

**Annual Comprehensive  
Financial Report**

**of the**

**Lawnside Board of Education**

**Lawnside, New Jersey**

**For the Fiscal Year Ended June 30, 2024**



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## **Introductory Section**



**LAWNSIDE SCHOOL DISTRICT  
BOARD OF EDUCATION  
426 Charleston Avenue  
Lawnside, New Jersey 08045**



**RONN H. JOHNSON, ED. D.  
SUPERINTENDENT  
856-546-4850  
FAX 856-310-0901  
[ronnjohanson@lawnside.k12.nj.us](mailto:ronnjohanson@lawnside.k12.nj.us)**

February 14, 2025

Honorable President and  
Members of the Board of Education  
Borough of Lawnside School District  
Camden County, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Borough of Lawnside School District for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The annual comprehensive financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The financial section includes the management's discussion and analysis, basic financial statements, and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the US. Office of Management and Budget Circular Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations, and the New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments.

Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

**1.) REPORTING ENTITY AND ITS SERVICES:**

The Borough of Lawnside School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA statement No. 3. All funds and account groups of the district are included in this report. The Lawnside Board of Education and its school constitute the district's report entity.

The operating district provides a full range of educational services appropriate to grade levels preschool through eighth. Educational services are provided for regular and special education programs for handicapped youngsters.

**2.) INTERNAL ACCOUNTING CONTROLS:**

Management of the district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the district also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to evaluation by the district management.

As part of the district's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the district has complied with applicable laws and regulations.

**3.) BUDGETARY CONTROL:**

Written control procedures have been instituted for the business operations of the district, and are monitored to conform to changing GAAP procedures. The finance committee meets monthly to review financial updates, reports, and bills for payment. The district administrative team meet monthly to review financial records for each department. The Superintendent and Business Administrator scrutinize each purchase order prior to processing and meet monthly to review the overall financial state of the district to ensure that a need exists to purchase specific goods and services, and that funds are available to pay for these items.

An encumbrance accounting system continues to be used to record outstanding purchase order commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts re-appropriated are reported as reservations of fund balance as June 30, 2024.

**4.) ACCOUNTING SYSTEM AND REPORTS:**

The district's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements."

**5.) DEBT ADMINISTRATION:**

On June 30, 2024, the district's outstanding debt issues are \$950,000 which will be fully retired during school year 2027-2028.

**6.) CASH MANAGEMENT:**

Public funds used in the operation of the school district deposited in public depositories are protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with failed banking institutions in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the act.

**7.) RISK MANAGEMENT:**

The board carries various forms of insurance, including, but not limited to general liability, automobile liability and comprehensive/collision, hazard, student, and theft insurance on property and contents, and fidelity bonds.

8.) **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott and Associates, L.L.C., CPAs was selected by the Board of Education to perform the 2023-2024 audit.

In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the US. Office of Management and Budget Circular Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations, and the New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

9.) **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Lawnside School Board of Education for their concern, cooperation, and support.

Also, this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

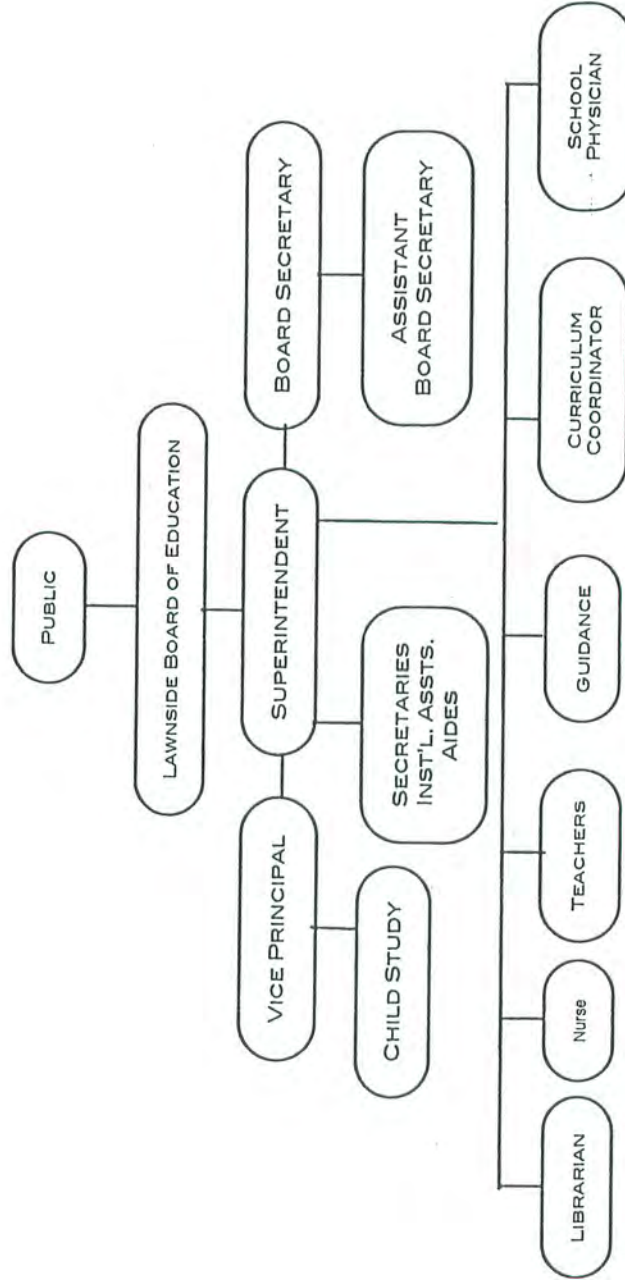
*Ronn H. Johnson*

Dr. Ronn H. Johnson

Superintendent

# Lawnside School District

## Organizational Chart



**BOROUGH OF LAWNSIDE  
BOARD OF EDUCATION  
LAWNSIDE, NEW JERSEY**

**ROSTER OF OFFICIALS  
June 30, 2024**

<b>Members of the Board of Education</b>		<b>Term</b>
Sabrina Forrest	President	2024
Fatimah Hayes	Vice President	2025
Chantelle Arterbridge	Member	2026
Ferin Catlett	Member	2026
Nana Cauthorne	Member	2026
Michael Harper	Member	2025
Bridgett Kittles	Member	2027
Darlene Still	Member	2027
Vacant	Member	2025

**SUPERINTENDENT**

Dr. Ronn H. Johnson

**BOARD SECRETARY / SCHOOL BUSINESS ADMINISTRATOR**

Karen Willis (Through November 15, 2024)  
Jennifer Johnson (Effective January 13, 2025)

**TREASURER OF SCHOOL MONIES**

Nancy McCabe

**ATTORNEY**

Darryl Rhone, Esq.

**BOROUGH OF LAWNSIDE  
BOARD OF EDUCATION  
LAWNSIDE, NEW JERSEY**

**CONSULTANTS AND ADVISORS  
June 30, 2024**

**INDEPENDENT AUDITOR**

Ford, Scott & Associates, L.L.C.  
Certified Public Accountants  
1535 Haven Avenue  
Ocean City, New Jersey 08223

**OFFICIAL DEPOSITORIES**

Truist Bank

## **Financial Section**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

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## **Independent Auditor's Report**

Honorable President and  
Members of the Board of Education  
Borough of Lawnside School District  
County of Camden, New Jersey

### **Report on the Audit of Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Lawnside School District, in the County of Camden, New Jersey, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Lawnside School District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Borough of Lawnside School 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.

#### **Responsibility of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Lawnside School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the 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 entity'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 judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge 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.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we

obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Lawnside School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 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 Comprehensive Financial Report. The other information comprises of the introductory and statistical sections and have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2025 on our consideration of the Borough of Lawnside School 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 entity'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 School District's internal control over financial reporting and compliance.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

February 14, 2025



## **Required Supplementary Information – Part I**



**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
UNAUDITED**

The discussion and analysis of the Borough of Lawnside School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999.

**Financial Highlights**

Key financial highlights for 2024 are as follows:

- In total, net position decreased \$590,778.23 which represents a 6.10% decrease from 2023.
- The State of New Jersey reimbursed the District \$219,824.70 during the fiscal year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, which is not budgeted, is included as both a revenue and appropriation in the financial statements.
- General revenues accounted for \$11,589,219.84 in revenue or 85.14% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,022,730.04 or 14.86% of total revenues of \$13,611,949.88.
- Total assets of governmental activities decreased by \$1,811,264.72 as Cash and Cash Equivalents decreased by \$1,564,122.71 and Receivables decreased by \$874,889.14.
- The School District had \$14,202,728.11 in expenses; only \$2,022,730.04 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes and state aid) of \$11,589,219.84 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$12,763,815.38 in revenues, and \$13,616,334.85 in expenditures. The General Fund's fund balance decreased \$852,519.47 over 2023.

**Using this Annual Comprehensive Financial Report (ACFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Borough of Lawnside School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of the Borough of Lawnside School District, the General Fund is by far the most significant fund.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

**Reporting the School District as a Whole**

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, looks at all financial transactions and ask the question, "How did we do financially during 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the School district have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- **Governmental Activities** - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activity** - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

**Reporting the School District's Most Significant Funds**

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net position for 2024 and 2023.

**Table 1  
Net Position**

	2024	2023
<b>Assets</b>		
Current and Other Assets	\$ 4,633,383.96	\$ 7,142,898.00
Capital Assets	7,290,746.51	6,695,343.00
<b>Total Assets</b>	<b>11,924,130.47</b>	<b>13,838,241.00</b>
<b>Deferred Outflow of Resources</b>		
Deferred outflows related to Pensions	55,714.00	172,166.00
<b>Total Deferred Outflow of Resources</b>	<b>55,714.00</b>	<b>172,166.00</b>
<b>Liabilities</b>		
Long-Term Liabilities	1,811,394.23	1,771,111.00
Other Liabilities	923,621.17	2,306,390.00
<b>Total Liabilities</b>	<b>2,735,015.40</b>	<b>4,077,501.00</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to Pensions	152,586.00	249,885.00
<b>Total Deferred Inflows of Resources</b>	<b>152,586.00</b>	<b>249,885.00</b>
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	6,340,746.51	5,520,343.00
Restricted	4,065,015.58	2,986,400.00
Unrestricted	(1,313,519.02)	1,176,279.00
<b>Total Net Position</b>	<b>\$ 9,092,243.07</b>	<b>\$ 9,683,022.00</b>

The District's combined net position was \$9,092,243.07 on June 30, 2024. This was a decrease of \$590,778.93 or 6.10% percent from the prior year.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal years 2024 and 2023.

**Table 2  
Changes in Net Position**

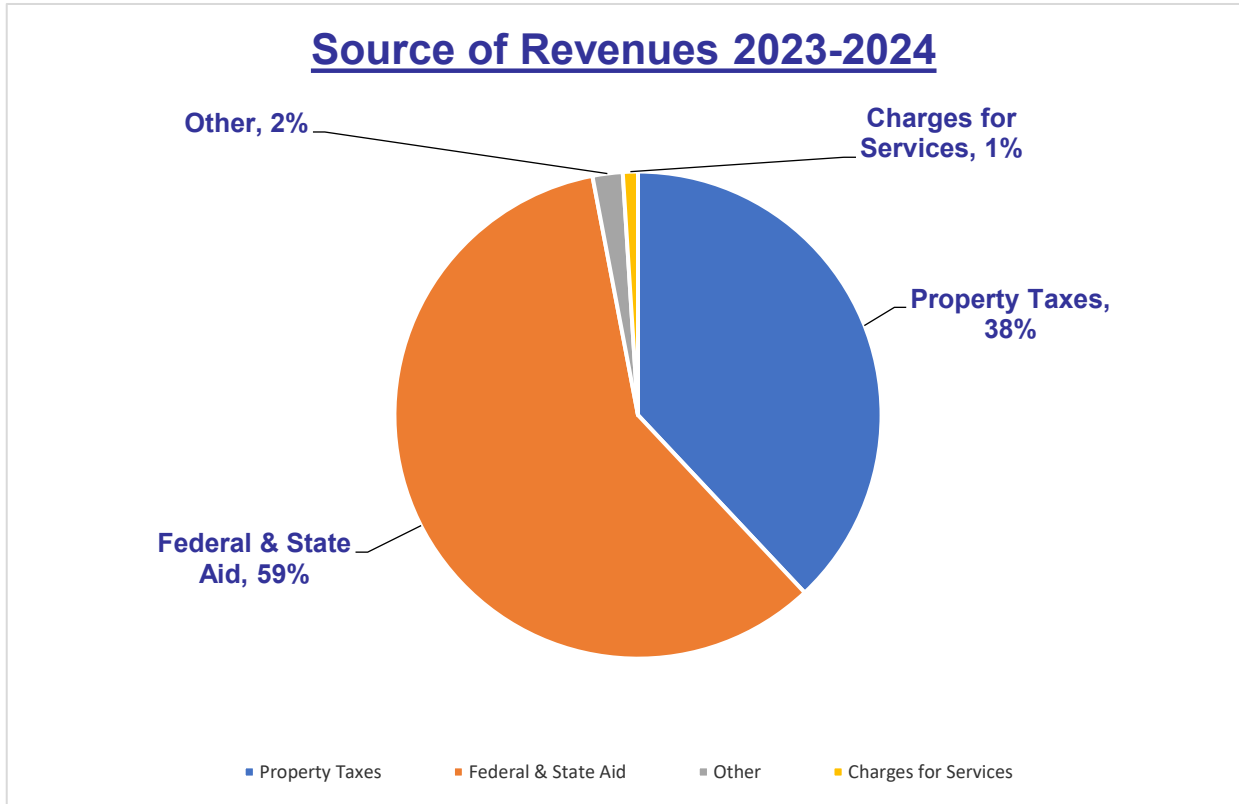
	2024	2023
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 41,388.24	\$ 50,123.00
Operating Grants and Contributions	1,981,341.80	2,570,247.00
General Revenues:		
Property Taxes	5,163,169.00	5,075,613.00
Grants and Entitlements	6,272,682.28	5,686,657.00
Other	153,368.56	152,371.00
Total Revenues	13,611,949.88	13,535,011.00
 <b>Program Expenses</b>		
Instruction	\$4,332,248.51	2,736,639.00
Support Services:		
Tuition	3,190,938.25	3,017,888.00
Related Services - Pupils and Instructional Staff	3,771,214.37	1,933,205.00
General Administration, School Administration, Central Services and Maintenance of Facilities	523,330.23	656,398.00
Pupil Transportation	1,105,372.73	672,800.00
Unallocated Benefits	792,844.12	564,788.00
Unallocated Depreciation	-	1,651,177.00
Capital Outlay	-	267,153.00
Cost of Issuance on Long Term Debt	-	-
Interest on Debt	72,993.89	83,298.00
Business-Type Activities	413,786.01	372,833.00
Total Expenses	14,202,728.11	11,956,179.00
Adjustment to Fixed Assets	-	-
Transfers	-	-
Changes in Net Position	\$ (590,778.23)	\$ 1,578,832.00

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**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

