,847,649	\$ 5,032,311	\$ 5,861,348	\$ 3,239,956	\$ 3,023,621	\$ 3,415,711	\$ 4,101,043
Interest on Total OPEB Liability	3,434,894	2,528,431	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	(2,767,942)	2,514,147	(21,873,861)	22,357,237	(13,048,833)	(8,524,609)	
Changes of Assumptions	196,580	(25,594,194)	111,830	23,504,306	1,176,513	(9,946,943)	(13,251,084)
Gross Benefit Payments	(2,677,556)	(2,504,486)	(2,316,266)	(2,240,107)	(2,422,215)	(2,317,787)	(2,284,585)
Contribution from the Member	88,024	80,345	75,173	67,898	71,801	80,106	84,124
Net Change in Total OPEB Liability	2,121,649	(17,943,446)	(15,321,955)	49,766,753	(7,772,639)	(13,620,201)	(8,163,207)
Total OPEB Liability - Beginning of Year	95,408,531	113,351,977	128,673,932	78,907,179	86,679,818	100,300,019	108,463,226
Total OPEB Liability - End of Year	\$ 97,530,180	\$ 95,408,531	\$ 113,351,977	\$ 128,673,932	\$ 78,907,179	\$ 86,679,818	\$ 100,300,019
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	97,530,180	95,408,531	113,351,977	128,673,932	78,907,179	86,679,818	100,300,019
Total OPEB Liability - Ending	\$ 97,530,180	\$ 95,408,531	\$ 113,351,977	\$ 128,673,932	\$ 78,907,179	\$ 86,679,818	\$ 100,300,019
District's Covered Payroll	\$ 27,041,504	\$ 25,432,815	\$ 24,185,803	\$ 24,505,527	\$ 24,304,851	\$ 23,362,748	\$ 23,494,363
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%

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, 2024**

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, 2024**

	Title I	Title II A	Title III	Title III Immigrant	Title IV	IDEA Basic	IDEA Preschool	ARP Homeless	Preschool Education Aid	ACSERS Aid	Student Activities/ Athletics	Sub-Total
REVENUES												
Local Sources											\$ 314,086	\$ 314,086
State Sources									\$ 1,122,937			1,122,937
Federal Sources	\$ 791,016	\$ 124,005	\$ 37,798	\$ 16,829	\$ 61,698	\$ 900,447	\$ 31,434	\$ 1,133	-	\$ 731,047	-	2,695,407
Total Revenues	791,016	124,005	37,798	16,829	61,698	900,447	31,434	1,133	1,122,937	731,047	314,086	4,132,430
EXPENDITURES												
Instruction:												
Salaries of Teachers	494,528		31,760						689,554			1,215,842
Other Salaries for Instruction									219,203			219,203
Tuition						900,447	31,434			465,427		1,397,308
General Supplies	82,009		2,137		15,327				80,805			180,278
Student Activities and Athletics	-	-	-	-	-	-	-	-	-	-	320,402	320,402
Total Instruction	576,537	-	33,897	-	15,327	900,447	31,434	-	989,562	465,427	320,402	3,333,033
Support Services												
Salaries of Other Professional Staff										17,405		17,405
Other Salaries for Instruction									30,636			30,636
Employee Benefits	211,324								102,739			314,063
Purchased Professional and Technical		124,005	3,901	16,829	13,006					74,553		232,294
Supplies and Materials								1,133				1,133
Transportation										173,662		173,662
Other Objects	3,155	-	-	-	-	-	-	-	-	-	-	3,155
Total Support Services	214,479	124,005	3,901	16,829	13,006	-	-	1,133	133,375	265,620	-	772,348
Facilities Acq. and Construct.												
Instructional Equipment	-	-	-	-	33,365	-	-	-	-	-	-	33,365
Total Facilities Acquisition and Construction Services	-	-	-	-	33,365	-	-	-	-	-	-	33,365
Total Expenditures	791,016	124,005	37,798	16,829	61,698	900,447	31,434	1,133	1,122,937	731,047	320,402	4,138,746
Excess (Deficiency) of Revenues												
Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-	(6,316)	(6,316)
Other Financing Sources												
Transfer In - General Fund	-	-	-	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing												
Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-	(6,316)	(6,316)
Fund Balance, July 1, 2023	-	-	-	-	-	-	-	-	-	-	115,245	115,245
Fund Balance, June 30, 2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,929	\$ 108,929

**LODI BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Sub-Total Brought Forward	County CARES	Coronavirus Relief Fund	CRRSA Learning Acceleration	ESSER III	Accelerated Learning Coach	ARP Summer Learning Enrichment	Beyond the School Day	NJTSS Mental Health	Capital and Emergent Needs	Grand Total
REVENUES											
Local Sources	\$ 314,086										\$ 314,086
State Sources	1,122,937									\$ 141,458	1,264,395
Federal Sources	2,695,407	\$ 172,171	\$ 35,543	\$ 127,572	\$ 1,134,310	\$ 42,430	\$ 5,217	\$ 39,504	\$ 3,198	-	4,255,352
Total Revenues	4,132,430	172,171	35,543	127,572	1,134,310	42,430	5,217	39,504	3,198	141,458	5,833,833
EXPENDITURES											
Instruction:											
Salaries of Teachers	1,215,842			48,717		38,767		39,504	3,198		1,346,028
Other Salaries for Instruction	219,203										219,203
Tuition	1,397,308										1,397,308
General Supplies	180,278			54,855			5,217				240,350
Student Activities and Athletics	320,402	-	-	-	-	-	-	-	-	-	320,402
Total Instruction	3,333,033	-	-	103,572	-	38,767	5,217	39,504	3,198	-	3,523,291
Support Services											
Salaries of Other Professional Staff	17,405										17,405
Other Salaries for Instruction	30,636										30,636
Employee Benefits	314,063					3,663					317,726
Purchased Professional and Technical	232,294			24,000	410,400						666,694
Cleaning, Repairs and Maintenance	-									98,943	98,943
Supplies and Materials	1,133	105,549	35,543							9,994	152,219
Transportation	173,662										173,662
Other Objects	3,155	-	-	-	-	-	-	-	-	-	3,155
Total Support Services	772,348	105,549	35,543	24,000	410,400	3,663	-	-	-	108,937	1,460,440
Facilities Acq. and Construct.											
Instructional Equipment	33,365									32,521	65,886
Non-Instructional Equipment	-	66,622									66,622
Construction Services	-	-	-	-	723,910	-	-	-	-	-	723,910
Total Facilities Acquisition and Construction Services	33,365	66,622	-	-	723,910	-	-	-	-	32,521	856,418
Total Expenditures	4,138,746	172,171	35,543	127,572	1,134,310	42,430	5,217	39,504	3,198	141,458	5,840,149
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(6,316)			-	-	-	-	-	-	-	(6,316)
Other Financing Sources Transfer In - General Fund	-	-	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(6,316)	-	-	-	-	-	-	-	-	-	(6,316)
Fund Balance, July 1, 2023	115,245	-	-	-	-	-	-	-	-	-	115,245
Fund Balance, June 30, 2024	\$ 108,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,929

