LODI UNIFIED SCHOOL DISTRICT

COUNTY OF SAN JOAQUIN
LODI, CALIFORNIA

FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2024

LODI UNIFIED SCHOOL DISTRICT

TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024

LODI UNIFIED SCHOOL DISTRICT

TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Education
Lodi Unified School District
Lodi, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lodi Unified School District (the District) as of and for the year ended June 30, 2024, 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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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; and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. 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

2880 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833
Phone 916.646.6464 • Fax 916.929.6836 • GilbertCPA.com

not a guarantee that an audit conducted in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, 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 Management's Discussion and Analysis and the Required Supplementary Information section, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information section, as listed in the Table of Contents, is presented for purposes of additional analysis and as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, is presented for purposes of additional analysis and is 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024, 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 the District's internal control over financial reporting and compliance.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

December 10, 2024

This section of the Lodi Unified School District's annual financial report presents our discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflow of resources exceeded the liabilities and deferred inflow of resources of the District at June 30, 2024 by $658 million (net position).

- Net position increased by $138 million over the previous fiscal year primarily due to the increases in the Local Control Funding Form (LCFF) and other funds from state resources such as Literacy Coaches, Proposition 28: Arts and Music in Schools, LCFF Equity Multiplier, and School Facilities Grants.

- As of June 30, 2024, the District's governmental funds reported combined ending fund balances of $587 million, an increase of $83 million in comparison with the prior year. Of this total amount:

    - $286 million (49 percent) reflects the General Fund ending balance,

    - $230 million (39 percent) represents the ending balances of capital project funds, and

    - $71 million (12 percent) comprises the ending balances of special revenue and debt service funds.

- The unrestricted portion of the ending balance for the General Fund is $180 million at June 30, 2024, of which $150 million is assigned to instruction, future cost of benefits, anticipated negotiation settlements, enrollment decline, and other commitments. The remaining balance of $30 million is unassigned and is part of the required reserve for economic uncertainties, including additional reserves due to deficit spending.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of three separate parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives: government-wide and funds.

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.

- Individual parts of the District, which are reported as fund financial statements, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.

    - Basic services funding (i.e., regular and special education) is described in the governmental funds statements. These statements include short-term financing and balances remaining for future one-time spending.

  - Short and long-term financial information about the activities of the District that operate like businesses (such as self-insurance funds) are provided in the proprietary funds statements.

- Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements.

- The required supplementary information section provides further explanations and additional support for the financial statements. A comparison of the District's budget for the year is included. Budgetary comparisons of the General Fund and the Cafeteria Fund (a major special revenue fund) are included in this section. This section also includes a schedule of changes in total OPEB liabilities and schedules of the District's proportionate share of net pension liabilities and contribution to its pension plans.

Government-wide Statements

The District as a whole is reported in the government-wide statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets, liabilities and deferred outflow and inflow of resources are included in the statement of net position. The statement of activities reports all of the current year's revenues and expenses regardless of when cash is received or paid. The District's net position can be measured by adding the District's assets and deferred outflow of resources and subtracting the liabilities and deferred inflow of resources.

- Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.

- Additional non-financial factors such as condition of school buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

In the government-wide financial statements, the District activities are categorized as governmental activities. The governmental activities are the basic services provided by the District, such as regular and special education, administration, and transportation, and are included here. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

More detailed information about the District's most significant funds – not the District as a whole – is provided in the fund financial statements. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by bond covenants and by state law.

- Other funds are established by the District to control and manage money for particular purposes (such as repaying its long-term debts). These funds may also show proper usage of certain revenues (such as grants from federal and state sources).

The District has two kinds of funds:

- **Governmental funds**: Most of the District's basic services are included in governmental funds, which generally focus on:

  1. How cash and other financial assets can readily be converted to cash flow (in and out).

  2. The ending balances available for one-time spending.

  The governmental fund statements provide a detailed short-term view of the District's financial position and whether there are more or fewer financial resources that can be spent in the near future for financing the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided as a separate reconciliation to the governmental fund statements that explains the differences (or relationships) between them.

- **Proprietary funds**: Services for which the District charges a fee are generally reported in a proprietary fund. A type of proprietary fund is the internal service fund which reports activities that provide services for the other programs and activities of the District. Proprietary funds are reported in the same way as the government-wide statements.

  The District maintains two internal service funds for self-insurance. One of the Self-Insurance Fund reports the activities for workers' compensation, self-insured retention portion of property and liability, and vision and dental benefits. The other Self-Insurance Fund – OPEB reports the activities related to retiree benefits.

FINANCIAL ANALYSIS OF THE DISTRICT AS WHOLE

Table 1 summarizes the District's net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by $658 million at June 30, 2024. The unrestricted net position was negative $66 million due primarily to recognizing net pension liability of $335 million and OPEB liability of $86 million. Net investment in capital assets (e.g., land, building and equipment) was $380 million of the net position. The District uses these assets to provide educational services; therefore, they are not available for future spending. Although the District's investments in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. And lastly, resources subject to external restrictions accounted for $345 million of net position of which $103 million are unspent Measure L and U bond proceeds.

Table 1
Net Position

	2023	2024	Percent Change
Current and Other Assets	$ 702,606,533	$ 816,088,164	16.15%
Capital Assets	598,219,158	615,962,026	2.97%
Total Assets	1,300,825,691	1,432,050,190	10.09%
Deferred outflow of resources related to pensions	93,057,522	112,760,340	21.17%
Deferred outflow of resources related to OPEB	22,855,061	20,875,292	-8.66%
Deferred amount on debt refunding	375,981	292,133	-22.30%
Total Deferred Outflow of Resources	116,288,564	133,927,765	15.17%
Long-Term Liabilities Outstanding	760,835,052	767,258,390	0.84%
Other Liabilities	68,921,953	82,250,871	19.34%
Total Liabilities	829,757,005	849,509,261	2.38%
Deferred inflow of resources related to OPEB	36,283,109	41,703,522	14.94%
Deferred inflow of resources related to pensions	30,834,599	15,625,433	-49.33%
Deferred inflow of resources related to leases	-	701,165	100%
Total Deferred Inflow of Resources	67,117,708	58,030,120	-13.54%
Net Investment in Capital Assets	350,256,849	379,506,128	8.35%
Restricted	305,221,187	344,936,720	13.01%
Unrestricted	(135,238,494)	(66,004,274)	-51.19%
Total Net Position	$ 520,239,542	$ 658,438,574	26.56%

Table 2 shows the changes in net position. Total revenues for the District as a whole increased by $42 million to $661 million, while the total cost of all programs and services for the District as a whole increased by $59 million to $523 million. Net position increased by $138 million due to an increase in LCFF apportionments, capital grants, and interest revenue.

Table 2
Changes in Net Position

	2023	2024	Percent Change
Revenues			
Program Revenues (Restricted)			
Charges for Services	$ 6,708,923	$ 9,406,745	40.21%
Operating Grants	214,785,285	183,027,030	-14.79%
Capital Grants	-	22,068,306	100.00%
General Revenues			
Property Taxes	94,945,898	104,508,068	10.07%
Federal and state aid-Unrestricted	285,893,711	303,745,274	6.24%
Developer Fees	3,592,109	3,341,064	-6.99%
Other	12,651,283	34,693,323	174.23%
Total Revenues	618,577,209	660,789,810	6.82%
Program Expenses			
Instruction	269,684,735	306,479,556	13.64%
Instruction Related Services	48,836,475	56,811,956	16.33%
Pupil Services	60,245,062	70,164,100	16.46%
General Administration	27,421,078	30,427,501	10.96%
Plant Services	40,885,745	42,373,801	3.64%
Interest	10,571,519	9,683,115	-8.40%
Other	6,388,188	6,650,749	4.11%
Total Expenses	464,032,802	522,590,778	12.62%
Increase/(Decrease) in Net Position	154,544,407	138,199,032	
Net Position - Beginning	365,695,135	520,239,542	
Net Position - Ending	$ 520,239,542	$ 658,438,574	26.56%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

General Governmental Functions

All governmental funds had total revenues and other financing sources of $672 million and expenditures and other financing uses of $590 million. These activities increased the combined fund balance by $83 million to $587 million. Table 3 shows the changes in fund balances from the prior year.

Table 3
Changes in Fund Balances

	2023	2024	Increase (Decrease)
General	$ 252,384,641	$ 285,801,987	$ 33,417,346
Student Activity Fund	2,647,567	2,928,124	280,557
Charter School	3,999,091	4,625,941	626,850
Adult Education	275,842	1,136,205	860,363
Child Development	471,226	669,541	198,315
Cafeteria	19,423,318	25,508,045	6,084,727
Building	119,695,324	117,722,606	(1,972,718)
Capital Facilities	29,512,919	37,029,831	7,516,912
School Facilities	-	22,007,904	22,007,904
Special Reserve Fund for Capital Outlays	34,909,818	52,956,120	18,046,302
Bond Interest and Redemption	30,655,942	27,506,049	(3,149,893)
Debt Service	9,868,645	8,600,715	(1,267,930)
Total	$ 503,844,333	$ 586,493,068	$ 82,648,735

Significant net changes in fund balances for the year were as follows:

- General Fund increased by $33 million due to increased state resources.
- Capital Facilities Fund increased by $8 million due to the collection of developer fees and less spending on capital projects.
- School Facilities Fund increased by $22 million due to new state school facilities grants.
- Special Reserve Fund for Capital Outlay increased by $18 million due to one-time discretionary funds set aside for capital outlays.

General Fund Budgetary Highlights

Work on the 2023-24 general fund started with a review of the Governor's proposal for the State budget in January 2023. As the economy continued to experience inflation, rising interest rates, persistent supply chain issues, and a struggling stock market, the Governor acknowledged these economic challenges, intending to maintain the purchasing power of the Local Control Funding Formula (LCFF). The budget proposal includes an 8.13% cost of living adjustment (COLA) to LCFF for 2023-24, resulting in a $4.2 billion increase. In addition, the Governor proposed $300 million in ongoing funding to create the LCFF Equity Multiplier, intended to close opportunity gaps, and one-time funding to expand the number of high-poverty schools participating in the Literacy Coaches and Reading Specialist Grant program. Also, the proposed budget acknowledged the passage of Proposition 28, Arts and Music in Schools, which will provide approximately $941 million in funding. However, the Governor proposes approximately $1.2 billion in reductions from the Arts, Music, and Instructional Materials Discretionary Block Grant.

At the May Revision, the funded COLA was increased to 8.22%. Combined with the statewide declining enrollment data, this COLA increase to the LCFF for 2023-24 results in a $3.4 billion additional discretionary LCFF dollars compared to 2022-23 LCFF levels. The COLA increase also applies to Special Education and other categorical programs. Other notable changes in May Revision from the Governor's January proposal are the reduction of funding to the Learning Recovery Emergency Block Grant by approximately $2.5 billion and the expansion of the Transitional Kindergarten program to $597 million.

The Governor signed the budget on June 27, 2023, and maintained several proposals included in the May Revision. However, many changes have been incorporated in the final state budget, such as a $1.1 billion reduction in the Learning Recovery Emergency Block Grant and a $200 million reduction in the Arts, Music, and Instructional Materials Discretionary Block Grants.

Business-type Funds

At fiscal year ending June 30, 2024, the Self-Insurance fund has net position balance of $39 million, an increase from the prior year by $12 million. This fund provides for the claims and administration of its self-insured programs: worker's compensation, self-insured retention portion of property and liability, and vision and dental benefits. As of June 30, 2024, the incurred but not reported (IBNR) and reserve liabilities are fully funded for all the programs.

Beginning with fiscal year 2007-08, the District also uses a Self-Insurance Fund to account for the accumulation of funds and payment of retiree benefits. With the implementation of GASB 75, the District's Net Other Post Employment Benefit (OPEB) Liability as of June 30, 2024, is $86 million.

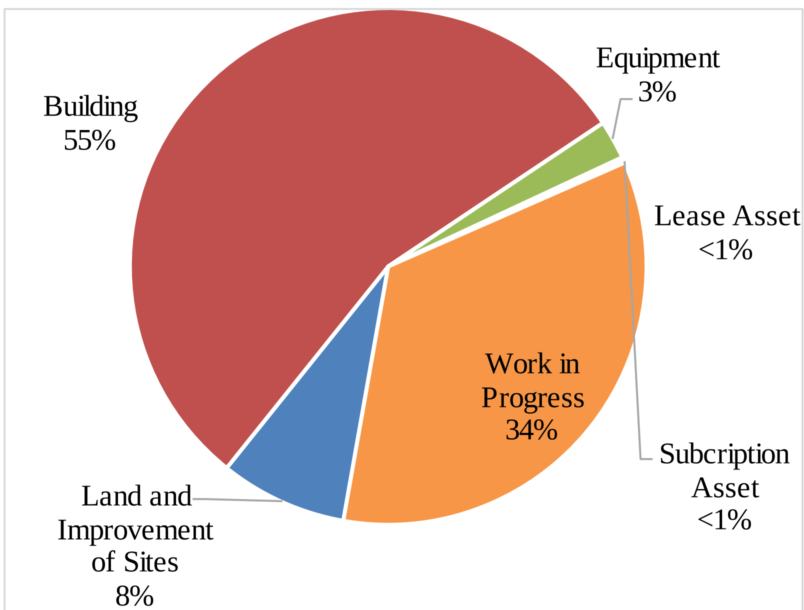
CAPITAL ASSET AND DEBT ADMINISTRATION

Table 4
Capital Assets
(net of depreciation)

	2023	2024	Percent Change
Land and Improvement of Sites	$ 47,132,813	$ 49,128,009	4.23%
Building	319,349,758	338,023,447	5.85%
Equipment	14,431,195	14,992,487	3.89%
Lease Asset	1,006,111	987,722	-1.83%
Subscription Asset	72,480	1,154,434	1492.76%
Work in Progress	216,226,801	211,675,927	-2.10%
Total Net Assets	$ 598,219,158	$ 615,962,026	2.97%

By June 30, 2024 the District has invested $616 million in a broad range of capital assets, including school buildings, buses, computers and copiers, and administrative offices. This amount represents a net increase of $18 million from last year. Figure 1 below graphically displays the percentage of capital assets by category.