**Governmental Activities**

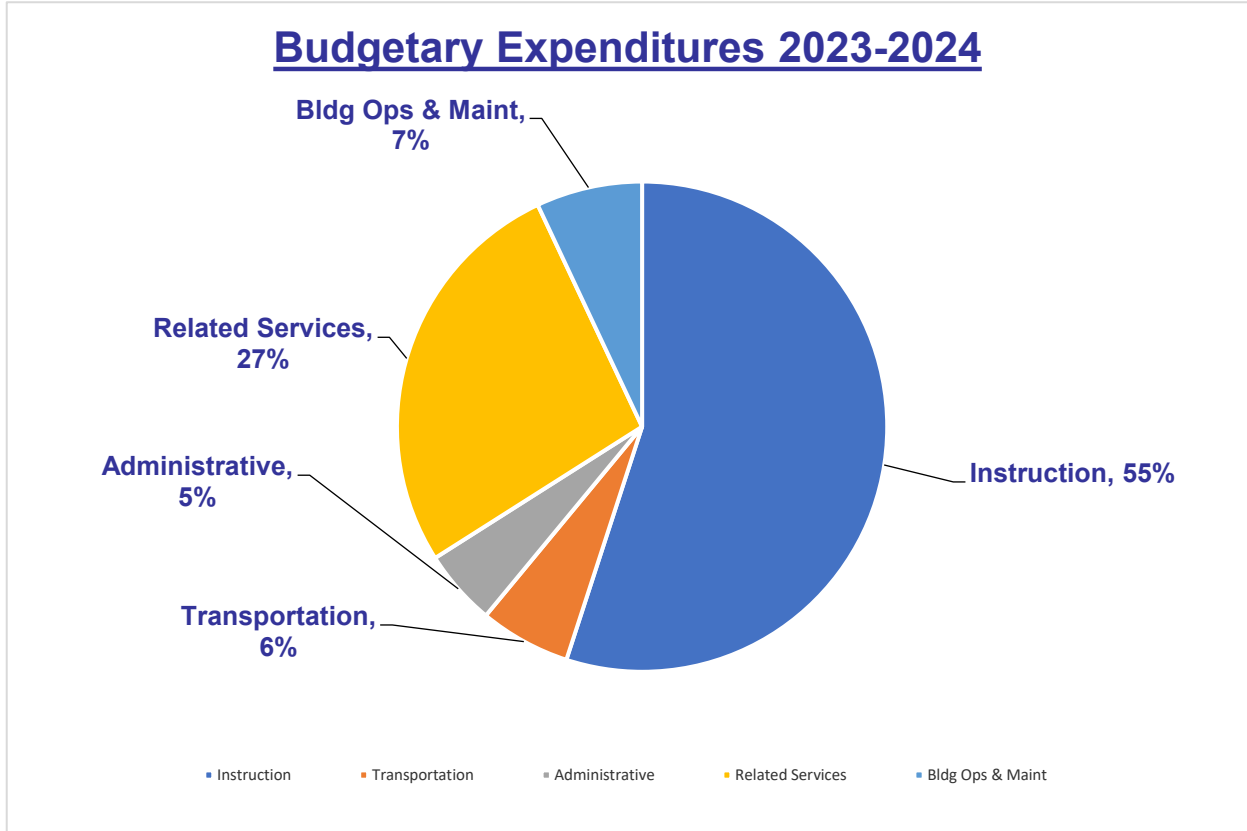
The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Federal, state, and local grants made up 59 percent of revenues for governmental activities for the Borough of Lawnside School District for the fiscal year 2024. The District's total revenues were \$13,278,530.61 for the year ended June 30, 2024. Property taxes accounted for another 38 percent of revenue.



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**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

The total cost of all programs and services was \$13,788,942.10. Related Services comprises 50 percent of District expenses, Instruction comprises 31 percent of District expenses, and Operations Maintenance comprises 9 percent of District expenses.



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**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

**Business-Type Activities**

Revenues for the District's business-type activities were comprised of charges for services and federal and state reimbursements.

- Business-type expenses exceeded revenues by \$80,366.74.
- Charges for business-type activities represent \$16,830.40 of revenue. This represents amounts paid by patrons for services.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$316,588.87.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3**

	<u>Total Cost of Services 2024</u>	<u>Net Cost of Services 2024</u>	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>
Instruction	\$ 4,332,248.51	\$ 3,468,204.72	\$ 2,736,638.23	\$ 1,753,109.89
Support Services:				
Tuition	3,190,938.25	3,190,938.25	3,017,888.12	3,017,888.12
Pupils and Instructional Staff	3,771,214.37	2,949,969.46	1,933,204.93	1,473,022.58
General Administration	417,317.30	421,732.40	186,173.57	186,173.57
School Administration	106,012.93	107,134.52	470,224.32	470,224.32
Central Services	225,782.98	228,171.70	-	-
Plant and Maintenance of Facilities	879,589.75	867,642.27	672,800.39	672,800.39
Pupil Transportation	792,844.12	792,844.12	564,788.48	564,788.48
Interest on Long Term Debt	72,993.89	72,993.89	83,297.50	83,297.50
Unallocated Benefits	-	-	1,651,177.02	836,523.50
Unallocated Depreciation	-	-	267,153.19	267,153.19
Total Expenses	<u>\$ 13,788,942.10</u>	<u>\$ 12,099,631.33</u>	<u>\$ 11,583,345.75</u>	<u>\$ 9,324,981.54</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Tuition is predominately made up of charges for high school, charter school and private schools for disabled students.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

Interest in debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$13,845,447.61 and expenditures were \$14,982,396.28. The net decrease in fund balance for the year was \$1,136,948.67.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2024, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2023	Percent of Increase (Decrease)
Local Sources	\$ 5,372,798.20	38.81%	\$ 113,845.40	2.16%
State Sources	7,890,737.10	56.99%	\$ 1,033,505.40	15.07%
Federal Sources	581,912.31	4.20%	\$ (774,830.06)	-57.11%
Total	<u>\$ 13,845,447.61</u>	100.00%	<u>\$ 372,520.74</u>	2.76%

State sources increased by \$1,033,505.40 predominately due to an increase in State Equalization Aid. Federal sources decreased by \$774,830.06 predominantly due to a decrease in Federal COVID-19 Aid.

The following schedule represents a summary of the governmental funds expenditures for the fiscal year ended June 30, 2024, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2023	Percent of Increase (Decrease)
Current Expense:				
Instruction	\$ 3,202,028.92	21.37%	\$ 246,526.52	8.34%
Undistributed Expenditures	10,502,293.50	70.10%	1,800,253.74	20.69%
Capital Outlay	1,010,573.86	6.75%	(79,681.38)	-7.31%
Debt Service	267,500.00	1.79%	(43,422.50)	-13.97%
Total	<u>\$ 14,982,396.28</u>	100.00%	<u>\$ 1,923,676.38</u>	14.73%

Changes in expenditures were the results of varying factors. Instruction expenditures increased due to increases in salary and other expenses. Undistributed expenditures increased due an increase in tuition costs, transportation costs, child study team costs and employee benefits. Capital Outlay expenses are expected vary from year to year. Debt Service expenditures decreased slightly as the required debt principal and interest payments were, in total, less than the prior year.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

**General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- Some Salaries were reallocated to or from the lines they were originally budgeted in.
- Some Undistributed Expenses such as Cleaning for Care and Upkeep of Grounds were reallocated to other line items.

**Capital Assets**

At the end of the fiscal year 2024, the School District had \$7,191,939.60 invested in land, building, furniture and equipment and vehicles. Table 4 shows fiscal year 2023 balances compared to 2024.

**Table 4  
Capital Assets (Net of Depreciation) at June 30,**

	<b>2024</b>	<b>2023</b>
Land	\$ 11,903.00	\$ 11,903.00
Construction in Progress	-	989,820.74
Building and Building Improvements	6,961,674.18	5,352,854.64
Machinery and Equipment	218,362.42	227,501.83
Total	\$ 7,191,939.60	\$ 6,582,080.21

Overall capital assets increased by \$609,859.40 from fiscal year 2023 to fiscal year 2024. The increase in capital assets is due to the net of additions during the year. For more detailed information, please refer to the Notes to the Financial Statements.

**Debt Administration**

At June 30, 2024, the School District had \$1,339,014.86 of outstanding debt. Of this amount, \$384,746.53 is for compensated absences, \$950,000 for serial bonds for school construction, and capital leases in the amount of \$4,268.33.

**Table 5  
Outstanding Debt at June 30, 2024**

	<b>2024</b>	<b>2023</b>
2010 Issue	\$ 950,000.00	\$ 1,175,000.00
Capital Leases	4,268.33	-
Compensated Absences	384,746.53	77,784.21
Total	\$ 1,339,014.86	\$ 1,252,784.21

At December 31, 2024, the School District was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements.

**For the Future**

The Borough of Lawnside School District is in good financial condition at present. The School District is proud of its community support of the public schools.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
UNAUDITED (CONTINUED)**

In conclusion, the Borough of Lawnside School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

**Contacting the School District's Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Administrator/Board Secretary at Borough of Lawnside School District, 426 East Charleston Avenue, Lawnside, New Jersey 08045.

Please visit our website at <https://www.lawnside.k12.nj.us/>.

# **Basic Financial Statements**



## District-wide Financial Statements

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.



**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2024**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,392,267.64	\$ 126,850.12	\$ 3,519,117.76
Receivables, Net	1,087,262.15	11,032.63	1,098,294.78
Internal Balances	162,191.54	(162,191.54)	-
Inventory		15,971.42	15,971.42
Right of Use Asset	4,268.33		4,268.33
Capital Assets, Not Being Depreciated	11,903.00		11,903.00
Capital Assets, Net of Depreciation	7,175,768.27	98,806.91	7,274,575.18
Total Assets	<u>11,833,660.93</u>	<u>90,469.54</u>	<u>11,924,130.47</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflows Related to Pensions	55,714.00		55,714.00
Total Deferred Outflow of Resources	<u>55,714.00</u>	<u>-</u>	<u>55,714.00</u>
<b>LIABILITIES</b>			
Accounts Payable	276,855.71	-	276,855.71
Accrued Interest Payable	11,175.56		11,175.56
Deferred Revenue	409,089.89	509.71	409,599.60
Noncurrent Liabilities			
Due Within One Year	225,990.30		225,990.30
Due Beyond One Year	1,108,756.23		1,108,756.23
Net Pension Liability	702,638.00		702,638.00
Total Liabilities	<u>2,734,505.69</u>	<u>509.71</u>	<u>2,735,015.40</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	152,586.00	-	152,586.00
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	6,241,939.60	98,806.91	6,340,746.51
Restricted for:			
Maintenance	343,929.00		343,929.00
Other Purposes	3,721,086.58		3,721,086.58
Unrestricted (Deficit)	(1,304,671.94)	(8,847.08)	(1,313,519.02)
Total Net Position	<u>\$ 9,002,283.24</u>	<u>\$ 89,959.83</u>	<u>\$ 9,092,243.07</u>

The accompanying Notes to Financial Statements are an integral part of this statement

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

Function/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Direct Expenses	Allocated Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular	\$ 1,808,667.32	\$ 917,395.61	\$ -	\$ 291,951.59	\$ (2,434,111.34)	\$ -	\$ (2,434,111.34)
Special Education	1,052,284.09	533,741.50	24,557.84	545,375.30	(1,016,092.45)	-	(1,016,092.45)
Other Special Instruction	13,375.60	6,784.39	-	2,159.06	(18,000.93)	-	(18,000.93)
<b>Support Services:</b>							
Tuition	3,190,938.25	-	-	-	(3,190,938.25)	-	(3,190,938.25)
Student & Instruction Related Services	2,502,096.38	1,269,117.99	-	821,244.91	(2,949,969.46)	-	(2,949,969.46)
School Administrative Services	85,514.63	20,498.30	-	(1,121.59)	(107,134.52)	-	(107,134.52)
General Administrative Services	336,626.25	80,691.05	-	(4,415.10)	(421,732.40)	-	(421,732.40)
Central Services	182,126.35	43,656.63	-	(2,388.72)	(228,171.70)	-	(228,171.70)
Plant Operation and Maintenance	709,515.26	170,074.49	-	11,947.48	(867,642.27)	-	(867,642.27)
Pupil Transportation	792,844.12	-	-	-	(792,844.12)	-	(792,844.12)
Unallocated Benefits	2,676,230.49	(2,676,230.49)	-	-	-	-	-
Unallocated Depreciation	365,729.47	(365,729.47)	-	-	-	-	-
Interest on Long-Term Debt	72,993.89	-	-	-	(72,993.89)	-	(72,993.89)
Total Governmental Activities	13,788,942.10	-	24,557.84	1,664,752.93	(12,099,631.33)	-	(12,099,631.33)
<b>Business-Type Activities:</b>							
Food Service	413,786.01	-	16,830.40	316,588.87	(80,366.74)	(80,366.74)	(80,366.74)
Total Business-Type Activities	413,786.01	-	16,830.40	316,588.87	(80,366.74)	(80,366.74)	(80,366.74)
<b>Total Primary Government</b>	<b>\$ 14,202,728.11</b>	<b>\$ -</b>	<b>\$ 41,388.24</b>	<b>\$ 1,981,341.80</b>	<b>\$ (12,099,631.33)</b>	<b>\$ -</b>	<b>\$ (12,179,998.07)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 4,895,669.00		\$ 4,895,669.00
Taxes Levied for Debt Service					267,500.00		267,500.00
Federal and State Aid not Restricted					6,272,682.28		6,272,682.28
Miscellaneous Income					153,368.56		153,368.56
Total General Revenues, Special Items, Extraordinary Items and Transfers					11,589,219.84		11,589,219.84
Change in Net Position					(510,411.49)	(80,366.74)	(590,778.23)
Net Position - Beginning					9,512,694.73	170,326.57	9,683,021.30
Net Position - Ending					\$ 9,002,283.24	\$ 89,959.83	\$ 9,092,243.07

## Fund Financial Statements

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.



**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,305,337.24	\$ 86,930.40		\$ 3,392,267.64
Due from Other Funds		397,359.75	2.57	397,362.32
Receivables - Other	901,633.64			901,633.64
Receivables from Other Governments	164,123.46	21,505.05		185,628.51
<b>Total Assets</b>	<b>4,371,094.34</b>	<b>505,795.20</b>	<b>2.57</b>	<b>4,876,892.11</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	243,239.30	33,616.41		276,855.71
Interfund Payable	235,170.78			235,170.78
Deferred Revenue		409,089.89		409,089.89
<b>Total Liabilities</b>	<b>478,410.08</b>	<b>442,706.30</b>	<b>-</b>	<b>921,116.38</b>
Fund Balances:				
Restricted for:				
Excess Surplus	1,354,456.32			1,354,456.32
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	1,893,382.97			1,893,382.97
Committed to:				
Maintenance Reserve	343,929.00			343,929.00
Unemployment Compensation	96,962.51			96,962.51
Assigned to:				
Designated for Subsequent Year's Expenditures	192,876.03		2.57	192,878.60
Encumbrances	120,319.85			120,319.85
Unassigned Fund Balance	(109,242.42)	63,088.90	-	(46,153.52)
<b>Total Fund Balances</b>	<b>3,892,684.26</b>	<b>63,088.90</b>	<b>2.57</b>	<b>3,955,775.73</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,371,094.34</b>	<b>\$ 505,795.20</b>	<b>\$ 2.57</b>	

Amounts reported for *governmental activities* in the statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.  
The cost of the assets is \$11,481,478.24 and the accumulated depreciation is \$4,289,538.64.

