

**LODI SCHOOL DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2022
(AUDITED)**

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

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LODI, WISCONSIN**

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FINANCIAL SECTION

MILLER, BRUSSELL, EBBEN AND GLAESKE LLC

CERTIFIED PUBLIC ACCOUNTANTS

611 E WISCONSIN ST

PORTAGE, WISCONSIN

53901

INDEPENDENT AUDITOR'S REPORT

Board of Education
Lodi School District
Lodi, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lodi School District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 District 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 misstatement, 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 District'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 the 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, we:

- Exercise professional judgment 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 District'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 District'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 budgetary comparison schedules, the schedule of funding progress for postemployment benefit plans other than pensions and the schedules for pension related items on pages 43 through 49 be presented to supplement the basic financial statements. Such information, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards*, and *State Single Audit Guidelines*, 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 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 6, 2022, on our consideration of the District'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 District'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 District's control over financial reporting and compliance.

Miller, Brussell, Ebben and Glaeske LLC

Portage, Wisconsin
December 6, 2022

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and investments	\$ 3,583,987	\$ 376,970	\$ 3,960,957
Receivables			
Taxes	4,023,068		4,023,068
Due from other governments	804,428		804,428
Inventory		8,582	8,582
Total Current Assets	8,411,483	385,552	8,797,035
Noncurrent Assets			
Land	214,307		214,307
Buildings and improvements	62,319,703		62,319,703
Furniture and equipment	2,149,324	144,530	2,293,854
Less accumulated depreciation	(28,530,203)	(107,223)	(28,637,426)
Net Noncurrent Assets	36,153,131	37,307	36,190,438
Other Noncurrent Assets			
Net pension asset	5,086,002	33,180	5,119,182
Total Other Noncurrent Assets	5,086,002	33,180	5,119,182
DEFERRED OUTFLOWS OF RESOURCES			
Pension related outflows of resources	11,031,421	71,967	11,103,388
OPEB and stipend related outflows of resources	156,258		156,258
Total Deferred Outflows of Resources	11,187,679	71,967	11,259,646
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 60,838,295	\$ 528,006	\$ 61,366,301
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 47,766	\$ 0	\$ 47,766
Accrued Liabilities			
Payroll, payroll taxes, insurance	755,040		755,040
Interest	110,735		110,735
Due to other governments	723		723
Unearned revenue		28,635	28,635
Current portion of financing lease payable	11,370		11,370
Current portion of long-term obligations	850,072		850,072
Total Current Liabilities	1,775,706	28,635	1,804,341
Noncurrent Liabilities			
Capital lease payable	139,992		139,992
Noncurrent portion of long-term obligations	10,643,818		10,643,818
Total Noncurrent Liabilities	10,783,810	0	10,783,810
Other Noncurrent Liabilities			
Net OPEB and stipend liability	1,478,587		1,478,587
Total Other Noncurrent Liabilities	1,478,587	0	1,478,587
DEFERRED INFLOWS OF RESOURCES			
Pension related inflows of resources	13,424,146	87,577	13,511,723
OPEB and stipend related inflows of resources	95,557		95,557
Total Deferred Inflows of Resources	13,519,703	87,577	13,607,280
Total Liabilities and Deferred Inflows	27,557,806	116,212	27,674,018
NET POSITION			
Net investment in capital assets	25,295,111	37,307	25,332,418
Restricted	3,983,706	374,487	4,358,193
Unrestricted	4,001,672		4,001,672
Total Net Position	33,280,489	411,794	33,692,283
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 60,838,295	\$ 528,006	\$ 61,366,301

See Accompanying Notes to the Basic Financial Statements

**LODI SCHOOL DISTRICT
LODI WISCONSIN**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities						
Instruction						
Regular instruction	\$ 7,582,775	\$ 142,418	\$ 887,897	\$ (6,552,460)	\$ 0	\$ (6,552,460)
Vocational instruction	417,955	478		(417,477)		(417,477)
Special education instruction	2,522,906	2,885	677,944	(1,842,077)		(1,842,077)
Other instruction	1,046,376	124,285		(922,091)		(922,091)
Total Instruction	<u>11,570,012</u>	<u>270,066</u>	<u>1,565,841</u>	<u>(9,734,105)</u>	<u>0</u>	<u>(9,734,105)</u>
Support Services						
Pupil services	894,643	342,546	109,456	(442,641)		(442,641)
Instructional staff services	828,148	2,720	108,680	(716,748)		(716,748)
General administration services	408,717			(408,717)		(408,717)
Business administration services	1,041,196			(1,041,196)		(1,041,196)
Business services	424,164			(424,164)		(424,164)
Operations and maintenance of plant	2,610,699			(2,610,699)		(2,610,699)
Pupil transportation services	1,211,060		123,429	(1,087,631)		(1,087,631)
Central services	79,559			(79,559)		(79,559)
Insurance	172,987			(172,987)		(172,987)
Other support services	798,108			(798,108)		(798,108)
Community services	469,376	123,508	165,000	(180,868)		(180,868)
Depreciation - unallocated*	978,718			(978,718)		(978,718)
Interest on debt	461,663			(461,663)		(461,663)
Total Support Services	<u>10,379,038</u>	<u>468,774</u>	<u>506,565</u>	<u>(9,403,699)</u>	<u>0</u>	<u>(9,403,699)</u>
Total Governmental Activities	<u>21,949,050</u>	<u>738,840</u>	<u>2,072,406</u>	<u>(19,137,804)</u>	<u>0</u>	<u>(19,137,804)</u>
Business-Type Activities						
School Food Service Program	1,082,029	139,447	1,158,282	0	215,700	215,700
TOTAL SCHOOL DISTRICT	<u>\$ 23,031,079</u>	<u>\$ 878,287</u>	<u>\$ 3,230,688</u>	<u>(19,137,804)</u>	<u>215,700</u>	<u>(18,922,104)</u>
General Revenues						
Property taxes						
General purposes				10,314,573		10,314,573
Debt services				5,534,070		5,534,070
Capital expansion				50,000		50,000
Community services				325,000		325,000
State and federal aids not restricted to specific functions						
General				5,899,638		5,899,638
Other				2,072,954		2,072,954
Interest and investment earnings				6,121		6,121
Miscellaneous				348,434		348,434
Total General Revenues				<u>24,550,790</u>	<u>0</u>	<u>24,550,790</u>
Change In Net Position				5,412,986	215,700	5,628,686
NET POSITION - Beginning of Year, As Restated				<u>27,867,503</u>	<u>196,094</u>	<u>28,063,597</u>
NET POSITION - END OF YEAR				<u>\$ 33,280,489</u>	<u>\$ 411,794</u>	<u>\$ 33,692,283</u>

*This amount excludes the depreciation that is included in the direct expenses of the various functions. See Note 4.

FUND FINANCIAL STATEMENTS

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 2,401,415	\$ 281,505	\$ 901,067	\$ 3,583,987
Receivables				
Taxes	4,023,068			4,023,068
Due from other governments	689,428		115,000	804,428
TOTAL ASSETS	\$ 7,113,911	\$ 281,505	\$ 1,016,067	\$ 8,411,483
LIABILITIES AND FUND BALANCES				
Liabilities				
Accrued liabilities				
Accounts payable	\$ 47,766	\$ 0	\$ 0	\$ 47,766
Payroll, payroll taxes, insurance	747,897		7,143	755,040
Due to other governments	723			723
Total Liabilities	796,386	0	7,143	803,529
Fund Balances				
Restricted		281,505	1,008,924	1,290,429
Unassigned	6,317,525			6,317,525
Total Fund Balances	6,317,525	281,505	1,008,924	7,607,954
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,113,911	\$ 281,505	\$ 1,016,067	\$ 8,411,483
Total fund balance reported on governmental funds balance sheet				\$ 7,607,954
Total net position reported for governmental activities in the statement of net position are different from the amount reported above as total governmental funds fund balance because:				
Capital assets used in government activities are not financial resources and therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:				
Governmental capital asset			64,683,334	
Governmental accumulated depreciation			(28,530,203)	36,153,131
Pension related assets and liabilities are not financial resources and therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:				
Net pension asset (liability)			5,086,002	
Pension related deferred outflows			11,031,421	
Pension related deferred inflows			(13,424,146)	2,693,277
OPEB and stipend related assets and liabilities are not financial resources and therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:				
Net OPEB and stipend asset (liability)			(1,478,587)	
OPEB and stipend deferred outflows			156,258	
OPEB and stipend deferred inflows			(95,557)	(1,417,886)
Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore, are not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:				
General obligation debt and note payable			(10,858,020)	
Accrued interest on general obligation debt and note payable			(110,735)	
Unamortized debt premium			(543,564)	
Unamortized discounts			181,365	
Vested employee benefits			(273,671)	(11,604,625)
Financing lease payable is not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the statement of net position.				
				(151,362)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES				\$ 33,280,489

See Accompanying Notes to the Basic Financial Statements

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

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

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 10,314,573	\$ 5,534,070	\$ 375,000	\$ 16,223,643
Other local sources	296,147	121	318,484	614,752
Interdistrict sources	915,002			915,002
Intermediate sources	16,137			16,137
State sources	8,105,156			8,105,156
Federal sources	1,214,306		165,000	1,379,306
Other sources	108,040			108,040
Total Revenues	<u>20,969,361</u>	<u>5,534,191</u>	<u>858,484</u>	<u>27,362,036</u>
EXPENDITURES				
Instruction				
Regular instruction	8,048,322		2,285	8,050,607
Vocational instruction	410,695		1,765	412,460
Special instruction	2,711,914			2,711,914
Other instruction	993,393		91,214	1,084,607
Total Instruction	<u>12,164,324</u>	<u>0</u>	<u>95,264</u>	<u>12,259,588</u>
Support Services				
Pupil services	972,351			972,351
Instructional staff services	862,751		15,636	878,387
General administration services	430,644			430,644
Building administration services	1,107,603		24,311	1,131,914
Business services	455,728			455,728
Operations and maintenance	2,457,247		19,914	2,477,161
Pupil transportation	1,211,060			1,211,060
Central services	59,269			59,269
Insurance	172,987			172,987
Other support services	809,671		326	809,997
Community services	4,536		513,771	518,307
Principal and interest	82,452	5,576,952		5,659,404
Total Support Services	<u>8,626,299</u>	<u>5,576,952</u>	<u>573,958</u>	<u>14,777,209</u>
Total Expenditures	<u>20,790,623</u>	<u>5,576,952</u>	<u>669,222</u>	<u>27,036,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>178,738</u>	<u>(42,761)</u>	<u>189,262</u>	<u>325,239</u>
OTHER FINANCING SOURCES (USES)				
Transfer from (to) other funds	979	42,506	(43,485)	
Net Other Financing Sources	<u>979</u>	<u>42,506</u>	<u>(43,485)</u>	<u>0</u>
Net Change in Fund Balances	179,717	(255)	145,777	325,239
FUND BALANCES - Beginning of Year	<u>6,137,808</u>	<u>281,760</u>	<u>863,147</u>	<u>7,282,715</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,317,525</u>	<u>\$ 281,505</u>	<u>\$ 1,008,924</u>	<u>\$ 7,607,954</u>

See Accompanying Notes to the Basic Financial Statements

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$	325,239
Amounts reported for governmental activities in the statement of activities are different because:		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
Capital outlay reported in governmental fund statements		53,517
Depreciation expense reported in the statement of activities		<u>(1,263,842)</u>
Amount by which capital outlays are greater (less) than depreciation in the current period.		(1,210,325)
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits increased by:		
		(104,428)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.		
The amount of long-term debt principal payments in the current year is:		5,003,812
Expenses from principal payments on financing leases are reported as expenses in the governmental funds but decrease capital leases payable in the statement of net position.		
		70,487
However in the statement of net position, they are deferred and amortized over the life of the debt and reported as revenue or expense in the statement of activities.		
Amortization of bond premium		60,844
Amortization of bond discount		(18,932)
Employer pension contributions are reported in the governmental funds when the amounts are paid but not reported in the statement of activities since they are included in the net pension asset and deferred outflows.		
		704,216
Pension revenue (expense) is included in the statement of activities but not reported in the governmental funds since it is an actuarially determined amount for the pension plan.		
		459,577
Employer OPEB and stipend contributions are reported in the governmental funds when the amounts are paid but not reported in the statement of activities since they are included in the net OPEB liability, the net stipend liability, and deferred outflows.		
		150,927
OPEB expense and stipend expense is included in the statement of activities but not reported in the governmental funds since it is an actuarially determined amount for the OPEB plan.		
		(109,961)
In governmental funds, interest payments on outstanding long term debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.		
The amount of interest paid during the current period		557,539
The amount of interest accrued during the current period		<u>(476,009)</u>
Interest paid is greater (less) than interest accrued by		<u>81,530</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$	<u>5,412,986</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022 AND 2021