**LODI BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
Instruction					
Salaries of Teachers	\$ 716,344	\$ -	\$ 716,344	\$ 689,554	\$ 26,790
Other Salaries for Instruction	220,428	-	220,428	219,203	1,225
General Supplies	100,000	99,364	199,364	80,805	118,559
Total Instruction	1,036,772	99,364	1,136,136	989,562	146,574
Support Services					
Other Salaries		30,636	30,636	30,636	-
Personal Services - Employee Benefits	200,000	(16,644)	183,356	102,739	80,617
Other Purchased Prof Ed Svcs.		59,030	59,030		59,030
Cleaning Repair & Maintenance Svcs.	30,000	(30,000)			-
Contracted Services - Transportation	30,000	(30,000)			-
Misc. Purchased Services	50,000	(50,000)			-
Supplies and Materials	20,000	(20,000)			-
Other Objects	32,386	(32,386)	-	-	-
Total Support Services	362,386	(89,364)	273,022	133,375	139,647
Facilities Acquisition and Construction Services					
Instructional Equipment	5,000	(5,000)			-
Noninstructional Equipment	5,000	(5,000)	-	-	-
Total Facilities Acq. and Construction Svcs.	10,000	(10,000)	-	-	-
Total Expenditures	\$ 1,409,158	\$ -	\$ 1,409,158	\$ 1,122,937	\$ 286,221

Calculation of Budget Carryover

Total Revised 2023-2024 Preschool Education Aid Allocation	\$ 1,039,511
Add:	
Preschool Education Aid Carryover (June 30, 2023)	371,218
Budgeted Transfer from the General Fund 2023-2024	-
Total Preschool Education Aid Funds Available for 2023-2024 Budget	1,410,729
Less: 2023-2024 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	1,409,158
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2024	1,571
Add: June 30, 2024 Unexpended Preschool Education Aid	286,221
2023-2024 Carryover - Preschool Education Aid Programs	\$ 287,792
2023-2024 Preschool Education Aid Carryover Budgeted in 2024-2025	\$ 1,571

CAPITAL PROJECTS FUND

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Interest Earned</u>	<u>Expenditures</u>		<u>Transfers</u>	<u>Transfer to General Fund</u>	<u>Balance, June 30, 2024</u>
			<u>Prior Years</u>	<u>Current Year</u>			
Energy Savings Improvements	\$ 6,411,325	\$ 14,523	\$ 3,239,700	\$ 2,188,591			\$ 997,557
2022/23 Projects - Thomas Jefferson MS Roof Replacement, New Modular Board Office Building Units, Construction Cost New Office Building, Lodi HS Media Center Roof Replacment, Lodi HS Front Entrance Upgrade, Lodi HS Parking Area Repaving, Roosevelt School Roof Replacement, Roosevelt School Playground Installation Project	4,179,800		1,482,560			\$ 2,697,240	-
HVAC System Upgrades at High School	849,694			80,870	\$ 254,196		1,023,020
2023/24 Projects - New Admin. Office Construction, High School Front Entrance	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(254,196)</u>	<u>1,745,804</u>	<u>-</u>
	<u>\$ 13,440,819</u>	<u>\$ 14,523</u>	<u>\$ 4,722,260</u>	<u>\$ 2,269,461</u>	<u>\$ -</u>	<u>\$ 4,443,044</u>	<u>\$ 2,020,577</u>
<u>Reconciliation to Fund Balance - GAAP</u>							
Project Balances							\$ 2,020,577
Less-							
Unearned Revenue - ROD Grants							<u>(812,162)</u>
Fund Balance, GAAP Basis							<u>\$ 1,208,415</u>
<u>Recapitulation of Fund Balance - GAAP</u>							
Year End Encumbrances							\$ 1,373,203
Available for Capital Projects							<u>(164,788)</u>
Total Fund Balance Restricted for Capital Projects							<u>\$ 1,208,415</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, 2024**

Revenues and Other Financing Sources:

Transfer from General Fund - Capital Reserve	\$ 500,000
Transfer from General Fund - Capital Outlay	1,500,000
SDA - ROD Grant	849,694
Interest on Capital Financing Agreement	3,562
Interest Income	<u>292,409</u>

Total Revenues and Other Financing Sources	<u>3,145,665</u>
--	------------------

Expenditures and Other Financing Uses:

Other Purchased Professional and Technical Services	382,584
Construction Services	1,886,877
Transfer to General Fund	<u>2,349,588</u>

Total Expenditures and Other Financing Uses	<u>4,619,049</u>
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Excess Of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources	(1,473,384)
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Fund Balance, July 1, 2023	<u>3,493,961</u>
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Fund Balance, June 30, 2024	<u><u>\$ 2,020,577</u></u>
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Recapitulation to GAAP:

Fund Balance, End of Year - Budgetary Basis	\$ 2,020,577
Less: Unearned Revenue - SDA - ROD Grants	<u>(812,162)</u>
Fund Balance, End of Year - GAAP Basis	<u><u>\$ 1,208,415</u></u>

**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, 2024**

	<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
Transfer from Capital Reserve	800,000		800,000	800,000
Interest on Capital Financing Agreement	<u>10,961</u>	<u>\$ 3,562</u>	<u>14,523</u>	<u>-</u>
Total Revenues	<u>6,422,286</u>	<u>3,562</u>	<u>6,425,848</u>	<u>6,411,325</u>
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	1,514,127	55,414	1,569,541	1,600,000
Construction Services	<u>1,725,573</u>	<u>2,133,177</u>	<u>3,858,750</u>	<u>4,811,325</u>
Total Expenditures and Other Financing Uses	<u>3,239,700</u>	<u>2,188,591</u>	<u>5,428,291</u>	<u>6,411,325</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 3,182,586</u>	<u>\$ (2,185,029)</u>	<u>\$ 997,557</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	6,411,325			
Additional Authorized Cost	-			
Revised Authorized Cost	6,411,325			
Percentage Increase over Original Authorized				
Cost	0%			
Percentage Completion	85%			

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
THOMAS JEFFERSON MS ROOF REPLACEMENT, NEW MODULAR BOARD OFFICE BUILDING UNITS,
CONSTRUCTION COST NEW OFFICE BUILDING, LODI HS MEDIA CENTER ROOF REPLACEMENT, LODI HS
FRONT ENTRANCE UPGRADE, LODI HS PARKING AREA REPAVING, ROOSEVELT SCHOOL ROOF REPLACEMENT,
ROOSEVELT SCHOOL PLAYGROUND INSTALLATION PROJECT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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	\$ 4,179,800	\$ -	\$ 4,179,800	\$ 4,179,800
Total Revenues	4,179,800	-	4,179,800	4,179,800
Expenditures and Other Financing Uses				
Construction Services	1,482,560		1,482,560	4,179,800
Transfer to General Fund - Capital Reserve	2,385,865	311,375	2,697,240	-
Total Expenditures and Other Financing Uses	3,868,425	311,375	4,179,800	4,179,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 311,375	\$ (311,375)	\$ -	\$ -
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	4,179,800			
Additional Authorized Cost				
Revised Authorized Cost	4,179,800			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	100%			

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
HVAC SYSTEM UPGRADES AT HIGH SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
SDA - ROD Grant	\$ -	\$ 849,694	\$ 849,694	\$ 849,694
Local Sources				
Transfer from Other Projects	-	254,196	254,196	254,196
Total Revenues	-	1,103,890	1,103,890	1,103,890
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services		80,870	80,870	200,000
Construction Services	-	-	-	903,890
Total Expenditures and Other Financing Uses	-	80,870	80,870	1,103,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 1,023,020	\$ 1,023,020	\$ -
Additional Project Information:				
Project Number	02-03-2740-050-23-R01			
Grant Date	12/1/2023			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	1,103,890			
Additional Authorized Cost	-			
Revised Authorized Cost	1,103,890			
Percentage Increase over Original Authorized				
Cost	0%			
Percentage Completion	7%			

**LODI BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
CONSTRUCTION OF ADMIN BUILDING, NEW FRONT ENTRANCE AT HIGH SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from General Fund - Capital Reserve	\$ -	\$ 500,000	\$ 500,000	\$ 500,000
Transfer from General Fund - Capital Outlay	-	1,500,000	1,500,000	1,500,000
Total Revenues	-	2,000,000	2,000,000	2,000,000
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services			-	254,196
Construction Services			-	1,745,804
Transfer to Other Projects		254,196	254,196	
Transfer to General Fund	-	1,745,804	1,745,804	-
Total Expenditures and Other Financing Uses	-	2,000,000	2,000,000	2,000,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	N/A			
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	0%			