7,191,939.60

Pension Liabilities Net of Deferred Outflows & Inflows

(799,510.00)

Long - term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(1,345,922.09)

Net Position of governmental activities

\$ 9,002,283.24

The accompanying Notes to Financial Statements are an integral part of this statement

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 4,895,669.00	\$ -	\$ 267,500.00	\$ 5,163,169.00
Tuition Charges	24,557.84			24,557.84
Miscellaneous	153,368.56	31,702.80		185,071.36
Total Local Sources	5,073,595.40	31,702.80	267,500.00	5,372,798.20
State Sources	7,688,911.51	201,825.59	-	7,890,737.10
Federal Sources	1,308.47	580,603.84		581,912.31
Total Revenues	<u>12,763,815.38</u>	<u>814,132.23</u>	<u>267,500.00</u>	<u>13,845,447.61</u>
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	1,910,340.69			1,910,340.69
Special Education Instruction	451,490.91	659,946.82		1,111,437.73
Other Special Instruction	14,127.50			14,127.50
Support Services:				
Tuition	3,024,815.25			3,024,815.25
Student & Instruction Related Serv.	2,225,389.21	417,361.32		2,642,750.53
School Administrative Services	88,890.91			88,890.91
General Administrative Services	349,916.90			349,916.90
Central Services	189,317.04			189,317.04
Plant Operation and Maintenance	737,528.26			737,528.26
Pupil Transportation	792,844.12			792,844.12
Unallocated Employee Benefits	2,676,230.49			2,676,230.49
Transfer to Charter Schools	166,123.00			166,123.00
Debt Service:				
Principal			225,000.00	225,000.00
Interest and Other Charges			42,500.00	42,500.00
Capital Outlay	989,320.57	21,253.29		1,010,573.86
Total Expenditures	<u>13,616,334.85</u>	<u>1,098,561.43</u>	<u>267,500.00</u>	<u>14,982,396.28</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(852,519.47)</u>	<u>(284,429.20)</u>	<u>-</u>	<u>(1,136,948.67)</u>
Fund Balance - July 1	4,745,203.73	347,518.10	2.57	5,092,724.40
Fund Balance (Deficit) - June 30	<u>\$ 3,892,684.26</u>	<u>\$ 63,088.90</u>	<u>\$ 2.57</u>	<u>\$ 3,955,775.73</u>

The accompanying Notes to Financial Statements are an integral part of this statement

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2024**

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ (1,136,948.67)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures.

However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation expense	\$ (365,729.47)	
Capital Outlay, Net of Deletions	975,588.86	609,859.39

Governmental funds report district pension contributions as expenditures.

However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

District pension contributions - PERS	64,835.00	
Cost of benefits earned net of employee contributions	29,314.00	94,149.00

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.

Bonds Paid		225,000.00
------------	--	------------

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

(306,962.32)

In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.

4,491.11

Change in Net Position of Governmental Activities		\$ (510,411.49)
---	--	-----------------

The accompanying Notes to Financial Statements are an integral part of this statement

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2024**

	Business-Type Activities - Enterprise Fund	
	Food Service	Total
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 126,850.12	\$ 126,850.12
Accounts Receivable:		
Federal	10,687.50	10,687.50
State	345.13	345.13
Inventory	15,971.42	15,971.42
 Total Current Assets	 <u>153,854.17</u>	 <u>153,854.17</u>
Noncurrent Assets:		
Furniture, Machinery & Equipment	232,543.64	232,543.64
Less: Accumulated Depreciation	(133,736.73)	(133,736.73)
Total Noncurrent Assets	<u>98,806.91</u>	<u>98,806.91</u>
 Total Assets	 <u><u>252,661.08</u></u>	 <u><u>252,661.08</u></u>
<b>LIABILITIES</b>		
Current Liabilities:		
Interfunds Payable	162,191.54	162,191.54
Deferred Revenue	509.71	509.71
 Total Current Liabilities	 <u>162,701.25</u>	 <u>162,701.25</u>
Noncurrent Liabilities:		
None	-	-
 Total Noncurrent Liabilities	 <u>-</u>	 <u>-</u>
<b>NET POSITION</b>		
Invested in Capital Assets Net of Related Debt	98,806.91	98,806.91
Unrestricted (Deficit)	(8,847.08)	(8,847.08)
 Total Net Position	 <u><u>\$ 89,959.83</u></u>	 <u><u>\$ 89,959.83</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended June 30, 2024**

	Business-Type Activities - Enterprise Fund	
	Food Service	Total
Operating Revenues:		
Charges for Services:		
Daily Sales - Non - Reimbursable	\$ 16,502.40	\$ 16,502.40
Special Functions	328.00	328.00
Total Operating Revenue	16,830.40	16,830.40
Operating Expenses:		
Cost of Sales - reimburseable programs	156,366.99	156,366.99
Cost of Sales - non-reimburseable programs	6,306.67	6,306.67
Salaries	140,771.47	140,771.47
Benefits	4,318.19	4,318.19
Management Fee	23,818.00	23,818.00
Insurance	3,942.96	3,942.96
General Supplies	21,942.49	21,942.49
Miscellaneous	41,863.45	41,863.45
Depreciation	14,455.79	14,455.79
Total Operating Expenses	413,786.01	413,786.01
Operating Income (Loss)	(396,955.61)	(396,955.61)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	3,380.87	3,380.87
State Breakfast Program	4,927.90	4,927.90
Federal Sources:		
National School Lunch Program	162,014.66	162,014.66
Federal Breakfast Program	94,443.02	94,443.02
Supply Chain Assistance	12,339.08	12,339.08
Federal Snack Program	15,659.28	15,659.28
Food Distribution Program	23,806.46	23,806.46
Interest on Investments	17.60	17.60
Total Nonoperating Revenues (Expenses)	316,588.87	316,588.87
Income (Loss) before Contributions & Transfers	(80,366.74)	(80,366.74)
Total Net Position - Beginning	170,326.57	170,326.57
Total Net Position - Ending	\$ 89,959.83	\$ 89,959.83

The accompanying Notes to Financial Statements are an integral part of this statement

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2024**

	Business-Type Activities - Enterprise Fund	
	Food Service	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 17,340.11	\$ 17,340.11
Payments for Operations	(420,030.10)	(420,030.10)
Net Cash Provided by (Used for) Operating Activities	(402,689.99)	(402,689.99)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	8,386.06	8,386.06
Federal Sources	311,655.42	311,655.42
Operating Subsidies and Transfers from (to) Other Funds	17,887.74	17,887.74
Net Cash Provided by (Used for) Noncapital Financing Activities	337,929.22	337,929.22
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest on Investments	17.60	17.60
Net Cash Provided by (Used for) Investing Activities	17.60	17.60
Net Increase (Decrease) in Cash and Cash Equivalents	(64,743.17)	(64,743.17)
Balance - Beginning of Year	191,593.29	191,593.29
Balance - End of Year	126,850.12	126,850.12
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	(396,955.61)	(396,955.61)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Net Amortization	14,455.79	14,455.79
(Increase) Decrease in Inventories	2,289.05	2,289.05
Increase (Decrease) in Deferred Revenue	509.71	509.71
Increase (Decrease) in Accounts Payable	(22,988.93)	(22,988.93)
Total Adjustments	(5,734.38)	(5,734.38)
Net Cash Provided by (Used for) Operating Activities	\$ (402,689.99)	\$ (402,689.99)

The accompanying Notes to Financial Statements are an integral part of this statement

## **Notes to the Financial Statements**



**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades PreK through 8th. The District operates one elementary school located in Lawnside.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name);
- the District holds the corporate powers of the organization;
- the District appoints a voting majority of the organization's board;
- the District is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the District;
- there is a fiscal dependency by the organization on the District;

**B. Basis of Presentation, Measurement Focus and Basis of Accounting**

**Basis of Presentation**

The School District's basic financial statements consist of District-wide statements (i.e. statement of net position and a statement of activities) and fund financial statements, which provide a more detailed level of financial information.

*District-Wide Financial Statements:* The statement of net position and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges and fees paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

*Fund Financial Statements:* During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education ("Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Governmental Funds

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements if the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District's Student Activities Funds are also accounted for in the Special Revenue Fund.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Fund Balances – Governmental Funds**

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Measurement Focus and Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets less total liabilities) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased Net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as Unearned Revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The District applies only those applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989, in accounting and reporting for its proprietary operations.

**C. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles except for the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

Significant transfers approved by the Board of Education during the fiscal year were as follows:

**Instruction :**

Grades 6-8 Salaries of Teachers	\$ (116,598.95)
Other Purchased Services (400-500 Series)	79,000.00
General Supplies	(169,552.73)

**Undistributed Expenditures:**

Instruction	
Tuition to County Voc. School District-Regular	100,840.00
Tuition to Private Schools for the Handicapped Within the State	(297,036.00)
Other Support Services - Students - Child Study Teams	
Purchased Professional - Educational Services	874,570.47
Other Purchased Professional and Technical Services	205,067.28
Custodial Services	
Salaries	(82,330.00)
Cleaning, Repair, & Maint Services	101,094.23
Custodial Services	127,778.00
Student Transportation Services	
Contr Serv (Regular Students)-ESCs and CTAs	100,000.00
Contr Serv (Special Ed Students)- ESCs and CTAs	(335,663.00)

Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on a grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**D. Encumbrance Accounting**

Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as Unearned Revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**E. Assets, Liabilities and Equity**

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include petty cash, change funds, bank deposits and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

For the purpose of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Investments

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

Inter-fund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first-out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as unearned revenue until consumed.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.00.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 20 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the district-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as Deferred revenue.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the School District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

- **Nonspendable** - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.
- **Restricted** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- **Committed** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.
- **Assigned** - The assigned fund balance classification includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed.
- **Unassigned** - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Revenues – Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On 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 within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlement, and donations is recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes as an advance, interest and tuition.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, worker's compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The final cost is based on an agreement with the sending districts with a negotiated amount up to the final cost as determined by State of New Jersey.

Tuition Payable

Tuition charges for the fiscal years 2023/24 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Management 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 revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**F. Recent Accounting Pronouncements Not Yet Effective**

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement, which is effective for fiscal years beginning after December 15, 2023, may have an effect on the District's financial reporting.

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, "Certain Risk Disclosures". This statement, which is effective for fiscal years beginning after June 15, 2024, may have an effect on the District's financial reporting.

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, "Financial Reporting Model Improvements". This statement, which is effective for fiscal years beginning after June 15, 2025, will have an effect on the District's financial reporting.

**NOTE 2 – CONTINGENT LIABILITIES**

Federal and State Grants

The District participates in several federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS**

GASB Statement No. 3 amended by Statement No. 40 requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments.

The cash deposits not covered by depository insurance held at financial institutions are categorized as follows:

- a. Deposits are uncollateralized.
- b. Deposits are collateralized with securities held by the pledging financial institution.
- c. Deposits collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

At June 30, 2024, the carrying amount of the District's deposits (cash and cash equivalents) was \$3,519,117.76 and the bank balance was \$4,471,748.70.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The State of New Jersey has certain collateral requirements for governmental units. These requirements are disclosed in detail as part of Note 1E.

As of June 30, 2024, the District's bank balance was exposed to custodial credit risk as follows:

	Cash and Cash Equivalents
Insured	\$ 4,471,748.70
	\$ 4,471,748.70

Bank balances of cash amounted to \$4,471,748.70, as of June 30, 2024, of which \$250,000.00 was FDIC insured. (Truist) Bank balances in excess of the insured amounts that are collateralized in accordance with the Governmental Deposit Protection Act (GUDPA) adopted by the State of New Jersey were \$4,221,748.70, as of June 30, 2024, \$0.00 was uninsured and uncollateralized.

Investments

The District did not have any investments at June 30, 2024.

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2024, consisted of accounts (tuition), interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State and Federal Aid	\$ 185,628.51	\$ 196,661.14
Tax Levy Due from Municipality	901,633.64	901,633.64
Gross Receivables	1,087,262.15	1,098,294.78
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 1,087,262.15	\$ 1,098,294.78

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 5 – INTERFUND TRANSFERS AND BALANCES**

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund or General Fund; (2) repay expenses paid by another fund; (3) make a Board contribution to the Unemployment Compensation Trust Fund; and (4) transfer federal and state food subsidies received in the General Fund to the Food Service Fund. There are also instances where a negative cash balance between funds can result in an interfund with the General Fund.

The following interfund balances remained on the fund financial statements at June 30, 2024:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$	\$ 235,170.78
Special Revenue Fund	397,359.75	
Debt Service Fund	2.57	
Food Service Fund		162,191.54
Total	<u>\$ 397,362.32</u>	<u>\$ 397,362.32</u>

**NOTE 6 – INVENTORY**

Inventory in the Food Service Enterprise Fund at June 30, 2024, consisted of the following:

USDA Food	\$ 15,971.42
	<u>\$ 15,971.42</u>

**NOTE 7 – CAPITAL ASSETS**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 11,903.00	\$	\$	\$ 11,903.00
Construction in Progress	989,820.74		989,820.74	-
Total capital assets not being depreciated	<u>1,001,723.74</u>	<u>-</u>	<u>989,820.74</u>	<u>11,903.00</u>
Capital assets being depreciated:				
Land Improvements	140,300.00			140,300.00
Buildings and building improvements	8,712,579.06	1,944,156.31		10,656,735.37
Equipment	651,286.58	21,253.29		672,539.87
Total capital assets being depreciated at historical cost	<u>9,504,165.64</u>	<u>1,965,409.60</u>	<u>-</u>	<u>11,469,575.24</u>
Less accumulated depreciation for:				
Land Improvements	(140,300.00)			(140,300.00)
Buildings and improvements	(3,359,724.42)	(335,336.77)		(3,695,061.19)
Equipment	(423,784.75)	(30,392.70)		(454,177.45)
Subtotal accumulated depreciation	<u>(3,923,809.17)</u>	<u>(365,729.47)</u>	<u>-</u>	<u>(4,289,538.64)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>5,580,356.47</u>	<u>1,599,680.13</u>	<u>-</u>	<u>7,180,036.60</u>
Governmental activity capital assets, net	6,582,080.21	1,599,680.13	989,820.74	7,191,939.60
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	232,543.64			232,543.64
Less accumulated depreciation	(119,280.94)	(14,455.79)		(133,736.73)
Enterprise Fund capital assets, net	113,262.70	(14,455.79)	-	98,806.91
Entity Wide Total	<u>\$ 6,695,342.91</u>	<u>\$ 1,585,224.34</u>	<u>\$ 989,820.74</u>	<u>\$ 7,290,746.51</u>

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 7 – CAPITAL ASSETS - CONTINUED**

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	99,181.88
Special Instruction		57,704.10
Other Special Instruction		733.48
Student & Instruction Related Services		137,207.45
Gen Administration Services		18,167.13
School Administration Services		4,615.08
Central Services		9,829.04
Plant Operation & Maintenance		38,291.31
	\$	365,729.47

**NOTE 8 – LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended June 30, 2024 are as follows:

	Balance July 1, 2023	Issues or Additions	Payments or Expenditures	Adjustments	Balance June 30, 2024
Compensated Absences	\$ 77,784.21	\$ 306,962.32	\$ -	\$ -	\$ 384,746.53
Capital Leases	-	5,211.48	943.15	-	4,268.33
Net Pension Liability	751,105.00		48,467.00	-	702,638.00
Bonds Payable	1,175,000.00	-	225,000.00	-	950,000.00
	\$ 2,003,889.21	\$ 312,173.80	\$ 274,410.15	\$ -	\$ 2,041,652.86

Compensated absences and capital leases will be liquidated in the General Fund. Bonds Payable will be liquidated in the Debt Service Fund.