Figure 1
Capital Assets
As of June 30, 2024



At June 30, 2024, the District has budgeted over $200 million for capital projects using the proceeds from the sale of bonds, Proposition 47 apportionments, one-time state discretionary funds, and developer fees. The amounts below represent the final projected budget for 2023-24 only and do not necessarily represent the total budget for the project as most projects span more than one fiscal year.

Table 5
Anticipated Projects

Project No.	Project	
8019	Bchs Ag Science Classrooms	$ 4,438,000
8021	Tokay Hs Pool Renovations	230,000
8030	Furniture, Fixtures & Equipment	886,000
8035	Bchs Gas Retro-Fit Proj	106,000
8037	Liveoak Walkin Refrig-Freezer	43,000
8054	Safety & Security	194,000
8079	Jaesc Fencing Project	300,000
8090	Lab Conversion @ Bchs	370,000
8092	Future Elem Site I	269,000
8095	Morada Alarm Upgrade	122,000
8096	Plaza Alarm Upgrade	53,000
8118	Tokay Hs Athletic Fld Imprv	18,000
8145	19440 N. Jack Tone Rd	124,000
8154	Lms Relocatable Classroom	11,000
8155	Millswood Reloc Classroom	409,000
8200	Unused Budget	1,898,000
8206	Lhs Renovation Proj - Meas U	5,355,000
8207	Houston Modernization	80,000
8208	Lms Fire Alarm Upgrade	5,665,000
8210	Beckman Facilty Improvement	213,000
8212	Clairmont Facility Imprv	317,000
8213	Creekside Facility Imprv	18,000
8214	Davis Facility Imprv	6,967,000
8215	Elkhorn Facility Imprv	15,539,000
8216	Heritage Facility Imprv	366,000
8217	Needham Facility Imprv	1,762,000
8218	John Muir Facility Imprv	95,000
8219	Lhs Pool Project	2,384,000
8220	Julia Morgan Elem - Mu	38,000
8221	Lakewood Facility Imprv	4,374,000
8222	Larson Facility Imprv	43,000
8223	Lawrence Facility Imprv	6,000
8224	Live Oak Facility Imprv	557,000
8225	Lockeford Facility Imprv	302,000
8227	Nichols Facility Imprv	1,926,000
8228	Oakwood Facility Imprv	63,000
8231	Reese Facility Imprv	11,000
8234	Turner Academy Facility Imprv	152,000
8235	Victor Facility Imprv	2,473,000
8236	Vinewood Facility Imprv	7,879,000
8238	Washington Facility Imprv	6,112,000
8240	Mcauliffe Facility Imprv	208,000
8241	Delta Sierra Facility Imprv	315,000
8242	Henderson Facility Imprv	624,000
8243	Millswood Middle - Mu	38,000
8244	Morada Facility Imprv	76,000
8245	Liberty Facility Imprv	955,000
8246	Plaza Facility Imprv	2,000
8247	Tokay Hs New & Modernization	2,119,000
8248	Lincoln Tech - Mu	65,000
8249	Bear Creek Facility Imprv	72,000
8425	Dist Construction Proj	27,820,000
8426	Extension Rd Campus	564,000
8429	19 S. Central Ave	5,540,000
8460	Henderson Demoloition Proj	75,000
8866	Storm Drain Pump Stn @ Mcnair	845,000
8877	Live Oak Portables	59,000
8934	Sch Fac Impv Dist Safety	424,000
8986	Bchs Ag Complex	2,000
8993	Maintenance Ops Fac-Guild	45,000
XXXX	Other Various Projects	88,361,000
	Total Anticipated	$ 200,376,000

At June 30, 2024, the District had $767 million in general obligation bonds and other long-term debt outstanding – an increase of 1 percent from last year as shown in the following Table 6.

Table 6
Long-Term Debt

	2023	2024	Percent Change
General Obligation Bonds	$ 349,862,717	$ 330,114,928	-5.64%
Certificates of Participation Payable	5,261,575	4,327,933	-17.74%
Leases Payable	1,019,008	1,021,677	0.26%
Claims Payable	6,057,592	5,947,442	-1.82%
Total OPEB Liability	88,851,928	85,636,969	-3.62%
Other General Long-Term Debt	3,325,000	2,730,000	-17.89%
Other loan			
Compensated Absences Payable	1,166,659	1,218,636	4.46%
Subscription Liability	71,139	1,133,070	1492.76%
Net Pension Liability	305,219,434	335,127,735	9.80%
Total	$ 760,835,052	$ 767,258,390	0.84%

Significant changes to long-term debt were as follows:

- Subscription Liability increased by $1 million due to new subscription agreements.
- Net Pension Liability increased by $30 million primarily due to low investment returns.

FACTORS BEARING ON THE DISTRICT FUTURE

At the time these financial statements were prepared, factors affecting the District's future include:

- Continuous decline in student enrollment and attendance rates.
- Ongoing employee bargaining negotiations.
- Increased contributions to CalSTRS and CalPERS to cover projected liabilities for pension benefits earned to date.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact Mrs. April Juarez, Executive Director of Fiscal Services, Lodi Unified School District, 1305 E. Vine, Lodi, CA 95240.

LODI UNIFIED SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and equivalents	$ 760,762,064
Restricted cash and equivalents	52
Accounts receivable	52,342,197
Inventories	1,166,357
Prepaid items	1,093,862
Lease receivable	723,632
Depreciable capital assets (net)	374,549,189
Nondepreciable capital assets	241,412,837
Total assets	1,432,050,190
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	112,760,340
Deferred outflows of resources related to OPEB	20,875,292
Deferred amount on debt refunding	292,133
Total deferred outflows of resources	133,927,765
LIABILITIES	
Accounts payable	77,757,740
Unearned revenue	4,493,131
Long-term liabilities, due within one year	21,010,265
Due in more than one year:	
Total OPEB liability	85,636,969
Net pension liability	335,127,735
Other long-term liabilities	325,483,421
Total liabilities	849,509,261
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	15,625,433
Deferred inflows of resources related to OPEB	41,703,522
Deferred inflows of resources related to leases	701,165
Total deferred inflow of resources	58,030,120
NET POSITION	
Net investment in capital assets	379,506,128
Restricted for:	
Capital projects	178,477,252
Debt service	28,773,645
Educational programs	110,236,151
Other purposes (expendable)	27,449,672
Unrestricted	(66,004,274)
Total net position	$ 658,438,574

The accompanying notes are an integral part of these financial statements.

LODI UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental Activities:					
Instruction	$ 306,479,556	$ 3,500	$ 87,019,984	$ 22,068,306	$ (197,387,766)
Instruction-related services:					
Instructional supervision and administration	22,153,041		12,473,554		(9,679,487)
Instructional library, media and technology	3,473,436		85,880		(3,387,556)
School site administration	31,185,479		2,342,075		(28,843,404)
Pupil services:					
Pupil transportation	6,317,733		291,797		(6,025,936)
Food services	24,093,614	3,231,943	27,195,652		6,333,981
Other pupil services	39,752,753		13,273,966		(26,478,787)
Plant services	42,373,801	5,476,597	28,189,853		(8,707,351)
Ancillary services	4,995,439		2,091,419		(2,904,020)
Enterprise activities	155,023		365,142		210,119
General administration:					
Data processing services	12,129,136		2,752,954		(9,376,182)
Other general administration	18,298,365	694,705	6,433,588		(11,170,072)
Interest and other charges	9,683,115				(9,683,115)
Other outgo	1,500,287		511,166		(989,121)
Totals	$ 522,590,778	$ 9,406,745	$ 183,027,030	$ 22,068,306	$ (308,088,697)

General revenues:	
Taxes and subventions:	
Taxes levied for general purposes	77,569,547
Taxes levied for debt service	24,814,091
Taxes levied for other specific purposes	2,124,430
Federal and state aid not restricted to specific purposes	303,745,274
Interest and investment earnings	34,683,554
Interagency revenues	9,769
Miscellaneous revenue	3,341,064
Total general revenues	446,287,729
Increase in net position	138,199,032
Net position - beginning of year	520,239,542
Net position - ending	$ 658,438,574

LODI UNIFIED SCHOOL DISTRICT

BALANCE SHEETS
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Cafeteria Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equivalents	$ 332,294,535	$ 20,924,512	$ 119,610,251	$ 139,267,117	$ 612,096,415
Restricted cash and equivalents				52	52
Accounts receivable	41,355,958	4,515,101	1,351,391	2,279,393	49,501,843
Due from other funds	151,627	442,398		19,989,716	20,583,741
Inventories	66,122	1,100,235			1,166,357
Prepaid items	1,093,862				1,093,862
Lease receivable	723,632				723,632
Total assets	$ 375,685,736	$ 26,982,246	$ 120,961,642	$ 161,536,278	$ 685,165,902
LIABILITIES					
Accounts payable	$ 64,935,576	$ 1,315,511	$ 3,239,036	$ 3,406,084	$ 72,896,207
Due to other funds	20,429,477	18,162		134,692	20,582,331
Unearned revenue	3,817,531	140,528		535,072	4,493,131
Total liabilities	89,182,584	1,474,201	3,239,036	4,075,848	97,971,669
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to leases	701,165				701,165
FUND BALANCES					
Nonspendable for:					
Revolving cash	120,000				120,000
Inventories	66,122	1,100,235			1,166,357
Prepaid items	1,093,862				1,093,862
Restricted for:					
Instruction	102,012,542			5,295,482	107,308,024
Maintenance	3,041,864				3,041,864
Student activities				2,928,124	2,928,124
Debt service				28,773,645	28,773,645
Capital projects			117,722,606	60,754,646	178,477,252
Food services		24,407,810			24,407,810
Committed for:					
Instruction	124,492,842			1,136,205	125,629,047
Assigned for:					
Instruction:					
Programmatic reserve	5,000,000				5,000,000
Instructional materials	7,533,800				7,533,800
Purchase order commitments	616,507				616,507
Locally defined	11,419,110				11,419,110
Capital projects				51,239,209	51,239,209
Debt service				7,333,119	7,333,119
Unassigned	30,405,338				30,405,338
Total fund balances	285,801,987	25,508,045	117,722,606	157,460,430	586,493,068
Total liabilities and fund balances	$ 375,685,736	$ 26,982,246	$ 120,961,642	$ 161,536,278	$ 685,165,902

LODI UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS TO THE STATEMENT OF NET POSITION JUNE 30, 2024

Total fund balance, governmental funds	$ 586,493,068
Amounts reported for governmental activities in the statement of net position are different because:	
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation, lease assets and accumulated amortization, and subscription assets and accumulated amortization.	
Capital assets at historical cost:	858,861,617
Accumulated depreciation:	(245,041,747)
Lease assets at historical costs:	1,489,725
Accumulated depreciation:	(502,003)
Subscription assets at historical costs:	2,106,650
Accumulated depreciation:	(952,216)
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:	(4,795,286)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities, net of unamortized premiums, discounts, are included in governmental activities in the statement of net position as follows:	
General obligation bonds	(330,114,928)
Certificates of participation	(4,327,933)
Leases payable	(1,021,677)
Subscription liability	(1,133,070)
Finance purchase agreements	(2,730,000)
Compensated absences	(1,218,636)
Net pension liability	(335,127,735)
In governmental funds, deferred outflows and inflows of resources relating to pensions and refunding are not reported because they are applicable to future periods. In the statement of net position, deferred outflow and inflows of resources are reported as follows:	
Deferred outflows of resources related to pensions	112,760,340
Deferred outflows of resources resulting from deferred amount on refundings	292,133
Deferred inflows of resources related to pension	(15,625,433)
The District uses an internal service fund to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are reported with governmental activities in the statement of net position.	39,025,705
Total net position, governmental activities	$ 658,438,574

The accompanying notes are an integral part of these financial statements.