PROPRIETARY FUND

**LODI BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

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, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024**

NOT APPLICABLE

**LODI BOARD OF EDUCATION
LONG-TERM DEBT
OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2023</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2024</u>
Energy Savings Improvements	5/18/2022	\$ 5,611,325	7/15/24	\$ 271,733	2.795 %	\$ 5,611,325	-	\$ 557,115	\$ 5,054,210
			7/15/25	260,682	2.795 %				
			7/15/26	275,897	2.795 %	\$ 5,611,325	\$ -	\$ 557,115	\$ 5,054,210
			7/15/27	291,705	2.795 %				
			7/15/28	286,037	2.795 %				
			7/15/29	302,460	2.795 %				
			7/15/30	319,519	2.795 %				
			7/15/31	337,234	2.795 %				
			7/15/32	355,629	2.795 %				
			7/15/33	374,724	2.795 %				
			7/15/34	394,546	2.795 %				
			7/15/35	415,117	2.795 %				
			7/15/36	436,464	2.795 %				
			7/15/37	458,611	2.795 %				
			7/15/38	273,852	2.795 %				

**LODI BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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	\$ 809,418	\$ -	\$ 809,418	\$ 809,418	-
Total Revenues	809,418	-	809,418	809,418	-
EXPENDITURES					
Debt Service					
Principal Payments - Comm Approved Lease Purchase	557,116		557,116		\$ 557,116
Interest for Comm. Approved Lease Purchase	252,302	-	252,302	-	252,302
Total Expenditures	809,418	-	809,418	-	809,418
Excess of Revenues Over Expenditures	-	-	-	809,418	809,418
Other Financing Sources (Uses)					
Transfer to General Fund	-	-	-	(809,418)	(809,418)
Total Other Financing Sources (Uses)	-	-	-	(809,418)	(809,418)
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, July 1, 2023	-	-	-	-	-
Fund Balance, June 30, 2024	\$ -	\$ -	\$ -	\$ -	\$ -

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)**

	As of June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment In Capital Assets	\$ 32,817,931	\$ 32,826,729	\$ 32,197,528	\$ 31,336,608	\$ 31,423,228	\$ 33,424,991	\$ 2,559,587	\$ 7,089,314	\$ 8,720,790	\$ 10,386,924
Restricted	8,472,291	9,235,108	9,055,820	7,609,435	5,844,612	5,402,726	4,469,033	3,356,171	7,889,654	20,576,887
Unrestricted	(10,511,258)	(11,092,318)	(10,154,950)	(8,534,943)	(8,819,343)	(9,527,183)	(6,288,421)	(2,580,638)	(2,554,348)	(5,615,591)
Total Governmental Activities Net Position	\$ 30,778,964	\$ 30,969,519	\$ 31,098,398	\$ 30,411,100	\$ 28,448,497	\$ 29,300,534	\$ 740,199	\$ 7,864,847	\$ 14,056,096	\$ 25,348,220
Business-Type Activities										
Investment In Capital Assets	\$ 266,427	\$ 300,098	\$ 280,291	\$ 277,574	\$ 264,446	\$ 211,186	\$ 62,194	\$ 53,990	\$ 60,336	\$ 133,147
Unrestricted	382,161	320,432	329,579	308,567	334,870	233,971	334,629	647,249	760,686	779,332
Total Business-Type Activities Net Position	\$ 648,588	\$ 620,530	\$ 609,870	\$ 586,141	\$ 599,316	\$ 445,157	\$ 396,823	\$ 701,239	\$ 821,022	\$ 912,479
District-Wide										
Net Investment In Capital Assets	\$ 33,084,358	\$ 33,126,827	\$ 32,477,819	\$ 31,614,182	\$ 31,687,674	\$ 33,636,177	\$ 2,621,781	\$ 7,143,304	\$ 8,781,126	\$ 10,520,071
Restricted	8,472,291	9,235,108	9,055,820	7,609,435	5,844,612	5,402,726	4,469,033	3,356,171	7,889,654	20,576,887
Unrestricted	(10,129,097)	(10,771,886)	(9,825,371)	(8,226,376)	(8,484,473)	(9,293,212)	(5,953,792)	(1,933,389)	(1,793,662)	(4,836,259)
Total District Net Position	\$ 31,427,552	\$ 31,590,049	\$ 31,708,268	\$ 30,997,241	\$ 29,047,813	\$ 29,745,691	\$ 1,137,022	\$ 8,566,086	\$ 14,877,118	\$ 26,260,699

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

Note 2 - Net position at June 30, 2020 was restated to reflect of the implementation of GASB Statement No. 84 "Fiduciary Activities".

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 25,286,800	\$ 26,280,042	\$ 29,361,270	\$ 28,962,892	\$ 29,453,412	\$ 27,648,165	\$ 32,471,706	\$ 28,766,895	\$ 28,941,844	\$ 31,388,224
Special Education	14,968,663	15,749,984	15,355,192	16,579,747	17,405,573	18,161,581	17,323,452	17,028,138	16,928,985	17,914,933
Other Instruction	2,109,553	1,867,675	2,226,049	2,236,311	2,442,385	2,389,611	2,655,539	2,070,017	2,203,241	2,096,178
School Sponsored Activities And Athletics	797,017	857,029	1,091,667	1,100,422	1,067,194	976,973	1,082,181	1,269,884	1,437,791	1,310,921
Community Services				1,288	645		-	-		-
Support Services										
Student And Instruction Related Services	7,399,427	8,505,882	8,951,873	9,086,831	9,229,405	8,753,490	9,490,579	9,858,404	11,846,460	11,994,404
General Administration	1,146,902	1,431,245	1,191,958	1,268,041	1,143,295	1,064,530	1,105,005	1,050,380	1,064,976	1,201,084
School Administrative Services	3,677,520	3,668,600	4,409,417	4,329,762	4,094,029	3,825,035	4,270,344	3,255,892	3,086,202	3,750,124
Plant Operations And Maintenance	5,923,142	6,285,496	6,329,612	6,533,146	6,596,646	6,236,726	5,996,834	5,036,971	4,242,403	5,927,456
Pupil Transportation	1,754,530	2,191,051	2,333,253	2,373,251	2,613,351	2,534,443	1,965,924	3,562,600	4,098,309	4,401,599
Business Services	1,017,553	1,050,862	1,146,386	1,252,422	1,307,640	1,219,187	1,449,190	1,010,260	968,516	1,291,891
Interest On Long-Term Debt and Other Charges	204,430	171,998	91,956	81,012	36,569	25,046	13,396	23,129	154,635	142,951
Total Governmental Activities Expenses	64,285,537	68,059,864	72,488,633	73,805,125	75,390,144	72,834,787	77,824,150	72,932,570	74,973,362	81,419,765
Business-Type Activities:										
Food Service	1,365,030	1,375,593	1,388,608	1,374,423	1,363,031	1,068,716	526,182	1,639,731	1,747,107	1,841,946
Total Business-Type Activities Expense	1,365,030	1,375,593	1,388,608	1,374,423	1,363,031	1,068,716	526,182	1,639,731	1,747,107	1,841,946
Total District Expenses	\$ 65,650,567	\$ 69,435,457	\$ 73,877,241	\$ 75,179,548	\$ 76,753,175	\$ 73,903,503	\$ 78,350,332	\$ 74,572,301	\$ 76,720,469	\$ 83,261,711
Program Revenues										
Governmental Activities:										
Charges For Services	\$ 119,939	\$ 109,712	\$ 68,445	\$ 27,473	\$ 29,129		\$ 116,110	\$ 196,958	\$ 368,492	\$ 314,086
Operating Grants And Contributions	14,696,528	16,756,882	21,060,518	20,846,446	20,324,889	\$ 18,092,459	25,027,318	19,205,276	18,239,643	20,096,701
Capital Grants And Contributions	405,010	165,177	-	-	-	-	29,466	1,567,733	3,184,388	37,532
Total Governmental Activities Program Revenues	15,221,477	17,031,771	21,128,963	20,873,919	20,354,018	18,092,459	25,172,894	20,969,967	21,792,523	20,448,319
Business-Type Activities:										
Charges For Services										
Food Service	458,194	437,137	438,374	445,558	455,218	346,650	7,060	1,955	533,954	599,627
Operating Grants And Contributions	886,686	913,865	944,044	903,879	914,915	640,383	598,156	1,941,753	1,358,708	1,302,533
Total Business Type Activities Program Revenues	1,344,880	1,351,002	1,382,418	1,349,437	1,370,133	987,033	605,216	1,943,708	1,892,662	1,902,160
Total District Program Revenues	\$ 16,566,357	\$ 18,382,773	\$ 22,511,381	\$ 22,223,356	\$ 21,724,151	\$ 19,079,492	\$ 25,778,110	\$ 22,913,675	\$ 23,685,185	\$ 22,350,479