**Bonds Payable**

Bonds are authorized, in accordance with State law, by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

**Description of Bonds Payable**

At June 30, 2024, bonds payable consisted of the following issues:

\$2,900,000 School Bonds dated November 3, 2010, due in annual installments through September 1, 2027, bearing interest at rates of 3.00% through 4.00% per annum. The balance remaining as of June 30, 2024 is \$950,000.

Debt service requirements on serial bonds payable at June 30, 2024 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 225,000.00	\$ 33,500.00	\$ 258,500.00
2026	225,000.00	24,500.00	249,500.00
2027	250,000.00	15,000.00	265,000.00
2028	250,000.00	5,000.00	255,000.00
	\$ 950,000.00	\$ 78,000.00	\$ 1,028,000.00

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 8 – LONG-TERM OBLIGATIONS- CONTINUED**

Capital Leases

The District is leasing under capital leases, Office equipment totaling \$5,211.48. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2024:

Fiscal Year Ending June 30,	Payments
2025	\$ 1,203.72
2026	1,203.72
2027	1,203.72
2028	1,203.72
Total minimum lease payments	4,814.88
Less amount representing interest	546.55
Present value of lease payments	\$ 4,268.33

**NOTE 9 – PENSION PLANS**

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 9 – PENSION PLANS - CONTINUED**

Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

*Defined Contribution Retirement Program (DCRP)*

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District had employees enrolled in the Defined Contribution Retirement Program (DCRP) during fiscal year ended June 30, 2024.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 27.67% and the PERS rate is 15.31% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2024, 2023 and 2022 are listed below, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2024, 2023 and 2022 are also listed below, equal to the required contributions for each year.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 9 – PENSION PLANS - CONTINUED**

Three Year Trend Information for PERS			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2024	\$ 64,835.00	100%	\$ -
6/30/2023	62,763.00	100%	-
6/30/2022	55,025.00	100%	-

Three Year Trend Information for TPAF (Paid on behalf of the District)			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2024	940,924.00	100%	\$ -
6/30/2023	683,783.00	100%	-
6/30/2022	670,889.00	100%	-

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011, made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage.

The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.

- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement systems.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 9 – PENSION PLANS - CONTINUED**

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60<sup>th</sup> from 1/55<sup>th</sup>, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS and TPAF with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 10: PENSION LIABILITIES – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the District's pension liabilities. The following information describes the District's proportionate share of the statewide pension system's liabilities and expenses.

The following represents the District's pension liabilities as June 30, 2023:

**Public Employees' Retirement System**

The District has a liability of \$702,638 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 that was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion is 0.00485100470%, which is a decrease of 2.53% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District recognized negative pension expense of \$29,313. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 10: PENSION LIABILITIES – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) - CONTINUED**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected & actual experience	\$ 6,718	(2,872)
Changes of assumptions	1,544	(42,583)
Net difference between projected and actual earnings		
on pension plan investments	3,236	
Changes in proportion	44,216	(107,131)
 Total	 <u>\$ 55,714</u>	 <u>\$ (152,586)</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

<u>Year ended June 30,</u>		
2025	\$	140,867
2026		(22,189)
2027		(178,557)
2028		(33,391)
2029		(3,602)
 Total	 \$	 <u>(96,872)</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate		
Price		2.75%
Wage		3.25%
Salary increases:		2.75% – 6.55% (based on years of service)
Investment rate of return:		7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
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(CONTINUED)**

**NOTE 10: PENSION LIABILITIES – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) – CONTINUED**

improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4%

adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS’s target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
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**NOTE 10: PENSION LIABILITIES – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) – CONTINUED**

current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

*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 calculated using the discount rate as disclosed above, 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District’s proportionate share of the net pension liability	\$ 847,277	702,638	579,665

*Pension plan fiduciary net position.*

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial report.

**NOTE 11 – PENSION LIABILITIES - TEACHERS’ PENSION AND ANNUITY FUND (TPAF)**

At June 30, 2023, the District liability for its proportionate share of the net pension liability which is considered a Special Funding Situation with the State of New Jersey is reported below.

The employer contributions for local participating employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 18:66-33. Therefore, local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan, there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

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	\$	-
State's proportionate share of the net position liability associated with the District		8,374,940.00
Total	<b>\$</b>	<b>8,374,940.00</b>

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2024  
 (CONTINUED)**

**NOTE 11 – PENSION LIABILITIES - TEACHERS’ PENSION AND ANNUITY FUND (TPAF) - CONTINUED**

The net pension liability was measured as of June 30, 2023 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2023, the District’s proportion was 0.00%, which was no change from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District recognized pension expense of \$205,748 and revenue of \$205,748 for support provided by the State.

*Actuarial assumptions.* The total pension liability in the June 30, 2023 actuarial valuation was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary increases	2.75% - 4.25% (based on years of service)
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2022 are summarized in the following table:

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 11 – PENSION LIABILITIES - TEACHERS’ PENSION AND ANNUITY FUND (TPAF) - CONTINUED**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

*Discount rate.*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

*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 calculated using the discount rate of 7.0% 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 (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District’s proportionate share of the net pension liability	\$ -	-	-
State’s proportionate share of the net position liability associated with the District	\$ 9,875,574.01	8,374,940.00	7,111,049.50

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 11 – PENSION LIABILITIES - TEACHERS’ PENSION AND ANNUITY FUND (TPAF) - CONTINUED**

*Pension plan fiduciary net position.*

Detailed information about the pension plan’s fiduciary net position is available in the separately issued TPAF financial report.

**Additional Information**

Collective balances of the local group at June 30, 2023 are as follows:

Deferred outflows of resources	\$	2,413,548,676
Deferred inflows of resources		(14,741,373,312)
Net pension liability		51,109,961,824

Collective pension expense for the plan for the measurement period ended June 30, 2023 is \$1,255,623,033.

**NOTE 12 – OTHER POST-RETIREMENT BENEFITS**

**General Information about the OPEB Plan**

**State Health Benefit State Retired Employees Plan:**

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State’s contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State’s contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans’ net pension liability. The State’s share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be reported on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contributions. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State’s contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASBE Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 12 – OTHER POST-RETIREMENT BENEFITS - CONTINUED**

provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent, from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

*Total OPEB Liability*

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in June 30, 2023 III-3.8 the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: [NJ OMB - Financial Publications](#)

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2023, actuarial valuation reported by the State in the State's most recently issued ACFR was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

*Salary Increases*

<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
2.75% to 4.25% based on service years	2.75% to 6.55% based on service years	3.25% to 16.25% based on service years

*Mortality Rates*

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2020 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS, and PFRS experience studies for the period July 1, 2018 to June 30, 2021.

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

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 6.5% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 12 – OTHER POST-RETIREMENT BENEFITS - CONTINUED**

year 2026, and decreases to 4.5% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026, and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

*Discount Rate*

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Changes in the Total OPEB Liability reported by the State of New Jersey*

Balance at 6/30/23 (Based on 6/30/2022 measurement date)	\$ 50,646,462,966.00
Changes for the year:	
Service cost	2,136,235,476.00
Interest	1,844,113,951.00
Changes in Benefit Terms	-
Differences between Expected & Actual Experiences	(980,424,863.00)
Changes in assumptions or other inputs	105,539,463.00
Contributions: Member	47,258,104.00
Benefit payments	<u>(1,437,516,858.00)</u>
Net changes	<u>1,715,205,273.00</u>
Balance at 6/30/23 (Based on 6/30/2022 measurement date)	<u>\$ 52,361,668,239.00</u>

*Sensitivity of the total OPEB liability to changes in the discount rate*

The following presents the total OPEB liability as of June 20, 2023, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 61,385,066,712.00	\$ 52,361,668,239.00	\$ 45,116,926,835.00

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates*

The following presents the total OPEB liability as of June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 43,468,257,358.00	\$ 52,361,668,239.00	\$ 63,998,719,320.00

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

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 12 – OTHER POST-RETIREMENT BENEFITS - CONTINUED**

For the year ended June 30, 2023, the board of education recognized OPEB expense of \$167,203 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education’s proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees’ OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,639,717,639.00	\$ (13,791,541,217.00)
Changes in assumptions	7,445,895,322.00	(14,449,948,556.00)
	\$ 15,085,612,961.00	\$ (28,241,489,773.00)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employees’ OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2024	\$ (2,611,225,301.00)
2025	(2,611,225,301.00)
2026	(2,269,523,460.00)
2027	(1,338,024,839.00)
2028	(273,877,609.00)
Thereafter	(4,052,000,302.00)
	\$ (13,155,876,812.00)

(Contributions made after June 30 are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan’s fiduciary net position is available in the separately issued OPEB financial report.

**NOTE 13 – COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), “Accounting for Compensated Absences”. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation, personal, and sick leave in accordance with the District’s personnel policy. Upon termination, employees are paid for accrued vacation. The District’s policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years as long as it does not violate Title 18A. Upon retirement employees shall be paid by the District for unused sick leave in accordance with the District’s agreements with the various employee unions.

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 13 – COMPENSATED ABSENCES - CONTINUED**

funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2024, no liability existed for compensated absences in the Food Service Enterprise Fund.

**NOTE 14 – DEFERRED COMPENSATION**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by outside entities, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators for the District are as follows:

- Lincoln
- Midland

**NOTE 15 – MAINTENANCE RESERVE ACCOUNT**

New Jersey Statute 18A7G-9 permits districts to accumulate funds for the required maintenance of a facility in accordance with the Educational Facilities Construction and Financing Act (EFCFA). The balance may be increased through an appropriation in the annual general fund budget certified for taxes or a resolution of the Board at the June meeting. This reserve may be used at any time during the year, by resolution, to transfer to the required maintenance budget lines for the use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted for use on required maintenance appropriations and may not be transferred to any other line-item account.

The activity of the Maintenance reserve for the July 1, 2023, to June 30, 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$	343,829.00
Deposits:		
Interest	\$	100.00
		100.00
Ending balance, June 30, 2024	\$	343,929.00

**NOTE 16 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 16 – RISK MANAGEMENT-CONTINUED**

former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior year:

Fiscal Year	Interest on Investments	Employee Contributions	Board Contribution	Amount Reimbursed	Ending Balance
2023-2024	\$ 8.38	\$ 7,756.42	-	\$ -	\$ 96,962.51
2022-2023	-	5,831.22	-	(17,078.77)	89,197.71
2021-2022	7.88	6,139.32	-	-	100,445.26

**NOTE 17 – CONTINGENT LIABILITIES**

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

**NOTE 18 – ECONOMIC DEPENDENCY**

The District receives support from the federal government and from the state governments through local school districts. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

**NOTE 19 – LITIGATION**

From time to time, the District is involved in pending litigation or threatened litigation, claims, or assessments relating to its operations as a school district. In the best judgment of the District's management, none of these items are known to have a material effect on the accompanying financial statements.

**NOTE 20 – DEFICIT UNRESTRICTED NET POSITION**

The School District had a deficit unrestricted net position of \$1,304,671.94 as of June 30, 2024. This deficit was attributable to the allocation of the unpaid liability for compensated absences, Final State Aid Payment, and the net pension liability.

**NOTE 21 - FUND BALANCE APPROPRIATED**

General Fund – Of the \$4,408,395.62 General Fund Budgetary Basis Fund balance at June 30, 2024, \$1,354,456.32 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$1,893,382.97 of excess surplus has been appropriated and also included as anticipated revenue for the subsequent year's budget; \$343,929 has been reserved for in the Maintenance Reserve Account; \$96,962.51 has been reserved for Unemployment Compensation; \$192,876.03 has been assigned and designated for subsequent year's expenditures; \$120,319.85 has been assigned and reserved for encumbrances; and \$406,468.94 has been classified as Unassigned.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**NOTE 22 - CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$3,247,839.29, of which \$1,893,382.97 has been appropriated and included as anticipated revenue for the year ended June 30, 2025.

**NOTE 23 – RIGHT TO USE ASSETS**

The district has recorded right to use assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place to lease into service. The District has determined the other charges and amortization to be immaterial to the government-wide financial statements and has elected to record the Right to Use Assets at their remaining liability payments.

		Beginning Balance		Increases		Decreases		Ending Balance
Office Equipment	\$	-	\$	5,211.48	\$	943.15	\$	4,268.33
Right to use assets, net	\$	-	\$	5,211.48	\$	943.15	\$	4,268.33

**NOTE 24 – SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2024, through February 14, 2025, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure that have not been accounted for in the financial statements.



## **Required Supplementary Information – Part II**



## **Budgetary Comparison Schedules**



**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 4,895,669.00	\$ -	\$ 4,895,669.00	\$ 4,895,669.00	\$ -
Tuition			-	24,557.84	24,557.84
Interest Earned on Maintenance Reserve	100.00		100.00	100.00	-
Unrestricted Miscellaneous	2,000.00		2,000.00	153,268.56	151,268.56
<b>Total Local Sources</b>	<b>4,897,769.00</b>	<b>-</b>	<b>4,897,769.00</b>	<b>5,073,595.40</b>	<b>175,826.40</b>
State Sources:					
School Choice Aid	52,152.00		52,152.00	52,152.00	-
Categorical Special Education Aid	317,335.00		317,335.00	317,335.00	-
Equalization Aid	5,428,568.00		5,428,568.00	5,428,568.00	-
Extraordinary Aid			-	152,483.00	152,483.00
Categorical Security Aid	150,662.00		150,662.00	150,662.00	-
Categorical Transportation Aid	101,997.00		101,997.00	101,997.00	-
Non Public Transportation Aid			-	10,010.00	10,010.00
TPAF (On-Behalf - Non-Budgeted) :					
Post Retirement Medical Contributions			-	256,085.00	256,085.00
Pension Costs			-	940,924.00	940,924.00
Long Term Disability			-	704.00	704.00
TPAF Social Security (Reimbursed- Non-Budgeted)			-	219,824.70	219,824.70
<b>Total State Sources</b>	<b>6,050,714.00</b>	<b>-</b>	<b>6,050,714.00</b>	<b>7,630,744.70</b>	<b>1,580,030.70</b>
Federal Sources:					
Medicaid Reimbursement	14,385.00		14,385.00	249.47	(14,135.53)
Cares Act - SEMI			-	1,059.00	1,059.00
<b>Total Federal Sources</b>	<b>14,385.00</b>	<b>-</b>	<b>14,385.00</b>	<b>1,308.47</b>	<b>(13,076.53)</b>
<b>Total Revenues</b>	<b>10,962,868.00</b>	<b>-</b>	<b>10,962,868.00</b>	<b>12,705,648.57</b>	<b>1,742,780.57</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
<b>REGULAR PROGRAMS - INSTRUCTION</b>					
Kindergarten- Salaries of Teachers	227,371.00	45,023.09	272,394.09	271,354.56	1,039.53
Grades 1 - 5 Salaries of Teachers	941,315.00	(3,706.20)	937,608.80	937,608.80	-
Grades 6 - 8 Salaries of Teachers	499,211.00	(116,598.95)	382,612.05	346,622.84	35,989.21
Grades 6 - 8 Salaries of Teachers-Substitutes		550.00	550.00		550.00
Regular Programs - Home Instruction					
Purchased Professional Educational Services		30,293.75	30,293.75	30,293.55	0.20
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	59,068.00	(59,068.00)	-		-
Purchased Technical Services	42,000.00		42,000.00	18,731.22	23,268.78
Other Purchased Services (400-500 series)	7,500.00	79,000.00	86,500.00	78,880.00	7,620.00
General Supplies	401,832.00	(169,552.73)	232,279.27	148,131.42	84,147.85
Textbooks	120,000.00		120,000.00	78,718.30	41,281.70
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>2,298,297.00</b>	<b>(194,059.04)</b>	<b>2,104,237.96</b>	<b>1,910,340.69</b>	<b>193,897.27</b>
Resource Room/Resource Center					
Salaries of Teachers	397,520.00	4,059.12	401,579.12	386,024.07	15,555.05
Other Salaries for Instruction	119,554.00	(40,000.00)	79,554.00	65,466.84	14,087.16
Purchased Professional-Educational Services	5,000.00		5,000.00		5,000.00
General Supplies	5,000.00		5,000.00		5,000.00
<b>Total Resource Room/Resource Center</b>	<b>527,074.00</b>	<b>(35,940.88)</b>	<b>491,133.12</b>	<b>451,490.91</b>	<b>39,642.21</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>527,074.00</b>	<b>(35,940.88)</b>	<b>491,133.12</b>	<b>451,490.91</b>	<b>39,642.21</b>
School-Sponsored Co/Extra-Curr. Activities - Instruction					
Salaries	27,000.00		27,000.00	12,597.50	14,402.50
Supplies and Materials	3,056.00	(1,730.00)	1,326.00		1,326.00
Other Objects		1,730.00	1,730.00	1,530.00	200.00
<b>Total School-Spon. Cocurricular Activities - Inst.</b>	<b>30,056.00</b>	<b>-</b>	<b>30,056.00</b>	<b>14,127.50</b>	<b>15,928.50</b>
<b>TOTAL INSTRUCTION</b>	<b>2,855,427.00</b>	<b>(229,999.92)</b>	<b>2,625,427.08</b>	<b>2,375,959.10</b>	<b>249,467.98</b>