	Food Service Fund	
	2022	2021
ASSETS		
Current Assets		
Cash	\$ 376,970	\$ 117,003
Inventory	8,582	12,163
Prepaid expense		826
Due from other governments		34,795
Total Current Assets	385,552	164,787
Noncurrent Assets		
Furniture and equipment	144,530	144,530
Less accumulated depreciation	(107,223)	(92,676)
Net Noncurrent Assets	37,307	51,854
Other Noncurrent Assets		
Net pension asset	33,180	43,457
DEFERRED OUTFLOWS OF RESOURCES		
Pension related outflows of resources	71,967	100,392
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 528,006	\$ 360,490
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 0	\$ 868
Accrued payroll, payroll taxes, insurance		(196)
Deferred revenue	28,635	36,534
Total Current Liabilities	28,635	37,206
DEFERRED INFLOWS OF RESOURCES		
Pension related inflows of resources	87,577	127,190
NET POSITION		
Invested in capital assets, net of related debt	37,307	51,854
Restricted for food service programs	356,917	127,581
Restricted for pension related items	17,570	16,659
Total Net Position	411,794	196,094
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 528,006	\$ 360,490

See Accompanying Notes to the Basic Financial Statements

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Food Service Fund	
	2022	2021
REVENUES		
Food sales	\$ 139,447	\$ 65,103
Interdistrict		9,334
State sources	20,739	10,498
Federal sources	1,085,700	354,844
Federal commodities	50,839	40,216
Other sources	1,004	2,658
Total Revenues	<u>1,297,729</u>	<u>482,653</u>
OPERATING EXPENSES		
Salaries and wages	74,014	147,955
Employer paid benefits	53,360	57,650
Supplies, food and materials	511,777	173,964
Purchased services	428,319	88,840
Other	12	17
Depreciation	14,547	19,596
Total Operating Expenses	<u>1,082,029</u>	<u>488,022</u>
Operating Income (Loss)	<u>215,700</u>	<u>(5,369)</u>
Change in Net Assets	215,700	(5,369)
NET ASSETS - Beginning of Year	<u>196,094</u>	<u>201,463</u>
NET ASSETS - END OF YEAR	<u>\$ 411,794</u>	<u>\$ 196,094</u>

See Accompanying Notes to the Basic Financial Statements

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Food Service Fund	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 132,552	\$ 66,520
Cash received from other government payments	1,141,234	339,881
Cash payments to employees for services	(128,131)	(207,763)
Cash payments to suppliers for goods and services	(457,357)	(140,487)
Cash payments for purchased services	(428,319)	(88,840)
Cash payments for other operating expenses	(12)	(17)
Net Cash Provided By (Used For) Operating Activities	259,967	(30,706)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash payments for acquisition of capital assets	0	0
Net Cash Provided By (Used For) Capital and Related Financing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	259,967	(30,706)
CASH AND CASH EQUIVALENTS - Beginning of Year	117,003	147,709
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 376,970	\$ 117,003
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	\$ 215,700	\$ (5,369)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities		
Depreciation	14,547	19,596
Net change in pension related items	(911)	(9,840)
Changes in operating assets and liabilities		
Inventory	3,581	(6,739)
Prepaid expense	826	7,472
Due from other governments	34,795	(34,795)
Accounts payable	(868)	826
Accrued payroll, payroll taxes, insurance	196	(616)
Deferred revenue	(7,899)	(1,241)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 259,967	\$ (30,706)
NONCASH NONCAPITAL FINANCING ACTIVITIES		
During the year the District received commodities from the U.S. Department of Agriculture in the amount of:	\$ 50,839	\$ 40,216

See Accompanying Notes to the Basic Financial Statements

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

STATEMENTS OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	<u>Private-Purpose Trust Funds</u>
ASSETS	
Current Assets	
Cash and investments	\$ 1,760,196
Accounts receivable	<u>723</u>
TOTAL ASSETS	<u>\$ 1,760,919</u>
LIABILITIES	
Accounts payable	<u>0</u>
NET POSITION	
Held in Trust for Scholarships	<u>\$ 1,760,919</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Private-Purpose Trust Funds</u>
ADDITIONS	
Gifts, contributions	\$ 26,748
Total Additions	<u>26,748</u>
DEDUCTIONS	
Unrealized loss on investments	32,656
Scholarships awarded	<u>24,500</u>
Total Deductions	<u>57,156</u>
Change in Net Position	(30,408)
NET POSITION - Beginning of Year, As Restated	<u>1,791,327</u>
NET POSITION - END OF YEAR	<u>\$ 1,760,919</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Lodi School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below.

A. Reporting Entity

The Lodi School District is organized as a common school district governed by an elected seven-member board. The District is comprised of all or parts of nine taxing districts.

The accompanying financial statements present the activities of the Lodi School District. The school district is not a component unit of another reporting entity nor does it have any component units.

The reporting entity for the District is based upon criteria set forth by the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. The financial reporting entity consists of (a) organizations for which the stand-alone government is financially accountable and (b) the stand-alone government that is controlled by a separately elected governing body that is legally separate and is fiscally independent. All of the accounts of the District comprise the stand-alone government.

B. Basis of Presentation

District-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as other governmental funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund. It accounts for all financial activity that is not required to be accounted for in another fund. This includes the General Fund (Fund 10) and the Special Education Fund (Fund 27), which accounts for the activities associated with providing educational programs for students with disabilities. Excess expenditures in Fund 27 are financed with a transfer from Fund 10.

Debt Service Fund - This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental activities.

The District operates one enterprise fund, the Food Service Fund. This fund accounts for the activities of the District's food service, generally school hot lunch program.

The District accounts for assets held that were accumulated from donations that are used to pay scholarships in the Private-Purpose Trust Funds.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The district-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, includes property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

Reports for the District's food service fund are prepared following the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or after November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

D. Assets and Liabilities

Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. All funds share common (pooled) checking and investment accounts unless regulations require separate investment accounts.

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations,

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

U.S. Agency issues, high-grade commercial paper, and the local government pooled investment fund administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States and the local government pooled investment fund.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statements as increases or decreases in investment income.

Property Tax Levy

Under Wisconsin law, personal property taxes and first installment real estate taxes are collected by city, town, and village treasurers or clerks who then make proportional settlement with the school district and county treasurer for those taxes collected on their behalf. Second installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village and school districts before retaining any for county purposes.

The District's property taxes are levied on or before October 31st on the equalized property valuation certified by the Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or in two installments with the first installment payable the subsequent January 31st, and a final payment no later than the following July 31st. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15th, and by the 20th of each subsequent month thereafter. On or before August 20th, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2021 tax levy is used to finance operations of the District's fiscal year ended June 30, 2022. All property taxes are considered due on January 1st, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30th and are available to pay current liabilities.

Accounts Receivable

All accounts receivable are shown at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since such an allowance would not be material.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. Prepaid items represent payments made by the District for which benefits extend beyond June 30.

A reserve for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures, except in cases where inventories are offset by deferred revenues if there is a balance at year end.

Due To/Due From Other Funds

The amounts reported on the statement of net position for due to and due from other funds represents amounts due between different fund types (governmental activities, business-type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

Capital Assets

Capital assets are reported at actual cost for acquisitions. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$5,000	Straight-line	7-50 years
Furniture & equipment	\$5,000	Straight-line	5-20 years

Vested Employee Benefits

Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation is attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The District employees are granted vacation and severance pay in varying amounts, based on length of service. Vacation leave earned in the preceding year must be used within one year of the employee's anniversary date.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

The District's policy allows employees to earn varying amounts of sick pay for each year employed, accumulating to a maximum vested amount of 120 days. A maximum of 10 days per year can be credited to contracted employees every year. Regular (Full-time) employees can be credited up to 12 days annually. After 15 years of employment, compensation is paid at the rate of \$20 per day for retiring staff and \$10 per day for teachers leaving the district.

The entire compensated absence liability is reported on the district-wide financial statements.

For governmental fund financial statements, the unpaid compensated absences are not expected to be paid using expendable available resources and, therefore, the liability is not reported.

Retirement Plans - District employees participate in the Wisconsin Retirement System. All contributions made by the District on behalf of its employees are reported as expenditures when paid.

Postemployment Benefits - Teachers or support staff who retired before July 1, 2012 the District will contribute towards their medical premiums for a period of 7 or 8 years until Medicare eligibility. All current teachers and support staff are eligible to remain on the group medical plan provided they self-pay the full premium required to continue such coverage until Medicare eligibility. The District will also provide to eligible retirees an annual 403(b) contribution in varying amounts based on hire date. The District will also fund during active years of service to all eligible teachers an annual contribution of \$750 into a teachers HRA account. The HRA may be used only during retirement and only for health insurance premiums. There are also similar 403(b) and HRA benefits for administrators and support staff.

Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets.

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Fund Balance Reporting

The Lodi School District reports under provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

1. Nonspendable, such as fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. Restricted fund balance classification includes amounts that can be spent only for the specific purposes stipulated by constitution, external resources providers, or through enabling legislation,
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the district's highest level of decision-making authority),
4. Assigned fund balance classification is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classification.

Fund balance amounts are reported in conformance with generally accepted accounting principles and shall be reclassified not less than the end of each fiscal year for general purpose financial statements. The District will report inventories, prepaid expenses, long-term receivables, and amounts legally or contractually required to be maintained intact as non-spendable. The fund balance for the spendable portion of permanent funds and balance, if any, in the special revenue trust fund, debt service funds, food service fund, postemployment employee benefit trust fund, SAGE funds, and other funds established by regulatory authority will be classified as restricted.

The Board may, from time to time, commit additional amounts of fund balance to a specific purpose. Such action shall be taken in open meeting and require the approval of a majority of the Board. Commitments of fund balance, once made, can be modified only by majority vote of the Board.

The School Board may authorize and direct an individual to assign fund balances for specific purposes; to the extent such assignment does not create a negative unassigned fund balance. As of June 30, 2022, the School Board has not authorized any individual with the authority to assign funds.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deferred Outflows/Inflows of Resources

The District reports under GASB Statement No. 65, *Items previously reported as assets and liabilities*. In addition to reporting assets and liabilities in the statement of net position and balance sheet, the following are the provisions for reporting a separate section for deferred outflows and inflows of resources:

Deferred Outflows of Resources: The District reports decreases in net position and fund balances that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statement of net position and governmental funds balance sheet. There were deferred outflows of resources reported in this year's government-wide and proprietary funds statement of net position for pension related items, which are detailed in Note 8 and OPEB related items, which are detailed in Note 9.

Deferred Inflows of Resources: The District's government-wide and governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position and fund balance that relates to a future period. There were deferred inflows of resources reported in this year's government-wide and proprietary funds statement of net position for pension related items, which are detailed in Note 8 and OPEB related items, which are detailed in Note 9.

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the governmental fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

A. Explanation of Differences Between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories. The amounts shown in the columns on the following page represent:

- A) Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities. The long-term expenses reported below recognize the change in vested employee benefits.
- B) Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (CONTINUED)

A. Explanation of Differences Between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities (Continued)

C) Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenues and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.