LODI UNIFIED SCHOOL DISTRICT

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	Cafeteria Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
State apportionments	$ 300,593,663			$ 3,672,571	$ 304,266,234
Local sources	68,522,855			924,337	69,447,192
Total local control funding formula	369,116,518			4,596,908	373,713,426
Federal revenues	66,240,966	$ 19,830,412		3,532,206	89,603,584
Other state revenues	78,093,496	7,350,362		27,743,458	113,187,316
Other local revenues	25,171,957	4,294,529	$ 6,569,744	38,422,412	74,458,642
Total revenues	538,622,937	31,475,303	6,569,744	74,294,984	650,962,968
EXPENDITURES					
Current:					
Instruction	292,922,043			7,219,092	300,141,135
Instruction-related services:					
Supervision of instruction	16,492,505			2,054,056	18,546,561
Administrative unit (AU) of multidistrict SELPA	3,904,005				3,904,005
Instructional library, media and tech	3,493,654			10,101	3,503,755
School site administration	31,356,157			397,581	31,753,738
Pupil services:					
Pupil transportation	6,563,978				6,563,978
Food services	524,555	24,448,753			24,973,308
Other pupil services	39,890,451			353,629	40,244,080
Ancillary services	3,270,202			1,739,985	5,010,187
Enterprise activities	166,990				166,990
General administration:					
Data processing services	11,427,932				11,427,932
Other general administration	18,710,246	698,279		580,471	19,988,996
Plant services	41,531,771	555,434	19,000	1,059,489	43,165,694
Debt service:					
Principal	803,164	54,523		18,976,082	19,833,769
Interest and other charges	120,762			12,043,992	12,164,754
Capital outlay	15,353,366		8,523,462	3,463,015	27,339,843
Transfers to other agencies	738,176			762,111	1,500,287
Total expenditures	487,269,957	25,756,989	8,542,462	48,659,604	570,229,012
Excess (deficiency) of revenues over expenditures	51,352,980	5,718,314	(1,972,718)	25,635,380	80,733,956
OTHER FINANCING SOURCES (USES)					
Interfund transfers out	(19,484,000)				(19,484,000)
Proceeds from subscription assets	1,259,500	366,413			1,625,913
Proceeds from leases	288,866				288,866
Interfund transfers in				19,484,000	19,484,000
Total other financing sources (uses)	(17,935,634)	366,413		19,484,000	1,914,779
Increase (decrease) in fund balances	33,417,346	6,084,727	(1,972,718)	45,119,380	82,648,735
Fund balances - beginning	252,384,641	19,423,318	119,695,324	112,341,050	503,844,333
Fund balances - ending	$ 285,801,987	$ 25,508,045	$ 117,722,606	$ 157,460,430	$ 586,493,068

LODI UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds:	$ 82,648,735
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report outlays for capital assets, lease assets, and subscription assets, as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays $32,889,962 exceeds depreciation ($14,048,771) and amortization expense ($1,098,323) in the period.	17,742,868
Repayment of the principal of long-term debt is reported as an expenditure in governmental funds. However, the repayment reduces long-term liabilities in the statement of net position.	19,825,179
Proceeds from debt and the related premium are recognized as other financing sources in governmental funds. However, debt increases long-term liabilities in the statement of net position.	(1,914,779)
Changes in the liability for compensated absences are not recorded as expenditures in governmental funds because they are not expected to be liquidated with current financial resources. In the statement of activities, compensated absences are recognized as expenses/revenues when earned by employees.	(51,977)
In governmental funds, unmatured interest on long-term debt is recognized in the period when it is due. However, in the statement of activities, unmatured interest on long-term debt is accrued at year end.	272,648
In government funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or an other financing use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium or discount, or deferred gain or loss from debt refunding, for the period is:	2,217,583
In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. The difference between accrual-basis pension costs and actual employer contributions was:	5,003,683
Internal service funds are used by management to charge the costs of certain activities, such as self insurance and retiree benefits, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	12,455,092
Change in net position of governmental activities	$ 138,199,032

The accompanying notes are an integral part of these financial statements.

LODI UNIFIED SCHOOL DISTRICT

STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
JUNE 30, 2024

	Self-Insurance Funds
ASSETS	
Current assets:	
Cash and equivalents	$ 148,665,649
Accounts receivable	2,840,354
Total assets	151,506,003
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to OPEB	20,875,292
LIABILITIES	
Current Liabilities:	
Accounts payable	66,247
Due to other funds	1,410
Claims and judgments	784,579
Total current liabilities	852,236
Noncurrent Liabilities:	
Total OPEB obligation	85,636,969
Claims and judgments	5,162,863
Total noncurrent liabilities	90,799,832
Total liabilities	91,652,068
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to OPEB	41,703,522
NET POSITION	
Unrestricted	39,025,705
Total net position	$ 39,025,705

The accompanying notes are an integral part of these financial statements.

LODI UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2024

	Self-Insurance Funds
OPERATING REVENUES	
Charges for services	$ 23,599,597
Other local revenue	171,228
Total operating revenue	23,770,825
OPERATING EXPENSES	
Change in OPEB obligation	(1,168,283)
Claims and administration	19,685,065
Total operating expense	18,516,782
Operating income	5,254,043
NON-OPERATING REVENUES	
Investment income	7,201,049
Increase in net position	12,455,092
Net position, beginning of year	26,570,613
Net position - ending	$ 39,025,705

The accompanying notes are an integral part of these financial statements.

LODI UNIFIED SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2024

	Self-Insurance Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	$ 22,853,695
OPEB benefit payments	(2,046,676)
Claims paid	(1,092,346)
Payments on behalf of employees	(570,023)
Payments to suppliers	(10,720,943)
Net cash and equivalents provided by operating activities	8,423,707
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment gain	7,201,049
Net increase in cash and equivalents	15,624,756
Cash and equivalents – beginning of year	133,040,893
Cash and equivalents – end of year	$ 148,665,649
RECONCILIATION OF OPERATING INCOME TO CASH AND EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES	
Operating income	$ 5,254,043
Changes in operating assets and liabilities:	
Accounts receivable	(918,540)
Accounts payable	11,721
Due to other funds	1,410
Total OPEB obligation and related deferred outflows	4,185,223
Claims and judgments	(110,150)
Net cash and equivalents provided by operating activities	$ 8,423,707

The accompanying notes are an integral part of these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING POLICIES

The Lodi Unified School District (the District) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

B. REPORTING ENTITY

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District has sponsored five charter schools: Aspire Vincent Shalvey Academy, Aspire River Oaks Charter School, Aspire Benjamin Holt College Preparatory Academy, Aspire Benjamin Holt Middle School and Rio Valley Charter School. In determining its reporting entity, the District considered whether these charter schools should be included. The District determined that these charter schools do not meet the above criteria primarily because Aspire Public Schools and Rio Valley Charter School have been established as non-profit public benefit corporations. The charter agreements specify that the District does not participate in the management or operation of these charter schools, and that the charter schools shall indemnify and hold harmless the District against all loss caused by the charter schools. In addition, Education Code Section 47604(c) specifies that a district shall not be liable for the debts or obligations of a charter school operated by a non-profit public benefit corporation.

The District and the Lodi Unified School District Capital Facilities Corporation (the Corporation) have a financial and operational relationship which meets the reporting entity definition criteria of GASB for inclusion of the Corporation as a component unit of the District. The Corporation’s board members are the same as the District’s board members.

The Corporation is a non-profit public benefit corporation incorporated under the laws of the State of California on March 2, 1990. The Corporation was formed to provide financial assistance to the District for construction and acquisition of major capital facilities. The District occupies all Corporation facilities and is the sole lessee of all facilities owned by the Corporation. The District’s lease payments are the sole revenue source of the Corporation.

For financial presentation purposes, the Corporation’s financial activity has been blended with the financial data of the District. The financial statements present the Corporation’s financial activity within the Special Reserve Fund for Capital Outlay and the Debt Service Fund. Certificates of participation issued by the Corporation are included as long-term liabilities in the government-wide financial statements.

C. BASIS OF PRESENTATION

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Internal service fund activity is eliminated to avoid doubling revenues and expenses.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund financial statements – Fund financial statements report more detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column as other governmental funds. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds include a Balance Sheet, which generally includes only current assets and current liabilities, and a Statement of Revenues, Expenditures, and Changes in Fund Balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The Statement of Cash Flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of internal service funds are charges to other funds for employee self-insurance claims and post-employment benefit payments. Operating expenses of internal service funds include the costs of insurance premiums and claims related to self-insurance and post-employment benefits.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental fund financial statements use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded under the accrual basis when the exchange takes place. Under the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 45, 60, or 90 days after year-end, depending on the revenue source. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state aid apportionments, the California Department of Education has defined "available" as collectible within one year.

Non-exchange transactions are those in which the District receives value without directly giving equal value in return, including property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted, matching requirements, under which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Receivables associated with non-exchange transactions that will not be collected within the period of availability have been offset with unavailable revenue.

Unearned Revenue – Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are recorded as unearned revenue.

Expenses/Expenditures – Under the accrual basis of accounting, expenses are recognized at the time they are incurred. However, the measurement focus of governmental fund accounting is on decreases in the net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized on governmental fund financial statements.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available for use, it is the District's policy to first apply the expenditure toward, restricted fund balance and then to other, less restrictive classifications - committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

E. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into major, non-major, and internal service funds as follows:

Major Governmental Funds

The **General Fund** is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The **Cafeteria Fund**, a special revenue fund, is used to account for revenues received and expenditures made to operate the District's cafeterias.

The **Building Fund**, a capital projects fund, is used to account for the acquisition of major governmental capital facilities and buildings from bond proceeds.

Non-Major Governmental Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes. The District maintains the following non-major special revenue funds:

The **Adult Education Fund** is used to account for resources committed to adult education programs maintained by the District.

The **Child Development Fund** is used to account revenues received and expenditures made to operate the District's child development programs.

The **Student Activity Fund** is used to account for the raising and expending of money to promote the general welfare, morale, and educational experience of the student body. The amounts reported represent the combined totals of all schools within the District.

The **Charter School Fund** is used to account for revenues received and expenditures made to operate the District's Charter School(s).

The **Special Education Pass-Through Fund** is used by the Administrative Unit (AU) of a multi-LEA Special Education Local Plan Area (SELPA) to account for Special Education revenue pass-through to other member Local Education Agencies (LEAs).

Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental general fixed assets. The District maintains the following non-major capital projects funds:

The **Special Reserve Fund for Capital Outlay** is used to account for various maintenance and capital outlay projects.

The **Capital Facilities Fund** is used to account for resources received from development impact fees assessed under provisions of the California Government Code.

The **County School Facilities Fund** is used to account for state apportionment provided for construction and reconstruction of school facilities under SB50.

The **Debt Service** funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and other debt related costs. The District maintains the following non-major debt service fund:

The **Debt Service Fund** is used for the accumulation of resources for and the retirement of principal and interest on long-term debt.

The **Bond Interest and Redemption Fund** is used to account for the accumulation of resources for, and the repayment of, District bonds, interest, and other debt related costs.

Internal Service Funds

Internal Service Funds are used to account for services rendered on a cost-reimbursement basis within the District. The District maintains two internal service funds. The **Self-Insurance Fund** is used to provide general and vehicle liability, workers' compensation, dental, and vision insurance coverage to its employees. The **Self-Insurance – OPEB Fund** is used to provide for retiree benefits.

F. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, with the exception of Debt Service Funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption.

These budgets are revised by the District's governing board and District superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets for the General Fund and Cafeteria Fund are presented as required supplementary information in these financial statements.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

G. CASH AND EQUIVALENTS

The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

H. RESTRICTED CASH AND EQUIVALENTS

Cash and equivalents that are externally restricted per contractual obligations are classified as restricted cash and equivalents in the statement of net position and balance sheet based on anticipated use.

I. INVENTORIES AND PREPAID ITEMS

Inventories are recorded using the consumption method, in that the cost is recorded as an expenditure at the time individual inventory items are withdrawn from stores inventory for consumption. Inventories in the applicable funds consist primarily of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

The District has the option of reporting expenditures for prepaid items in governmental funds either when paid or during the benefiting period. The District has chosen to report the expenditures during the benefiting period.

J. CAPITAL ASSETS

Capital assets are those equipment purchased or acquired with an original cost of $10,000 or more and are reported at historical cost or estimated historical cost. Facility projects that extend the life and value of a site or building and exceed $100,000 are reported as capital assets. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Asset Class	Years
Improvement of Sites	20
Buildings	50
Machinery and Equipment	5-20

K. LEASES

The District recognizes lease contracts with $100,000 or more in future lease payments from lease commencement, and when the lease terms include a noncancellable period of more than one year.

Lessee: The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) at the commencement of a lease and initially measures them at the present value of payments expected to be made during the lease term. The lease liability is reduced by the principal portion of lease payments made and the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Lessor: The District recognizes a lease receivable and a deferred inflow of resources at the commencement of a lease and initially measures them at the present value of payments expected to be received during the lease term. The lease receivable is reduced by the principal portion of lease payments received and the deferred inflow of resource is recognized as revenue over the life of the lease term.

The District estimates its incremental borrowing rate as the discount rate for expected lease payments or receipts and the noncancelable period for its leases. Additionally, the District monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease liability and lease receivable if certain changes occur that are expected to significantly affect their lease liability or receivable.

Lease assets are reported with depreciable capital assets and lease liabilities are reported with long-term debt on the statement of net position.

L. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District recognizes subscription-based information technology arrangements (SBITA) with $100,000 or more in future payments from agreement commencement, and when the SBITA terms include a noncancellable period of more than one year.

The District recognizes subscription liability and an intangible right-to-use subscription asset at the commencement of an agreement and initially measures them at the present value of payments expected to be made during the agreement term. The subscription liability is reduced by the principal portion of payments made and the subscription asset is amortized on a straight-line basis over the shorter of the agreement term or the useful life of the underlying asset.

The District estimates its incremental borrowing rate as the discount rate for expected payments and the noncancelable period for its SBITAs. Additionally, the District monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription liability if certain changes occur that are expected to significantly affect their liability.

Subscription assets are reported with depreciable capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the balance sheet reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

The District’s deferred amount on debt refunding, resulting from the difference in the carrying value and reacquisition price of the refunded debt, is reported as deferred outflows of resources and is amortized over the shorter of the life of the refunded debt or refunding bond.