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>UNDISTRIBUTED EXPENDITURES</b>					
<b>Undistributed Expenditures - Instruction</b>					
Tuition to other LEA's within State - Regular	\$ 1,946,273.00	\$ -	\$ 1,946,273.00	\$ 1,946,273.00	\$ -
Tuition to Other LEAs Within the State-Special	423,242.00		423,242.00	324,441.48	98,800.52
Tuition to County Voc. School District-Regular	13,340.00	100,840.00	114,180.00	114,178.00	2.00
Tuition to CSSD and Regional Day Schools	41,075.00	(41,075.00)	-		-
Tuition to Private Schools for the Handicapped Within the	802,012.00	(297,036.00)	504,976.00	459,546.77	45,429.23
Tuition to State Facilities		41,075.00	41,075.00	41,075.00	-
Tuition - Other	136,115.00	3,189.00	139,304.00	139,301.00	3.00
<b>Total Undistributed Expenditures - Instruction</b>	<b>3,362,057.00</b>	<b>(193,007.00)</b>	<b>3,169,050.00</b>	<b>3,024,815.25</b>	<b>144,234.75</b>
<b>Undistributed Expend. - Attend. &amp; Social Worker</b>					
Purchased Professional and Technical Services	3,000.00		3,000.00	2,400.00	600.00
<b>Total Undist. Expend. - Attend. &amp; Social Worker</b>	<b>3,000.00</b>	<b>-</b>	<b>3,000.00</b>	<b>2,400.00</b>	<b>600.00</b>
<b>Undistributed Expend. - Health Services</b>					
Salaries	64,110.00	(40,079.17)	24,030.83	24,030.83	-
Purchased Professional and Technical Services	15,000.00	51,109.00	66,109.00	66,108.50	0.50
Supplies & Materials	5,500.00	2,500.00	8,000.00	7,065.49	934.51
<b>Total Undistributed Expend. - Health Services</b>	<b>84,610.00</b>	<b>13,529.83</b>	<b>98,139.83</b>	<b>97,204.82</b>	<b>935.01</b>
<b>Undist. Expend. - Other Support Serv. Students - Related Services</b>					
Salaries	76,590.00	(49,250.00)	27,340.00	20,888.16	6,451.84
Purchased Professional Educational Services	80,000.00	25,000.00	105,000.00	100,268.95	4,731.05
<b>Total Undist. Expend. - Other Support Services</b>	<b>156,590.00</b>	<b>(24,250.00)</b>	<b>132,340.00</b>	<b>121,157.11</b>	<b>11,182.89</b>
<b>Undist. Expend. - Other Support Serv. Child Study Teams</b>					
Salaries of Other Professional Staff	238,007.00	5,728.38	243,735.38	236,545.38	7,190.00
Salaries of Secretarial and Clerical Assistants	29,744.00		29,744.00	29,744.00	-
Purchased Professional - Educational Services	370,000.00	874,570.47	1,244,570.47	1,244,570.25	0.22
Other Purchased Professional and Technical Services	209,957.00	(205,067.28)	4,889.72	4,889.72	-
Travel		2,700.00	2,700.00	2,663.64	36.36
Supplies & Materials	25,000.00	(2,631.89)	22,368.11	22,160.12	207.99
Other Objects		2,557.00	2,557.00	2,557.00	-
<b>Total Undist. Expend. - Other Support Services</b>	<b>872,708.00</b>	<b>677,856.68</b>	<b>1,550,564.68</b>	<b>1,543,130.11</b>	<b>7,434.57</b>
<b>Undist. Expend. - Improvement of Instr. Services</b>					
Salaries of Supervisor of Instruction	43,250.00		43,250.00	40,421.97	2,828.03
Salaries of Other Professional Staff	102,094.00	0.08	102,094.08	102,094.00	0.08
Salaries of Secretarial and Clerical Assistants	29,744.00		29,744.00	29,744.00	-
Other Salaries	113,559.00	(8,900.00)	104,659.00	93,400.67	11,258.33
Purchased Professional - Educational Services	5,000.00	(960.00)	4,040.00	4,040.00	-
Supplies & Materials	10,000.00		10,000.00	10,000.00	-
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<b>303,647.00</b>	<b>(9,859.92)</b>	<b>293,787.08</b>	<b>235,916.64</b>	<b>57,870.44</b>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	61,110.00	500.00	61,610.00	60,909.93	700.07
Salaries of Technology Coordinators	158,310.00	6,255.00	164,565.00	155,043.00	9,522.00
Purchased Professional and Technical Services	5,000.00		5,000.00	5,000.00	-
Supplies & Materials	5,000.00		5,000.00	3,667.60	1,332.40
<b>Media Services - School Library</b>	<b>229,420.00</b>	<b>6,755.00</b>	<b>236,175.00</b>	<b>224,620.53</b>	<b>11,554.47</b>
<b>Undist. Expend. - Staff Training</b>					
Other Purchase Professional and Tech Services		960.00	960.00	960.00	-
<b>Total Undist. Expend. - Staff Training</b>	<b>-</b>	<b>960.00</b>	<b>960.00</b>	<b>960.00</b>	<b>-</b>

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 82,580.00	\$ 3,251.38	\$ 85,831.38	\$ 85,756.21	\$ 75.17
Legal Services	40,000.00	18,482.00	58,482.00	56,640.95	1,841.05
Audit Fees	41,000.00	8,000.00	49,000.00	49,000.00	-
Architectural and Engineering Fees	47,585.00	(13,885.35)	33,699.65	15,709.86	17,989.79
Other Purchased Professional Services	10,000.00	(7,548.28)	2,451.72	-	2,451.72
Purchased Technical Services	8,000.00	(5,024.00)	2,976.00	2,887.00	89.00
Communications/Telephone	60,000.00		60,000.00	58,506.17	1,493.83
BOE Other Purchased Professional Services		4,296.00	4,296.00	4,000.00	296.00
Misc Purchased Services (400-500 series)	20,000.00	7,903.00	27,903.00	25,908.47	1,994.53
General Supplies	5,000.00	(3,749.32)	1,250.68	1,250.68	-
Judgement Against School District	40,000.00	(9,785.05)	30,214.95	30,214.95	-
Miscellaneous Expenditures	15,000.00	400.00	15,400.00	14,932.35	467.65
BOE Memberships and Dues	5,000.00	347.00	5,347.00	5,110.26	236.74
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>374,165.00</b>	<b>2,687.38</b>	<b>376,852.38</b>	<b>349,916.90</b>	<b>26,935.48</b>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistance Principals	78,580.00	3,022.37	81,602.37	81,602.37	-
Salaries of Secretarial and Clerical Assistants	5,300.00		5,300.00	4,189.54	1,110.46
Other Purchased Services		420.00	420.00		420.00
Other Objects	2,300.00	1,200.00	3,500.00	3,099.00	401.00
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>86,180.00</b>	<b>4,642.37</b>	<b>90,822.37</b>	<b>88,890.91</b>	<b>1,931.46</b>
Undist. Expend. - Central Services					
Salaries	164,400.00		164,400.00	159,198.91	5,201.09
Purchased Professional Educational Services	10,000.00	11,197.97	21,197.97	21,197.97	-
Misc Purchased Services (400-500 series)	4,000.00	(4,000.00)	-		-
Supplies and Materials	5,000.00	941.34	5,941.34	5,092.31	849.03
Travel		1,000.00	1,000.00	1,000.00	-
Miscellaneous Expenditures	2,000.00	956.95	2,956.95	2,827.85	129.10
<b>Total Undistributed Expenditures - Support Services - Central Services</b>	<b>185,400.00</b>	<b>10,096.26</b>	<b>195,496.26</b>	<b>189,317.04</b>	<b>6,179.22</b>
Undist. Expend. - Required Maint. School Fac.					
Cleaning, Repair, & Maint Services	103,251.00	(67,043.17)	36,207.83	27,664.33	8,543.50
Lead Testing of Drinking Water	2,500.00		2,500.00		2,500.00
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>	<b>105,751.00</b>	<b>(67,043.17)</b>	<b>38,707.83</b>	<b>27,664.33</b>	<b>11,043.50</b>
Undist. Expend. - Custodial Services					
Salaries	173,026.00	(82,330.00)	90,696.00	89,756.63	939.37
Cleaning, Repair, & Maint Services	187,449.00	101,094.23	288,543.23	199,798.55	88,744.68
Other Purchased Property Services	20,000.00	635.50	20,635.50	19,590.31	1,045.19
Custodial Services		127,778.00	127,778.00	118,289.15	9,488.85
Insurance	40,000.00	(32,677.39)	7,322.61	7,322.61	-
General Supplies	100,000.00	(19,727.69)	80,272.31	69,069.35	11,202.96
Energy (Natural Gas)	150,000.00	(235.00)	149,765.00	146,379.34	3,385.66
Miscellaneous Expenditures	1,000.00	50.00	1,050.00	1,043.00	7.00
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>671,475.00</b>	<b>94,587.65</b>	<b>766,062.65</b>	<b>651,248.94</b>	<b>114,813.71</b>
Undist. Expend. - Care & Upkeep of Grounds					
Cleaning Repair & Maintenance Services	30,000.00	1,900.00	31,900.00	31,900.00	-
<b>Total Undistributed Expenditures - Care &amp; Upkeep of Grounds</b>	<b>30,000.00</b>	<b>1,900.00</b>	<b>31,900.00</b>	<b>31,900.00</b>	<b>-</b>
Undist. Expend. - Security					
Salaries	37,355.00		37,355.00	26,714.99	10,640.01
<b>Total Undistributed Expenditures - Security</b>	<b>37,355.00</b>	<b>-</b>	<b>37,355.00</b>	<b>26,714.99</b>	<b>10,640.01</b>
<b>Total Undistributed Expenditures Operations and Maintenance of Plant</b>	<b>844,581.00</b>	<b>29,444.48</b>	<b>874,025.48</b>	<b>737,528.26</b>	<b>136,497.22</b>

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Student Transportation Serv.					
Management Fee - ESC and CTSA Transportation Progr	\$ 55,000.00	\$ -	\$ 55,000.00	\$ 43,855.71	\$ 11,144.29
Contract Services - Aid in Lieu - Non-Public School	20,000.00		20,000.00	16,865.96	3,134.04
Contract Services - Aid in Lieu Payments - Charter Schoo	20,000.00		20,000.00	15,727.50	4,272.50
Contract Services (Aid-In-Lieu) Choice Students	20,000.00		20,000.00		20,000.00
Contract Services - Special Ed Students	15,000.00		15,000.00	9,969.54	5,030.46
Contr Serv (Bet. Home & School) - Vendors	160,000.00		160,000.00		160,000.00
Contr Serv (Other Bet. Home & School) - Vendors	15,000.00		15,000.00	8,528.75	6,471.25
Contr Serv (Regular Students)-ESCs and CTSA	377,484.00	100,000.00	477,484.00	339,009.18	138,474.82
Contr Serv (Special Ed Students)- ESCs and CTSA	780,590.00	(335,663.00)	444,927.00	358,887.48	86,039.52
Total Undistributed Expenditures - Student Transportation Services	<u>1,463,074.00</u>	<u>(235,663.00)</u>	<u>1,227,411.00</u>	<u>792,844.12</u>	<u>434,566.88</u>
Unallocated Benefits					
Social Security Contribution PERS	65,000.00	7,518.50	72,518.50	72,518.50	-
Other Retirement Contributions	75,000.00	(5,704.24)	69,295.76	64,835.00	4,460.76
Unemployment Compensation		6,429.86	6,429.86	5,974.46	455.40
Worker's Compensation	85,000.00		85,000.00	85,000.00	-
Health Benefits	969,804.00	60,302.70	1,030,106.70	1,023,618.82	6,487.88
Tuition Reimbursement	10,000.00		10,000.00	6,746.01	3,253.99
Total Unallocated Benefits	<u>1,204,804.00</u>	<u>68,546.82</u>	<u>1,273,350.82</u>	<u>1,258,692.79</u>	<u>14,658.03</u>
On-Behalf Contributions					
On-Behalf TPAF Contribution (non-bud)					
Post Retirement Medical Contributions			-	256,085.00	(256,085.00)
Pension Costs			-	940,924.00	(940,924.00)
Long Term Disability			-	704.00	(704.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	219,824.70	(219,824.70)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,417,537.70</u>	<u>(1,417,537.70)</u>
Total Personal Services - Employee Benefits	<u>1,204,804.00</u>	<u>68,546.82</u>	<u>1,273,350.82</u>	<u>2,676,230.49</u>	<u>(1,402,879.67)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>9,170,236.00</u>	<u>351,738.90</u>	<u>9,521,974.90</u>	<u>10,084,932.18</u>	<u>(562,957.28)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>12,025,663.00</u>	<u>121,738.98</u>	<u>12,147,401.98</u>	<u>12,460,891.28</u>	<u>(313,489.30)</u>
CAPITAL OUTLAY					
Construction Services		973,566.92	973,566.92	954,335.57	19,231.35
Facilities Acquisition and Construction Services					
SDA Debt Service Assessment	34,985.00		34,985.00	34,985.00	-
Total Facilities Acquisition and Construction Services	<u>34,985.00</u>	<u>-</u>	<u>34,985.00</u>	<u>34,985.00</u>	<u>-</u>
TOTAL CAPITAL OUTLAY	<u>34,985.00</u>	<u>973,566.92</u>	<u>1,008,551.92</u>	<u>989,320.57</u>	<u>19,231.35</u>
Transfer of Funds to Charter Schools	<u>287,349.00</u>		<u>287,349.00</u>	<u>166,123.00</u>	<u>121,226.00</u>
TOTAL EXPENDITURES	<u>12,347,997.00</u>	<u>1,095,305.90</u>	<u>13,443,302.90</u>	<u>13,616,334.85</u>	<u>(173,031.95)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,385,129.00)</u>	<u>(1,095,305.90)</u>	<u>(2,480,434.90)</u>	<u>(910,686.28)</u>	<u>1,569,748.62</u>