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue										
Governmental Activities	\$ (49,064,060)	\$ (51,028,093)	\$ (51,359,670)	\$ (52,931,206)	\$ (55,036,126)	\$ (54,742,328)	\$ (52,651,256)	\$ (51,962,603)	\$ (53,180,839)	\$ (60,971,446)
Business-Type Activities	(20,150)	(24,591)	(6,190)	(24,986)	7,102	(81,683)	79,034	303,977	145,555	60,214
Total District-Wide Net Expense	<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>	<u>\$ (53,035,284)</u>	<u>\$ (60,911,232)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 38,878,553	\$ 39,028,935	\$ 39,040,604	\$ 38,452,529	\$ 38,707,933	\$ 38,951,132	38,955,659	39,148,169	\$ 39,060,220	\$ 39,869,638
State Aid	11,984,254	11,956,668	12,156,831	13,272,916	13,778,053	15,473,554	16,317,704	19,496,349	24,370,797	30,584,306
Miscellaneous Income	341,201	232,623	287,297	524,914	587,537	245,621	195,592	442,733	1,120,723	1,809,626
Donation of Capital Assets	72,923	6,945	-	-	-	-	-	-	-	-
Loss on Disposal of Capital Assets	-	(6,523)	(1,539)	(6,451)	-	-	-	-	-	-
Total Governmental Activities	<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>	<u>64,551,740</u>	<u>72,263,570</u>
Business-Type Activities:										
Unrestricted Miscellaneous Revenues	30	44	19	1,257	6,073	3,925	98	439	20,961	31,243
Loss on Disposal of Capital Assets	-	(3,511)	(4,489)	-	-	-	-	-	-	-
Total Business-Type Activities	<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>	<u>20,961</u>	<u>31,243</u>
Total District-Wide	<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>	<u>\$ 64,572,701</u>	<u>\$ 72,294,813</u>
Change in Net Position										
Governmental Activities	\$ 2,212,871	\$ 190,555	\$ 123,523	\$ (687,298)	\$ (1,962,603)	\$ (72,021)	\$ 2,817,699	\$ 7,124,648	\$ 11,370,901	\$ 11,292,124
Business-Type Activities	(20,120)	(28,058)	(10,660)	(23,729)	13,175	(77,758)	79,132	304,416	166,516	91,457
Total District	<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>	<u>\$ 11,537,417</u>	<u>\$ 11,383,581</u>

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

	As of June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 9,392,393	\$ 3,082,707	\$ 12,325,271	\$ 9,947,124	\$ 7,178,827	\$ 6,807,392	\$ 8,283,695	\$ 9,492,461	\$ 15,011,833	\$ 25,719,718
Committed	854,750	383,000		932,195	2,073,863	689,905	593,901	616,869	131,145	742,466
Assigned	73,969	185,537	357,226	556,437	508,243	952,855	609,978	822,039	2,291,150	1,176,043
Unassigned	(643,189)	(500,082)	(657,449)	(856,706)	(1,212,067)	(1,260,808)	(410,205)	(609,035)	(2,043,667)	(3,193,485)
Total General Fund	<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>	<u>\$ 15,390,461</u>	<u>\$ 24,444,742</u>
All Other Governmental Funds										
Restricted	\$ 227,563	\$ 7,399,228	\$ 29,555	\$ 2,000,000	\$ 2,000,000	\$ 2,101,362	\$ 2,120,245	\$ 7,728,352	\$ 3,609,206	\$ 1,317,344
Unassigned	(55,330)	(50,096)	(38,361)							
Total All Other Governmental Funds	<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>	<u>\$ 3,609,206</u>	<u>\$ 1,317,344</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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Property Taxes	\$ 38,878,553	\$ 39,028,935	\$ 39,040,604	\$ 38,452,529	\$ 38,707,933	\$ 38,951,132	\$ 38,955,659	\$ 39,148,169	\$ 39,060,220	\$ 39,869,638
Tuition Charges	119,939	109,712	68,445	27,473	29,129		26,212		-	-
Miscellaneous	242,351	247,779	297,944	533,895	589,533	245,621	297,490	641,688	1,489,215	2,123,712
State Sources	20,332,965	20,808,518	21,620,855	23,649,311	26,561,127	29,021,530	31,469,304	37,803,906	43,130,213	50,274,701
Federal Sources	1,794,222	1,911,292	1,822,169	1,889,959	1,960,836	1,777,850	3,165,912	3,829,185	6,921,637	5,902,731
Total Revenues	61,368,030	62,106,236	62,850,017	64,553,167	67,848,558	69,996,133	73,914,577	81,422,948	90,601,285	98,170,782
Expenditures										
Instruction										
Regular Instruction	22,169,857	22,516,384	23,478,058	24,158,145	26,345,035	26,036,956	28,924,542	30,097,767	31,361,124	34,486,532
Special Education Instruction	14,419,203	15,093,336	14,334,529	15,712,892	16,887,015	17,907,339	16,754,336	17,258,316	17,477,491	18,358,690
Other Instruction	1,813,691	1,549,205	1,693,608	1,790,154	2,127,476	2,212,054	2,275,857	2,190,079	2,416,651	2,322,524
School Sponsored Activities And Athletics	690,895	730,487	865,027	907,168	1,013,500	984,117	1,032,480	1,372,838	1,592,913	1,390,249
Community Services				1,288	645				-	-
Support Services										
Student and Inst. Related Services	6,751,297	7,640,832	7,479,234	7,786,285	8,354,754	8,305,104	8,480,324	10,205,599	12,927,359	12,919,299
General Administration	1,119,251	1,090,123	1,114,621	1,172,428	1,105,996	1,068,514	1,073,785	1,103,812	1,107,975	1,269,752
School Administration	3,313,646	3,279,742	3,566,889	3,616,136	3,678,101	3,668,457	3,806,828	3,487,979	3,489,205	4,223,980
Plant Operations And Maintenance	4,406,730	4,539,439	4,361,039	4,475,992	4,766,108	4,576,454	4,426,666	4,566,414	4,549,127	6,040,211
Pupil Transportation	1,754,530	2,191,051	2,333,253	2,373,251	2,613,351	2,534,443	1,965,924	3,562,600	4,098,309	4,401,599
Business Services	966,118	971,862	982,447	1,072,545	1,176,909	1,171,441	1,304,729	1,070,947	1,076,707	1,441,334
Unallocated Employee Benefits										
Capital Outlay	2,773,383	1,331,847	606,120	408,681	1,316,802	2,407,026	1,472,898	5,037,600	9,555,443	3,744,775
Debt Service										
Principal	465,000	455,000	440,000	445,000	465,000	465,000	480,000	225,000	-	557,115
Interest And Other Charges	212,116	193,545	79,244	70,394	28,050	18,750	9,300	2,250	-	252,303
Total Expenditures	60,855,717	61,582,853	61,334,069	63,990,359	69,878,742	71,355,655	72,007,669	80,181,201	89,652,304	91,408,363
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	512,313	523,383	1,515,948	562,808	(2,030,184)	(1,359,522)	1,906,908	1,241,747	948,981	6,762,419
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	282,842	7,716,552	7,392,040	2,182,576	176,705	210,148	157,817	166,568	9,973,099	5,159,006
Transfers Out	(282,842)	(7,716,552)	(7,392,040)	(2,182,576)	(176,705)	(210,148)	(157,817)	(166,568)	(9,973,099)	(5,159,006)
Total Other Financing Sources (Uses)	-	126,755	-	-	-	-	-	-	-	-
Net Change In Fund Balances	\$ 512,313	\$ 650,138	\$ 1,515,948	\$ 562,808	\$ (2,030,184)	\$ (1,359,522)	\$ 1,906,908	\$ 1,241,747	\$ 948,981	\$ 6,762,419
Debt Service As A Percentage Of										
Noncapital Expenditures	1.17%	1.08%	0.86%	0.81%	0.72%	0.70%	0.69%	0.30%	0.00%	0.92%