Contributions made to the District's pension and OPEB plan(s) after the measurement date but before the fiscal year-end are recorded as deferred outflows of resources and will reduce the net pension liability or total OPEB liability in the next fiscal year.

Additional factors involved in the calculation of the District's pension and OPEB expenses and liabilities include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the District's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods. See Note 12 for further details related to the pension deferred outflows and inflows. See Note 13 for details related to the OPEB deferred outflows and inflows.

N. PENSIONS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement Plan (the CalSTRS Plan), and classified employees are members of the Schools Pool (the CalPERS Plan), collectively referred to as the Plans. For purposes of measuring the net pension liability, pension expense, and deferred outflows/inflows of resources related to pensions, information about the fiduciary net position of the District's portions of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. 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.

O. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the total 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 District's (OPEB Plan) and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

P. COMPENSATED ABSENCES

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District on the government-wide financial statements. Compensated absences are generally liquidated by the General Fund.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure in the period taken, since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Q. FUND BALANCES

In the governmental fund financial statements fund balances are classified as follows:

Non-spendable – Funds that cannot be spent due to their form or funds that legally or contractually must be maintained intact.

Restricted – Funds that are mandated for specific purposes because the amounts are subject to externally imposed or legally enforceable constraints.

Committed – Funds set aside for specific purposes by the District's highest level of decision-making authority (Board of Education) pursuant to formal actions taken, such as a majority vote or resolution. These committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specific use through the same type of formal action taken to establish the commitment.

Assigned – Funds that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Resolution No. 2011-54 hereby delegates the authority to assign amounts to be used for specific purposes to the Chief Business Officer for the purpose of reporting these amounts in the financial statements.

Unassigned – The residual balance of the general fund that has not been assigned to other funds and that is not restricted, committed or assigned to a specific purpose.

Consistent with the Criteria and Standards for fiscal solvency adopted by the State Board of Education, the District maintains a Reserve for Economic Uncertainties to safeguard the District's financial stability. The responsibility to operate the District to maintain financial stability resides with the elected Board of Education. The minimum recommended reserve for a District of this size is a minimum of 3% of budgeted general fund expenditures and other financing uses. The District's standard policy is to maintain the reserve at 3%. As of June 30, 2024, the District had a Reserve for Economic Uncertainty of $15,202,669 in the General Fund's unassigned fund balance which represents 3% of budgeted general fund expenditures and other financing uses. The remaining unassigned balance consists of $15,202,669 as additional designations for potential deficit spending.

R. PROPERTY TAXES

Secured property taxes attach as an enforceable lien on property as of January 1, and are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of San Joaquin bills and collects the taxes for the District.

S. LONG-TERM OBLIGATIONS

The District reports long-term obligations of governmental funds at face value in the government-wide financial statements. Long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements and the government-wide financial statements.

T. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflow, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual amounts could differ from those estimates.

2. CHARTER SCHOOLS

The Lodi Unified School District operates the Joe Serna Charter School pursuant to Education Code Section 47605. The financial activities of the Joe Serna Charter School are presented in the Charter School Special Revenue Fund (See Note 1).

3. CASH AND EQUIVALENTS

The District's cash and equivalents as of June 30, 2024 are classified in the accompanying financial statements as follows:

Cash and equivalents	$ 760,762,064
Restricted cash and equivalents	52
Total cash and equivalents	$ 760,762,116

Cash and equivalents as of June 30, 2024, consist of the following:

Cash with financial institutions	$ 10,647,638
Cash and equivalents with County Treasury	749,415,803
Cash and equivalents with fiscal agents	698,675
Total cash and equivalents	$ 760,762,116

Restricted Cash and Equivalents

The District's restricted cash and equivalents as of June 30, 2024 is for the repayment of the District's 2010 Series A and B Certificates of Participation.

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the San Joaquin County Treasury (the Treasury). The Treasury pools these funds with those of other districts in the county and invests the cash. The share of each fund in the pooled cash account is separately accounted for and interest earned is apportioned quarterly to funds that are legally required to receive interest based on the relationship of a fund's daily balance to the total of pooled cash and investments.

Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed income. This method differs from the fair value method used to value investments in these financial statements in that unrealized gains or losses are not distributed to pool participants.

The Treasury is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq., and is restricted by Government Code Section 53635, pursuant to Section 53601. The funds maintained by the Treasury are either secured by federal depository insurance or are collateralized.

The Treasury is restricted by Government Code Section 53635, pursuant to Section 53601, to invest in time deposits; U.S. government securities; state registered warrants, notes, or bonds; the State Treasurer's investment pool; bankers' acceptances; commercial paper; negotiable and non-negotiable certificates of deposit; supranational obligations; and repurchase or reverse repurchase agreements.

Investments Authorized by the District's Investment Policy

The table below identifies the investment types authorized for the entity by the District's investment policy. This table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds or Notes	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	25% or 40%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Non-negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Mortgage Pass through Securities	5 years	20%	None
Supranational Obligations	5 years	30%	None
Joint Power Agreements	N/A	None	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Funds (LAIF)	N/A	None	None

Derivative Investments

The District did not directly enter into any derivative investments. The county did not invest in any derivative products as of June 30, 2024.

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 values to changes in market interest rates. As of June 30, 2024, the weighted average maturity of the investments contained in the treasury investment pool is approximately 748 days.

Credit Risks

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. The County Treasury investment pool does not have a rating provided by a nationally recognized statistical rating organization.

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 California Education Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits that are made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amounts deposited by the public agencies.

District deposits held with financial institutions and with fiscal agents in excess of federal depository insurance limits held in accounts collateralized by securities held by the pledging financial institution were $10,293,542.

4. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30, 2024:

	General Fund	Cafeteria Fund	Building Fund	Other Gov Funds	Self Insurance Fund	Total Funds
Federal government	$ 29,496,124	$ 2,822,416		$ 562,602		$ 32,881,142
State government	6,283,518	1,026,836		416,083		7,726,437
Local government	1,890,230	465,505		1,535	$1,262,434	3,619,704
Interest	3,686,086	200,344	$1,351,391	1,299,173	1,577,920	8,114,914
Totals	$ 41,355,958	$ 4,515,101	$1,351,391	$2,279,393	$2,840,354	$ 52,342,197

5. INTERFUND TRANSACTIONS

Interfund transactions are reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Due from/Due to Other Funds

Individual interfund receivables and payables as of June 30, 2024 were as follows:

	Payable Fund				
Receivable Fund	**General Fund**	**Cafeteria Fund**	**Other Governmental Funds**	**Self Insurance Fund**	**Total Funds**
General Fund		$ 18,162	$ 133,105	$ 360	$ 151,627
Cafeteria Fund	$ 440,811		1,587		442,398
Other Governmental Funds	19,988,666			1,050	19,989,716
Total	$ 20,429,477	$ 18,162	$ 134,692	$ 1,410	$ 20,583,741

Interfund receivables and payables are paid and cleared in the subsequent period.

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended.

For the fiscal year ended June 30, 2024, significant interfund transfers consisted of transfers from the General Fund to the Special Reserve Fund for Capital Outlay Projects that were made to fund District construction projects and totaled $19,484,000.

6. CAPITAL ASSETS, DEPRECIATION AND AMORTIZATION

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

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Capital assets, not being depreciated or amortized:				
Land	$ 29,736,910			$ 29,736,910
Construction in progress	216,226,801	$ 27,339,843	$(31,890,717)	211,675,927
Total capital assets, not being depreciated or amortized	245,963,711	27,339,843	(31,890,717)	241,412,837
Capital assets, being depreciated or amortized:				
Improvement of sites	36,710,377	3,459,026		40,169,403
Buildings	493,922,308	28,431,691		522,353,999
Right-to-use leased equipment	1,200,859	288,866		1,489,725
Software subscription	414,828	1,873,022	(181,200)	2,106,650
Machinery and equipment	51,731,332	3,388,231	(194,185)	54,925,378
Total capital assets, being depreciated or amortized	583,979,704	37,440,836	(375,385)	621,045,155
Less accumulated depreciation and amortization for:				
Improvement of sites	(19,314,474)	(1,463,830)		(20,778,304)
Buildings	(174,572,550)	(9,758,002)		(184,330,552)
Right-to-use leased equipment	(194,748)	(307,255)		(502,003)
Software subscription	(342,348)	(791,068)	181,200	(952,216)
Machinery and equipment	(37,300,137)	(2,826,939)	194,185	(39,932,891)
Total accumulated depreciation and amortization	(231,724,257)	(15,147,094)	375,385	(246,495,966)
Total capital assets, being depreciated or amortized, net	352,255,447	22,293,742		374,549,189
Governmental activities capital assets, net	$ 598,219,158	$ 49,633,585	$(31,890,717)	$ 615,962,026

For the year ended June 30, 2024, depreciation and amortization expense was charged to functions as follows:

Governmental activities:	
General	$ 11,606,603
Supervision of instruction	10,681
Instructional library, media, and technology	30,813
School site administration	315,896
Pupil transportation	714,807
Food services	376,410
Other general administration	304,907
Data processing services	1,351,964
Plant services	386,553
Ancillary services	41,059
Other pupil services	7,401
Total depreciation and amortization expense	$ 15,147,094

7. LEASE RECEIVABLE

The District has entered into multiple agreements to lease portions of its land to telecommunications companies for the use of constructing communications equipment. The District is a lessor under these lease agreements and the noncancellable portion of the lease terms extend through 2039, with monthly payments combined payments of $7,749. The District recognized $63,290 in lease revenue and $37,082 in interest revenue during the fiscal year ended June 30, 2024 related to these leases. As of June 30, 2024, the District's lease receivable was $723,632 and deferred inflow of resources associated with these leases was $701,165, which will be recognized as revenue over the lease terms. The incremental borrowing rate used was 5.00 %.

Future minimum payments related to the leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 42,871	$ 34,997	$ 77,868
2026	47,380	32,762	80,142
2027	51,163	30,281	81,444
2028	53,780	27,664	81,444
2029	61,269	24,807	86,076
2030-2034	342,965	72,722	415,687
2035-2039	124,204	9,299	133,503
Totals	$ 723,632	$ 232,532	$ 956,164

8. LONG-TERM LIABILITIES

General Obligation Bonds

On May 20, 2015, the District issued 2015 General Obligation Refunding Bonds (2015 Issue) in the amount of $8,005,000, with interest rates ranging from 4.125% to 5%, to currently refund $7,695,000 of the 2006 Series of 2002 General Obligation Bonds (Defeased Bonds.) As of June 30, 2024, the 2016 Issue principal balance outstanding was $4,105,000.

On May 19, 2016, the District issued 2016 General Obligation Refunding Bonds (2016 Issue) in the amount of $34,900,000, with interest rates ranging from 1.35% to 5%, to advance refund $37,425,000 of the 2007 Issue (Defeased Bonds). As of June 30, 2024, the 2017 Issue principal balance outstanding was $25,760,000.

On May 10, 2017, the District issued 2017 General Obligation Bonds (2017 Issue) in the amount of $80,000,000, with interest rates ranging from 2.75% to 5%, to modernize, replace, renovate, construct, acquire and rebuild school facilities. As of June 30, 2024, the 2017 Issue principal balance outstanding was $55,160,000.

On December 21, 2017, the District issued 2017 General Obligation Refunding Bonds in the amount of, $21,190,000, with interest rates ranging from 1.125% to 2.000%, to advanced refund $18,955,000 of the 2011 General Obligation Refunding Bonds. As of June 30, 2024, the principal balance outstanding was $10,400,000.

On October 11, 2018, the District issued 2018 General Obligation Bonds in the amount of $9,000,000, maturing through August 2048 and bearing interest at rates ranging from 3.000% - 5.000%. The bonds were issued to modernize, replace, renovate, construct, acquire and rebuild school facilities; and pay costs of issuance of bonds. As of June 30, 2024, the principal balance outstanding was $4,700,000.

On January 1, 2020, the District issued 2016 General Obligation Bonds (2020 Issue) in the amount of $110,000,000, maturing through August 2043 and bearing interest at rates ranging from 3.000% - 4.000%. The bonds were issued to modernize, replace, renovate, construct, and rebuild school facilities, including playgrounds and athletic fields; and pay costs of issuance of bonds. As of June 30, 2024, the principal balance outstanding was $89,225,000.

On October 27, 2020, the District issued 2020 General Obligation Bonds in the amount of $10,000,000, maturing through August 2033 and bearing interest at rates ranging from 2.000% - 4.000%. The bonds were issued to modernize, replace, renovate, construct, acquire and rebuild school facilities; and pay costs of issuance of bonds. As of June 30, 2024, the principal balance outstanding was $6,615,000.

On July 8, 2021, the District issued 2016 General Obligation Bonds (2021 Issue) in the amount of $91,000,000, maturing through August 2046 and bearing interest at rates ranging from 2.000% - 4.00%. The bonds were issued to modernize, replace, renovate, construct, acquire and rebuild school facilities; and pay costs of issuance of bonds. As of June 30, 2024, the principal balance outstanding was $87,780,000.

On June 2, 2022, the District issued 2022 General Obligation Refunding Bonds in the amount of, $25,650,000, with an interest rates of 5.000%, to advanced refund $27,155,000 of the 2012 General Obligation Refunding Bonds. As of June 30, 2024, the principal balance outstanding was $22,365,000.