	<u>Total</u> Governmental Funds	<u>Long-Term</u> Revenues/ Expenses	<u>Capital</u> Related Items	<u>Long-Term</u> Debt Transactions	Statement Of Activities <u>Total</u>
Revenues and Other Sources					
Property taxes	\$16,223,643	\$ 0	\$ 0	\$ 0	\$16,223,643
Other local sources					
Interest and investment earnings	6,121				6,121
Miscellaneous	240,394				240,394
Charges for services	368,237				368,237
Interdistrict sources					
Other general aid	886,945				886,945
Charges for services	28,057				28,057
Intermediate sources					
Operating grants and contributions	16,137				16,137
State sources					
General aid	5,899,638				5,899,638
Operating grants and contributions	1,019,509				1,019,509
Other general aid	1,186,009				1,186,009
Federal sources					
Charges for services	342,546				342,546
Operating grants and contributions	1,036,760				1,036,760
Other revenue sources					
Miscellaneous	<u>108,040</u>				<u>108,040</u>
 Total Revenues and Other Sources	 <u>\$27,362,036</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$27,362,036</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (CONTINUED)

A. Explanation of Differences Between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities (Continued)

	Total Governmental Funds	Long-Term Revenues/ Expenses	Pension/OPEB Related Items		Capital Related Items		Long-Term Debt Transactions	Statement Of Activities Total
			Employer Contributions	Pension Expense	Acquisitions	Depreciation		
<u>Expenditures/Expenses</u>								
Regular instruction	\$ 8,050,607	\$ 68,576	\$ (373,354)	\$ (152,641)	\$ (10,976)	\$ 563	\$ 0	\$ 7,582,775
Vocational instruction	412,460	3,513	(20,267)	(8,286)		30,535		417,955
Special instruction	2,711,914	23,100	(154,525)	(63,176)		5,593		2,522,906
Other instruction	1,084,607	9,239	(43,869)	(17,935)		14,334		1,046,376
Pupil services	972,351		(55,157)	(22,551)				894,643
Instructional staff services	878,387		(35,660)	(14,579)				828,148
General administration services	430,644		(15,564)	(6,363)				408,717
Building administration services	1,131,914		(64,392)	(26,326)				1,041,196
Business services	455,728		(22,404)	(9,160)				424,164
Operations and maintenance	2,477,161		(32,838)	(13,425)	(22,645)	202,446		2,610,699
Pupil transportation	1,211,060							1,211,060
Central Services	59,269					20,290		79,559
Insurance	172,987							172,987
Other support services	809,997		(16,504)	(6,748)		11,363		798,108
Community Service	518,307		(20,609)	(8,426)	(19,896)			469,376
Depreciation-unallocated						978,718		978,718
Principal and interest	5,659,404						(5,197,741)	461,663
Total Expenditures/Expenses	27,036,797	104,428	(855,143)	(349,616)	(53,517)	1,263,842	(5,197,741)	21,949,050
Net Change for Year	\$ 325,239	\$ (104,428)	\$ 855,143	\$ 349,616	\$ 53,517	\$ (1,263,842)	\$ 5,197,741	\$ 5,412,986

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 3 CASH AND INVESTMENTS

The Debt Service Fund and Capital Projects Fund account for their transactions through separate and distinct bank and investment accounts as required by state statutes. In addition, Trust and Agency funds use separate and distinct accounts. All other funds share in common bank and investment accounts.

Deposits: Deposits in banks are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 per official custodian, per official depository institution for each ownership category and extends into the foreseeable future. In addition, the State of Wisconsin has a State Guarantee Fund, which provides a maximum of \$400,000 per public depository above the amount provided by the FDIC. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available. However, since the risk that an economic event would occur of the magnitude that would deplete the fund has been assessed as minimal, this coverage has been included in computing the amounts in Category 1 below.

Investments: Wisconsin Statute 66.04(2) and 67.11(2) restrict investment of temporarily idle cash. The School Board has adopted an investment policy pursuant to these statutes, which allows the District to invest in time deposits, securities guaranteed by the U.S. Government, securities of the Wisconsin Local Government Pooled Investment Fund, the Wisconsin School District Liquid Asset Fund and commercial paper, if the security has the highest or second highest rating of a nationally recognized rating agency.

Custodial Credit Risk

Custodial Credit Risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District does not have an additional custodial credit policy.

The District's deposits and investments are categorized into three categories of custodial credit risk:

- Category 1 - Insured or registered which are collateralized with securities held by the District or by its agent in the District's name.
- Category 2 - Uninsured and unregistered deposits and investments, which are collateralized with securities, held by the counter party's trust department or agent in the District's name.
- Category 3 - Uncollateralized deposits and uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent but not in the District's name.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

The District's deposits and investment balances at June 30, 2022 were as follows:

	Category			Bank	Carrying
	1	2	3	Balance	Amount
Associated Bank	<u>\$650,000</u>	<u>\$ 0</u>	<u>\$3,912,015</u>	<u>\$4,562,015</u>	\$3,888,012
Thompson IM Funds					85,559
Intel Corporation Stocks					59,856
Apple Inc. Stocks					1,531,264
Petty Cash					7,295
Wisconsin Investment Series Cooperative					149,167
Total Cash					5,721,153
Less cash and investments - fiduciary funds					(1,760,196)
Total					<u>\$3,960,957</u>

Investments are stated at cost which approximates fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2022, the fair value of the LGIP's assets was substantially equal to the District's share as reported above. The investment in the LGIP is insured against defaults in principal payments by Financial Security Assurance Incorporated.

The difference between carrying amounts and bank balances is due to outstanding checks and deposits in transit.

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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District 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.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

The District's investments at June 30, 2022 include the following:

	Credit Quality Rating	Credit Exposure As a Percentage of Total Investments	Maturities	Cost	Fair Value
Thompson IM Funds	BBB	5%	Not available	\$ 85,559	\$ 85,559
Intel Corporation Stocks	Unrated	3%	Not available	Unknown	59,856
Apple Inc. Stocks	Unrated	84%	Not available	Unknown	1,531,264
Wisconsin Investment Series Cooperative	AAAm	8%	Not available	149,167	149,167
Total		<u>100%</u>		<u>\$234,726</u>	<u>\$1,825,846</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 Inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs.

The District's valuation methods for recurring fair value measurements are as follows:

Investment Type	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate Stock	\$ 0	\$1,591,120	\$ 0
Bonds	85,559		
Multi-Class Series	<u>149,167</u>	<u>149,167</u>	<u>0</u>
	<u>\$234,726</u>	<u>\$1,740,287</u>	<u>\$ 0</u>

The valuation adjustment for marketable securities in the statements of activities consists of both unrealized gains and losses.

NOTE 4 CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated				
Sites (land)	\$ 214,307	\$ 0	\$ 0	\$ 214,307
Total Capital Assets Not Being Depreciated	<u>214,307</u>	<u>0</u>	<u>0</u>	<u>214,307</u>
Capital assets being depreciated				
Buildings and improvements	62,319,703			62,319,703
Furniture and equipment	<u>2,095,807</u>	<u>53,517</u>		<u>2,149,324</u>
Total Capital Assets Being Depreciated	<u>64,415,510</u>	<u>53,517</u>	<u>0</u>	<u>64,469,027</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Less accumulated depreciation for				
Buildings and improvements	(26,204,444)	(1,100,024)		(27,304,468)
Furniture and equipment	(1,061,917)	(163,818)		(1,225,735)
Total Accumulated Depreciation	(27,266,361)	(1,263,842)	0	(28,530,203)
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	37,149,149	(1,210,325)	0	35,938,824
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$37,363,456</u>	<u>\$ (1,210,325)</u>	<u>\$ 0</u>	<u>\$36,153,131</u>
Business-Type Activities				
Capital assets being depreciated				
Furniture and equipment	\$ 144,530	\$	\$ 0	\$ 144,530
Less accumulated depreciation	(92,676)	(14,547)		(107,223)
Business-Type Activities Capital Assets Net of Accumulated Depreciation	<u>\$ 51,854</u>	<u>\$ (14,547)</u>	<u>\$ 0</u>	<u>\$ 37,307</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 563
Vocational instruction	30,535
Special education instruction	5,593
Other instruction	14,334
Operations and maintenance	202,446
Central services	20,290
Other support services	11,363
Depreciation - unallocated	978,718
Total Depreciation for Governmental Activities	<u>\$1,263,842</u>

NOTE 5 LONG-TERM LIABILITIES

Long-term liability balances and activity for the year ended June 30, 2022 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Notes and Bonds					
2017 G.O. Refunding Bonds	\$ 7,320,000	\$ 0	\$ 3,795,000	\$ 3,525,000	\$ 0
2017 G.O. School Building Bond	7,955,000		1,115,000	6,840,000	720,000

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
State Trust Fund Loan 1	15,210		15,210		
State Trust Fund Loan 2	71,622		35,282	36,340	36,340
State Trust Fund Loan 3	500,000		43,320	456,680	51,820
Bond premium	604,408		60,844	543,564	60,844
Bond discount	(200,297)		(18,932)	(181,365)	(18,932)
Total Notes and Bonds	16,265,943	0	5,045,724	11,220,219	850,072
Other Liabilities					
Vested employee benefits					
Compensated absences	169,243	104,428	0	273,671	32,428
Total Other Liabilities	169,243	104,428	0	273,671	32,428
Total Governmental Activities	\$16,435,186	\$ 104,428	\$5,045,724	\$11,493,890	\$ 882,500

Payments on bonds are made by the Debt Service Fund. Vested employee benefits will be liquidated by several of the governmental funds.

The School District does not currently have any long-term liabilities for business-type activities.

On March 1, 2017, the Lodi School District received refunding bond proceeds in the amount of \$9,905,000 with an interest rate of 3.25% - 3.75%. On May 24, 2022, the District made a defeasance payment on the March 1, 2017 refunding bond in the amount of \$3,795,000 plus other financing fees for a total of \$14,650. The defeasance payment was deposited into an irrevocable trust with an escrow agent and invested in U.S. Governmental Securities that are used to meet the requirements of the refunding of the old debt.

On the District's financial statements, the \$3,795,000 payment is defeased for the bonds and is removed from the bonds' liability. The total savings from the defeasance is \$1,527,056.

Total interest and other fiscal charges paid and accrued during the year:

	Expense	Paid
Bonds payable	\$476,009	\$557,539
Bond premium amortization	(60,844)	
Bond discount amortization	18,932	
Other fiscal charges	15,600	15,600
Total Interest and Other Fiscal Charges Paid	\$449,697	\$573,139

The full faith, credit, and taxing powers of the District secure all general obligation debt, including business-type activities, if any. Bonds and notes payable are comprised of the following individual issues:

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

	<u>Issue Dates</u>	<u>Interest Rates</u>	<u>Dates of Maturity</u>	<u>Balance 6/30/2022</u>
2017 G.O. Refunding Bonds	03/01/17	3.25-3.75%	09/01/2036	\$ 3,525,000
2017 G.O. School Building Bond	05/30/17	2.0-3.0%	03/01/2030	6,840,000
State Trust Fund Loan 2	04/27/18	3.0%	03/15/2023	36,340
State Trust Fund Loan 3	09/01/20	2.75%	03/15/2030	<u>456,680</u>
 Total General Obligation Debt*				 <u>\$10,858,020</u>

The legal debt limit and margin of indebtedness is set at 10% of equalized value by Section 67.03(1)(b), Wisconsin Statutes. The margin of indebtedness at June 30, 2022 is:

Equalized value certified by Wisconsin Department of Revenue for 2021	\$1,467,971,197
Margin of indebtedness at 10%	\$ 146,797,120
*Deduct long-term debt applicable to debt margin	<u>(10,858,020)</u>
 Margin of Indebtedness	 <u>\$ 135,939,100</u>

Aggregate cash flow requirements for retirement of long-term principal and interest on bonds as of June 30, 2022 are as follows:

<u>Governmental Activities Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 808,160	\$ 333,912	\$ 1,142,072
2024	918,214	309,827	1,228,041
2025	924,708	282,383	1,207,091
2026	971,213	254,779	1,225,992
2027	1,007,758	225,783	1,233,541
2028 - 2036	<u>6,227,967</u>	<u>587,075</u>	<u>6,815,042</u>
 Totals	 <u>\$10,858,020</u>	 <u>\$1,993,759</u>	 <u>\$12,851,779</u>

NOTE 6 FINANCING LEASES

The District entered into a lease purchase agreement on July 1, 2020 for 203 Chromebooks. The lease matures on June 1, 2023 and payments are due monthly with an annual interest rate of 5.88%.

The District entered into a lease purchase agreement on May 15, 2020 for 114 Chromebooks. The lease matures on June 1, 2024 and payments are due monthly with an annual interest rate of 6.22%.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

The District entered into a lease purchase agreement on July 1, 2020 for 316 Chromebooks. The lease matures on June 1, 2024 and payments are due monthly with an annual interest rate of 5.99%.

The District entered into a lease purchase agreement on April 1, 2021 for 280 Chromebooks. The lease matures on June 1, 2025 and payments are due monthly with an annual interest rate of 6.67%.

The District entered into a lease purchase agreement on July 1, 2019 for 210 Chromebooks. The lease matures on June 1, 2023 and payments are due monthly with an annual interest rate of 5.96%.

Capital lease balances and activity for the year ended June 30, 2022 were as follows:

<u>Capital Leases</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Capital Lease 203 Chromebooks	\$ 22,093	\$ 0	\$ 10,723	\$ 11,370
Capital Lease 114 Chromebooks	33,845		10,590	23,255
Capital Lease 316 Chromebooks	47,012		14,744	32,268
Capital Lease 280 Chromebooks	89,600		20,216	69,384
Capital Lease 210 Chromebooks	29,299		14,214	15,085
Total Capital Lease Payable	<u>\$221,849</u>	<u>\$ 0</u>	<u>\$ 70,487</u>	<u>\$ 151,362</u>

Total interest paid and accrued during the year for the leases was \$11,965.