* 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>
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
2023	718,411		75,067	220,973		1,014,451
2024	1,117,354		207,135	165,812	23,354	1,513,655

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
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
2023	5,678,800	1,428,560,300	282,574,800	155,962,000	136,150,900	2,008,926,800	68,660	2,008,995,460	2,941,428,030	1.950
2024	4,757,600	1,439,337,900	283,261,800	155,962,000	136,150,900	2,019,470,200	68,660	2,019,538,860	3,353,628,194	1.955

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>
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
2022	1.954	0.972	0.324	0.014	3.264
2023	1.950	0.976	0.335	0.015	3.276
2024	1.955	1.013	0.367	0.017	3.352

Source: Borough of Lodi, Tax Assessor

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

Taxpayer	2024		Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
IPT Lodi DC LLC	\$ 34,378,000	1.70%	Cedar Wright Apts	\$ 27,697,100	1.43%
Cedar Wright Apts LLC	26,009,700	1.29%	Vornado Realty Trust	20,302,900	1.05%
Sheila Zipporah LP	22,511,900	1.11%	Parker Properties c/o Home Depot	16,266,600	0.84%
Lodi UE LLC	20,553,200	1.02%	Rothman, Leonard & Mildred	13,154,700	0.68%
JMP 150-174 Essex St LLC	13,799,000	0.68%	Vornado Lodi Delaware LLC	12,415,400	0.64%
Rothman, Leonard & Mildred	13,154,700	0.65%	Lodi Market LLC	11,345,700	0.59%
Lodi Market LLC	11,345,700	0.56%	Kmart Corp Tax Department	10,000,000	0.52%
Extra Space Storage Inc	10,878,700	0.54%	240 Associates c/o J Ratner	8,955,700	0.46%
Lodi Value ADD II LLC	9,200,000	0.46%	240 Associates c/o David F. Bolger	8,000,000	0.41%
Cedar Wright Apts	8,955,700	0.44%	Vista Garden Associates LLC	7,790,900	0.40%
	<u>\$ 170,786,600</u>	<u>8.46%</u>		<u>\$ 135,929,000</u>	<u>7.03%</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	
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%	
2022	39,148,169	39,148,169	100.00%	
2023	39,060,220	39,060,220	100.00%	
2024	39,869,638	39,869,638	100.00%	

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

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		<u>Total School District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>Capital Financing Agreements</u>	<u>Certificates of Participation</u>			
2015		\$ 2,780,000	\$ 2,780,000	24,419	\$ 114
2016		2,520,000	2,520,000	24,470	103
2017		2,080,000	2,080,000	24,439	85
2018		1,635,000	1,635,000	24,492	67
2019		1,635,000	1,635,000	24,430	67
2020		705,000	705,000	24,349	29
2021		225,000	225,000	24,206	9
2022	\$ 5,611,325		5,611,325	25,966	216
2023	5,611,325		5,611,325	25,786	218
2024	5,054,210		5,054,210	25,832	196

Source: District records

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

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>			Percentage of Actual Taxable Value of Property	<u>Per Capita</u>
	<u>School Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>		

Not Applicable

The School District had no outstanding bonded debt during the last ten fiscal years.

LODI BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2024
(Unaudited)

Net Direct Debt of School District as of June 30, 2024		\$ -
Net Overlapping Debt of School District		
Borough of Lodi	\$ 21,926,931	
Bergen County (A)	22,251,716	
Passaic Valley Sewerage Commission (B)	<u>4,537,721</u>	
		<u>48,716,368</u>
Total Direct and Overlapping Debt as of June 30, 2024		<u>\$ 48,716,368</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2023 equalized valuation by the total 2023 equalized valuation for Bergen County.
- (B) Overlapping debt was computed based upon usage

Sources:

- (1) Borough of Lodi 2023 Annual Debt Statement
- (2) Bergen County 2023 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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 81,579,419	\$ 82,035,437	\$ 83,246,044	\$ 86,179,179	\$ 90,592,199	\$ 98,543,990	\$ 103,553,017	\$ 107,354,735	\$ 110,890,948	\$ 119,754,776
Total Net Debt Applicable To Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 81,579,419</u>	<u>\$ 82,035,437</u>	<u>\$ 83,246,044</u>	<u>\$ 86,179,179</u>	<u>\$ 90,592,199</u>	<u>\$ 98,543,990</u>	<u>\$ 103,553,017</u>	<u>\$ 107,354,735</u>	<u>\$ 110,890,948</u>	<u>\$ 119,754,776</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized Valuation Basis

2023	\$ 3,319,991,406
2022	2,923,920,623
2021	<u>2,737,696,208</u>
	<u>\$ 8,981,608,237</u>

Average Equalized Valuation of Taxable Property

\$ 2,993,869,412

Debt Limit (4 % of Average Equalization Value)

\$ 119,754,776

Total Net Debt Applicable to Limit

-

Legal Debt Margin

\$ 119,754,776

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>
2015	24,419	\$ 77,323	6.5%
2016	24,470	78,836	6.2%
2017	24,439	81,024	5.5%
2018	24,492	85,191	5.0%
2019	24,430	88,241	4.2%
2020	24,349	91,972	13.8%
2021	24,206	97,343	9.0%
2022	25,966	97,138	4.7%
2023	25,786	N/A	5.3%
2024	25,832	N/A	N/A

Source: New Jersey State Department of Education

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022 (1)</u>	<u>2023 (1)</u>	<u>2024 (1)</u>
Instruction										
Regular	186	185	185	188	189	191	189			
Special Education	28	29	30	28	28	29	28			
Other Instruction	21	21	18	17	17	17	17	Information	Information	Information
School Sponsored Activities And Athletics				1	1	1	1	not	not	not
Support Services										
Student and Instruction Related Services	16	15	18	18	18	18	18	Available	Available	Available
General Administration	5	5	5	5	5	5	5			
School Administrative Services	23	23	23	23	23	23	23			
Central Services	5	5	5	5	5	5	5			
Administrative Information Technology	2	2	2	2	2	2	3			
Plant Operations and Maintenance	26	26	25	27	27	27	27			
Other Support Services	23	24	23	23	23	23	22			
Total	<u>335</u>	<u>335</u>	<u>334</u>	<u>337</u>	<u>338</u>	<u>341</u>	<u>338</u>	<u>-</u>	<u>-</u>	<u>-</u>