The bonds mature as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 14,490,000	$ 11,089,482	$ 25,579,482
2026	13,830,000	10,527,100	24,357,100
2027	14,265,000	10,016,463	24,281,463
2028	11,650,000	9,483,758	21,133,758
2029	13,030,000	8,939,359	21,969,359
2030-2034	57,025,000	36,568,660	93,593,660
2035-2039	54,780,000	25,554,297	80,334,297
2040-2044	78,295,000	13,145,930	91,440,930
2045-2049	48,745,000	3,072,301	51,817,301
Subtotal	306,110,000	128,397,350	434,507,350
Plus: Unamortized premium	24,004,928		24,004,928
Totals	$ 330,114,928	$ 128,397,350	$ 458,512,278

Certificates of Participation (COP)

In July of 2010, the District issued COPs, Series A & B "2010" in the amount of $5,575,000 for the construction, rehabilitation and repair of school facilities by the District as part of the Qualified School Construction Bonds (QSCBs). The COPs bear interest rates from 1.75% - 7.38% and are scheduled to mature through 2027. As of June 30, 2024, the principal balance was $1,125,000.

In September of 2003, the District issued COP totaling $10,985,000, with interest rates ranging from 2% to 5%. In January of 2014, the District issued Refunding Certificates of Participation totaling $8,165,000, with interest rates ranging from 4.25% to 5% to currently refund the September 2003 Issue. As of June 30, 2024, the principal balance was $3,205,000.

The certificates mature as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 970,000	$ 194,853	$ 1,164,853
2026	990,000	146,909	1,136,909
2027	1,020,000	169,705	1,189,705
2028	665,000		665,000
2029	685,000		685,000
Subtotal	4,330,000	511,467	4,841,467
Less: Unamortized discount	(2,067)		(2,067)
Totals	$ 4,327,933	$ 511,467	$ 4,839,400

Finance Purchase Agreement

In November 2010, the District entered in a finance-purchase agreement of energy conservation equipment of $9,915,000 as part of the 2010 Qualified Energy Conservation Project (Federally Taxable Direct Pay Tax Credit Bonds). The funds were used to install energy conservation equipment at various sites in the District. Future minimum agreement payments as of June 30, 2024 are as follows:

Year Ending June 30,	Payments
2025	$ 774,832
2026	768,941
2027	771,220
2028	760,831
Total	3,075,824
Less amount representing interest	(345,824)
Total	$ 2,730,000

Lease Agreements

The District has entered into lease agreements (as lessee) for the right-to-use copier and printer equipment. The lease agreements are not renewable and the District will not acquire the equipment at the end of the lease term Lease agreements are summarized as follows:

Describe	Date of Inception	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability at Inception	Balance June 30, 2024
Printers	7/28/22	5 years	$ 2,714	5.00%	$ 143,834	$ 90,562
Printers	12/29/22	5 years	1,644	5.00%	87,090	63,205
Copiers	1/1/23	5 years	16,221	5.00%	863,501	626,762
Copiers	7/1/23	5 years	2,714	5.00%	144,433	118,356
Copiers	9/18/23	5 years	2,714	5.00%	144,433	122,792
Total lease agreements						$ 1,021,677

The right-to-use assets as of the year ended June 30, 2024, was $987,722 and is being amortized over the remaining term of the leases. Total interest payments for the year ended June 30, 2024 were $56,181. The future minimum principal and interest lease payments as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 268,201	$ 43,894	$ 312,095
2026	281,923	30,172	312,095
2027	296,346	15,749	312,095
2028	169,792	2,542	172,334
2029	5,415	11	5,426
Totals	$ 1,021,677	$ 92,368	$ 1,114,045

Subscription-Based IT Arrangements (SBITAs)

The District entered into subscription-based information technology arrangements (SBITAs) as follows:

- Website design and hosting
- K-6 ELA reading program
- Curriculum licenses
- Reading student licenses
- K-12 business platform
- Content keeper cyber security
- Total email protection

The total of the District's subscription assets are recorded at a cost of $2,106,650, less accumulated amortization of $952,216.

The future subscription payments under SBITA agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 485,428	$ 47,088	$ 532,516
2026	441,489	21,777	463,266
2027	108,173	6,358	114,531
2028	97,980	2,042	100,022
Totals	$ 1,133,070	$ 77,265	$ 1,210,335

Changes in Long-Term Liabilities

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

	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
General obligation bonds	$ 323,555,000		$ (17,445,000)	$ 306,110,000	$ 14,490,000
Unamortized GOB premium	26,307,717		(2,302,789)	24,004,928	2,176,637
Certificates of participation	5,265,000		(935,000)	4,330,000	970,000
Unamortized COP discount	(3,425)		1,358	(2,067)	(1,029)
Finance purchase agreement	3,325,000		(595,000)	2,730,000	630,000
Lease agreements	1,019,008	$ 288,866	(286,197)	1,021,677	268,201
Subscription liability	71,139	1,625,913	(563,982)	1,133,070	485,428
Claims liability (Note 10)	6,057,592	982,196	(1,092,346)	5,947,442	784,579
Compensated absences	1,166,659	2,474,112	(2,422,135)	1,218,636	1,206,449
Total	$ 366,763,690	$ 5,371,087	$ (25,641,091)	$ 346,493,686	$ 21,010,265

9. COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

Litigation

Various claims and litigation involving the District are currently outstanding. However, based on consultation with legal counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the District's financial position or results of operations.

Commitments

The District has construction contracts and property acquisition commitments of approximately $17,756,704 as of June 30, 2024. Bond and state funds have been approved for such construction.

10. RISK MANAGEMENT/CLAIMS LIABILITIES

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2024, the District participated in three joint power agreements (JPAs) for purposes of pooling of risk related to property and liability and one JPA for worker's compensation. See "Joint Ventures" footnote for nature of participation.

The District is self-insured for workers' compensation claims for fiscal years through June 30, 2019 up to $1,000,000 per occurrence and purchased excess insurance for claims above $1,000,000, with a maximum of up to $10,000,000 per claim. After June 30, 2019, the District participates in a JPA for workers compensation insurance (see Note 11). In addition, the District is fully insured for dental care for all employees except classified. Classified employees' dental care is self-insured and vision care is also fully self-insured for all employees. All claims are administered by outside parties and the Self-Insurance Fund accounts for and liquidates these insurance activities.

The District has accrued a claims liability of $5,947,442 as of June 30, 2024, for its self-insured claims and deductibles in the Self-Insurance Fund. The claims liability is based upon an evaluation by outside administrators and actuaries for known claims and management's evaluation of incidents incurred but not reported, excluding incremental costs. These claims liabilities are established based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverage such as workers' compensation. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The majority of these claims liabilities are long-term in nature and the District's intent is to fund these liabilities over time. Management has estimated $784,579 of these liabilities will be incurred in the 2024-25 fiscal year.

Changes in claims liability for the years ended June 30, 2024 and 2023 are as follows:

	Liability Beginning of Year	Claims and Changes in Estimates	Claims Payments	Liability End of Year
2023-2024	$ 6,057,592	$ 982,196	$ (1,092,346)	$ 5,947,442
2022-2023	$ 6,990,208	$ 1,135,301	$ (2,067,917)	$ 6,057,592

11. JOINT VENTURES

The District participates in three JPAs, the Schools Association for Excess Risk (SAFER), Northern California Relief (NCR) and effective July 1, 2019, Protected Insurance Program for Schools Joint Powers District (P.I.P.S.). The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

SAFER and NCR arrange property and liability insurance coverage for their members and P.I.P.S. arranges worker's compensation insurance coverage for its members. The JPAs are governed by boards consisting of a representative from each member district. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the boards. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPAs.

NATURE OF PARTICIPATION

Property

District Deductible:	$50,000
JPA's SIR:	$50,001 to $250,000 with NCR
Excess Insurance:	$250,001 to $500,000,000 per occurrence with SAFER

Liability

District Deductible:	$50,000
JPA's SIR:	$50,001 to $1,000,000 with NCR
Excess Insurance:	$1,000,001 to $10,000,000 with SAFER
	$10,000,001 to $25,000,000 with SAFER

Worker's Compensation

District	
Deductible:	$0
JPA's SIR:	$0 to $10,000,000 with P.I.P.S.
Excess Insurance:	$10,000,001 to $250,000,000 with P.I.P.S.

The condensed financial information of the JPAs is as follows:

	P.I.P.S. June 30, 2023	SAFER June 30, 2023	NCR June 30, 2023
Total Assets	$ 278,172,117	$ 35,643,366	$ 81,707,224
Total Liabilities	(192,767,542)	(34,378,599)	(50,359,446)
Net Position	$ 85,404,575	$ 1,264,767	$ 31,347,778
Total Revenues	$ 370,859,499	$ 135,988,000	$ 90,877,513
Total Expenses	(360,816,328)	(133,995,392)	(92,688,696)
Change in Net Position	$ 10,043,171	$ 1,992,608	$ (1,811,183)

Complete separate financial statements for the JPAs may be obtained at the District office at 1305 E. Vine Street, Lodi, CA 95240.

12. EMPLOYEE RETIREMENT SYSTEMS

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District participates in the State Teachers' Retirement Plan (the CalSTRS Plan), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. CalSTRS acts as a common investment and administrative agent for participating public entities within the State of California. CalSTRS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calstrs.com.

Benefits Provided

The benefits for the CalSTRS Plan are established by contract, in accordance with the provisions of the State Teachers' Retirement Law. Benefits are based on members' years of service, age, final compensation, and a benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The California Public Employees' Pension Reform Act of 2013 (PEPRA) made significant changes to the benefit structure that primarily affect members first hired to perform CalSTRS creditable activities on or after January 1, 2013. As a result of PEPRA, the CalSTRS Plan has two benefit structures: 1) CalSTRS 2% at 60 – Members first hired on or before December 31, 2012, to perform CalSTRS creditable activities, and 2) CalSTRS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalSTRS creditable activities. The 2 percent, also known as the age factor, refers to the percentage of final compensation received as a retirement benefit for each year of service credit. To be eligible for 2% service retirement, members hired prior to January 1, 2013, must be at least age 60 with a minimum of five years of CalSTRS-credited service, while members hired after January 1, 2013, must be at least age 62 with five years of service.

Contributions

Assembly Bill 1469 (AB 1469), signed into law as a part of the State of California's (the State) 2014-15 budget, increases contributions to the CalSTRS Plan from members, employers, and the State over the next seven years, effective July 1, 2014. Starting with the fiscal year 2021-22 there may be additional annual adjustments not to exceed a maximum amount of 20.25%. The District's required contribution rate for the year ended June 30, 2024, was 19.10% of annual pay. District contributions to the CalSTRS Plan were $35,469,457 for the year ended June 30, 2024.

The State contributes a percentage of the annual earnings of all members of the CalSTRS Plan. AB 1469 increases the State's contribution attributable to the benefits in effect in 1990, but does not change the base rate of 2.017%. In accordance with AB 1469, the portion of the state appropriation under Education Code Sections 22955(b) that is in addition to the base rate has been replaced by section 22955.1(b) in order to fully fund the benefits in effect as of 1990 by 2046. The additional state contribution increased from 1.437% in 2014-15 to 6.311% in 2021-22 and was effective for 2023-2024. The increased contributions end as of fiscal year end June 30, 2046. The State contribution rate for the year ended June 30, 2024, was 10.828% of the District's 2014-15 creditable CalSTRS compensation.

Actuarial Assumptions

The total pension liability for the CalSTRS Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to the measurement date of June 30, 2023. The financial reporting actuarial valuation used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Investment Rate of Return[1]	7.10%
Mortality	CalSTRS' Membership Data
Post-Retirement Benefit Increase	2% simple for DB (Annually) Maintain 85% purchasing power Level for DB Not applicable for DBS /CBB

[1] Net of investment expenses, but gross of administrative expenses.

Discount Rate

The discount rate used to measure the CalSTRS Plan's total pension liability was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with law as described above under contributions. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10%) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the CalSTRS Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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. The best-estimate ranges were developed using capital market assumptions from CalSTRS' general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the measurement date of June 30, 2023, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term * Expected Real Rate of Return
Public Equity	38.00%	5.25%
Fixed Income	14.00%	2.45%
Real Estate	15.00%	4.05%
Private Equity	14.00%	6.75%
Risk Mitigating Strategies	10.00%	2.25%
Inflation Sensitive	7.00%	3.65%
Cash / Liquidity	2.00%	0.05%
Total	100.00%	

*20-year average. Real rates of return are not of assumed 2.75% inflation.

California Public Employees' Retirement System (CalPERS)

Plan Description

The District participates in the Schools Pool (the CalPERS Plan), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calpers.ca.gov.

Benefits Provided

The benefits for the CalPERS Plan are established by contract, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. PEPRA made significant changes to the benefit structure that primarily affect members first hired to perform CalPERS creditable activities on or after January 1, 2013. As a result of PEPRA, the CalPERS Plan has two benefit structures: 1) CalPERS 2% at 55 – Members first hired on or before December 31, 2012, to perform CalPERS creditable activities, and 2) CalPERS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalPERS creditable activities. To be eligible for service retirement, members hired prior to January 1, 2013, must be at least age 50 with a minimum of five years of CalPERS-credited service, while members hired after January 1, 2013, must be at least age 52 with a minimum of five years of CalPERS-credited service.

Contributions

Section 20814(c) of the PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the CalPERS Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The CalPERS Plan's actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District's required contribution rate for the year ended June 30, 2024, was 26.68% of annual pay. District contributions to the CalPERS Plan were $18,308,948 for the year ended June 30, 2024.