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (1,385,129.00)	\$ (1,095,305.90)	\$ (2,480,434.90)	\$ (910,686.28)	\$ 1,569,748.62
Fund Balance July 1	5,319,081.90	-	5,319,081.90	5,319,081.90	-
Fund Balance June 30	<u>\$ 3,933,952.90</u>	<u>\$ (1,095,305.90)</u>	<u>\$ 2,838,647.00</u>	<u>\$ 4,408,395.62</u>	<u>\$ 1,569,748.62</u>
Recapitulation:					
Restricted Fund Balance:					
Reserve for Excess Surplus - Current Year				\$ 1,354,456.32	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,893,382.97	
Maintenance Reserve				343,929.00	
Unemployment Compensation				96,962.51	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				192,876.03	
Reserve for Encumbrances				120,319.85	
Unassigned Fund Balance				<u>406,468.94</u>	
				4,408,395.62	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				515,711.36	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,892,684.26</u>	

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 645,745.00	\$	\$ 645,745.00	\$ 493,311.50	\$ (152,433.50)
Federal Sources	778,422.00	216,885.67	995,307.67	481,369.43	(513,938.24)
Local Sources	15,000.00	10,140.00	25,140.00	31,702.80	6,562.80
<b>Total Revenues</b>	<b>1,439,167.00</b>	<b>227,025.67</b>	<b>1,666,192.67</b>	<b>1,006,383.73</b>	<b>(659,808.94)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Teachers Salaries	583,110.00	37,149.02	620,259.02	276,016.19	344,242.83
Other Salaries for Instruction	88,602.00		88,602.00	83,038.07	5,563.93
Purchased Professional - Educational Services	25,734.00	97,449.60	123,183.60	88,860.21	34,323.39
Other Purchased Services (400-500 series)	106,535.00	(85,809.00)	20,726.00	20,725.00	1.00
Supplies	189,216.00	11,774.91	200,990.91	166,661.26	34,329.65
Other Objects	15,000.00	10,140.00	25,140.00	24,646.09	493.91
<b>Total Instruction</b>	<b>1,008,197.00</b>	<b>70,704.53</b>	<b>1,078,901.53</b>	<b>659,946.82</b>	<b>418,954.71</b>
Support Services:					
Other Support Services - Employee Benefits	121,264.00	40,861.00	162,125.00	147,270.08	14,854.92
Purchased Professional - Technical Services	28,700.00	32,712.00	61,412.00	10,650.00	50,762.00
Purchased Professional - Educational Services	51,300.00		51,300.00	39,297.06	12,002.94
Other Salaries	11,458.00		11,458.00	11,457.59	0.41
Salaries of Supervisors of Instruction	8,650.00	1.00	8,651.00	8,650.27	0.73
Other Purchased Services (400-500 series)	72,673.00	20,554.00	93,227.00	45,479.35	47,747.65
Supplies & Materials	103,720.00	(11,866.15)	91,853.85	55,322.56	36,531.29
<b>Total Support Services</b>	<b>397,765.00</b>	<b>82,261.85</b>	<b>480,026.85</b>	<b>318,126.91</b>	<b>161,899.94</b>

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
Special Revenue Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES(cont'd):</b>					
Facilities Acquisitions and Construction Services:					
Instructional Equipment	\$ 31,267.00		\$ 31,267.00	\$ -	\$ 31,267.00
Non - Instructional Equipment	1,938.00	74,059.29	75,997.29	21,253.29	54,744.00
Total Facilities Acquisitions and Const. Services:	<u>33,205.00</u>	<u>74,059.29</u>	<u>107,264.29</u>	<u>21,253.29</u>	<u>86,011.00</u>
Total Outflows	\$ <u>1,439,167.00</u>	\$ <u>227,025.67</u>	\$ <u>1,666,192.67</u>	\$ <u>999,327.02</u>	\$ <u>666,865.65</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ 7,056.71	\$ 7,056.71



**Notes to the Required Supplementary  
Information**



**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to RSI**  
**For the Year Ended June 30, 2024**

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

	General Fund	Special Revenue Fund
Sources / inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 12,705,648.57	[C-2] \$ 1,006,383.73
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		99,234.41
Preschool Education Program		(218,477.10)
The Final State Aid payment for the Year Ended June 30, 2023 that was delayed until July 2023 was recorded as budgetary revenue for the Year Ended June 30, 2023 but is not recognized under GAAP until the Year Ended June 30, 2024.	573,878.17	43,832.83
The Final State Aid payment for the Year Ended June 30, 2024 that was delayed until July 2024 was recorded as budgetary revenue for the Year Ended June 30, 2024 but is not recognized under GAAP until the Year Ended June 30, 2025.	(515,711.36)	(116,841.64)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u><u>12,763,815.38</u></u>	[B-2] <u><u>814,132.23</u></u>
Uses / outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] 13,616,334.85	[C-2] 999,327.02
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.	-	99,234.41
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u><u>\$ 13,616,334.85</u></u>	[B-2] <u><u>\$ 1,098,561.43</u></u>



## **Required Supplementary Information – Part III**



**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employee Retirement System**  
**Last Nine Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportionate of the net pension liability (asset)	0.00485100470%	0.00497705070%	0.00469850890%	0.00569523510%	0.00546773960%	0.0053858694%	0.0053748236%	0.0066343930%	0.0065616812%	0.0062092304%
District's proportionate of the net pension liability (asset)	\$ 702,638.00	\$ 751,105.00	\$ 556,609.00	\$ 928,744.00	\$ 985,204.00	\$ 1,060,451.00	\$ 1,251,173.00	\$ 1,964,917.00	\$ 1,472,943.00	\$ 1,162,538.00
District's covered payroll	\$ 420,385.00	\$ 403,700.00	\$ 383,424.00	\$ 451,200.00	\$ 431,376.00	\$ 419,388.00	\$ 397,844.00	\$ 489,984.00	\$ 497,772.00	\$ 462,824.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	167.14%	186.06%	145.17%	205.84%	228.39%	252.86%	314.49%	393.00%	295.91%	251.18%
Plan fiduciary net position as a percentage of the total pension liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

Source: GASB 68 report on Public Employees' Retirement System; District records

**BOROUGH OF LAWNHIDE SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employee Retirement System**  
**Last Nine Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 64,835.00	\$ 62,763.00	\$ 62,763.00	\$ 55,025.00	\$ 62,303.00	\$ 53,185.00	\$ 53,572.00	\$ 49,792.00	\$ 58,939.00	\$ 56,412.00
Contributions in relation to the contractually required contribution	64,835.00	62,763.00	62,763.00	55,025.00	62,303.00	53,185.00	53,572.00	49,792.00	58,939.00	56,412.00
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 420,385.00	\$ 403,700.00	\$ 383,424.00	451,200.00	431,376.00	419,388.00	5,469,043.00	499,984.00	497,772.00	462,824.00
Contributions as a percentage of covered-employee payroll	15.42%	15.55%	16.37%	12.20%	14.44%	12.68%	0.98%	9.96%	11.84%	12.19%

Source: GASB 68 report on Public Employees' Retirement System; District records

**BOROUGH OF LAWNDSIDE SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund**  
**Last Nine Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	8,374,940.00	10,518,892.00	10,674,411.00	16,955,561.00	15,048,271.00	15,261,918.00	15,277,093.00	18,622,892.00	13,767,801.00	10,373,450.00
<b>Total</b>	<b>\$ 8,374,940.00</b>	<b>\$ 10,518,892.00</b>	<b>\$ 10,674,411.00</b>	<b>\$ 16,955,561.00</b>	<b>\$ 15,048,271.00</b>	<b>\$ 15,261,918.00</b>	<b>\$ 15,277,093.00</b>	<b>\$ 18,622,892.00</b>	<b>\$ 13,767,801.00</b>	<b>\$ 10,373,450.00</b>
Districts covered payroll	\$ 2,992,666.00	\$ 2,249,948.00	\$ 2,576,192.00	\$ 2,800,768.00	\$ 3,222,220.00	\$ 3,013,476.00	\$ 2,869,072.00	\$ 2,683,480.00	\$ 2,573,492.00	\$ 2,557,340.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

Source: GASB 68 report on Public Employees' Retirement System; District records

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Public Employee Retirement System and Teachers' Pension and Annuity Fund**  
**Last Six Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>9,491,357.00</u>	<u>9,219,313.00</u>	<u>11,813,888.00</u>	<u>13,982,257.00</u>	<u>8,808,034.00</u>	<u>9,252,089.00</u>	<u>10,715,848.00</u>
<b>Total</b>	<u>\$ 9,491,357.00</u>	<u>\$ 9,219,313.00</u>	<u>\$ 11,813,888.00</u>	<u>\$ 13,982,257.00</u>	<u>\$ 8,808,034.00</u>	<u>\$ 9,252,089.00</u>	<u>\$ 10,715,848.00</u>
District's covered payroll	\$ 3,413,051.00	\$ 2,653,648.00	\$ 2,959,616.00	\$ 3,251,968.00	\$ 3,653,596.00	\$ 3,432,864.00	\$ 3,266,916.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:							
Service Cost	427,289.00	603,786.00	769,543.00	494,275.00	436,903.00	500,219.00	603,574.00
Interest Cost	334,274.00	244,322.00	306,465.00	321,486.00	369,935.00	397,297.00	339,441.00
Change in Benefit Terms			(12,574.00)				
Differences between Expected & Actual	(256,644.00)	(735,276.00)	(3,009,885.00)	2,040,426.00	(1,119,857.00)	(1,060,703.00)	-
Changes in Assumptopns	19,131.00	(2,473,163.00)	11,655.00	2,554,078.00	131,329.00	(1,061,724.00)	(1,413,447.00)
Member Contributions	8,566.00	7,764.00	7,835.00	7,378.00	8,015.00	8,550.00	9,139.00
Benefit Payments	(260,572.00)	(242,008.00)	(241,408.00)	(243,420.00)	(270,380.00)	(247,398.00)	(248,202.00)
Change in Total Opeb Liability	<u>272,044.00</u>	<u>(2,594,575.00)</u>	<u>(2,168,369.00)</u>	<u>5,174,223.00</u>	<u>(444,055.00)</u>	<u>(1,463,759.00)</u>	<u>(709,495.00)</u>
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	<u>9,219,313.00</u>	<u>11,813,888.00</u>	<u>13,982,257.00</u>	<u>8,808,034.00</u>	<u>9,252,089.00</u>	<u>10,715,848.00</u>	<u>11,425,343.00</u>
Ending Balance	<u>\$ 9,491,357.00</u>	<u>\$ 9,219,313.00</u>	<u>\$ 11,813,888.00</u>	<u>\$ 13,982,257.00</u>	<u>\$ 8,808,034.00</u>	<u>\$ 9,252,089.00</u>	<u>\$ 10,715,848.00</u>
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	278.09%	347.42%	399.17%	429.96%	241.08%	269.52%	328.01%

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period.  
However, information is only currently available for six years.  
Additional years will be presented as they become available.

## **Other Supplementary Information**



## Special Revenue Fund Detail Statements

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.



**BOROUGH OF LAWNESIDE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2024**

	Title I	Title I SIA	IDEA Part B	CRRSA ESSER II	Title II A	ARP ESSER
<b>REVENUES:</b>						
State Sources	\$ 78,353.96	\$ 44,017.44	\$ 108,751.00	\$ 7,718.67	\$ 500.00	\$ 221,113.65
Federal Sources						
Local Sources						
<b>Total Revenues</b>	<b>78,353.96</b>	<b>44,017.44</b>	<b>108,751.00</b>	<b>7,718.67</b>	<b>500.00</b>	<b>221,113.65</b>
<b>EXPENDITURES:</b>						
Instruction:						
Teachers Salaries		463.23				107,673.54
Other Salaries for Instruction						
Purchased Professional - Educational Services		834.21	88,026.00			
Other Purchased Services (400-500 series)			20,725.00			
Supplies	23,867.96	42,720.00		4,320.51		32,360.41
Other Objects						
<b>Total Instruction</b>	<b>23,867.96</b>	<b>44,017.44</b>	<b>108,751.00</b>	<b>4,320.51</b>	<b>-</b>	<b>140,033.95</b>
Support Services:						
Salaries of Supervisors of Instruction						
Salaries of Other Professional Staff						
Other Support Services - Employee Benefits	54,486.00				500.00	
Purchased Professional - Technical Services						
Purchased Professional - Educational Services						
Transportation						
Other Purchased Services (400-500 series)						8,122.00
Supplies & Materials						55,102.57
<b>Total Support Services</b>	<b>54,486.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500.00</b>	<b>63,224.57</b>
Facilities Acquisitions and Construction Services:						
Non - Instructional Equipment				3,398.16		17,855.13
<b>Total Facilities Acquisitions and Const. Services:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,398.16</b>	<b>-</b>	<b>17,855.13</b>
<b>Total Outflows</b>	<b>78,353.96</b>	<b>44,017.44</b>	<b>108,751.00</b>	<b>7,718.67</b>	<b>500.00</b>	<b>221,113.65</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**BOROUGH OF LAWNESIDE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2024**

	Preschool Education Aid	CRRSA Learning Acceleration	CRRSA Mental Health	ARP Mental Health	Student Activities	Totals
<b>REVENUES:</b>						
State Sources	\$ 493,311.50					\$ 493,311.50
Federal Sources		\$ 10,653.53	\$ 111.18	\$ 10,150.00	\$ 31,702.80	481,369.43
Local Sources						31,702.80
<b>Total Revenues</b>	<b>493,311.50</b>	<b>10,653.53</b>	<b>111.18</b>	<b>10,150.00</b>	<b>31,702.80</b>	<b>1,006,383.73</b>
<b>EXPENDITURES:</b>						
Instruction:						
Teachers Salaries	157,225.89	10,653.53				276,016.19
Other Salaries for Instruction	83,038.07					83,038.07
Purchased Professional - Educational Services						88,860.21
Other Purchased Services (400-500 series)			111.18			20,725.00
Supplies	63,281.20					166,661.26
Other Objects	-				24,646.09	24,646.09
<b>Total Instruction</b>	<b>303,545.16</b>	<b>10,653.53</b>	<b>111.18</b>	<b>-</b>	<b>24,646.09</b>	<b>659,946.82</b>
Support Services:						
Salaries of Supervisors of Instruction	8,650.27					8,650.27
Salaries of Other Professional Staff	11,457.59					11,457.59
Other Support Services - Employee Benefits	92,784.08					147,270.08
Purchased Professional - Technical Services				10,150.00		10,650.00
Purchased Professional - Educational Services	39,297.06					39,297.06
Transportation	2,481.35					2,481.35
Other Purchased Services (400-500 series)	34,876.00					42,998.00
Supplies & Materials	219.99					55,322.56
<b>Total Support Services</b>	<b>189,766.34</b>	<b>-</b>	<b>-</b>	<b>10,150.00</b>	<b>-</b>	<b>318,126.91</b>
Facilities Acquisitions and Construction Services:						
Non - Instructional Equipment	-					21,253.29
<b>Total Facilities Acquisitions and Const. Services:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,253.29</b>
<b>Total Outflows</b>	<b>493,311.50</b>	<b>10,653.53</b>	<b>111.18</b>	<b>10,150.00</b>	<b>24,646.09</b>	<b>999,327.02</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,056.71</b>	<b>\$ 7,056.71</b>