Source: District Personnel Records

(1) Information Not Available

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

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (A)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2015	3,227	57,405,218	17,789	12.99%	235	3,227	3,035	-1.99%	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%
2023	3,051	80,096,861	26,253	10.68%	242	3,031	2,733	3.34%	90.15%
2024	3,043	87,663,588	28,808	14.13%	252	3,064	2,797	1.09%	91.29%

Student/Faculty Ratios

	<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>	<u>2022/23</u>	<u>2023-24</u>
Columbus	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	16.0 to 1	16.0 to 1
Hilltop	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	14:0 to 1	14:0 to 1
Roosevelt	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	14:0 to 1	14:0 to 1
Washington	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	14:0 to 1	14:0 to 1
Wilson	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	15:0 to 1	15:0 to 1
Thomas Jefferson Middle School	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	13:0 to 1	13:0 to 1
Lodi High School	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	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)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Building</u>										
<u>Lodi High School</u>										
Square Feet	139,509	139,509	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	919.49	908.64	878.62	848.85	864.03	827.00	871.00	897.00	913.00	893.00
<u>Thomas Jefferson Middle School</u>										
Square Feet	88,900	88,900	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	714.91	715.43	719.44	721.29	723.69	712.00	703.00	698.00	693.00	706.00
<u>Columbus Elementary School</u>										
Square Feet	42,100	42,100	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	294.51	297.23	271.32	250.41	223.75	231.00	225.00	232.00	256.00	256.00
<u>Hilltop Elementary School</u>										
Square Feet	64,340	64,340	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	378.19	358.89	358.47	354.99	334.75	300.00	301.00	284.00	315.00	317.00
<u>Roosevelt Elementary School</u>										
Square Feet	16,736	16,736	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	175.17	179.76	175.46	176.67	171.83	167.00	171.00	179.00	166.00	159.00
<u>Washington Elementary School</u>										
Square Feet	57,200	57,200	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	407.94	393.15	379.67	387.37	366.13	346.00	347.00	335.00	359.00	362.00
<u>Wilson Elementary School</u>										
Square Feet	51,500	51,500	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	336.65	348.73	356.58	353.87	337.00	334.00	335.00	343.00	349.00	350.00

Number of Schools at June 30, 2024

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Lodi High School	\$ 323,465	\$ 359,460	\$ 278,190	\$ 252,792	\$ 272,020	\$ 311,016	\$ 320,679	\$ 280,366	\$ 271,132	\$ 420,113
Columbus School	79,243	124,956	91,564	96,278	83,686	93,856	96,772	84,607	81,820	126,779
Hilltop School	64,946	80,662	76,792	98,371	102,864	143,437	147,894	129,302	125,043	193,752
Thomas Jefferson Middle School	215,045	216,811	152,090	334,999	139,759	198,190	204,348	178,659	172,775	267,711
Lincoln School	29,471	25,769	37,067	36,154	35,741	-	-	-	-	-
Roosevelt School	56,788	41,656	17,142	30,636	34,869	37,311	38,470	33,634	32,526	50,398
Washington School	106,591	115,960	109,508	89,478	90,659	127,520	131,481	114,953	111,167	172,250
Wilson School	86,764	75,559	92,631	105,098	87,172	114,813	118,379	103,498	100,089	155,086
Grand Total	<u>\$ 962,313</u>	<u>\$ 1,040,833</u>	<u>\$ 854,984</u>	<u>\$ 1,043,806</u>	<u>\$ 846,770</u>	<u>\$ 1,026,143</u>	<u>\$ 1,058,023</u>	<u>\$ 925,019</u>	<u>\$ 894,552</u>	<u>\$ 1,386,089</u>

**LODI BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2024
(Unaudited)**

	<u>Insurance Company</u>	<u>Coverage</u>	<u>Deductible</u>
Property Coverages	NJ School Schools Insurance Group		
Special Form R.C.			
Blanket Building and Contents		\$ 500,000,000	\$ 5,000
Extra Expenses		50,000,000	5,000
Valuable Papers		10,000,000	5,000
Environmental Impairment Liability	Ironshore Insurance Company	11,000,000	50,000
Cyber Liability	NJ School Schools Insurance Group	450,000	25,000
Liability Coverages	NJ School Schools Insurance Group		
General Liability		16,000,000	5,000
Crime	NJ School Schools Insurance Group		
Faithful Performance		100,000	500
Forgery and Alteration		50,000	500
Money and Securities		10,000	500
Automobile Coverage	NJ School Schools Insurance Group		
Liability		16,000,000	
Auto Physical Damage			1,000
School Leaders Errors and Omissions	NJ School Schools Insurance Group	15,000,000	10,000
Bond - School Business Administrator	Hartford Fire Insurance Company	500,000	

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, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

**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, 2024 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 October 29, 2024.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

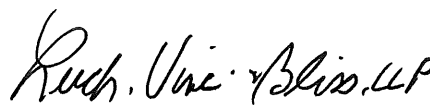
Report on Compliance and Other Matters

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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, 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 October 29, 2024.

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
October 29, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

**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, 2024. 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, 2024.

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.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

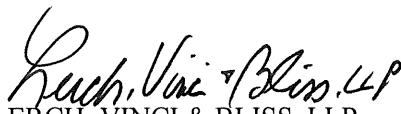
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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


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.

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, 2024, 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 October 29, 2024, 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
October 29, 2024