Actuarial Assumptions

For the measurement period ended June 30, 2023 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2022 total pension liability. The June 30, 2022 total pension liability amounts were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases(1)	Varies
Investment Rate of Return	6.90%
Mortality(2)	CalPERS' Membership Data
Post-Retirement Benefit Increase(3)	Up to 2.30%

(1) Varies by entry age and service

(2) The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

(3) 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

The table below reflects the expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class[a]	**Assumed Strategic Allocation**	**Real Return** [(1) (2)]
Global Equity– cap-weighted	30.00%	4.45%
Global Equity – non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.84%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
Total	100.00%	

(1) An expected inflation of 2.30% was used for this period.
(2) Figures are based on the 2021-22 Asset Liability Management study.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for the State's pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability:	
CalSTRS Plan	$ 214,012,410
CalPERS Plan	121,115,325
Total District net pension liability	335,127,735
State's proportionate share of CalSTRS net pension liability associated with the District	102,554,357
Total	$ 437,682,092

The District's net pension liability is measured as the proportionate share of each Plan's net pension liability. The net pension liabilities of the Plans are measured as of June 30, 2023, and calculated by reducing the total pension liability of each Plan by the respective Plan's fiduciary net position. The District's proportion of each Plan's net pension liability was based on the ratio of the District's actual employer contributions in the measurement period to the total actual employer and State contributions received by the respective Plan in the measurement period. The District's proportionate share of the net pension liability for the measurement period June 30, 2023, was 0.281% and 0.3346% for the CalSTRS and CalPERS Plans, respectively, which was an increase of 0.0080%, and a decrease of 0.0011%, from its proportion measured as of June 30, 2022 for CalSTRS and CalPERS Plans, respectively.

For the measurement period ended June 30, 2023, the District recognized pension expense of $62,723,695 and revenue of $13,948,974 for support provided by the State. As of June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 21,237,691	$ (13,310,903)
Changes in assumptions	6,818,945	
Changes in proportion	13,356,937	(2,314,530)
Change in proportionate share of contributions	3,715,456	
Net differences between projected and actual investment earnings of pension plan investments	13,852,906	
District contributions subsequent to measurement date	53,778,405	
Total	$ 112,760,340	$ (15,625,433)

The $53,778,405 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2025	$ 3,163,427
2026	(3,110,122)
2027	30,412,518
2028	4,899,284
2029	4,165,275
Thereafter	3,826,120

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability of the Plans as of the measurement date, calculated using the discount rate, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate –1% (6.10%)	Current Discount Rate (7.10%)	Discount Rate +1% (8.10%)
District's proportionate share of the CalSTRS Plan's net pension liability	$ 358,988,740	$ 214,012,410	$ 93,592,670

	Discount Rate –1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
District's proportionate share of the CalPERS Plan's net pension liability	$ 175,101,452	$ 121,115,325	$ 76,497,018

13. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

In addition to the pension benefits described in Note 12, the District provides other postemployment health, dental, and vision care benefits for eligible retired employees through a single-employer defined benefit healthcare plan (the Plan). As of June 30, 2024, the District had not established an irrevocable trust or designated a trustee for the payment of plan benefits. As such, there are no assets accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

During the year ended June 30, 2024 the District paid benefits to retirees of $2,046,676 and transferred $1,885,910 to the Self-Insurance – OPEB Fund, an Internal Service Fund. This transfer is regarded as earmarking of employer assets to reflect the employer's intent to apply these assets to finance the cost of postemployment benefits at some time in the future and thus do not qualify as contributions.

Benefits Provided

The District's benefits provided to retirees are established per contractual agreement, which vary among different collective bargaining agreements. The following is a description of the current retiree benefit plan.

	Management	Certificated	Classified and Supervisors	Confidential
Benefit types provided	Medical, dental and vision	Medical, dental and vision	Medical, dental and vision*	Medical, dental and vision
Duration of Benefits	Lifetime	To age 65	Option 1: 60 months, not beyond age 65 Option 2: 84 months** Option 3: 120 months but not beyond age 65	To age 65
Required Service	10 years	10 consecutive full-time years, at least Class D on salary schedule (Class B for LPPA)	20 years of continuous service at age 50 or 15 years at age 55	15 years of continuous service
Minimum Age	55	55	55	60***
Dependent Coverage	Yes	Yes	Yes	Yes
District Contribution	100% up to cap to 65; $2,000 per year beyond 65 if 10 years as administrator	100% to cap	100% to cap except option 3 is 50% of District cap	100% to cap
District Cap	$5,114 to 65	LEA: $8,845 LPPA: Applicable active cap	Active cap, less expensive rate for Option B	$5,114 to 65

*Option 2 receives medical benefits only.
**For supervisors, Option B cannot go beyond age 65
***Up to 3 Confidential retirees at a time may be covered between ages 55 and 60

Employees Covered

As of the June 30, 2023 actuarial valuation, the following Inactive and active employees were covered by the benefit terms under the OPEB Plan:

Inactive employees receiving benefits	526
Inactive employees entitled to but not receiving benefits	0
Participating active employees	3,063
Total	3,589

Total OPEB Liability

The District's total OPEB liability of $85,636,969 was measured as of June 30, 2023, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate [1]	3.65%
Inflation	2.50%
Salary Increases[2]	2.75%
Mortality - Classified[3]	CalPERS' Membership Data
Mortality - Certificated[4]	CalSTRS' Membership Data
Health care cost trend rates	4.00%

(1) Based on Bond Buyer 20 Bond Index.
(2) Since benefits do not depend on salary, this assumption is only used to determine the accrual pattern of the Actuarial Present Value of Projected Benefit Payments.
(3) The mortality assumptions used are based on 2021 CalPERS Mortality for Miscellaneous and Schools Employees Mortality table created by CalPERS.
(4) The mortality assumptions are based on the 2020 CalSTRS Mortality table created by CalSTRS.

Changes in Assumptions

During the measurement period ended June 30, 2023, the discount rate was increased from 3.54% to 3.65%.

Changes in the Total OPEB Liability

The changes in the Total OPEB liability for the OPEB Plan are as follows:

	Total OPEB Liability (TOL)
Balance as of June 30, 2023 (Measurement date June 30, 2022)	$ 88,851,928
Changes recognized for the measurement period:	
Service cost	5,267,578
Interest on TOL	3,207,604
Assumption changes	(1,357,908)
Differences between expected and actual experience	(8,527,303)
Benefit payments	(1,804,930)
Net changes	(3,214,959)
Balance as of June 30, 2024 (Measurement date June 30, 2023)	$ 85,636,969

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate –1% (2.65%)	Current Discount Rate (3.65%)	Discount Rate +1% (4.65%)
Total OPEB liability	$ 99,868,261	$ 85,636,969	$ 74,150,613

Sensitivity of the District's 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 total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Trend Rate –1% (3.00%)	Health Care Trend Rate (4.00%)	Trend Rate +1% (5.00%)
Total OPEB liability	$ 71,408,620	$ 85,636,969	$ 104,152,556

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net differences between projected and actual earnings on OPEB Trust investments	5 years
All other amounts	Expected average remaining service lives (EARSL) of plan participants

OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of $6,231,899. As of June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 2,046,676	
Differences between expected and actual experience	227,202	$ (20,769,800)
Changes of assumptions	18,601,414	(20,933,722)
Total	$ 20,875,292	$ (41,703,522)

The $2,046,676 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as follows:

Year Ended June 30	
2025	$ (2,243,283)
2026	(2,243,283)
2027	(2,243,283)
2028	(2,243,283)
2029	(2,243,283)
Thereafter	(11,658,491)

14. SUBSEQUENT EVENT

Due to declining enrollment, the District closed Houston School for the 2024-25 school year. With a two-year plan, effective school year 2023-24, the Houston seventh and eighth grader students were enrolled at Lockeford Elementary. Starting in the school year 2024-25, the kindergarteners through 6th graders were enrolled at Victor Elementary.

REQUIRED SUPPLEMENTARY INFORMATION

LODI UNIFIED SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
REVENUES				
State apportionments	$ 306,000,582	$ 302,501,428	$ 300,593,663	$ (1,907,765)
Local sources	62,394,749	69,812,612	68,522,855	(1,289,757)
Total local control funding formula	368,395,331	372,314,040	369,116,518	(3,197,522)
Federal revenues	25,232,738	86,914,583	66,240,966	(20,673,617)
Other state revenues	64,311,294	123,417,507	78,093,496	(45,324,011)
Other local revenues	645,204	10,077,068	25,171,957	15,094,889
Total revenues	458,584,567	592,723,198	538,622,937	(54,100,261)
EXPENDITURES				
Certificated personnel salaries	176,155,207	173,251,119	194,983,409	(21,732,290)
Classified personnel salaries	68,266,480	61,328,450	68,107,619	(6,779,169)
Employee benefits	115,982,510	109,202,738	109,702,500	(499,762)
Books and supplies	28,955,992	126,127,591	23,674,421	102,453,170
Services and other operating expenditures	81,810,159	97,906,315	70,325,772	27,580,543
Capital outlay	3,000,264	25,533,961	19,867,143	5,666,818
Other outgo	733,617	744,387	738,176	6,211
Allocation of indirect costs	(366,718)	(1,440,279)	(1,053,008)	(387,271)
Debt service	226,665	221,921	923,925	(702,004)
Total expenditures	474,764,176	592,876,203	487,269,957	105,606,246
Excess (shortfall) of revenues over expenditures	(16,179,609)	(153,005)	51,352,980	51,505,985
OTHER FINANCING SOURCES (USES)				
Other financing sources			1,548,366	1,548,366
Interfund transfers out	(334,000)	(19,484,000)	(19,484,000)	
Total other financing uses	(334,000)	(19,484,000)	(17,935,634)	1,548,366
Net increase (decrease) in fund balance	(16,513,609)	(19,637,005)	33,417,346	53,054,351
Fund balance – beginning	252,384,641	252,384,641	252,384,641	
Fund balance – ending	$ 235,871,032	$ 232,747,636	$ 285,801,987	$ 53,054,351

LODI UNIFIED SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE
CAFETERIA SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
REVENUES				
Federal revenues	$ 16,562,133	$ 18,964,844	$ 19,830,412	$ 865,568
Other state revenues	2,971,071	3,719,103	7,350,362	3,631,259
Other local revenues	2,957,406	3,660,763	4,294,529	633,766
Total revenues	22,490,610	26,344,710	31,475,303	5,130,593
EXPENDITURES				
Classified personnel salaries	8,096,253	8,226,186	8,505,146	(278,960)
Employee benefits	5,010,555	5,060,918	3,703,553	1,357,365
Books and supplies	9,051,882	14,288,478	11,407,715	2,880,763
Services and other operating expenditures	569,884	550,313	555,327	(5,014)
Capital outlay	440,000	540,000	832,446	(292,446)
Allocation of indirect costs	70,709	765,968	698,279	67,689
Debt service			54,523	(54,523)
Total expenditures	23,239,283	29,431,863	25,756,989	3,674,874
Excess (deficiency) of revenues over expenditures	(748,673)	(3,087,153)	5,718,314	8,805,467
OTHER FINANCING SOURCES				
Proceeds from capital lease			366,413	366,413
Net (decrease) increase in fund balance	(748,673)	(3,087,153)	6,084,727	9,171,880
Fund balance – beginning	19,423,318	19,423,318	19,423,318	
Fund balance – ending	$ 18,674,645	$ 16,336,165	$ 25,508,045	$ 9,171,880

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2024
LAST 10 YEARS*

	Fiscal Year						
	2024	2023	2022	2021	2020	2019	2018
	Measurement date 2023	Measurement date 2022	Measurement date 2021	Measurement date 2020	Measurement date 2019	Measurement date 2018	Measurement date 2017
TOTAL OPEB LIABILITY							
Service cost	$ 5,267,578	$ 7,242,087	$ 8,820,135	$ 6,282,569	$ 5,052,077	$ 5,266,056	$ 5,125,115
Interest	3,207,604	2,281,791	2,340,843	2,800,579	2,754,687	2,618,144	2,193,637
Differences between expected and actual experience	(8,527,303)	273,572	(15,799,366)	(99,734)	(2,426,790)		
Changes of assumptions	(1,357,908)	(21,939,078)	6,220,980	17,857,465	3,031,617	(3,103,981)	
Benefit payments	(1,804,930)	(1,774,161)	(1,723,022)	(1,715,693)	(1,188,724)	(971,268)	(1,501,729)
NET CHANGE IN TOTAL OPEB LIABILITY	(3,214,959)	(13,915,789)	(140,430)	25,125,186	7,222,867	3,808,951	5,817,023
TOTAL OPEB LIABILITY, Beginning	88,851,928	102,767,717	102,908,147	77,782,961	70,560,094	66,751,143	60,934,120
TOTAL OPEB LIABILITY, Ending	$ 85,636,969	$	$	$	$	$	$
Covered-employee payroll	$ 279,328,325	$ 253,683,300	$ 222,340,494	$ 227,246,959	$ 205,390,911	$ 197,512,341	$ 188,614,088
District's total OPEB liability as a percentage of covered-employee payroll	31%	35%	46%	45%	38%	36%	35%
	88,851,928	102,767,717	102,908,147	77,782,961	70,560,094	66,751,143	

Notes to Schedule:

There were no changes to benefit terms during the measurement periods ended June 30, 2023, 2022, 2021, 2020, 2019, 2018 and 2017. For the measurement periods ended June 30, 2023, 2022, 2021, 2020 and 2019 the interest assumption changed from 3.54% to 3.65%, 2.16% to 3.54%, 2.20% to 2.16%, 3.5% to 2.20% and 3.8% to 3.5%, respectively. For the measurement period ended June 30, 2018, the interest assumption increased from 3.5% to 3.8%. There were no changes to the interest assumption during the measurement period ended June 30, 2017.