Minimum future lease payments under capital leases as of June 30, 2022 for each of the next three years are as follows:

<u>Governmental Activities Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 74,982	\$ 7,470	\$ 82,452
2024	51,698	3,442	55,140
2025	24,682	901	25,583
Total Lease Payments	<u>\$151,362</u>	<u>\$11,813</u>	<u>\$163,175</u>

NOTE 7 INTERFUND ACTIVITY

There were no interfund receivable at June 30, 2022. There were two interfund transfers for the year ended June 30, 2022.

<u>Transfer From</u>	<u>Transfer To</u>	
Package-Cooperative Fund	General Fund	\$ 979
Capital Projects Fund	Debt Service Fund	\$42,500

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 8 EMPLOYEE RETIREMENT PLANS

Summary of Significant Accounting Policies

Pensions. For purposes of measuring the Net Pension Liability (Asset), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, and Pension Expense (Revenue), information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. 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.

General Information about the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Benefits provided (Continued)

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment (%)</u>	<u>Variable Fund Adjustment (%)</u>
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21.0
2021	5.1	13.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$708,810 in contributions from the employer.

Contribution rates as of June 30, 2022 are:

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Contributions. (Continued)

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

At June 30, 2022, the Lodi School District reported a liability (asset) of \$(5,119,182) for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2021, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2020, rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Lodi School District's proportion of the Net Pension Liability (Asset) was based on the Lodi School District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the Lodi School District's proportion was 0.06351198%, which was a decrease of 0.00109176% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Lodi School District recognized pension expense (revenue) of \$(455,894).

At June 30, 2022, the Lodi School District reported Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions from the following sources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 8,269,782	\$ (596,340)
Net differences between projected and actual earnings on pension plan investments	1,452,638	(12,904,675)
Changes in assumptions	955,064	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	409	(10,708)
Employer contributions subsequent to the measurement date	425,495	0
Total	<u>\$11,103,388</u>	<u>\$ (13,511,723)</u>

\$425,495 reported as Deferred Outflows of Resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability (Asset) in the year ended June 30, 2022.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension will be recognized in pension expense (revenue) as follows:

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

<u>Year ended June 30:</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
2022	\$4,657,168	\$(4,901,164)
2023	\$2,911,394	\$(4,302,805)
2024	\$2,112,845	\$(2,725,664)
2025	\$ 996,483	\$(1,582,089)
Thereafter	\$ 0	\$ 0

Actuarial assumptions. The Total Pension Liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset)	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation:	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

**No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

Long-term expected Return on Plan Assets. 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 plan 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. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Long-term expected Return on Plan Assets. (Continued)

**Asset Allocation Targets and Expected Returns¹
As of December 31, 2021**

<u>Core Fund Asset Class</u>	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Global Equities	52%	6.8%	4.2%
Fixed Income	25	4.3	1.8
Inflation Sensitive	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	<u>12</u>	<u>9.7</u>	<u>7.0</u>
Total Core Fund ³	<u>115%</u>	<u>6.6%</u>	<u>4.0%</u>
<u>Variable Fund Asset Class</u>			
US Equities	70%	6.3%	3.7%
International Equities	<u>30</u>	<u>7.2</u>	<u>4.6</u>
Total Variable Fund	<u>100%</u>	<u>6.8%</u>	<u>4.2%</u>

¹Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year.

This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Sensitivity of the Lodi School District's proportionate share of the Net Pension Liability (Asset) to changes in the discount rate. The following presents the Lodi School District's proportionate share of the Net Pension Liability (Asset) calculated using the discount rate of 6.80 percent, as well as what the Lodi School District's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Lodi School District's proportionate share of the Net Pension Liability (Asset)	\$3,632,422	\$(5,119,182)	\$(11,418,709)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Postemployment Benefits Other Than Pensions (OPEB). For purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Lodi School District's retiree benefits plan and additions to/deductions from them have been determined on the same basis as they are reported by the Lodi School District retiree benefits plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay as you go plan.

General information About the OPEB and Stipend Plan

Plan Description. The Lodi School District operates a single-employer retiree benefit plan that provides postemployment health insurance benefits to eligible employees and their spouses. The Plan is administered by Key Benefit Concepts, LLC. There are 271 active and 38 retired members in the OPEB plan. There are 198 active and 38 retired members in the stipend plan. Benefits and eligibility for teachers, administrators, supervisors and support staff are established and amended by the governing body.

Funding Policy. The District has elected to make payments on a pay as you go basis. The District had no expenditures for the year ended June 30, 2022 for OPEB and the stipend.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Contributions. The Lodi School District governing body has the authority to establish and amend the contribution requirements of the District and employees. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2021, the District's average contribution rate was .08 percent of employee-covered payroll for OPEB and 2.00 percent of employee-covered payroll for the stipend. Employees are not required to contribute to the plan.

Net OPEB and Stipend Liability

The District's net OPEB liability and net stipend liability were measured as of June 30, 2021, and the total OPEB liability and total stipend liability used to calculate the net OPEB liability and stipend liability, respectfully, were determined by an actuarial valuation as of that date.

Actuarial assumptions. The total OPEB liability and total stipend liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	June 30, 2020
Measurement Date:	June 30, 2021
Reporting date:	June 30, 2022
Actuarial Cost Method:	Entry Age Normal (level percent of salary)
Inflation:	2.00%
Discount rate:	2.25%
Healthcare Cost Trend Rates:	6.50%, decreasing 0.10% per year down to 5.0%, and level thereafter

Actuarial assumptions were based on an experience study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-2017. Mortality assumptions were based on 2018 mortality tables.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period.

Discount rate. The discount rate used to measure the total OPEB liability and the total stipend liability was 2.25 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB and stipend plans' fiduciary net position was projected to be available to make all projected OPEB and stipend payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB and stipend plan investments was applied to all periods of projected benefit payments to determine the total OPEB and stipend liability.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Changes in the Total OPEB and Stipend Liability

	Total OPEB Liability (a)	Total Stipend Liability (a)
Balance at 6/30/2020	\$ 206,083	\$ 1,318,866
Changes for the year:		
Service cost	9,910	61,241
Interest	4,665	28,749
Changes of benefit terms		
Differences between expected and actual experience		
Changes of assumptions or other input		
Benefit payments	(7,440)	(143,487)
Net Changes	<u>7,135</u>	<u>53,497</u>
Balance at 6/30/2021	<u>\$ 213,218</u>	<u>\$ 1,265,369</u>

Sensitivity of the total OPEB and stipend liability to changes in the discount rate. The following presents the total OPEB liability and total stipend liability of the District, as well as what the District's net OPEB liability and stipend liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current discount rate:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Net OPEB liability (asset)	\$ 223,808	\$ 213,218	\$ 202,973
Net Stipend liability (asset)	\$1,316,784	\$1,265,369	\$1,214,807

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability (asset)	\$195,230	\$213,218	\$234,095

OPEB and Stipend Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB and Stipend

For the year ended June 30, 2021, the District recognized OPEB expense (revenue) of \$6,747 and recognized the stipend expense (revenue) of \$103,214. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB and the stipend from the following sources:

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB and Stipend Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB and Stipend (Continued)

<u>Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u>		
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$73,580	\$ (71,132)
Changes of assumptions or other input	5,824	(17,893)
District contributions subsequent to the measurement date		
Total	<u>\$79,404</u>	<u>\$(89,025)</u>

<u>Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Stipend</u>		
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual Experience	\$57,933	\$ 0
Changes of assumptions or other input	18,921	(6,532)
District contributions subsequent to the measurement date		
Total	<u>\$76,854</u>	<u>\$(6,532)</u>

Prior actuarial valuations were performed under GASB 45. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB and the stipend will be recognized in OPEB and stipend expense as follows:

<u>Year ended June 30:</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
2022	\$13,224	\$ (7,828)
2023	\$13,224	\$ (7,828)
2024	\$13,224	\$ (7,828)
2025	\$13,224	\$ (7,828)
2026	\$13,225	\$ (7,833)
Thereafter	\$33,725	\$ 0

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District manages these risks through the purchase of various forms of commercial insurance. Certain commercial insurance policies have established deductible amounts whereby the district would be responsible for the portion of claims, losses and damages under the deductible limits. All funds participate in the coverages provided by the commercial insurance carriers. Each fund would be responsible for its share of losses either below the deductible amounts or for losses exceeding the coverage limits of the commercial policies. There was no significant reduction in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage for the past three years.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 11 CONTINGENCIES AND COMMITMENTS

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material effect on the District's financial position or results of operations.

NOTE 12 FUND BALANCES

Portions of fund balances are nonspendable, restricted, committed, assigned or unassigned and not available for current expenses or expenditures. Details of these fund classifications are as follows:

	Governmental Activities			Business-Type Activities
	General Fund	Debt Service Fund	Other Government Funds	Food Service Fund
	Restricted for:			
Debt service fund	\$ 0	\$281,505	\$ 0	\$ 0
Long-term capital improvement fund			1,067	
Capital expansion fund			360,968	
Community service fund			346,192	
Special revenue trust fund			300,697	
Food service program				356,917
Pension related items				17,570
Nonspendable				
Unassigned	<u>6,317,525</u>	<u> </u>	<u> </u>	<u> </u>
 Total fund balances	 <u>\$6,317,525</u>	 <u>\$281,505</u>	 <u>\$1,008,924</u>	 <u>\$374,487</u>

Restricted net position balances in the district-wide statement of net position consist of the following:

Governmental activities:	
Debt service	\$ 281,505
Long-term capital improvement	1,067
Capital expansion	360,968
Community service	346,192
Special revenue	300,697
Pension related items	<u>2,693,277</u>
Total	<u>\$3,983,706</u>
Business-type activities:	
Food service operations	\$ 356,917
Pension related items	<u>17,570</u>
Total	<u>\$ 374,487</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 13 EXCESS OF ACTUAL EXPENDITURE OVER BUDGET

The following individual funds had an excess of actual expenditures over budget for the year ended June 30, 2022:

	Governmental Activities (Expenditures)
Community Service Fund	\$ 52,916
Debt Service Fund	\$4,243,186

NOTE 14 LIMITATION OF SCHOOL DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues school districts are permitted to derive from general state aids and property taxes unless a higher amount is approved by a referendum of the taxpayers. This limitation does not apply to revenues needed for the repayment of any general obligation debt (including refinanced debt) authorized by either of the following: (a) a resolution of the School Board or a referendum prior to August 12, 1993, (b) a referendum on or after August 12, 1993.

NOTE 15 SELF-FUNDED INSURANCE PROGRAM

On July 1, 2021, the District established a self-funded dental benefit plan for its employees. The Plan administrator and named fiduciary, Lodi School District, and the claims administrator, Delta Dental of Wisconsin, are responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The Plan reports on a fiscal year ending June 30, 2022.

Accounting and budgeting requirements for the Plan are established by the Wisconsin Department of Public Instruction. Currently, the Plan is accounted for in the General Fund of the District.

The District has no stop-loss coverage for dental care coverage of the Plan.

At June 30, 2022, the District has reported a liability of \$13,192, which represents reported and unreported claims which were incurred on or before June 30, 2022, but were not paid by the District as of that date. This amount consists of claims reported to the District by the Plan administrator of (\$210,756). The amounts not reported to the District were determined by the Plan administrator. Changes in the claims liability for the years ended June 30, 2022 are as follows:

	Year Ended June 30, 2022
Estimated Claims Outstanding July 1	\$ 0
Current Year Claims and Changes in Estimates	223,948
Claim Payments	<u>(210,756)</u>
Estimated Claims Outstanding June 30	<u>\$ 13,192</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 16 SUBSEQUENT EVENTS

Subsequent events are evaluated through December 6, 2022 which is the date the financial statements were available to be issued. As of that date no material subsequent events were noted.