LODI BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	Balance July 1, 2023			Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	Adjustment	Accounts Receivable Adjustments	Unearned Revenue Adjustments	Repayment of Prior Year Balances	Balance June 30, 2024			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor									(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education																			
Passed-through State Department of Education																			
General Fund																			
FEMA - Public Assistance - Hurricane Ida	97.036	N/A	7/1/23-6/30/24	\$1,445,439					\$ 1,445,439	\$ 1,445,439									
Medicaid Assistance Program	93.778	2405NJ5MAP	7/1/23-6/30/24	127,506	-	-	-	-	-	127,506	127,506	-	-	-	-	-	-	-	-
Total General Fund					-	-	-	-	-	1,572,945	1,572,945	-	-	-	-	-	-	-	-
Special Revenue Fund																			
Title I	84.010	S010A230030	7/1/23-9/30/24	935,173				\$ (44,574)	\$ 193,530	408,875	791,016						\$ (570,872)	\$ 337,687	\$ (233,185)
Title I	84.010	S010A220030	7/1/22-9/30/23	782,363	\$ (44,574)	\$ 193,530		44,574	(193,530)										
Title II, Part A	84.367	S367A230029	7/1/23-9/30/24	123,348				(118,089)		205,094	124,005		\$ (1,057)	\$ 1,057			(37,400)	400	(37,000)
Title II, Part A	84.367	S367A220029	7/1/22-9/30/23	118,089	(118,089)			118,089											
Title II, Part A	84.367	S367A200029	7/1/20-9/30/21	118,460			\$ 710								\$ 710				
Title III	84.365	S365A230030	7/1/23-9/30/24	48,361				(228)	9,837	11,306	37,798						(37,283)	20,400	(16,883)
Title III	84.365	S365A220030	7/1/22-9/30/23	33,323	(228)	9,837		228	(9,837)										
Title III	84.365	S365A200030	7/1/20-9/30/21	27,767			1,885								1,885				
Title III Immigrant	84.365	S365A230030	7/1/23-9/30/24	16,829				(29,582)	5,769	37,981	16,829						(16,829)	-	(16,829)
Title IV	84.424	S424A230031	7/1/23-9/30/24	59,118				29,582	(5,769)	61,698	61,698						(50,719)	3,189	(47,530)
Title IV	84.424	S424A220031	7/1/22-9/30/23	57,665	(29,582)	5,769	2,334			-	-	-	-	-	2,334	-	-	-	-
					(192,473)	209,136	4,929	-	-	663,256	1,031,346	-	(1,057)	1,057	4,929	(713,103)	361,676	-	(351,427)
ARP - IDEA Basic	84.027X	H027X210100	7/1/21-9/30/22	157,322						4,211							-	2,111	
IDEA Part B - Basic	84.027	H027A230100	7/1/23-9/30/24	900,447		(4,211)	2,111										(8,200)	13,224	
IDEA Part B - Basic	84.027	H027A220100	7/1/22-9/30/23	817,307			13,224		13,224	892,247	900,447								
IDEA Part B - Basic	84.027	H027A200100	7/1/20-9/30/21	818,481				121,638											
IDEA Part B - Preschool	84.173	H173A230114	7/1/23-9/30/24	31,434						31,434	31,434					121,638			
IDEA Part B - Preschool	84.173	H173A200114	7/1/20-9/30/21	27,116	-	-	3,999	-	-	-	-	-	-	-	3,999	-	-	-	-
Cluster Total - Special Education					(4,211)	15,335	125,637	-	-	927,892	931,881	-	-	-	125,637	(8,200)	15,335	-	-
ACSERS Aid	21.027	SLFRFDOEISES	7/1/23-6/30/24	731,047				(264,269)		629,793	731,047						(365,523)		(365,523)
ACSERS Aid	21.027	SLFRFDOEISES	7/1/22-6/30/23	528,539	(264,269)			264,269											
Carl D. Perkins Grant	84.048	V048A210030	7/1/21-6/30/22	20,337		633		(2)	248	-	-	-	-	-	-	-	-	\$ 879	
Carl D. Perkins Grant	84.048	V048A200030	7/1/20-6/30/21	27,230	(2)	248	-	2	(248)	-	-	-	-	-	-	-	-	-	-
					(264,271)	881	-	-	-	629,793	731,047	-	-	-	-	(365,523)	-	879	(365,523)
Coronavirus Relief Fund																			
Coronavirus Relief Fund	21.019	N/A	7/1/20-10/31/20	276,157		35,543					35,543						-		
CARES - County of Bergen	21.019	N/A	7/1/20-10/31/20	172,171	-	172,171	-	-	-	-	172,171	-	-	-	-	-	-	-	-
Cluster Total - CRF					-	207,714	-	-	-	-	207,714	-	-	-	-	-	-	-	-
CRRSA - ESSER II																			
CRRSA - ESSER II	84.425D	S425D210027	3/13/20-9/30/23	2,346,126	(67,529)					67,529		\$ 248,430						248,430	
CRRSA - Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	150,562	(148,312)	135,984				125,323	127,572						(22,989)	8,412	(14,577)
CRRSA - Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(8,513)	585				7,927							(586)	585	(1)
ARP-Homeless Children and Youth	84.425W	S425W220031	7/1/22-9/30/23	21,773		6,773					1,133						-	5,640	
ARP-ESSER III																			
ARP - ESSER	84.425U	S425U210027	3/13/20-9/30/24	5,272,766	(4,017,651)	916,740				2,739,100	1,134,310	217,570					(1,278,551)	-	(1,278,551)
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	308,222	(95,363)	42,430				52,933	42,430						(42,430)	-	(42,430)
Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000		6,000					5,217						-	783	
Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000					39,504						(40,000)	496	(39,504)
Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	-	3,198	-	-	-	-	3,198	-	-	-	-	-	-	-	-
Cluster Total - ESSER					(4,377,368)	1,151,710	-	-	-	2,992,812	1,353,364	466,000	-	-	-	-	(1,384,556)	264,346	(1,375,063)
Total Special Revenue Fund					(4,838,323)	1,584,776	130,566	-	-	5,213,753	4,255,352	466,000	(1,057)	1,057	130,566	(2,471,382)	641,357	879	(2,092,013)
Total U.S. Department of Education					(4,838,323)	1,584,776	130,566	-	-	6,786,698	5,828,297	466,000	(1,057)	1,057	130,566	(2,471,382)	641,357	879	(2,092,013)

LODI BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	Balance July 1, 2023			Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	Adjustment	Accounts Receivable Adjustments	Unearned Revenue Adjustments	Repayment of Prior Year Balances	Balance June 30, 2024			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor									(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S.D.A. Department of Agriculture Passed Through State Department of Agriculture																			
School Breakfast Program	10.553	241NJ304N1099	7/1/23-6/30/24	\$ 45,639						\$ 38,442	\$ 45,639					\$ (7,197)			\$ (7,197)
School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	60,605	\$ (3,129)					3,129									
National School Lunch Program																			
Cash Assistance	10.555	241NJ304N1099	7/1/23-6/30/24	957,194						791,632	957,194					(165,562)			(165,562)
Cash Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	964,158	(51,678)					51,678									
Non-Cash Assistance (Food Distribution)	10.555	241NJ304N1099	7/1/23-6/30/24	134,134						134,134	133,061					\$ 1,073			
Supply Chain Assistance Funding	10.555	241NJ344N8903	7/1/23-6/30/24	73,010	-	-	-	-	-	73,010	73,010	-	-	-	-	-	-	-	-
Total Child Nutrition Cluster					(54,807)	-	-	-	-	1,092,025	1,208,904	-	-	-	-	(172,759)	1,073	-	(172,759)
P-EBT Administrative	10.649	2022225900941	7/1/23-6/30/24	3,256						3,256	3,256					-	-	-	-
Summer Food Service Program for Children	10.559	241NJ304N1199	7/1/23-6/30/24	21,937	-	-	-	-	-	21,937	21,937	-	-	-	-	-	-	-	-
Total Enterprise Fund					(54,807)	-	-	-	-	1,117,218	1,234,097	-	-	-	-	(172,759)	1,073	-	(172,759)
Total Federal Financial Awards					\$ (4,893,130)	\$ 1,584,776	\$ 130,566	\$ -	\$ -	\$ 7,903,916	\$ 7,062,394	\$ 466,000	\$ (1,057)	\$ 1,057	\$ 130,566	\$ (2,644,141)	\$ 642,430	\$ 879	\$ (2,264,772)