The District has not accumulated assets in a trust to pay related OPEB benefits.

* Fiscal year 2018 was the 1st year of implementation, therefore only seven years are presented.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2024
LAST 10 YEARS

CalSTRS Plan

	Fiscal Year									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
	Measurement date 2023	**Measurement date 2022**	**Measurement date 2021**	**Measurement date 2020**	**Measurement date 2019**	**Measurement date 2018**	**Measurement date 2017**	**Measurement date 2016**	**Measurement date 2015**	**Measurement date 2014**
District's proportion of the net pension liability	0.281%	0.273%	0.263%	0.260%	0.266%	0.260%	0.244%	0.269%	0.258%	0.252%
District's proportionate share of the net pension liability	$ 214,012,410	$ 189,696,780	$ 119,686,040	$ 251,963,400	$ 240,240,560	$ 238,958,200	$ 225,651,200	$ 217,569,890	$ 173,695,920	$ 147,261,240
State's proportionate share of the net pension liability associated with the Distric t	102,554,357	95,049,827	60,296,134	129,864,646	130,832,047	136,741,658	133,691,958	124,040,571	91,895,311	88,989,303
Total	$ 316,566,767	$	$	$	$	$	$	$	$	$
District's covered-employee payroll	$ 175,541,970	$ 162,130,600	$ 146,961,482	$ 143,394,826	$ 145,117,585	$ 140,118,151	$ 131,489,564	$ 130,333,231	$ 124,375,645	$ 114,500,629
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	284,746,607 122%	179,982,174 117%	381,828,046 81%	371,072,607 176%	375,699,858 166%	359,343,158 171%	341,610,461 172%	265,591,231 167%	236,250,543 140%	129%
Plan fiduciary net position as a percentage of the total pension liability	80.6%	81.2%	87.2%	71.8%	72.6%	71.0%	69.0%	70.0%	74.0%	77.0%

Notes to Schedule:

Change of benefit terms – For the measurement date ended June 30, 2023, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, there were no changes to the benefit terms. For the measurement date ended June 30, 2022 there was a 6.5% increase in the lump sum death benefit level for deaths occurring after June 30, 2022.

Changes in assumptions – For the measurement date ended June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2016, 2015 and 2014, there were no changes in assumptions. For the measurement date ended June 30, 2017, the consumer price inflation changed from 3.00% to 2.75%, investment rate of return changed from 7.60% to 7.10% and wage growth changed from 3.75% to 3.50%.

Effect of plan changes – For the measurement date ended June 30, 2023, there was an increase in the Total Pension Liability due to legislation passed in 2022 which affected the SBMA Program.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2024
LAST 10 YEARS

CalPERS Plan

	Fiscal Year									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
	Measurement date 2023	**Measurement date 2022**	**Measurement date 2021**	**Measurement date 2020**	**Measurement date 2019**	**Measurement date 2018**	**Measurement date 2017**	**Measurement date 2016**	**Measurement date 2015**	**Measurement date 2014**
District's proportion of the net pension liability	0.3346%	0.3357%	0.3475%	0.3528%	0.3714%	0.3716%	0.3678%	0.3827%	0.3896%	0.3838%
District's proportionate share of the net pension liability	$ 121,115,325	$ 115,522,654	$ 70,653,408	$ 108,252,347	$ 108,253,407	$ 99,077,592	$ 87,798,793	$ 75,583,487	$ 57,427,425	$ 43,570,645
District's covered-employee payroll	$ 58,075,341	$ 51,719,220	$ 49,869,383	$ 50,962,159	$ 51,692,243	$ 50,361,691	$ 47,013,324	$ 46,113,845	$ 43,217,793	$ 40,354,159
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	209%	223%	142%	212%	209%	197%	187%	164%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%	71%	72%	74%	79%	83%

Notes to Schedule:

Change of benefit terms – For the measurement date ended June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, there were no changes to the benefit terms.

Changes in assumptions – For the measurement date ended June 30, 2015, the discount rate changed from 7.50% (net of administrative expenses in 2014) to 7.65% to correct an adjustment which previously reduced the discount rate for administrative expenses. For the measurement date ended June 30, 2017, the discount rate changed from 7.65% to 7.15%. For the measurement date ended June 30, 2018, the demographic assumptions and inflation rates were changed. The inflation rate was lowered from 2.75% to 2.50%. For the measurement date ended June 30, 2022, the discount rate changed from 7.15% to 6.90%. Demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. For the measurement dates ended June 30, 2023, 2021, 2020, 2019, 2016 and 2014, there were no changes in assumptions.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30, 2024
LAST 10 YEARS

CalSTRS Plan

	Fiscal Year									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually required contribution (actuarially determined)	$ 35,469,457	$ 33,517,476	$ 25,841,519	$ 25,990,245	$ 24,534,963	$ 23,556,256	$ 19,989,000	$ 16,849,633	$ 14,007,563	$ 11,101,972
Contributions in relation to the contractually required contributions	(35,469,457)	(33,517,476)	(25,841,519)	(25,990,245)	(24,534,963)	(23,556,256)	(19,989,000)	(16,849,633)	(14,007,563)	(11,101,972)
Contribution deficiency (excess)	$	$	$	$	$	$	$	$	$	$
District's covered-employee payroll	$ 189,228,113	$ 175,541,970	$ 162,130,600	$ 146,961,482	$ 143,394,826	$ 145,117,585	$ 140,118,151	$ 131,489,564	$ 130,333,231	$ 124,375,645
Contributions as a percentage of covered-employee payroll	18.74%	19.09%	15.94%	17.69%	17.11%	16.23%	14.27%	12.81%	10.75%	8.93%

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30, 2024
LAST 10 YEARS

CalPERS Plan

	Fiscal Year									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually required contribution (actuarially determined)	$ 18,308,948	$ 15,507,380	$ 12,876,663	$ 10,648,826	$ 10,072,372	$ 9,483,820	$ 7,950,426	$ 6,551,438	$ 5,466,734	$ 5,077,414
Contributions in relation to the contractually required contributions	(18,308,948)									
Contribution deficiency (excess)	$	$	$	$	$	$	$	$	$	$
District's covered-employee payroll	$ 68,405,339	$ 58,075,341	$ 51,719,220	$ 49,869,383	$ 50,962,159	$ 51,692,243	$ 50,361,691	$ 47,013,324	$ 46,113,845	$ 43,217,793
Contributions as a percentage of	(15,507,380)	(12,876,663)	(10,648,826)	(10,072,372)	(9,483,820)	(7,950,426)	(6,551,438)	(5,466,734)	(5,077,414)	
covered-employee payroll	26.77%	26.70%	24.90%	21.35%	19.76%	18.35%	15.79%	13.94%	11.85%	11.75%

SUPPLEMENTARY INFORMATION SECTION

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2024

DISTRICT

	Second Period Report	Revised Second Period Report*	Annual Report
Elementary:			
Transitional Kindergarten through 3	7,260	7,260	7,276
Grades 4 through 6	5,678	5,678	5,679
Grades 7 and 8	3,809	3,809	3,797
Special Education – Nonpublic, Non-sectarian Schools	14	14	13
Extended Year ADA –Nonpublic, Non-sectarian Schools			33
Elementary Totals	16,761	16,761	16,798
High School:			
Grades 9 through 12	7,863	7,859	7,771
Special Education– Nonpublic, Non-sectarian Schools	31	31	32
Extended Year ADA– Nonpublic, Non-sectarian Schools			12
High School Totals	7,894	7,890	7,815
County Community Schools	47	47	47
ADA Totals	24,702	24,698	24,660

JOE SERNA JR. CHARTER SCHOOL

	Second Period Report	Annual Report
Elementary:		
Kindergarten through 3	165	164
Grades 4 through 6	115	115
Grades 7 and 8	67	67
ADA Totals - Classroom Based	347	346

* Reflects the adjustment for disallowance of absences as noted in the accompanying schedule of findings and questioned costs.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS
YEAR ENDED JUNE 30, 2024

Charter School	Charter School Number	Date Established	Included/ Not Included
Aspire Public Schools – River Oaks Charter School	0364	8/15/2000	Not Included
Aspire Public Schools – Aspire Vincent Shalvey Academy	0178	1/19/1999	Not Included
Aspire Public Schools – Benjamin Holt College Prep Academy	0565	3/4/2003	Not Included
Rio Valley Charter School	1229	4/16/2010	Not Included
Aspire Public Schools – Benjamin Holt Middle School	1782	8/1/2016	Not Included
Joe Serna Jr. Charter School	0288	1/18/2000	Included

See the accompanying notes to supplementary information.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2024

Grade Level	Minutes Requirement	Number of Instructional Days Required	2023-24 Actual Minutes Offered	Actual number of Instructional Days Offered	Minutes Credited by the School Closure Certification*	Number of Days Covered by the School Closure Certification*	Total Minutes Offered	Total Number of Instructional Days Offered	Status
DISTRICT									
Kindergarten	36,000	180	36,000	180	-	-	36,000	180	In Compliance
Grades 1	50,400	180	51,060	180	-	-	51,060	180	In Compliance
Grades 2	50,400	180	51,060	180	-	-	51,060	180	In Compliance
Grades 3	50,400	180	51,060	180	-	-	51,060	180	In Compliance
Grades 4	54,000	180	54,420	180	-	-	54,420	180	In Compliance
Grades 5	54,000	180	54,420	180	-	-	54,420	180	In Compliance
Grades 6	54,000	180	54,420	180	-	-	54,420	180	In Compliance
Grades 7	54,000	180	57,120	180	-	-	57,120	180	In Compliance
Grades 8	54,000	180	57,120	180	-	-	57,120	180	In Compliance
Grades 9	64,800	180	65,366	180	-	-	65,366	180	In Compliance
Grades 10	64,800	180	65,366	180	-	-	65,366	180	In Compliance
Grades 11	64,800	180	65,366	180	-	-	65,366	180	In Compliance
Grades 12	64,800	180	65,366	180	-	-	65,366	180	In Compliance
JOE SERNA JR. CHARTER SCHOOL									
Kindergarten	36,000	180	45,000	180	-	-	45,000	180	In Compliance
Grades 1	50,400	180	50,880	180	-	-	50,880	180	In Compliance
Grades 2	50,400	180	50,880	180	-	-	50,880	180	In Compliance
Grades 3	50,400	180	50,880	180	-	-	50,880	180	In Compliance
Grades 4	54,000	180	54,360	180	-	-	54,360	180	In Compliance
Grades 5	54,000	180	54,360	180	-	-	54,360	180	In Compliance
Grades 6	54,000	180	60,400	180	-	-	60,400	180	In Compliance
Grades 7	54,000	180	60,400	180	-	-	60,400	180	In Compliance
Grades 8	54,000	180	60,400	180	-	-	60,400	180	In Compliance
MCNAIR HIGH SCHOOL									
Grades 9	64,800	180	62,365	172	2,944	8	65,309	180	In Compliance
Grades 10	64,800	180	62,365	172	2,944	8	65,309	180	In Compliance
Grades 11	64,800	180	62,365	172	2,944	8	65,309	180	In Compliance
Grades 12	64,800	180	62,365	172	2,944	8	65,309	180	In Compliance

* In response to a Declaration of a State of Emergency by the Governor of California the site was closed instructional days noted. An approved Form J13A School Closure Certification was received from the California Department of Education for the emergency closures.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2024

GENERAL FUND

	June Adopted Budget 2025	2024	2023	2022
Revenues and other financial sources	$ 493,896,787	$ 540,171,303	$ 533,596,036	$ 449,745,947
Expenditures	502,621,493	487,269,957	430,266,355	398,623,196
Other uses and transfers out		19,484,000	7,234,399	3,532,983
Total outgo	502,621,493	506,753,957	437,500,754	402,156,179
Change in fund balance	(8,724,706)	33,417,346	96,095,282	47,589,768
Ending fund balance	$ 277,077,281	$ 285,801,987	$ 252,384,641	$ 156,289,359
Available reserves[1]	$ 30,405,338	$ 30,405,338	$ 25,836,436	$ 24,197,866
Designated for economic uncertainties	$ 15,202,669	$ 15,202,669	$ 12,918,218	$ 12,098,933
Unassigned fund balance	$ 15,202,669	$ 15,202,669	$ 12,918,218	$ 12,098,933
Available reserves as a percentage of total outgo	6.0%	6.0%	5.9%	6.0%
Total long-term debt	$ 746,248,125	$ 767,258,390	$ 760,842,410	$ 683,459,357
Average daily attendance at P-2[2]	24,211	24,651	24,385	24,095

(1) Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainty contained within the General Fund.

(2) Excludes County Community Schools ADA.

The General Fund balance has increased by $129,512,628 over the past two years. The fiscal year 2024-25 budget projects a decrease of $8,724,706. For a district this size, the state recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has not incurred operating deficits in the past three years, however it anticipates generating an operating deficit during the 2024-25 fiscal year. Total long-term debt has increased by $83,799,033 over the past two years.