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT  
Special Revenue Fund  
Schedule of Preschool Education Aid  
Budgetary Basis  
For the Year Ended June 30, 2024**

<u>District-Wide Total</u>	<u>Total</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 206,209.00	\$ 157,225.89	\$ 48,983.11
Other Salaries for Instruction	88,602.00	83,038.07	5,563.93
General Supplies	80,783.00	63,281.20	17,501.80
<b>Total Instruction</b>	<u>375,594.00</u>	<u>303,545.16</u>	<u>72,048.84</u>
Support Services:			
Salaries of Supervisors of Instruction	8,651.00	8,650.27	0.73
Salaries of Other Professional Staff	11,458.00	11,457.59	0.41
Personal Services - Employee Benefits	104,837.00	92,784.08	12,052.92
Purchased Professional - Educational Services	45,000.00	39,209.56	5,790.44
Purchased Other Professional Services	6,300.00	87.50	6,212.50
Cleaning, Repairs & Maintenance	34,876.00	34,876.00	-
Contr. Transportation Service (Field Trips)	8,000.00	2,481.35	5,518.65
Miscellaneous Purchased Services	19,542.01	-	19,542.01
Supplies and Materials	219.99	219.99	-
<b>Total Support Services</b>	<u>238,884.00</u>	<u>189,766.34</u>	<u>49,117.66</u>
Facilities Acquisition and Construction Services			
Instructional Equipment	31,267.00	-	31,267.00
<b>Total Facilities Acquisition and Construction Ser.</b>	<u>31,267.00</u>	<u>-</u>	<u>31,267.00</u>
Contribution to Charter Schools			
None	-	-	-
<b>Total Expenditures</b>	<u>\$ 645,745.00</u>	<u>\$ 493,311.50</u>	<u>\$ 152,433.50</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2023-24 Preschool Education Aid Allocation	\$ 645,745.00
Add: Actual Carryover June 30, 2023	335,318.74
Add: Budgeted Transfer from the General Fund 2023-24	-
<b>Total Preschool Education Aid Funds Available</b>	<u>981,063.74</u>
Less: 2023/2024 Budgeted Preschool Education Aid - Prior Year Budget Carryover	<u>(645,745.00)</u>
<b>Available &amp; Unbudgeted Preschool Education Aid Funds, June 30, 2024</b>	<u>335,318.74</u>
Add: June 30, 2024 Unexpended Preschool Education Aid	152,433.50
<b>2023-2024 Carryover - Preschool Education Aid</b>	<u>\$ 487,752.24</u>
<b>2023-24 Preschool Education Carryover Budgeted for Preschool Programs 2024-2025</b>	<u>\$ 167,659.00</u>



## Long-term Debt Schedules

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding and the outstanding principal balance on capital leases.



**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Schedule of General Serial Bonds**  
**As of June 30, 2024**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance June 30, 2023	Decreased	Balance June 30, 2024
			As of June 30, 2024	Amount	Date				
School Bonds	9/1/2010	\$ 2,900,000	225,000	225,000	9/1/2024	4.000%	\$ 1,175,000.00	\$ 225,000.00	\$ 950,000.00
			225,000	225,000	9/1/2025	4.000%			
			250,000	250,000	9/1/2026	4.000%			
			250,000	250,000	9/1/2027	4.000%			
							<u>\$ 1,175,000.00</u>	<u>\$ 225,000.00</u>	<u>\$ 950,000.00</u>

**BOROUGH OF LAWN SIDE SCHOOL DISTRICT**  
**Schedule of Obligations Under Capital Lease**  
**As of June 30, 2024**

Description	Amount of Original Issue	Balance June 30, 2023	Issued Current Year	Retired Current Year	Balance June 30, 2024
Office Equipment	\$ 5,211.48	\$ -	\$ 5,211.48	\$ 943.15	\$ 4,268.33
			<u>\$ 5,211.48</u>	<u>\$ 943.15</u>	<u>\$ 4,268.33</u>

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 267,500.00	\$ -	\$ 267,500.00	\$ 267,500.00	\$ -
Total - State Sources	-	-	-	-	-
Total Revenues	267,500.00	-	267,500.00	267,500.00	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	42,500.00	-	42,500.00	42,500.00	-
Redemption of Principal	225,000.00	-	225,000.00	225,000.00	-
Total Regular Debt Service	267,500.00	-	267,500.00	267,500.00	-
Total Expenditures	267,500.00	-	267,500.00	267,500.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1, 2023	2.57	-	2.57	2.57	-
Fund Balance, June 30, 2024	\$ 2.57	\$ -	\$ 2.57	\$ 2.57	\$ -



## **Statistical Section**



**BOROUGH OF LAWNHIDE SCHOOL DISTRICT**  
**Net Assets by Component,**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)  
 (Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 4,030,987.00	\$ 3,917,503.00	\$ 3,819,437.00	\$ 3,733,934.00	\$ 3,674,945.00	\$ 3,755,886.00	\$ 4,249,887.00	\$ 4,377,854.00	\$ 5,407,080.00	\$ 6,241,939.60
Restricted	655,956.00	649,175.00	684,700.00	493,778.00	661,182.00	2,282,029.00	2,501,824.00	1,925,084.00	2,986,399.00	4,065,015.58
Unrestricted	(676,510.00)	(759,365.00)	(949,696.00)	(1,215,662.00)	(1,014,483.00)	(984,179.00)	(631,457.00)	1,620,110.00	1,119,215.00	(1,304,671.94)
<b>Total governmental activities net assets</b>	<b>\$ 4,010,433.00</b>	<b>\$ 3,807,293.00</b>	<b>\$ 3,554,441.00</b>	<b>\$ 3,012,150.00</b>	<b>\$ 3,321,644.00</b>	<b>\$ 5,053,736.00</b>	<b>\$ 6,120,254.00</b>	<b>\$ 7,923,048.00</b>	<b>\$ 9,512,694.00</b>	<b>\$ 9,002,283.24</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 39,103.00	\$ 36,172.00	\$ 40,419.00	\$ 56,699.00	\$ 83,956.00	\$ 75,205.00	\$ 66,451.00	\$ 103,012.00	\$ 113,263.00	\$ 98,806.91
Restricted	43,985.00	70,306.00	80,795.00	52,309.00	18,966.00	62,716.00	107,382.00	78,129.00	57,064.00	(8,847.08)
Unrestricted	(83,089.00)	(106,478.00)	(121,214.00)	(109,008.00)	(102,924.00)	(137,921.00)	(173,833.00)	(181,141.00)	(170,327.00)	(89,959.83)
<b>Total business-type activities net assets</b>	<b>\$ 4,070,090.00</b>	<b>\$ 3,953,675.00</b>	<b>\$ 3,859,856.00</b>	<b>\$ 3,790,633.00</b>	<b>\$ 3,758,903.00</b>	<b>\$ 3,831,091.00</b>	<b>\$ 4,316,338.00</b>	<b>\$ 4,480,866.00</b>	<b>\$ 5,520,343.00</b>	<b>\$ 6,340,746.51</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	655,956.00	649,175.00	684,700.00	493,778.00	661,182.00	2,282,029.00	2,501,824.00	1,925,084.00	2,986,399.00	4,065,015.58
Restricted	(632,524.00)	(689,079.00)	(868,901.00)	(1,163,253.00)	(985,517.00)	(921,463.00)	(524,075.00)	1,688,239.00	1,178,279.00	(1,313,519.02)
Unrestricted	(4,093,522.00)	(3,913,771.00)	(3,675,655.00)	(3,121,158.00)	(3,424,566.00)	(5,191,657.00)	(6,294,087.00)	(8,104,189.00)	(9,683,021.00)	(9,092,243.07)
<b>Total district net assets</b>	<b>\$ 4,070,090.00</b>	<b>\$ 3,953,675.00</b>	<b>\$ 3,859,856.00</b>	<b>\$ 3,790,633.00</b>	<b>\$ 3,758,903.00</b>	<b>\$ 3,831,091.00</b>	<b>\$ 4,316,338.00</b>	<b>\$ 4,480,866.00</b>	<b>\$ 5,520,343.00</b>	<b>\$ 6,340,746.51</b>

Source: Schedule A-1

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Changes in Net Assets,**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(Unaudited)**

Exhibit J-2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental activities:										
Instruction:										
Regular	\$ 2,999,836.00	\$ 1,876,142.00	\$ 1,990,019.00	\$ 1,970,948.00	\$ 1,856,278.00	\$ 1,800,334.00	\$ 2,019,321.00	\$ 2,408,515.00	\$ 2,370,110.00	\$ 2,726,062.83
Special education	475,758.00	461,294.00	300,278.00	355,519.00	373,727.00	338,101.00	335,375.00	308,603.00	359,175.00	1,586,025.59
Other special education	141,566.00	130,997.00	74,572.00	44,191.00	16,389.00	17,733.00	1,794.00	13,713.00	7,354.00	20,159.99
Support Services:										
Tuition	2,946,993.00	2,779,592.00	2,495,595.00	3,045,223.00	3,072,605.00	2,870,511.00	3,338,246.00	3,130,605.00	3,017,888.00	3,190,938.25
Student & instruction related services	1,036,070.00	1,021,566.00	916,227.00	927,885.00	833,880.00	902,090.00	1,134,036.00	1,705,199.00	1,933,205.00	3,771,214.37
General administrative services	148,023.00	156,035.00	141,601.00	148,741.00	145,614.00	145,667.00	162,766.00	175,337.00	186,174.00	106,012.93
School administrative services	508,579.00	425,534.00	444,301.00	430,338.00	457,481.00	390,382.00	364,041.00	468,897.00	470,224.00	417,317.30
Central services	-	-	-	-	-	-	-	-	-	225,782.98
Plant operations and maintenance	620,841.00	590,951.00	567,525.00	462,351.00	451,462.00	482,083.00	495,623.00	579,689.00	672,800.00	879,589.75
Pupil transportation	305,509.00	404,629.00	671,010.00	626,615.00	670,087.00	355,235.00	339,842.00	635,342.00	564,788.00	792,844.12
Unallocated Benefits	55,292.00	1,777,258.00	3,657,224.00	3,092,450.00	2,619,750.00	2,233,109.00	2,909,812.00	2,035,187.00	1,651,177.00	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Cost of Issuance on Long Term Debt	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	123,832.00	123,766.00	120,016.00	115,641.00	110,516.00	104,641.00	98,016.00	91,032.00	83,298.00	72,993.89
Unallocated Depreciation	218,233.00	218,702.00	213,212.00	212,901.00	211,086.00	213,472.00	247,948.00	269,084.00	267,153.00	-
Total governmental activities expenses	9,580,534.00	9,966,466.00	11,591,580.00	11,432,202.00	10,818,875.00	9,653,358.00	11,446,820.00	11,818,203.00	11,583,346.00	13,788,942.10
Business-type activities:										
Food service	170,504.00	187,106.00	229,296.00	259,205.00	244,608.00	224,481.00	267,369.00	362,579.00	372,833.00	413,786.01
Total business-type activities expenses	170,504.00	187,106.00	229,296.00	259,205.00	244,608.00	224,481.00	267,369.00	362,579.00	372,833.00	413,786.01
Total district expenses	\$ 9,751,038.00	\$ 10,153,572.00	\$ 11,820,876.00	\$ 11,691,411.00	\$ 11,063,483.00	\$ 10,077,839.00	\$ 11,714,209.00	\$ 12,180,782.00	\$ 11,956,179.00	\$ 14,202,728.11

**BOROUGH OF LAWN SIDE SCHOOL DISTRICT**  
**Changes in Net Assets,**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(Unaudited)**

Exhibit J-2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,017.00	\$ 30,982.00	\$ 24,557.84
Operating grants and contributions	1,476,765.00	1,599,136.00	2,994,205.00	2,440,609.00	2,010,406.00	1,816,292.00	2,635,658.00	1,878,247.00	1,952,156.00	1,664,752.83
Capital grants and contributions	-	-	-	-	-	-	-	192,775.00	275,227.00	-
Total governmental activities program revenues	1,476,765.00	1,599,136.00	2,994,205.00	2,440,609.00	2,010,406.00	1,816,292.00	2,635,658.00	2,098,039.00	2,258,385.00	1,689,310.77
Business-type activities:										
Charges for services:										
Food service	35,933.00	37,770.00	24,329.00	23,287.00	22,548.00	15,711.00	1,130.00	1,878.00	19,142.00	16,830.40
Operating grants and contributions	134,222.00	172,710.00	219,661.00	223,701.00	215,965.00	243,765.00	302,168.00	368,007.00	342,864.00	316,588.87
Total business-type activities program revenue	170,155.00	210,480.00	244,010.00	246,988.00	238,513.00	259,476.00	303,298.00	369,885.00	362,006.00	333,419.27
Total district program revenue	1,646,920.00	1,809,616.00	3,238,215.00	2,687,597.00	2,248,919.00	2,075,768.00	2,938,956.00	2,467,924.00	2,620,371.00	2,022,730.04
<b>Net (Expense)/Revenue</b>										
Governmental activities	(8,103,769.00)	(8,367,330.00)	(8,597,375.00)	(8,991,593.00)	(8,808,469.00)	(8,037,066.00)	(8,811,162.00)	(9,720,164.00)	(9,324,981.00)	(12,099,631.33)
Business-type activities	(349.00)	23,374.00	14,714.00	(12,221.00)	(6,095.00)	34,955.00	35,909.00	7,306.00	(10,827.00)	(80,366.74)
Total district-wide net expense	\$ (8,104,118.00)	\$ (8,343,956.00)	\$ (8,582,661.00)	\$ (9,003,814.00)	\$ (8,814,564.00)	\$ (8,002,071.00)	\$ (8,775,253.00)	\$ (9,712,858.00)	\$ (9,335,808.00)	\$ (12,179,998.07)

**BOROUGH OF LAWNESIDE SCHOOL DISTRICT**  
**Changes in Net Assets,**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(Unaudited)**