NOTE 17 PRIOR YEAR RESTATEMENT

Changes to the reporting requirements for financing leases detailed in Note 6 requires a restatement to the beginning net position as follows:

	Governmental
	<u>Activities</u>
Net Position-Beginning of Year	\$28,089,352
Prior Year Lease Payable	<u>(221,849)</u>
Net Position-Beginning of Year, As Restated	<u>\$27,867,503</u>

Investments not previously reported in the Private Purpose Trust Funds required a restatement to the beginning net position as follows:

	Fiduciary Funds -
	Private Purpose
	<u>Trust Funds</u>
Net Position-Beginning of Year	\$ 167,551
Prior Year Fair Market Value of Investments	<u>1,623,776</u>
Net Position-Beginning of Year, As Restated	<u>\$1,791,327</u>

REQUIRED SUPPLEMENTARY INFORMATION

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budgeted Amounts			Final Budgeted Amounts			Actual Amounts			Variance With Final Budget Favorable/ (Unfavorable)
	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund	
REVENUES										
Property taxes	\$ 0	\$ 11,073,600	\$ 11,073,600	\$ 0	\$ 10,315,327	\$ 10,315,327	\$ 0	\$ 10,314,573	\$ 10,314,573	\$ (754)
Other local sources		421,874	421,874		393,874	393,874	1,779	294,368	296,147	(97,727)
Interdistrict sources		769,571	769,571		769,590	769,590		915,002	915,002	145,412
Intermediate sources	21,813	5,669	27,482	21,813	5,669	27,482	4,969	11,168	16,137	(11,345)
State sources	778,875	6,737,477	7,516,352	788,875	7,247,997	8,036,872	916,361	7,188,795	8,105,156	68,284
Federal sources	341,330	559,500	900,830	495,363	665,757	1,161,120	504,525	709,781	1,214,306	53,186
Other sources		167,076	167,076		92,076	92,076	1,000	107,040	108,040	15,964
Total Revenues	1,142,018	19,734,767	20,876,785	1,306,051	19,490,290	20,796,341	1,428,634	19,540,727	20,969,361	173,020
EXPENDITURES										
Instruction										
Regular instruction		9,104,659	9,104,659		8,389,209	8,389,209		8,048,322	8,048,322	340,887
Vocational instruction		580,791	580,791		470,011	470,011		410,695	410,695	59,316
Special instruction	2,747,530	100	2,747,630	2,814,236	100	2,814,336	2,711,914		2,711,914	102,422
Other instruction		1,041,999	1,041,999		1,036,699	1,036,699		993,393	993,393	43,306
Total Instruction	2,747,530	10,727,549	13,475,079	2,814,236	9,896,019	12,710,255	2,711,914	9,452,410	12,164,324	545,931
Support Services										
Pupil services	301,617	494,336	795,953	387,423	524,334	911,757	478,786	493,565	972,351	(60,594)
Instructional staff services	146,262	1,084,818	1,231,080	157,468	1,195,157	1,352,625	172,525	690,226	862,751	489,874
General administration services		372,503	372,503		372,503	372,503		430,644	430,644	(58,141)
Building administration services		1,283,759	1,283,759		1,156,614	1,156,614		1,107,603	1,107,603	49,011
Business services		471,211	471,211		471,211	471,211		455,728	455,728	15,483
Operations and maintenance		2,434,195	2,434,195		2,421,546	2,421,546		2,457,247	2,457,247	(35,701)
Pupil transportation	428,400	868,058	1,296,458	428,400	968,058	1,396,458	296,505	914,555	1,211,060	185,398
Central services		67,951	67,951		67,951	67,951		59,269	59,269	8,682
Insurance		178,500	178,500		178,500	178,500	17,186	155,801	172,987	5,513
Other support services	424	567,884	568,308	423	673,665	674,088	800	808,871	809,671	(135,583)
Community services		244	244		244	244		4,536	4,536	(4,292)
Principal and interest								82,452	82,452	(82,452)
Total Support Services	876,703	7,823,459	8,700,162	973,714	8,029,783	9,003,497	965,802	7,660,497	8,626,299	377,198
Total Expenditures	3,624,233	18,551,008	22,175,241	3,787,950	17,925,802	21,713,752	3,677,716	17,112,907	20,790,623	923,129
Excess of Revenues Over Expenditures	(2,482,215)	1,183,759	(1,298,456)	(2,481,899)	1,564,488	(917,411)	(2,249,082)	2,427,820	178,738	1,096,149
OTHER FINANCING SOURCES (USES)										
Transfer from (to) other funds	2,381,005	(2,368,303)	12,702	2,481,899	(2,368,303)	113,596	2,249,082	(2,248,103)	979	(112,617)
Net Other Financing Sources (Uses)	2,381,005	(2,368,303)	12,702	2,481,899	(2,368,303)	113,596	2,249,082	(2,248,103)	979	(112,617)
Net Change in Fund Balances	(101,210)	(1,184,544)	(1,285,754)	0	(803,815)	(803,815)	0	179,717	179,717	983,532
FUND BALANCES - Beginning of Year	0	6,137,808	6,137,808	0	6,137,808	6,137,808	0	6,137,808	6,137,808	0
FUND BALANCES - END OF YEAR	\$ (101,210)	\$ 4,953,264	\$ 4,852,054	\$ 0	\$ 5,333,993	\$ 5,333,993	\$ 0	\$ 6,317,525	\$ 6,317,525	\$ 983,532

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

BUDGETARY COMPARISON SCHEDULE FOR THE DEBT SERVICE FUND
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ 1,270,016	\$ 5,534,070	\$ 5,534,070	\$ 0
Other local sources			121	121
Total Revenues	<u>1,270,016</u>	<u>5,534,070</u>	<u>5,534,191</u>	<u>121</u>
EXPENDITURES				
Support Services				
Debt service				
Principal	813,483	813,483	5,003,812	(4,190,329)
Interest and other fiscal charges	520,283	520,283	573,140	(52,857)
Total Expenditures	<u>1,333,766</u>	<u>1,333,766</u>	<u>5,576,952</u>	<u>(4,243,186)</u>
OTHER FINANCING SOURCES (USES)				
Transfer from (to) other funds			42,506	42,506
Net Other Financing Sources	<u>0</u>	<u>0</u>	<u>42,506</u>	<u>42,506</u>
Net Change in Fund Balance	(63,750)	4,200,304	(255)	(4,200,559)
FUND BALANCE - Beginning of Year	<u>281,760</u>	<u>281,760</u>	<u>281,760</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 218,010</u>	<u>\$ 4,482,064</u>	<u>\$ 281,505</u>	<u>\$ (4,200,559)</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2022**

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction, which is in accordance with generally accepted accounting principles. The legally adopted budget and budgetary expenditure control is exercised at the two-digit sub-function level in the general fund and at the function level for all other funds. Reported budget amounts are as originally adopted or as amended by the School Board resolution.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- Based upon requests from district staff, district administration recommends budget proposals to the School Board.
- The School Board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the School Board may alter the proposed budget.
- After the School Board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire School Board.
- Appropriations lapse at year end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as a reserve of fund balance.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR PENSION RELATED ITEMS
FOR THE YEARS ENDED JUNE 30, 2022

SCHEDULE OF LODI SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE PENSION LIABILITY (ASSET)
Wisconsin Retirement System
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Lodi School District's proportion of the Net Pension Liability (Asset)	0.06351198%	0.06460374%	0.06560983%	0.06625526%	0.06637848%	0.06548712%	0.06435416%	0.06507658%
Lodi School District's proportionate share of the Net Pension Liability (Asset)	(\$5,119,182)	(\$4,033,301)	(\$2,115,560)	\$2,357,154	(\$1,970,855)	\$539,770	\$1,045,743	(\$1,598,459)
Lodi School District's covered-employee payroll	\$10,659,557	\$10,612,299	\$10,468,472	\$9,985,258	\$9,877,897	\$9,741,552	\$9,268,257	\$8,292,532
Lodi School District's collective Net Pension Liability (Asset) as a percentage of the employee's covered-payroll	(48.02)%	(38.01)%	(20.21)%	23.61%	(19.95)%	5.54%	11.28%	(19.28)%
Plan fiduciary net position as a percentage of the Total Pension Liability (Asset)	106.02%	105.26%	102.96%	96.45%	102.93%	99.12%	98.20%	102.74%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE OF LODI SCHOOL DISTRICT'S CONTRIBUTIONS
Wisconsin Retirement System
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	708,810	\$716,336	\$685,686	\$687,250	\$686,090	\$642,944	\$630,241	\$625,877
Contributions in relation to the contractually required contributions	(708,810)	(\$716,336)	(\$685,686)	(\$687,250)	(\$686,090)	(\$642,944)	(\$630,241)	(\$625,877)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lodi School District's covered-employee payroll	10,659,557	\$10,612,299	\$10,468,472	\$9,985,258	\$9,877,897	\$9,741,552	\$9,268,257	\$8,292,532
Contributions as a percentage of covered-employee payroll	6.65%	6.75%	6.55%	6.70%	6.80%	6.60%	6.80%	7.01%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR PENSION RELATED ITEMS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2022**

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2021	2020	2019	2018	2017	2016	2015	2014	2013	
Valuation Date:	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011	
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	
Asset Valuation Method:	Five Year Smoothed Market	Five Year Smoothed Market	Five Year Smoothed Market	Five Year Smoothed Market	Five Year Smoothed Market	Five Year Smoothed Market	Five Year Smoothed Market	Five Year Smoothed Market	Five Year Smoothed Market	
Actuarial Assumptions										
Net Investment Rate of Return:	5.4%	5.4%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	
Weighted based on assumed rate for:										
Pre-retirement:	7.0%	7.0%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Salary Increases										
Wage Inflation:	3.0%	3.0%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	
Post-retirement Benefit Adjustments*:	1.9%	1.9%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006-2008	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006-2008
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for Men.	Wisconsin Projected Experience Table - 2005 for Men.

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR PENSION RELATED ITEMS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

**Notes to Required Supplementary Information
for the Year Ended June 30, 2022**

Changes in Benefit Terms and Assumptions related to Pension Liabilities (Assets)

Changes of benefit terms: There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from The Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

SCHEDULE OF CHANGES IN TOTAL OPEB AND STIPEND LIABILITIES AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2022

CHANGES IN OPEB LIABILITY AND RELATED RATIOS

	2022
TOTAL OPEB LIABILITY	
Service cost	\$ 9,910
Interest	4,665
Changes in benefit items	
Differences between expected and actual experience	
Changes of assumptions or other input	
Benefit payments	(7,440)
Net change in total OPEB liability	7,135
TOTAL OPEB LIABILITY - Beginning of Year	206,083
TOTAL OPEB LIABILITY - End of Year	\$ 213,218
Covered Payroll	\$ 9,707,567
Net OPEB liability as a percentage of covered payroll	2.20%

CHANGES IN STIPEND LIABILITY AND RELATED RATIOS

	2022
TOTAL STIPEND LIABILITY	
Service cost	\$ 61,241
Interest	28,749
Changes in benefit items	
Differences between expected and actual experience	
Changes of assumptions or other input	
Benefit payments	(143,487)
Net change in total stipend liability	(53,497)
TOTAL STIPEND LIABILITY - Beginning of Year	1,318,866
TOTAL STIPEND LIABILITY - End of Year	\$ 1,265,369
Covered Payroll	\$ 7,173,325
Net stipend liability as a percentage of covered payroll	17.64%