Average daily attendance has increased by 556 over the past two years. ADA is anticipated to decrease by 440 during fiscal year 2024-25.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	PCA Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed-Through California Department of Education (CDE):			
Child Nutrition Cluster:			
Child Nutrition: School Programs	10.555	13391	$ 11,308,048
Child Nutrition (School Breakfast Basic and Especially Needy)	10.553	N/A	2,597,442
Child Nutrition: School Programs - Commodities	10.555	N/A	1,678,367
Child Nutrition: Supply Chain Assistance (SCA) Funds	10.555	15729	1,649,489
Child Nutrition: Fresh Fruit and Vegetable Program	10.582	14968	411,431
Child Nutrition: Local Food for Schools	10.555	15708	166,722
Subtotal Child Nutrition Cluster			17,811,499
Child and Adult Care Food Program:			
Child Nutrition: CACFP Claims	10.558	13666	1,803,697
Child Nutrition: CCFP Cash in Lieu of Commodities	10.558	13389	115,215
Subtotal Child and Adult Care Food Program			1,918,912
Child Nutrition: NSLP Equipment Assistance Grants	10.579	14906	100,000
Total U.S. Department of Agriculture			19,830,411
U.S. Department of Education:			
Passed-Through California Department of Rehabilitation:			
WorkAbility II, Transition Partnership	84.126	10006	1,424,053
Passed-Through CDE:			
Title IV, Part A, Student Support and Academic Enrichment Grant Program	84.424	15396	1,461,580
Voc & Applied Tech Secondary II C, Sec 131 (Carl Perkins Act)	84.048	13924	325,349
IDEA Early Intervention Grants	84.181	23761	75,117
Title II, Part A, Improving Teacher Quality Local Grants	84.367	14341	1,451,139
Title III, Limited English Proficient (LEP) Student Program	84.365	14346	807,675
Title I Basic Grants Low Income & Neg.	84.010	14329	13,018,201
Education Stabilization Fund (ESF):			
COVID-19 Governor's Emergency Education Relief Fund (Expanded Learning Opportunities (ELO) Grant GEER II)	84.425C	15619	8,043
COVID-19 Elementary and Secondary School Emergency Relief II Fund (ESSER II)	84.425D	15547	255,666

See the accompanying notes to supplementary information.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	PCA Number	Federal Expenditures
COVID-19 Elementary and Secondary School Emergency Relief II Fund (Expanded Learning Opportunities (ELO) Grant: ESSER II)	84.425D	15618	1,759,764
COVID-19 Elementary and Secondary School Emergency Relief III Fund (ESSER III)	84.425D	15559	19,613,819
COVID-19 Elementary and Secondary School Emergency Relief III Fund (Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss)	84.425U	15621	776,013
COVID-19 Elementary and Secondary School Emergency Relief III Fund (ESSER III) – Learning Loss	84.425U	10155	16,586,809
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief – Homeless Children and Youth (ARP-HCY II)	84.425W	15566	117,297
Subtotal Education Stabilization Fund (ESF)			39,117,411
Special Education Cluster (IDEA):			
IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	1,858
Special Ed IDEA 619 Preschool Capacity Building	84.173A	13839	41,162
Special Ed: Alternate Dispute Resolution, Part B, Sec 611	84.173A	13007	46,653
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	136,770
Special Ed: IDEA Mental Health Services, Part B, Sec 611	84.027A	14468	6,450
IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	6,478,095
IDEA Local Assistance, Part B, Sec 611, Private School ISPs	84.027	10115	49,258
COVID-19 Special Ed: ARP IDEA Part B, Sec. 619, Preschool Grants	84.173	15639	26,967
COVID-19 Special Ed: ARP IDEA Part B, Sec. 611, Local Private School ISPs	84.027	10169	10,005
COVID-19 Special Ed: ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	1,062,003
COVID-19 Special Ed: ARP IDEA Part B, Sec. 619, Preschool Grants Early Intervening Services	84.027	10131	3,364
Special Ed: IDEA Local Assistance 611 Early Intervention, Part B, Sec. 611, Early Intervening Services	84.027	10119	417,143
Subtotal Special Education Cluster (IDEA)			8,279,728
Total U.S. Department of Education			65,960,253

See the accompanying notes to supplementary information.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	PCA Number	Federal Expenditures
U.S. Department of Justice			
Cops Office School Violence 2	16.839	N/A	41,993
U.S. Department of Health and Human Services:			
Passed-Through California Department of Health Services:			
Head Start Cluster	93.600	10016	3,256,978
U.S. Department of Labor:			
Adult Basic Education, English Language Acquisition, and ELCE, Sec. 231	84.002A	14508	50,856
Adult Secondary Education, Sec. 231	84.002	13978	28,812
Total U.S. Department of Labor			79,668
U.S. Department of Transportation:			
Congestion Mitigation Air Quality	20.205	N/A	252,311
Total Expenditures of Federal Awards			$ 89,421,614

See the accompanying notes to supplementary information.

LODI UNIFIED SCHOOL DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (UNAUDITED ACTUALS) WITH AUDITED FUND FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024

AUDITOR'S COMMENTS

	Cafeteria Fund
Unaudited Actual Financial Statements ending Fund Balance, June 30, 2024	$ 25,259,861
Adjustment to correct inventory balance	248,184
Audited Ending Fund Balances June 30, 2024	$ 25,508,045

There were no audit adjustments proposed to any other funds of the District.

1. PURPOSE OF SCHEDULES

A. SCHEDULE OF AVERAGE DAILY ATTENDANCE

Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

B. SCHEDULE OF CHARTER SCHOOLS

This schedule lists all charter schools chartered by the District and displays information for each charter school on whether or not it is included in the District's financial statements.

C. SCHEDULE OF INSTRUCTIONAL TIME

This schedule presents data as to whether the District complied with the provisions of article 8 (commencing with section 46200) of chapter 2 of part 26 of the Education Code by grade level.

D. SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

E. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The audit of the District for the year ended June 30, 2024, was conducted in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), which requires disclosure of the financial activities of all federally funded programs. To comply with Uniform Guidance, the Schedule of Expenditures of Federal Awards was prepared by the District.

General – The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the District. The District reporting entity is defined in Note 1 to the District's basic financial statements.

Basis of Accounting – The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the District's basic financial statements.

Indirect Cost Rate – The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance

Subrecipients – The District did not provide federal awards to subrecipients during the year ended June 30, 2024.

F. RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (UNAUDITED ACTUALS) WITH AUDITED FINANCIAL STATEMENTS

This schedule provides the information necessary to reconcile the fund equity of all funds as reported on the unaudited actuals to the audited fund financial statements.

OTHER INFORMATION

LODI UNIFIED SCHOOL DISTRICT

ORGANIZATION
JUNE 30, 2024

The Lodi Unified School District was established on July 1, 1967, and comprises an area located in San Joaquin County. There were no changes in the boundaries of the District during the current year. The District currently operates 32 elementary schools (most of which have a grade configuration of kindergarten through 6th grade, one GATE school for grades 4-8, and three schools for grades K-8), five middle schools (for grades 7-8), four comprehensive high schools (for grades 9-12), one early college high school, two continuation high schools, two independent study schools for grades K-12, one charter school for grades K-8, preschool programs, and an adult education program. The District also has five independent charter schools.

GOVERNING BOARD

Name	Office	Term Expires
Mr. Gary Knackstedt	President	2024
Dr. Rommel Bal	Vice President	2024
Ms. Sherry Alexandar	Clerk	2026
Mrs. Susan Macfarlane	Member	2026
Mr. Joe Nava	Member	2024
Mr. Jeff Stroh	Member	2026
Mr. Courtney Porter	Member	2026

ADMINISTRATION

Mr. Neil Young
Superintendent

Mrs. April Juarez
Executive Director of Fiscal Services

Mrs. Edith Holbert
Executive Director of Operation Services

Mrs. Erin Church
Assistant Superintendent/Personnel

Dr. David Holton
Assistant Superintendent/Curriculum-Instruction-Assessment

OTHER INDEPENDENT AUDITOR'S REPORTS

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 Unified School District
Lodi, California

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of Lodi Unified School District (the District) as of and for the year ended June 30, 2024, 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 10, 2024.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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

2880 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833
Phone 916.646.6464 • Fax 916.929.6836 • GilbertCPA.com

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002.

The Organization'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 responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

December 10, 2024

Relax. We got this.℠

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Lodi Unified School District
Lodi, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lodi Unified School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal 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 for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

2880 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833
Phone 916.646.6464 • Fax 916.929.6836 • GilbertCPA.com

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*, and the Uniform Guidance 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, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 with the compliance requirements referred to above and performing such other procedures as we considered 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

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 program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

December 10, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENTS IN ACCORDANCE WITH 2023-24 GUIDE FOR ANNUAL AUDITS OF K-12 LOCAL EDUCATION AGENCIES AND STATE COMPLIANCE REPORTING

Board of Education
Lodi Unified School District
Lodi, California

Report on Compliance with Applicable Requirements

Qualified and Unmodified Opinions

We have audited Lodi Unified School District's (the District), compliance with the types of compliance requirements identified as subject to audit in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* published by the Education Audit Appeals Panel identified in the schedule below for the year ended June 30, 2024.

Qualified Opinion on After School and Education Safety Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each applicable state program for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other State Programs

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the compliance applicable to the Districts programs identified in the below schedule for the school year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Our responsibilities under those standards, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 applicable state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

2880 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833
Phone 916.646.6464 • Fax 916.929.6836 • GilbertCPA.com

Matter Giving Rise to Qualified Opinion on After School and Education Safety Program

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding After School and Education Safety Program as described in finding number 2024-002 for attendance reporting.

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

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 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*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* 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, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of State Compliance as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, 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 with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtained 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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion of 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 over compliance that we identified during the audit.

In connection with the requirements referred to above, we selected and tested transactions and records to determine the District's compliance with the applicable programs identified below:

Compliance Requirements	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Not Applicable
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
CHARTER SCHOOLS	
Attendance	Yes
Mode of Instruction	Yes
Non-classroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Non-classroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Not Applicable

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002.

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 responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Accordingly, this report is not suitable for any other purpose.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

December 10, 2024

FINDINGS AND RECOMMENDATIONS SECTION

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified?	____ Yes	X None reported
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified?	____ Yes	X None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	X No

Identification of major programs

Assistance Listing Numbers	Name of Federal Program or Cluster
84,027, 84.027A, 84.173, 84.173A	Special Education Cluster
84.425C, 84.425D, 84.425U, 84.425W	COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$ 2,682,648	
Auditee qualified as low-risk auditee?	X Yes	____ No

State Awards

Internal control over State programs:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified?	____ Yes	X None Reported
Any audit findings disclosed that are required to be reported in accordance with Audits of California K-12 Local Education Agencies?	X Yes	____ No
Type of auditor's report issued on compliance for state programs:	Modified	

FINANCIAL STATEMENT

There were no financial statement findings reported.

STATE COMPLIANCE

2024-001. ATTENDANCE REPORTING – CDDC#10000

Criteria:

Attendance Accounting and Reporting in California Public Schools, Title 5, CCR, Sections 401 and 421 (b) and Education Code Section 44809 – Each LEA must develop and maintain accurate and adequate records to support attendance reported to the State.

Condition:

2 schools selected as part of testing sample had errors in accounting for attendance. At Ronald McNair High School and Millswood Middle School 2 students and 1 student, respectively, were improperly claimed for apportionment, for one day, resulting in an overstatement of 0.023 ADA.

Effect:

The effect of this finding is an overstatement of 0.023 ADA.

Cause:

The errors were the result of clerical errors in accounting for attendance.

Questioned Cost:

The ADA impact is below 0.50 ADA and the District's local control funding formula used prior year ADA due to a decline in enrollment. The District revised the Second Period Report of Attendance removing the disallowed ADA, as such there is no calculated penalty.

Recommendation:

The District should ensure procedures are in place at the school sites to review and ensure attendance reports are accurate.

Corrective Action Plan/Management's Response:

District staff will continue to provide one-on-one training to the school site personnel to ensure they follow the district attendance manual and record accurate and sufficient attendance records in compliance with state requirements.

2024-002. AFTER SCHOOL AND EDUCATION SAFETY PROGRAM (ASES) – CDDC # 40000

Criteria:

Attendance Accounting and Reporting in California Public Schools, Title 5, CCR, Section 401 and 421 (b) and Education Code Section 44809 - Each LEA must develop and maintain accurate and adequate records to support the attendance reported to the State. After school programs participating in the ASES program are required to submit student outcome data to the California Department of Education (CDE) which includes attendance.

Condition:

Supporting monthly attendance reports for 3 schools selected as part of the testing sample did not total the number of students served as reported to the CDE. Amounts included in the six-month reports submitted to the CDE were greater than the totals of the monthly attendance reports for Joe Serna Jr. Charter School, Millwood Middle School, and Oakwood Elementary School by 4, 2, and 2, students respectively.

Effect:

Attendance claimed over a six-month period was not supported by monthly attendance reports.

Cause:

Errors in underlying data for reported program attendance resulted in errors in data submitted for program attendance.

Questioned Cost:

Questioned costs could not be calculated since the funding for this program is based on a pre-approved 3-year grant cycle and is not based on a per-ADA rate.

Recommendation:

We recommend that the School adequately train ASES program providers to ensure that reported attendance data is accurate and sufficiently supported. Furthermore, we recommend the District perform a secondary review to ensure there are no differences between the submitted attendance data and the supporting records.

Corrective Action Plan/Management's Response:

The ASES District staff will provide training to ASES program site leaders and staff to accurately input, manage, and verify attendance data. Also, ASES District staff will review attendance reports to ensure consistency between attendance reports submitted to the state and supporting attendance records.

FEDERAL COMPLIANCE

There were no federal compliance findings reported.

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

There were no prior year findings and recommendations.