LODI BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance July 1, 2023	Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	General Fund Contribution	Repayment of Prior Year Balances	Balance June 30, 2024			Memorandum	
											(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures
General Fund:															
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	\$ 31,267,063				\$ 28,247,538	\$ 31,267,063			\$ (3,019,525)			*	\$ 31,267,063
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	24,859,967	\$ (2,336,768)			2,336,768							*	
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	2,835,516				2,561,684	2,835,516			(273,832)			*	2,835,516
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	2,835,516	(266,531)			266,531							*	
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	1,028,863				929,504	1,028,863			(99,359)			*	1,028,863
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	1,028,863	(96,710)			96,710							*	
				-	-	-	-	-	-	-	-	-	-	*	-
Total State Aid Public				(2,700,009)	-	-	34,438,735	35,131,442	-	-	(3,392,716)	-	-	*	35,131,442
														*	
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	674,487				609,350	674,487			(65,137)			*	674,487
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	674,487	(63,400)			63,400							*	
Extraordinary Aid	24-100-034-5120-473	7/1/23-6/30/24	1,500,475					1,500,475			(1,500,475)			*	1,500,475
Extraordinary Aid	23-100-034-5120-473	7/1/22-6/30/23	1,855,378	(1,855,378)			1,855,378							*	
TPAF Social Security Contribution	24-495-034-5094-003	7/1/23-6/30/24	1,761,051				1,652,373	1,761,051			(108,678)			\$	(108,678) 1,761,051
TPAF Social Security Contribution	23-495-034-5094-003	7/1/22-6/30/23	1,711,609	(82,840)			82,840							*	
TPAF Pension Contribution - NCGI	24-495-034-5094-004	7/1/23-6/30/24	90,780				90,780	90,780						*	90,780
TPAF Pension Contribution	24-495-034-5094-002	7/1/23-6/30/24	7,960,057				7,960,057	7,960,057						*	7,960,057
TPAF Pension Contribution - Post Retirement	24-495-034-5094-001	7/1/23-6/30/24	2,191,143				2,191,143	2,191,143						*	2,191,143
TPAF Long Term Disability	24-495-034-5094-004	7/1/23-6/30/24	2,880	-	-	-	2,880	2,880	-	-	-	-	-	*	2,880
				-	-	-	-	-	-	-	-	-	-	*	-
Total General Fund				(4,701,627)	-	-	48,946,936	49,312,315	-	-	(5,067,006)	-	-	*	(108,678) 49,312,315
														*	
Special Revenue Fund:															
Preschool Education Aid	24-495-034-5120-086	7/1/23-6/30/24	1,039,511		\$ (43,821)	\$ 371,218	979,381	1,122,937			(103,951)	\$ 287,792		*	1,122,937
Preschool Education Aid	23-495-034-5120-086	7/1/22-6/30/23	438,210	327,397	43,821	(371,218)								*	
New Jersey Nonpublic Aid:														*	
Textbooks	23-100-034-5120-064	7/1/22-6/30/23	8,580	836						\$ 836				*	
Technology	23-100-034-5120-373	7/1/22-6/30/23	5,460	1,282						1,282				*	
Security	23-100-034-5120-509	7/1/22-6/30/23	26,650	272						272				*	
Auxiliary Services														*	
Compensatory Education	24-100-034-5120-067	7/1/23-6/30/24	23,376				23,376					\$ 23,376		*	
Compensatory Education	23-100-034-5120-067	7/1/22-6/30/23	31,922	5,633						5,633				*	
Handicapped Services														*	
Supplemental Instruction	24-100-034-5120-066	7/1/23-6/30/24	10,738				10,738						10,738	*	
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	16,520	4,956						4,956				*	
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	930				930						930	*	
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	4,650	4,464						4,464				*	
Examination and Classification	24-100-034-5120-066	7/1/23-6/30/24	8,725				8,725						8,725	*	
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	14,983	4,738						4,738				*	
														*	
School Security Grant - Alyssa's Law	N/A	7/1/21-6/30/22	166,345	62										*	
SDA - Capital and Emergent Needs Grant	N/A	7/1/23-6/30/24	70,237				70,237	70,237						*	70,237
SDA - Capital and Emergent Needs Grant	N/A	7/1/21-6/30/22	71,221	71,221	-	-	-	71,221	-	-	-	-	-	*	71,221
														*	
Total Special Revenue Fund				420,861	-	-	1,093,387	1,264,395	-	22,181	(103,951)	287,792	43,831	*	1,264,395
														*	
Capital Projects Fund															
SDA - ROD Grant - HS HVAC System Upgrades	02-03-2740-050-23-R501	7/1/23-6/30/24	849,694	-	-	-	-	37,532	-	-	(849,694)	812,162	-	*	37,532
														*	
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	65,706				53,978	65,706			(11,728)			*	65,706
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	44,090	(2,330)			2,330							*	
State Summer Food Service Supplemental	24-100-010-3350-023	7/1/23-6/30/24	514				514	514						*	514
State School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	2,216				1,820	2,216			(396)			*	2,216
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	2,484	(122)	-	-	122	-	-	-	-	-	-	*	-
				(2,452)	-	-	58,764	68,436	-	-	(12,124)	-	-	*	68,436
Total Enterprise Fund														*	
														*	
Total State Financial Assistance Subject to Single Audit Determination															
				\$ (4,283,218)	\$ -	\$ -	\$ 50,099,087	\$ 50,682,678	\$ -	\$ 22,181	\$ (6,032,775)	\$ 1,099,954	\$ 43,831	\$	(970,496) \$ 50,682,678

LODI BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance July 1, 2023	Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	General Fund Contribution	Repayment of Prior Year Balances	Balance June 30, 2024			Memorandum	
											(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures
Less On-Behalf TPAF Pension and Annuity Aid															
TPAF Pension Contribution - NCGI	24-495-034-5094-004	7/1/23-6/30/24	\$ 90,780				\$ (90,780)	\$ (90,780)							\$ (90,780)
TPAF Pension Contribution	24-495-034-5094-002	7/1/23-6/30/24	7,960,057				(7,960,057)	(7,960,057)							(7,960,057)
TPAF Pension Contribution -															
Post Retirement	24-495-034-5094-001	7/1/23-6/30/24	2,191,143				(2,191,143)	(2,191,143)							(2,191,143)
TPAF Long Term Disability	24-495-034-5094-004	7/1/23-6/30/24	2,880				(2,880)	(2,880)							(2,880)
				-	-	-	(10,244,860)	(10,244,860)	-	-	-	-	-	-	(10,244,860)
Total State Financial Assistance															
Subject to Major Program Determination				\$ (4,283,218)	\$ -	\$ -	\$ 39,854,227	\$ 40,437,818	\$ -	\$ 22,181	\$ (6,032,775)	\$ 1,099,954	\$ 43,831	\$ (970,496)	\$ 40,437,818

**LODI BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 REPORTING ENTITY

The Lodi Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are 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* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 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 \$339,541 for the general fund and an increase of \$74,434 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	\$ 1,572,945	\$ 48,972,774	\$ 50,545,719
Special Revenue Fund	4,329,786	1,264,395	5,594,181
Capital Projects Fund		37,532	37,532
Food Service Fund	<u>1,234,097</u>	<u>68,436</u>	<u>1,302,533</u>
Total Financial Assistance	<u>\$ 7,136,828</u>	<u>\$ 50,343,137</u>	<u>\$ 57,479,965</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, 2024**

NOTE 5 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 6 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 \$1,761,051 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, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$8,050,837 TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,191,143 and TPAF Long-Term Disability Insurance in the amount of \$2,880 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

NOTE 7 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 8 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, 2024**

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? yes X none reported

Noncompliance material to the basic financial statements noted? yes X 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? yes X none reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section 516(a) of U.S. Uniform Guidance yes X no

Identification of major federal programs:

Federal AL Number	FAIN Number	Name of Federal Program or Cluster
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	H027A230100	IDEA Part B Basic
84.173	H173A230114	IDEA - Part B Preschool
84.010	S010A230030	ESEA - Title IA
84.425W	S425W220031	ARP - Homeless Children and Youth
97.036	Not Available	FEMA - Public Assistance
21.027	SLFRFDOE1SES	ACSERS Aid

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, 2024**

Part I – Summary of Auditor’s Results

State Awards Section

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

\$1,213,135

Auditee qualified as low-risk auditee?

 X yes no

Internal Control over major programs:

(1) Material weakness(es) identified

 yes X no

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

 yes X none reported

Type of auditor's report issued on compliance for
major programs

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with N.J. Circular Letter 15-08?

 yes X no

Identification of major state programs:

GMIS Number(s)
495-034-5120-078
495-034-5120-089
495-034-5120-084
495-034-5120-014

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

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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.

There are none.

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

There are none.

**LODI BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

There are none.

**LODI BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 2023-001

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

- Contracts in excess of the bid threshold for energy savings improvements were not approved in the official minutes by the Board.
- 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.

Current Status

Corrective action has been taken.

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 existed at June 30, 2023.

Current Status

Corrective action has been taken.

Finding 2023-003

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

Current Status

Corrective action has been taken.