OTHER SUPPLEMENTARY INFORMATION

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMPARATIVE BALANCE SHEETS
GENERAL FUND
JUNE 30, 2022 AND 2021

	2022			2021		
	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund
ASSETS						
Cash and investments	\$ (280,452)	\$ 2,681,867	\$ 2,401,415	\$ (277,481)	\$ 2,770,751	\$ 2,493,270
Receivables						
Taxes		4,023,068	4,023,068		3,892,361	3,892,361
Prepays					5,539	5,539
Due from other governments	<u>280,452</u>	<u>408,976</u>	<u>689,428</u>	<u>438,303</u>	<u>293,500</u>	<u>731,803</u>
TOTAL ASSETS	<u>\$ 0</u>	<u>\$ 7,113,911</u>	<u>\$ 7,113,911</u>	<u>\$ 160,822</u>	<u>\$ 6,962,151</u>	<u>\$ 7,122,973</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 0	\$ 47,766	\$ 47,766	\$ 0	\$ (3,129)	\$ (3,129)
Accrued payroll and related items		747,897	747,897	160,822	827,472	988,294
Due to other governments		723	723			
Total Liabilities	<u>0</u>	<u>796,386</u>	<u>796,386</u>	<u>160,822</u>	<u>824,343</u>	<u>985,165</u>
Fund Balances						
Unassigned		6,317,525	6,317,525		6,137,808	6,137,808
Total Fund Balances	<u>0</u>	<u>6,317,525</u>	<u>6,317,525</u>	<u>0</u>	<u>6,137,808</u>	<u>6,137,808</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0</u>	<u>\$ 7,113,911</u>	<u>\$ 7,113,911</u>	<u>\$ 160,822</u>	<u>\$ 6,962,151</u>	<u>\$ 7,122,973</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022						2021									
	Final Budget			Actual			Variance Favorable (Unfavorable)	Final Budget			Actual			Variance Favorable (Unfavorable)		
	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund		Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund			
REVENUES																
Properly taxes	\$ 0	\$ 10,315,327	\$ 10,315,327	\$ 0	\$ 10,314,573	\$ 10,314,573	\$ (754)	\$ 0	\$ 11,086,143	\$ 11,086,143	\$ 0	\$ 11,086,223	\$ 11,086,223	\$ 80		
Other local sources		393,874	393,874	1,779	294,368	296,147	(97,727)	860	461,564	462,424		47,693	47,693	(414,731)		
Interdistrict sources		769,590	769,590		915,002	915,002	145,412		747,737	747,737	30,000	799,285	829,285	81,548		
Intermediate sources	21,813	5,669	27,482	4,969	11,168	16,137	(11,345)	21,813	13,016	34,829	3,240	12,615	15,855	(18,974)		
State sources	788,875	7,247,997	8,036,872	916,361	7,188,795	8,105,156	68,284	778,875	6,909,569	7,688,444	932,433	6,706,649	7,639,082	(49,362)		
Federal sources	495,363	665,757	1,161,120	504,525	709,781	1,214,306	53,186	335,670	252,501	588,171	513,267	288,662	801,949	213,778		
Other sources		92,076	92,076	1,000	107,040	108,040	15,964		127,159	127,159		48,220	48,220	(78,939)		
Total Revenues	1,306,051	19,490,290	20,796,341	1,428,634	19,540,727	20,969,361	173,020	1,137,218	19,597,689	20,734,907	1,478,940	18,989,367	20,468,307	(266,600)		
EXPENDITURES																
Instruction																
Regular instruction		8,389,209	8,389,209		8,048,322	8,048,322	340,887		8,467,081	8,467,081		7,778,104	7,778,104	688,977		
Vocational instruction		470,011	470,011		410,695	410,695	59,316		578,518	578,518		413,448	413,448	165,070		
Special instruction	2,614,236	100	2,614,336	2,711,914	2,711,914	2,711,914	102,422	2,693,657	100	2,693,757	2,665,442	2,665,442	28,315			
Other instruction		1,036,699	1,036,699		993,393	993,393	43,306		987,117	987,117		926,351	926,351	60,766		
Total Instruction	2,614,236	9,896,019	12,710,255	2,711,914	9,452,410	12,164,324	545,931	2,693,657	10,032,816	12,728,473	2,665,442	9,117,903	11,783,345	943,128		
Support Services																
Pupil services	387,423	524,334	911,757	478,786	493,565	972,351	(60,594)	295,703	463,665	759,368	381,421	483,224	864,645	(105,277)		
Instructional staff services	157,468	1,195,157	1,352,625	172,525	690,226	862,751	489,874	143,394	1,007,814	1,151,208	185,648	768,435	954,083	197,125		
General administration services		372,503	372,503		430,644	430,644	(58,141)		367,245	367,245		388,395	388,395	(21,150)		
Building administration services		1,156,614	1,156,614		1,107,603	1,107,603	49,011		1,210,336	1,210,336		1,099,215	1,099,215	111,121		
Business services		471,211	471,211		455,728	455,728	15,483		447,501	447,501		438,091	438,091	9,410		
Operations and maintenance		2,421,546	2,421,546		2,457,247	2,457,247	(35,701)		2,536,150	2,536,150		2,259,500	2,259,500	276,650		
Pupil transportation	426,400	968,058	1,396,458	296,505	914,555	1,211,060	185,398	420,000	913,639	1,333,639	298,715	698,217	996,932	336,707		
Central services		67,951	67,951		59,269	59,269	8,682		71,753	71,753		109,526	109,526	(37,773)		
Insurance		178,500	178,500	17,186	155,801	172,987	5,513		178,500	178,500	7,813	201,429	209,242	(30,742)		
Other support services	423	673,665	674,088	800	808,871	809,671	(135,583)	416	468,383	468,799	800	672,762	673,562	(204,763)		
Community services		244	244		4,536	4,536	(4,292)		227	227		2,233	2,233	(2,006)		
Principal and interest					82,452	82,452	(82,452)									
Total Support Services	973,714	8,029,783	9,003,497	965,802	7,680,497	8,626,299	377,198	859,513	7,665,213	8,524,726	874,397	7,121,027	7,995,424	529,302		
Total Expenditures	3,787,950	17,925,802	21,713,752	3,677,716	17,112,907	20,790,623	923,129	3,553,170	17,698,029	21,251,199	3,539,839	16,238,930	19,778,769	1,472,430		
Excess (Deficiency) of Revenues Over Expenditures	(2,481,899)	1,564,488	(917,411)	(2,249,082)	2,427,820	178,738	1,096,149	(2,415,952)	1,899,660	(516,292)	(2,060,899)	2,750,437	689,538	1,205,830		
OTHER FINANCING SOURCES (USES)																
Transfer from (to) other funds	2,481,899	(2,368,303)	113,596	2,249,082	(2,248,103)	979	(112,617)	2,380,145	(2,364,210)	15,935	2,060,899	(2,081,752)	(853)	(16,788)		
Net Other Financing Sources (Uses)	2,481,899	(2,368,303)	113,596	2,249,082	(2,248,103)	979	(112,617)	2,380,145	(2,364,210)	15,935	2,060,899	(2,081,752)	(853)	(16,788)		
Net Change in Fund Balance	0	(803,815)	(803,815)	0	179,717	179,717	983,532	(35,807)	(464,550)	(500,357)	0	688,685	688,685	1,189,042		
FUND BALANCE - Beginning of Year	0	6,137,808	6,137,808	0	6,137,808	6,137,808	0	0	5,449,123	5,449,123	0	5,449,123	5,449,123	0		
FUND BALANCE - END OF YEAR	\$ 0	\$ 5,333,993	\$ 5,333,993	\$ 0	\$ 6,317,525	\$ 6,317,525	\$ 983,532	\$ (35,807)	\$ 4,984,573	\$ 4,948,766	\$ 0	\$ 6,137,808	\$ 6,137,808	\$ 1,189,042		

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and investments	\$ 281,505	\$ 281,760
TOTAL ASSETS	<u>\$ 281,505</u>	<u>\$ 281,760</u>
FUND BALANCES		
Fund Balances		
Restricted for debt service	\$ 281,505	\$ 281,760
TOTAL FUND BALANCES	<u>\$ 281,505</u>	<u>\$ 281,760</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - DEBT SERVICE FUND
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022			2021		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$ 5,534,070	\$ 5,534,070	\$ 0	\$ 3,328,100	\$ 3,328,100	\$ 0
Other local sources		121	121	905	43	(862)
Total Revenues	<u>5,534,070</u>	<u>5,534,191</u>	<u>121</u>	<u>3,329,005</u>	<u>3,328,143</u>	<u>(862)</u>
EXPENDITURES						
Support Services						
Debt service						
Principal	813,483	5,003,812	(4,190,329)	1,072,579	2,584,022	(1,511,443)
Interest and other charges	520,283	573,140	(52,857)	670,856	772,265	(101,409)
Total Expenditures	<u>1,333,766</u>	<u>5,576,952</u>	<u>(4,243,186)</u>	<u>1,743,435</u>	<u>3,356,287</u>	<u>(1,612,852)</u>
OTHER FINANCING SOURCES (USES)						
Transfer from (to) other funds		42,506	42,506			
Net Other Financing Sources	<u>0</u>	<u>42,506</u>	<u>42,506</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	4,200,304	(255)	(4,200,559)	1,585,570	(28,144)	(1,613,714)
FUND BALANCE - Beginning of Year	<u>281,760</u>	<u>281,760</u>	<u>0</u>	<u>309,904</u>	<u>309,904</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,482,064</u>	<u>\$ 281,505</u>	<u>\$ (4,200,559)</u>	<u>\$ 1,895,474</u>	<u>\$ 281,760</u>	<u>\$ (1,613,714)</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>Capital Projects Fund</u>	<u>Special Revenue Trust Fund</u>	<u>Capital Expansion Fund</u>	<u>Long-Term Capital Improvement Trust Fund</u>	<u>Package- Cooperative Fund</u>	<u>Community Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS							
Cash and investments	\$ 0	\$ 305,207	\$ 360,968	\$ 1,067	\$ 0	\$ 233,825	\$ 901,067
Due from other governments						115,000	115,000
TOTAL ASSETS	<u>\$ 0</u>	<u>\$ 305,207</u>	<u>\$ 360,968</u>	<u>\$ 1,067</u>	<u>\$ 0</u>	<u>\$ 348,825</u>	<u>\$ 1,016,067</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Payroll and related liabilities	\$ 0	\$ 4,510	\$ 0	\$ 0	\$ 0	\$ 2,633	\$ 7,143
Total liabilities	<u>0</u>	<u>4,510</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,633</u>	<u>7,143</u>
Fund Balances							
Restricted	<u>0</u>	<u>300,697</u>	<u>360,968</u>	<u>1,067</u>	<u>0</u>	<u>346,192</u>	<u>1,008,924</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0</u>	<u>\$ 305,207</u>	<u>\$ 360,968</u>	<u>\$ 1,067</u>	<u>\$ 0</u>	<u>\$ 348,825</u>	<u>\$ 1,016,067</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Capital Projects Fund	Special Revenue Trust Fund	Capital Expansion Fund	Long-Term Capital Improvement Trust Fund	Package- Cooperative Fund	Community Service Fund	Total Nonmajor Governmental Funds
Revenues							
Property taxes	\$ 0	\$ 0	\$ 50,000	\$ 0	\$ 0	\$ 325,000	\$ 375,000
Other local sources		143,232	10	2	979	174,261	318,484
Federal sources						165,000	165,000
Total Revenues	<u>0</u>	<u>143,232</u>	<u>50,010</u>	<u>2</u>	<u>979</u>	<u>664,261</u>	<u>858,484</u>
Expenditures							
Instruction							
Regular instruction		2,285					2,285
Vocational instruction		1,765					1,765
Other Instruction		91,214					91,214
Total Instruction	<u>0</u>	<u>95,264</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>95,264</u>
Support Services							
Pupil services							
Instructional staff services		15,636					15,636
Building administration services		24,311					24,311
Operations and maintenance		5,278				14,636	19,914
Other support services		326					326
Community services						513,771	513,771
Total Support Services	<u>0</u>	<u>45,551</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>528,407</u>	<u>573,958</u>
Total Expenditures	<u>0</u>	<u>140,815</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>528,407</u>	<u>669,222</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>2,417</u>	<u>50,010</u>	<u>2</u>	<u>979</u>	<u>135,854</u>	<u>189,262</u>
OTHER FINANCING SOURCES (USES)							
Note proceeds							
Transfer from (to) other funds	(42,506)				(979)		(43,485)
Net Other Financing Sources	<u>(42,506)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(979)</u>	<u>0</u>	<u>(43,485)</u>
Net Change in Fund Balances	(42,506)	2,417	50,010	2	0	135,854	145,777
FUND BALANCES - Beginning of Year	<u>42,506</u>	<u>298,280</u>	<u>310,958</u>	<u>1,065</u>	<u>0</u>	<u>210,338</u>	<u>863,147</u>
FUND BALANCES - END OF YEAR	<u>\$ 0</u>	<u>\$ 300,697</u>	<u>\$ 360,968</u>	<u>\$ 1,067</u>	<u>\$ 0</u>	<u>\$ 346,192</u>	<u>\$ 1,008,924</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMPARATIVE BALANCE SHEETS
CAPITAL PROJECTS FUND
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and investments	\$ 0	\$ 42,506
TOTAL ASSETS	<u>\$ 0</u>	<u>\$ 42,506</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>
Fund Balances		
Restricted for capital projects		42,506
Total Fund Balances	<u>0</u>	<u>42,506</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0</u>	<u>\$ 42,506</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022			2021		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Other local sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES						
Instruction						
Vocational instruction						
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Support Services						
Operations and maintenance				1,000,000	500,000	500,000
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>500,000</u>	<u>500,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,000,000)</u>	<u>(500,000)</u>	<u>500,000</u>
OTHER FINANCING SOURCES (USES)						
Note proceeds				231,150	500,000	268,850
Transfer from (to) other funds		(42,506)	(42,506)			
Net Other Financing Sources	<u>0</u>	<u>(42,506)</u>	<u>(42,506)</u>	<u>231,150</u>	<u>500,000</u>	<u>268,850</u>
Net Change in Fund Balance	0	(42,506)	(42,506)	(768,850)	0	768,850
FUND BALANCE - Beginning of Year	<u>42,506</u>	<u>42,506</u>	<u>0</u>	<u>42,506</u>	<u>42,506</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 42,506</u>	<u>\$ 0</u>	<u>\$ (42,506)</u>	<u>\$ (726,344)</u>	<u>\$ 42,506</u>	<u>\$ 768,850</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE TRUST FUND
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Cash and investments	\$ 305,207	\$ 279,642
Prepaid expenses		18,638
TOTAL ASSETS	\$ 305,207	\$ 298,280
LIABILITIES AND FUND BALANCES		
Liabilities		
Payroll and related liabilities	\$ 4,510	\$ 0
Total liabilities	4,510	0
Fund Balances		
Restricted	300,697	298,280
TOTAL FUND BALANCES	\$ 305,207	\$ 298,280

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - SPECIAL REVENUE TRUST FUND
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022			2021		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Other local sources	\$ 43,360	\$ 143,232	\$ 99,872	\$ 105,324	\$ 147,010	\$ 41,686
Total Revenues	<u>43,360</u>	<u>143,232</u>	<u>99,872</u>	<u>105,324</u>	<u>147,010</u>	<u>41,686</u>
Expenditures						
Instruction						
Regular instruction	34,023	2,285	31,738	14,434	682	13,752
Vocational instruction	2,547	1,765	782	6,767		6,767
Other instruction	<u>78,007</u>	<u>91,214</u>	<u>(13,207)</u>	<u>42,760</u>	<u>49,258</u>	<u>(6,498)</u>
Total Instruction	<u>114,577</u>	<u>95,264</u>	<u>19,313</u>	<u>63,961</u>	<u>49,940</u>	<u>14,021</u>
Support Services						
Pupil services	149		149	132	583	(451)
Instructional staff services	22,002	15,636	6,366	23,632	2,557	21,075
Building administration services	74,164	24,311	49,853	61,376	16,443	44,933
Business services	2,890		2,890	2,890		2,890
Operations and maintenance	80,374	5,278	75,096		461,565	(461,565)
Other support services	<u>9,563</u>	<u>326</u>	<u>9,237</u>			
Total Support Services	<u>189,142</u>	<u>45,551</u>	<u>143,591</u>	<u>88,030</u>	<u>481,148</u>	<u>(393,118)</u>
Total Expenditures	<u>303,719</u>	<u>140,815</u>	<u>162,904</u>	<u>151,991</u>	<u>531,088</u>	<u>(379,097)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(260,359)</u>	<u>2,417</u>	<u>262,776</u>	<u>(46,667)</u>	<u>(384,078)</u>	<u>(337,411)</u>
Net Change in Fund Balance	(260,359)	2,417	262,776	(46,667)	(384,078)	(337,411)
FUND BALANCE - Beginning of Year	<u>298,280</u>	<u>298,280</u>	<u>0</u>	<u>682,358</u>	<u>682,358</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 37,921</u>	<u>\$ 300,697</u>	<u>\$ 262,776</u>	<u>\$ 635,691</u>	<u>\$ 298,280</u>	<u>\$ (337,411)</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMPARATIVE BALANCE SHEETS
CAPITAL EXPANSION FUND
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and investments	\$ 360,968	\$ 310,958
TOTAL ASSETS	<u>\$ 360,968</u>	<u>\$ 310,958</u>
FUND BALANCES		
Fund Balances Restricted	\$ 360,968	\$ 310,958
TOTAL FUND BALANCES	<u>\$ 360,968</u>	<u>\$ 310,958</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - CAPITAL EXPANSION FUND
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
REVENUES						
Property taxes	\$ 50,000	\$ 50,000	\$ 0	\$ 50,000	\$ 50,000	\$ 0
Other local sources		10	10		10	10
Total Revenues	<u>50,000</u>	<u>50,010</u>	<u>10</u>	<u>50,000</u>	<u>50,010</u>	<u>10</u>
EXPENDITURES						
Support Services						
Operations and maintenance					252,775	(252,775)
Total Support Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>252,775</u>	<u>(252,775)</u>
Net Change in Fund Balance	50,000	50,010	10	50,000	(202,765)	(252,765)
FUND BALANCE - Beginning of Year	<u>310,958</u>	<u>310,958</u>	<u>0</u>	<u>513,723</u>	<u>513,723</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 360,958</u>	<u>\$ 360,968</u>	<u>\$ 10</u>	<u>\$ 563,723</u>	<u>\$ 310,958</u>	<u>\$ (252,765)</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE BALANCE SHEETS
LONG-TERM CAPITAL IMPROVEMENT TRUST FUND
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and investments	\$ 1,067	\$ 1,065
TOTAL ASSETS	<u>\$ 1,067</u>	<u>\$ 1,065</u>
FUND BALANCES		
Fund Balances Restricted	\$ 1,067	\$ 1,065
TOTAL FUND BALANCES	<u>\$ 1,067</u>	<u>\$ 1,065</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - LONG-TERM CAPITAL IMPROVEMENT TRUST FUND
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Other local sources	\$ 0	\$ 2	\$ 2	\$ 9	\$ 1	\$ (8)
Total Revenues	<u>0</u>	<u>2</u>	<u>2</u>	<u>9</u>	<u>1</u>	<u>(8)</u>
EXPENDITURES						
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	2	2	9	1	(8)
FUND BALANCE - Beginning of Year	<u>1,065</u>	<u>1,065</u>	<u>0</u>	<u>1,064</u>	<u>1,064</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,065</u>	<u>\$ 1,067</u>	<u>\$ 2</u>	<u>\$ 1,073</u>	<u>\$ 1,065</u>	<u>\$ (8)</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMPARATIVE BALANCE SHEETS
PACKAGE-COOPERATIVE FUND
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and investments	\$ 0	\$ 0
TOTAL ASSETS	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Payroll and related liabilities	\$ 0	\$ 0
Total liabilities		
Fund Balances		
Restricted	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0</u>	<u>\$ 0</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - PACKAGE-COOPERATIVE FUND
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022			2021		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Other local sources	\$ 0	\$ 979	\$ 979	\$ 0	\$ 126	\$ 126
Total Revenues	<u>0</u>	<u>979</u>	<u>979</u>	<u>0</u>	<u>126</u>	<u>126</u>
EXPENDITURES						
Other instruction					979	(979)
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>979</u>	<u>979</u>	<u>0</u>	<u>(853)</u>	<u>(853)</u>
OTHER FINANCING SOURCES (USES)						
Transfer from (to) other funds	<u>0</u>	<u>(979)</u>	<u>(979)</u>	<u>0</u>	<u>853</u>	<u>853</u>
Net Change in Fund Balance	0	0	0	0	0	0
FUND BALANCE - Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMPARATIVE BALANCE SHEET
COMMUNITY SERVICE FUND
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Cash and investments	\$ 233,825	\$ 188,719
Accounts receivable		35,000
Due from other governments	115,000	
TOTAL ASSETS	\$ 348,825	\$ 223,719
 Liabilities		
Payroll and related liabilities	\$ 2,633	\$ 13,381
Total liabilities	2,633	13,381
 Fund Balances		
Restricted	346,192	210,338
TOTAL LIABILITIES AND FUND BALANCES	\$ 348,825	\$ 223,719

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - COMMUNITY SERVICE FUND
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022			2021		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$ 325,000	\$ 325,000	\$ 0	\$ 325,000	\$ 325,000	\$ 0
Other local sources	215,798	174,261	(41,537)	211,567	122,673	(88,894)
Federal sources	61,506	165,000	103,494	60,300	55,000	(5,300)
Total Revenues	<u>602,304</u>	<u>664,261</u>	<u>61,957</u>	<u>596,867</u>	<u>502,673</u>	<u>(94,194)</u>
EXPENDITURES						
Support Services						
Operations and maintenance	21,354	14,636	6,718	70,936	36,453	34,483
Community services	454,137	513,771	(59,634)	395,232	484,760	(89,528)
Total Support Services	<u>475,491</u>	<u>528,407</u>	<u>(52,916)</u>	<u>466,168</u>	<u>521,213</u>	<u>(55,045)</u>
Total Expenditures	<u>475,491</u>	<u>528,407</u>	<u>(52,916)</u>	<u>466,168</u>	<u>521,213</u>	<u>(55,045)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>126,813</u>	<u>135,854</u>	<u>9,041</u>	<u>130,699</u>	<u>(18,540)</u>	<u>(149,239)</u>
Net Change in Fund Balance	126,813	135,854	9,041	130,699	(18,540)	(149,239)
FUND BALANCE - Beginning of Year	<u>210,338</u>	<u>210,338</u>	<u>0</u>	<u>228,878</u>	<u>228,878</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 337,151</u>	<u>\$ 346,192</u>	<u>\$ 9,041</u>	<u>\$ 359,577</u>	<u>\$ 210,338</u>	<u>\$ (149,239)</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Authorizing Entity: Lodi School District (Board of Education)

Charter School Name: Ouisconsing School of Collaboration (OSC)

OPERATING ACTIVITY	WUFAR OBJECT CODE	COST
Purchased services	300	\$ 2,256
Non-capital objects	400	22,500
Other - dues/fees	900	<u>0</u>
TOTAL		<u>\$ 24,756</u>

FEDERAL AND STATE SINGLE AUDIT AND
GOVERNMENT AUDITING STANDARDS REPORTS AND SCHEDULES

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Federal Pass-through ID Number	Program or Award Amount	Accrued Receivable July 1, 2021	Revenues			Accrued Receivable June 30, 2022
					Grantor Reimbursements	Local Share	Expenditures	
U.S. DEPARTMENT OF AGRICULTURE								
Wisconsin Department of Public Instruction:								
Child Nutrition Cluster								
National School Lunch Program								
Food Commodity Distribution	10.555*	2022-113150-DPI-NSL-547		\$ 0	\$ 50,839	\$ 0	\$ 50,839	\$ 0
July 1, 2021 - June 30, 2022								
National School Lunch Program	10.555*	2022-13150-DPI-NSL-547		28,784	28,784			
July 1, 2020 - June 30, 2021					750,575		750,575	
July 1, 2021 - June 30, 2022								
Total National School Lunch Program				28,784	830,198	0	801,414	0
School Breakfast Program	10.553*	2022-113150-DPI-SB-546		6,012	6,012			
July 1, 2020 - June 30, 2021					335,125		335,125	
July 1, 2021 - June 30, 2022								
Total Child Nutrition Cluster				34,796	1,171,335	0	1,136,539	0
Total U.S. Department of Agriculture				34,796	1,171,335	0	1,136,539	0
U.S. DEPARTMENT OF EDUCATION								
Wisconsin Department of Public Instruction:								
ESEA Title I-A								
July 1, 2020 - June 30, 2021	84.010	2022-113150-DPI-TIA-141	148,738	91,250	91,250			
July 1, 2021 - June 30, 2022			61,156		39,000		61,156	22,156
Special Education Cluster								
IDEA Flow Through								
July 1, 2020 - June 30, 2021	84.027A	2022-113150-DPI-FLOW-341	451,655	392,982	392,982			
July 1, 2021 - June 30, 2022			427,061		111,000		368,874	257,874
IDEA Preschool								
July 1, 2020 - June 30, 2021	84.173A	2022-113150-DPI-PRESCH-347	13,027	13,028	13,028			
July 1, 2021 - June 30, 2022			19,539		2,999		18,039	15,040
Total Special Education Cluster			406,010		520,009	0	386,913	272,914
Title IIA								
July 1, 2020 - June 30, 2021	84.367A	2022-113150-DPI-TIIA-365	34,744	34,745	34,745			
July 1, 2021 - June 30, 2022			23,087				23,087	23,087

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Federal Pass-through ID Number	Program or Award Amount	Accrued Receivable July 1, 2021	Revenues		Expenditures	Accrued Receivable June 30, 2022
					Grantor Reimbursements	Local Share		
U.S. DEPARTMENT OF EDUCATION								
Wisconsin Department of Public Instruction:								
ESEA - Title IV - A Public	84.424A	2022-113150-DPI-TIVA-381						
July 1, 2020 - June 30, 2021			18,660	\$ 12,460	\$ 12,460	\$ 0	\$ 0	\$ 0
July 1, 2021 - June 30, 2022			16,200		384		16,200	15,816
Elementary & Secondary School Emergency Relief								
March 13, 2020 - September, 2022	84.425D	2022-113150-DPI-ESSERF-160	96,727	12,789	13,438		649	
Elementary & Secondary School Emergency Relief II		(COVID-19)						
March 13, 2020 - September, 2023	84.425D	2022-113150-DPI-ESSERFII-163	383,756		62,700		383,756	321,056
Total Elementary & Secondary School Emergency Relief		(COVID-19)		12,789	76,138	0	384,405	321,056
Pass-through Johnson Creek School District								
Title III - ELL	84.365	2022-113150-DPI-TIIIA-391						
July 1, 2020 - June 30, 2021			4,144	4,144	4,144			
July 1, 2021 - June 30, 2022			3,907				3,907	3,907
Pass-through CESA 5								
Carl Perkins	84.048	2022-113150-DPI-CTE-400						
July 1, 2021 - June 30, 2022			5,169		5,169		5,169	
Total U. S. Department of Education				561,398	783,299	0	880,837	658,936
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Wisconsin Department of Health Services								
Medicaid Cluster								
Medical Assistance Program	93.778	44229500						
July 1, 2021 - June 30, 2022				N/A	7,293	117,366	117,612	7,539
Total Medicaid Cluster					7,293	117,366	0	117,612
Drug Free Communities Grant	93.276	N/A						
September 30, 2021 - September 29, 2022					35,000	85,000	165,000	115,000
Total U.S. Department of Health and Human Services				42,293	202,366	0	282,612	122,539
TOTAL FEDERAL ASSISTANCE				\$ 638,487	\$ 2,157,000	\$ 0	\$ 2,299,988	\$ 781,475

* Major Program

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Administering Agency Pass-Through Agency Award Description	State I.D. Number	State Pass-through ID Number	Accrued Receivable July 1, 2021	Revenues		Accrued Receivable June 30, 2022
				Grantor Reimbursements	Expenditures	
<u>WISCONSIN DEPT. OF PUBLIC INSTRUCTION</u>						
Entitlement Programs						
Major State Programs						
Special Education and School Age Parents	255.101	113150-100	\$ 0	\$ 889,372	\$ 889,372	\$ 0
Internal District Programs				4,969	4,969	
Transit of Aid from CESA 5						
General Equalization	255.201	113150-116	<u>84,578</u>	<u>5,984,216</u>	<u>5,899,638</u>	
Total Major State Programs			<u>84,578</u>	<u>6,878,557</u>	<u>6,793,979</u>	<u>0</u>
<u>WISCONSIN DEPT. OF PUBLIC INSTRUCTION</u>						
Entitlement Programs						
Nonmajor State Programs						
Pupil Transportation	255.107	113150-102		34,992	34,992	
Per Pupil Aid	255.945	113150-113		1,084,804	1,084,804	
Common School Fund Library Aid	255.103	113150-104		68,156	68,156	
State School Lunch Aid	255.102	113150-107		11,691	11,691	
School Based Mental Health Service Grant	255.297	113150-177	42,000	42,000		
Alcohol and Other Drug Abuse	255.306	113150-143		15,000	15,000	
State School Breakfast Aid	255.344	113150-108		9,048	9,048	
Educator Effectiveness	255.940	113150-154		10,480	10,480	
Career and Technical Educ Incentive Grants	255.950	113150-171			7,595	7,595
Assessments of Reading Readiness	255.956	113150-166		2,426	2,426	
Transition Readiness Grant	255.257	113150-174	25,000	46,250	21,250	
Transit of Aid from Mauston School District			8,625	8,625	12,450	12,450
Special Education Transition Incentive Grants	255.960	113150-168		5,739	5,739	
<u>WISCONSIN DEPT. OF REVENUE</u>						
Entitlement Programs						
Nonmajor State Programs						
Youth Apprenticeship - Pass through CESA 5	N/A	N/A		1,900	1,900	
Personal Property Aid	N/A	N/A		23,260	23,260	
Payment in Lieu of Taxes	N/A	N/A		39,535	39,535	
Computer Aid	N/A	N/A	<u>2,909</u>	<u>2,909</u>	<u>2,909</u>	<u>2,909</u>
Total Nonmajor State Programs			<u>78,534</u>	<u>1,406,815</u>	<u>1,351,235</u>	<u>22,954</u>
TOTAL STATE ASSISTANCE			<u>\$ 163,112</u>	<u>\$ 8,285,372</u>	<u>\$ 8,145,214</u>	<u>\$ 22,954</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include the federal and state grant activity of the Lodi School District and are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements as prescribed by the Wisconsin Department of Public Instruction. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM

2021-2022 eligible costs under the State Special Education Program are \$3,209,405.

NOTE 3 DE MINIMIS COST RATE

The District has elected not to use the 10% de minimis cost rate.

MILLER, BRUSSELL, EBBEN AND GLAESKE LLC

CERTIFIED PUBLIC ACCOUNTANTS

611 E WISCONSIN ST

PORTAGE, WISCONSIN

53901

INDEPENDENT AUDITOR'S 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*

Board of Education
Lodi School District
Lodi, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lodi School District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 6, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 have not been identified. We did identify a deficiency in internal control, described in the accompanying summary of auditor's results as item 2022-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lodi School District'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*.

Lodi School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Miller, Brussell, Ebben and Glaeske LLC

Portage, Wisconsin
December 6, 2022

MILLER, BRUSSELL, EBBEN AND GLAESKE LLC

CERTIFIED PUBLIC ACCOUNTANTS

611 E WISCONSIN ST

PORTAGE, WISCONSIN

53901

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GRANT GUIDANCE AND
THE STATE SINGLE AUDIT GUIDELINES**

Board of Education
Lodi School District
Lodi, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Lodi School District (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The District'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 School District 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 year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*.

We are required to be independent of the District 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 District's 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, regulations, rules, and provisions of contracts or grant agreements applicable to the District'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 District'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*, the Uniform Guidance, and the *State Single Audit Guidelines* 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 omissions, 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 judgement made by a reasonable user of the report on compliance about the District'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*, the Uniform Guidance, and the *State Single Audit Guidelines*, we:

- Exercise professional judgment 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 District's compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District'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

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

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a significant deficiencies.

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

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

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 the Uniform Guidance and the State Single Audit Guidelines. Accordingly, this report is not suitable for any other purpose.

Miller, Brussell, Ebben and Glaeske LLC

Portage, Wisconsin
December 6, 2022

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued with generally accepted accounting principles: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ <input checked="" type="checkbox"/> Yes	_____ None reported
Noncompliance material to the financial statements?	_____ Yes	_____ <input checked="" type="checkbox"/> No

Federal Awards

Internal control over major federal program(s):

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ <input checked="" type="checkbox"/> Yes	_____ None reported

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

Any audit findings disclosed that are required to be reported in accordance with the 2CFR 200.516(a)? _____ Yes _____ No

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
10.555	National School Lunch Program
10.553	National School Breakfast Program

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Auditee qualified as a low-risk auditee? _____ Yes _____ No

State Awards

Internal control over major state program(s):

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ <input checked="" type="checkbox"/> Yes	_____ None reported

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

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results (Continued)

State Awards (Continued)

Any audit findings disclosed that are required to be reported in accordance with *State Single Audit Guidelines* or *Wisconsin Public School Audit Manual*? _____ Yes X No

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program</u>
255.201	General Equalization Aid
255.101	Special Education and School Age Parents

Dollar threshold used to distinguish between Type A and Type B Programs: \$250,000

Section II - Financial Statement Findings

Financial Statement Significant Deficiencies

2022-001 Preparation of the District's Financial Statements

Condition: The District does not have management personnel with necessary expertise to prepare the financial statements, related notes and GASB 34 conversion entries necessary to report in accordance with generally accepted accounting principles. Due to limited resources, management has decided to accept certain risks relevant to financial reporting and relies on the auditor to assist with the preparation of the District's financial statements.

Criteria: Internal controls over preparation of the financial statements, including footnote disclosures, should be in place to provide reasonable assurance that a misstatement in the financial statements would be prevented or detected.

Cause: The additional cost associated with hiring staff experienced in preparation of the District's financial statements, including additional training, outweighs the derived benefits.

Effect: Because management relies on the auditor to assist with preparation of the financial statements, the District's system of internal control may not prevent, detect or correct misstatements in the financial statements.

Recommendation: We recommend District personnel continue reviewing the financial statements by competent staff and approve them before issuance. We will continue to work with the District, providing information and training where needed, to make the District's personnel more knowledgeable about its responsibility for the financial statements.

Management Views and Corrective Action Plan: See corrective action plan 2022-001.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Section III - State Award Findings and Questioned Costs

Federal and State Awards Significant Deficiencies

2022-002 Financial Reporting for Federal and State Assistance

Conditions: The Uniform Guidance and the State Single Audit Guidelines requires the District to prepare appropriate financial statements, including the schedules of expenditures of federal awards. While the current staff of the District maintains financial records supporting amounts reported in the schedules of expenditures of federal awards, the District contracts with its auditor to compile the data from these records and prepare the single audit report for the District.

Criteria: Having staff with expertise in federal reporting to prepare the District's single audit report is an internal control intended to prevent, detect and correct a potential misstatement in the schedules of expenditures of federal awards, or accompanying notes to the schedule.

Cause: The additional cost associated with hiring staff sufficiently experienced to prepare the District's single audit report, including the additional training time, outweigh the derived benefits.

Effect: Because management relies on its auditor to assist with the preparation of the financial statements, including single audit reports, the District's system of internal control may not prevent, detect or correct misstatements in these financial statements.

Recommendation: We recommend District personnel continue reviewing the District's single audit report prepared by its auditor. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the District is necessary to ensure all federal programs are properly reported in the District's single audit report.

Management Views and Corrective Action Plan: See corrective action plan 2022-002.

Section IV - Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?

No

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the State Single Audit Guidelines?

LODI SCHOOL DISTRICT
LODI, WISCONSIN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Section IV - Other Issues (continued)

Department of Public Instruction No

Was a management letter or other document conveying
audit comments issued as a result of this audit? No

Miller, Brussell, Ebben and Glaeske LLC

Craig Corning
Portage, Wisconsin
December 6, 2022



District Office
115 School Street
Phone: 608.592.3851
Fax: 608.592.3852

High School (9-12)
1100 Sauk Street
Phone: 608.592.3853
Fax: 608.592.1045

Middle School (6-8)
900 Sauk Street
Phone: 608.592.3854
Fax: 608.592.1035

Elementary/OSC (1-5)
101 School Street
Phone: 608.592.3842
Fax: 608.592.1025

Primary School (Pre-K/K-2)
1307 Sauk Street
Phone: 608.592.3855
Fax: 608.592.1015

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2022**

Wisconsin Department of Public Instruction

The Lodi School District respectively submits the following corrective action plan for the year ended June 30, 2022.

Name and address of independent public accounting firm:

Miller, Brussell, Ebben and Glaeske, LLC.
611 East Wisconsin Street
Portage, WI 53901

Audit period - June 30, 2022

The findings from the June 30, 2022 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings-Financial Statement Audit

Significant Deficiency 2022-001 Preparation of the District's Financial Statements

Management Views – Management agrees with the finding and the recommendation.

Corrective Action Planned – Management and the Board will continue to designate competent staff to oversee and review the financial reports and approve them before issuance. However, it is not feasible or cost effective to add staff with the competence to prepare these reports.

Anticipated Completion Date – This action will be ongoing.

Findings-State Awards Program Audits

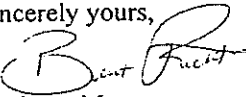
Significant Deficiency 2022-002 Financial Reporting for Federal and State Assistance

Management Views – Management agrees with the finding and the recommendation.

Corrective Action Planned - Management and the Board will continue to designate competent staff to oversee and review the financial reports and approve them before issuance. However, it is not feasible or cost-effective to add staff with the competence to prepare these reports.

Anticipated Completion Date – This action will be ongoing.

If the Wisconsin Department of Public Instruction has questions regarding the plan, please contact Brent Richter at 608-592-3851 or e-mail richtbr@lodischoolswi.org.

Sincerely yours,

Business Manager

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

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

2021-001 Preparation of the District's Financial Statements

Condition: The District does not have management personnel with necessary expertise to prepare the financial statements, related notes and GASB 34 conversion entries necessary to report in accordance with generally accepted accounting principles. Due to limited resources, management has decided to accept certain risks relevant to financial reporting and relies on the auditor to assist with preparation of the District's financial statements.

Recommendations: We recommended District personnel continue reviewing the financial statements by competent staff and approve them before issuance. We will continue to work with the District providing information and training where needed, to make the District's personnel more knowledgeable about its responsibility for the financial statements.

Current Status: Management and the Board continue to believe that cost to hire additional staff to eliminate the control deficiency outweighs the benefits to be received. Competent staff will continue to be designated to oversee and review the financial reports and approve them before issuance.

2021-002 Financial Reporting for Federal and State Assistance

Condition: The Wisconsin Public School District Audit Manual requires the District to prepare appropriate financial statements, including the schedules of expenditures of federal and state awards. While the current staff of the District maintains financial records supporting amounts reported in the schedules of expenditures of federal and state awards, the District contracts with its auditor to compile the data from these records and prepare the state program audit report for the District.

Recommendation: We recommend District personnel continue reviewing the District's state program audit report prepared by its auditor. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the District is necessary to ensure all state programs are properly reported in the District's state program audit report.