Exhibit J-2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 4,063,082.00	\$ 4,177,499.00	\$ 4,261,049.00	\$ 4,346,270.00	\$ 4,628,148.00	\$ 4,720,712.00	\$ 4,815,125.00	\$ 4,799,675.00	\$ 4,799,675.00	\$ 4,896,689.00
Taxes levied for debt service	215,005.00	215,032.00	211,282.00	232,157.00	252,281.00	271,656.00	290,282.00	283,390.00	275,938.00	267,500.00
Unrestricted grants and contributions	3,727,754.00	3,740,025.00	3,817,968.00	3,815,070.00	4,150,063.00	4,323,283.00	4,680,378.00	6,368,333.00	5,866,657.00	6,272,682.28
Tuition revenue	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	23,526.00	31,635.00	54,226.00	55,805.00	87,473.00	453,507.00	64,150.00	71,559.00	152,358.00	153,368.56
Prior Year Grant Revenue Cancelled	-	-	-	-	-	-	-	-	-	-
Adjustment to Fixed Assets	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>8,029,367.00</u>	<u>8,164,191.00</u>	<u>8,344,525.00</u>	<u>8,449,302.00</u>	<u>9,117,965.00</u>	<u>9,769,158.00</u>	<u>9,749,895.00</u>	<u>11,522,957.00</u>	<u>10,914,628.00</u>	<u>11,589,219.84</u>
Business-type activities:										
Investment Earnings	19.00	15.00	22.00	16.00	11.00	1.00	4.00	2.00	13.00	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>19.00</u>	<u>15.00</u>	<u>22.00</u>	<u>16.00</u>	<u>11.00</u>	<u>1.00</u>	<u>4.00</u>	<u>2.00</u>	<u>13.00</u>	<u>-</u>
Total district-wide	<u>8,029,386.00</u>	<u>8,164,206.00</u>	<u>8,344,547.00</u>	<u>8,449,318.00</u>	<u>9,117,976.00</u>	<u>9,769,159.00</u>	<u>9,749,939.00</u>	<u>11,522,959.00</u>	<u>10,914,641.00</u>	<u>11,589,219.84</u>
Changes in Net Assets										
Governmental activities	(74,402.00)	(203,139.00)	(252,850.00)	(542,291.00)	309,496.00	1,732,092.00	838,773.00	1,802,783.00	1,589,647.00	(510,411.49)
Business-type activities	(330.00)	23,389.00	14,736.00	(12,205.00)	(6,084.00)	34,996.00	35,913.00	7,308.00	(10,814.00)	(80,366.74)
Total district	<u>(74,732.00)</u>	<u>(179,750.00)</u>	<u>(238,114.00)</u>	<u>(554,496.00)</u>	<u>303,412.00</u>	<u>1,767,088.00</u>	<u>874,686.00</u>	<u>1,810,101.00</u>	<u>1,578,833.00</u>	<u>(590,778.23)</u>

Source: Schedule A-2

**BOROUGH OF LAWNDSIDE SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(Unaudited)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Reserved	\$ 698,511.00	\$ 703,293.00	\$ 724,227.00	\$ 555,669.00	\$ 699,043.00	\$ 2,355,525.00	\$ 2,541,238.00	\$ 2,024,442.00	\$ 4,302,336.00	\$ 4,001,926.68
Unreserved	276,172.00	283,649.00	310,559.00	76,510.00	321,898.00	334,651.00	625,355.00	2,616,604.00	442,876.00	(109,242.42)
Total general fund	\$ 974,683.00	\$ 986,942.00	\$ 1,034,786.00	\$ 632,179.00	\$ 1,020,941.00	\$ 2,690,176.00	\$ 3,166,593.00	\$ 4,641,046.00	\$ 4,745,212.00	\$ 3,892,684.26
All Other Governmental Funds										
Reserved	\$ -	\$ 1.00	\$ 1.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 45,238.00	\$ 48,729.00	\$ 56,035.00	\$ 2.57
Unreserved, reported in:										
Special revenue fund	-	-	(7,733.00)	(7,071.00)	(7,503.00)	(8,159.00)	(7,054.00)	(11,258.00)	291,486.00	63,088.90
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ -	\$ 1.00	\$ (7,732.00)	\$ (7,069.00)	\$ (7,501.00)	\$ (8,157.00)	\$ 38,184.00	\$ 37,471.00	\$ 347,521.00	\$ 63,091.47

Source: Schedule B-1

**BOROUGH OF LAWNDSIDE SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax Levy	4,278,087.00	4,392,531.00	4,472,331.00	4,578,427.00	4,880,429.00	4,992,368.00	5,105,407.00	5,083,065.00	5,075,613.00	5,163,168.00
Miscellaneous	36,452.00	37,448.00	57,894.00	55,805.00	94,461.00	453,507.00	76,300.00	98,577.00	183,340.00	209,629.20
State sources	4,250,711.00	4,388,827.00	4,558,269.00	4,725,518.00	5,118,470.00	5,357,744.00	5,682,104.00	7,685,384.00	6,857,232.00	7,890,737.10
Federal sources	500,460.00	293,419.00	345,225.00	306,011.00	314,286.00	311,486.00	464,160.00	762,167.00	1,356,742.00	581,912.31
Total revenue	9,065,710.00	9,112,217.00	9,433,719.00	9,665,761.00	10,407,656.00	11,115,105.00	11,327,971.00	13,629,193.00	13,472,927.00	13,845,447.61
<b>Expenditures</b>										
Instruction:										
Regular instruction	2,706,512.00	1,830,121.00	1,957,955.00	1,947,871.00	1,833,501.00	1,781,102.00	2,015,848.00	2,387,917.00	2,351,296.00	1,910,340.69
Special education instruction	422,955.00	440,903.00	300,278.00	355,518.00	373,727.00	338,101.00	335,375.00	308,603.00	359,175.00	1,111,437.73
Other special education instruction	141,566.00	130,997.00	74,572.00	44,191.00	16,389.00	17,733.00	1,794.00	13,713.00	7,354.00	14,127.50
Support Services:										
Tuition	2,616,286.00	2,605,891.00	2,371,966.00	2,889,929.00	2,967,538.00	2,685,916.00	3,127,940.00	2,875,207.00	2,780,210.00	3,024,815.25
Student & instruction related services	1,000,597.00	980,784.00	916,227.00	927,885.00	833,880.00	902,090.00	1,134,037.00	1,705,199.00	1,933,205.00	2,642,750.53
General administrative services	234,533.00	151,522.00	139,224.00	148,408.00	145,236.00	145,542.00	162,641.00	175,212.00	186,111.00	349,916.90
School administrative services	503,815.00	424,073.00	444,301.00	430,338.00	457,481.00	390,382.00	364,041.00	465,897.00	470,224.00	88,890.91
Business / Central services	-	-	-	-	-	-	-	-	-	189,317.04
Plant operations and maintenance	620,841.00	570,559.00	567,525.00	462,351.00	451,462.00	482,083.00	495,623.00	579,689.00	672,800.00	737,528.26
Pupil transportation	305,509.00	404,629.00	671,010.00	626,615.00	670,087.00	355,235.00	339,842.00	635,342.00	564,788.00	792,844.12
Unallocated Benefits	55,292.00	1,105,756.00	1,557,758.00	1,767,054.00	1,877,694.00	1,743,339.00	1,899,698.00	2,242,125.00	2,094,700.00	2,676,230.49
Special Schools										
Capital outlay	106,018.00	31,004.00	22,894.00	155,294.00	105,067.00	113,770.00	520,547.00	192,775.00	1,090,255.00	1,010,573.86
Transfer to Charter Schools	192,806.00	173,701.00	123,629.00	155,294.00	105,067.00	184,595.00	210,306.00	255,398.00	237,678.00	166,123.00
Debt service:										
Principal	125,000.00	125,000.00	125,000.00	150,000.00	175,000.00	200,000.00	225,000.00	225,000.00	225,000.00	225,000.00
Interest and other charges	125,082.00	125,016.00	121,266.00	117,141.00	112,266.00	106,641.00	100,266.00	93,376.00	85,923.00	42,500.00
Total Expenditures	9,156,812.00	9,099,958.00	9,393,605.00	10,022,595.00	10,019,328.00	9,446,529.00	10,932,958.00	12,155,453.00	13,058,719.00	14,982,398.28
Excess (Deficiency) of revenues over (under) expenditures	(91,102.00)	12,261.00	40,114.00	(356,834.00)	388,328.00	1,668,576.00	395,013.00	1,473,740.00	414,208.00	(1,136,948.67)
<b>Other Financing Sources (Uses)</b>										
Transfers Out	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-	-
Prior Year Grant Revenue Cancelled	-	-	-	(45,109.00)	-	-	-	-	-	-
Capital Leases / Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(45,109.00)	-	-	-	-	-	-
Net change in fund balances	(91,102.00)	12,261.00	40,114.00	(401,943.00)	388,328.00	1,668,576.00	395,013.00	1,473,740.00	414,208.00	(1,136,948.67)
Debt service as a percentage of noncapital expenditures	2.76%	2.76%	2.63%	2.67%	2.87%	3.29%	3.12%	2.66%	2.60%	1.91%

Source: Schedule B-2

**BOROUGH OF LAWNESIDE SCHOOL DISTRICT**  
**General Fund Other Local Revenue by Source,**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year Ended June 30,	Interest on Investments	Refunds of Prior Year Expenses	Energy Savings	Interest On		Tuition	Miscellaneous	Totals
				Maintenance Reserve				
2015	1,055.00	16,244.00					6,228.00	23,527.00
2016	784.00	26,235.00					4,615.00	31,634.00
2017	1,016.00	53,210.00						54,226.00
2018	822.00	47,138.00		43.31			7,802.00	55,805.31
2019	148.00	34,631.00		4.00			52,689.00	87,472.00
2020	191.00	417,107.00		5.00			36,204.00	453,507.00
2021	241.00	25,919.00	27,000.00	31.00			10,952.00	64,143.00
2022	298.00	15,117.00	24,000.00				32,145.00	71,560.00
2023	473.00	41,290.00	36,569.00				74,026.00	152,358.00
2024				100.00		24,557.84	153,268.56	177,926.40

Source: District Records

**BOROUGH OF LAWNHIDE SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	O Farm	Commercial	Industrial	Apartment	Total Assessed Value	Memo Only Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2015	3,857,400	134,389,500	-	-	55,513,500	15,811,100	4,621,800	214,193,300	21,198,800	334,869	214,528,169	2.021	214,528,169
2016	3,813,500	134,198,900	-	-	55,014,500	15,736,100	4,603,300	213,566,300	21,235,000	353,222	213,919,522	2.072	213,919,522
2017	3,678,200	134,324,900	-	-	55,074,900	15,736,100	4,803,300	213,617,400	21,472,300	338,426	213,955,826	2.115	213,955,826
2018	3,865,900	134,086,600	-	-	53,502,400	14,330,900	4,991,000	210,776,800	21,655,800	362,785	211,139,585	2.239	211,139,585
2019	4,241,300	133,010,300	-	-	54,303,300	14,330,900	4,991,000	210,876,800	21,970,300	371,139	211,247,939	2.337	211,247,939
2020	4,314,100	133,270,300	-	-	53,051,000	14,330,900	4,991,000	209,957,300	21,704,500	365,871	210,323,171	2.401	210,323,171
2021	4,335,400	133,521,200	-	-	51,176,000	14,391,900	4,991,000	208,354,500	21,704,500	386,403	208,740,903	2.446	208,740,903
2022	4,115,000	134,847,000	-	-	51,168,500	14,380,900	5,108,500	209,630,900	66,512,100	389,584	210,020,484	2.413	210,020,484
2023	4,048,900	135,795,600	-	-	51,118,500	14,380,900	5,108,500	210,452,400	66,715,500	-	210,452,400	2.433	210,452,400
2024	3,923,700	135,601,100	-	-	57,032,000	14,366,000	5,108,500	216,031,300	69,551,800	74	216,031,374	2.411	216,031,374

r = reassessment

Source: County Abstract of Rates and Municipal Tax Assessor

Exhibit J-7

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*  
**(Unaudited)**

Fiscal Year Ended June 30,	BOROUGH OF LAWNSIDE SCHOOL DISTRICT			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Local School	General Obligation Debt Service	Total Direct	Camden County	Municipal Local Purpose		
2015	1.921	0.100	2.021	0.938	0.947	3.906	
2016	1.971	0.101	2.072	0.900	0.947	3.919	
2017	2.016	0.099	2.115	0.955	0.946	4.016	
2018	2.125	0.114	2.239	0.898	0.947	4.084	
2019	2.216	0.121	2.337	0.883	0.947	4.167	
2020	2.270	0.131	2.401	0.884	0.951	4.236	
2021	2.307	0.139	2.446	0.853	1.123	4.422	
2022	2.278	0.135	2.413	0.791	1.186	4.390	
2023	2.301	0.132	2.433	0.773	1.308	4.514	
2024	2.280	0.131	2.411	0.884	1.416	4.711	

Source: District Records and Municipal Tax Collector

**BOROUGH OF LAWNDSIDE SCHOOL DISTRICT**  
**Principal Property Tax Payers,**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

**Exhibit J-8**

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
MCBUH Lawnside LLC	13,434,700.00	1	6.22%	12,344,900.00	2	5.75%
Edison Corp % BT-Newyo LLC Tax Dept	13,200,000.00	2	6.11%	14,605,200.00	1	6.81%
The Four B's	9,825,000.00	3	4.55%	10,500,000.00	3	4.89%
Golden Fountain Realty Inc.	4,820,700.00	4	2.23%	4,820,700.00	5	2.25%
Seven Hills Realty Associates LP	3,700,000.00	5	1.71%	7,363,100.00	4	3.43%
Extra Space C/O Paradi Tax ESS0821	2,931,700.00	6	1.36%	2,931,700.00	6	1.37%
Streamwood Assoc/Lawnside, LLC	2,779,500.00	7	1.29%	2,779,500.00	7	1.30%
Streamwood Assoc/Lawnside, LLC	1,375,900.00	8	0.64%	1,375,900.00	9	0.64%
Lawnside Two Assoc.LP Managmt	1,317,800.00	9	0.61%	1,400,000.00	8	0.65%
The Four B's	1,005,900.00	10	0.47%	1,005,900.00	10	0.47%
<b>Totals</b>	<b>\$ 54,391,200.00</b>		<b>25.18%</b>	<b>\$ 59,126,900.00</b>		<b>27.56%</b>
	District Assessed Value		\$ 216,031,374.00			\$ 214,528,169.00

Source: District ACFR & Municipal Tax Assessor

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Property Tax Levies and Collections,**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	4,278,087.00	4,078,451.00	95%	199,636.00
2016	4,392,531.00	4,592,167.00	105%	-
2017	4,472,331.00	4,432,431.00	99%	39,900.00
2018	4,578,427.00	4,618,327.00	101%	-
2019	4,880,429.00	4,880,429.00	100%	-
2020	4,992,368.00	4,576,337.00	92%	416,031.00
2021	5,105,407.00	5,105,407.00	100%	-
2022	5,083,065.00	5,083,065.00	100%	-
2023	5,075,613.00	4,252,018.00	84%	823,595.00
2024	4,895,669.00	\$ 4,895,669.00	100%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type,**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Loans	Capital Leases	Bond / Grant Anticipation Notes (BANs)			
2015	2,625,000.00	500,000.00			3,125,000.00	2.23%	1,071
2016	2,500,000.00				2,500,000.00	1.73%	856
2017	2,375,000.00				2,375,000.00	1.57%	813
2018	2,225,000.00				2,225,000.00	1.42%	769
2019	2,050,000.00				2,050,000.00	1.28%	711
2020	1,850,000.00				1,850,000.00	1.09%	643
2021	1,625,000.00				1,625,000.00	0.84%	518
2022	1,440,000.00				1,440,000.00	0.72%	438
2023	1,175,000.00				1,175,000.00	Unavailable	Unavailable
2024	950,000.00		4,268.33		954,268.33	Unavailable	Unavailable

Source: Schedules I-1, I-2

\* = Per Capital Income data presented is for the entire County of Camden, not only for the Borough of Lawnside

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding,**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Exhibit J-11**

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions			
2015	3,125,000.00	-	3,125,000.00	1.46%	48,084
2016	2,500,000.00	-	2,500,000.00	1.17%	49,392
2017	2,375,000.00	-	2,375,000.00	1.11%	51,878
2018	2,225,000.00	-	2,225,000.00	1.05%	54,103
2019	2,050,000.00	-	2,050,000.00	0.97%	55,780
2021	1,850,000.00	-	1,850,000.00	0.88%	58,830
2021	1,625,000.00	-	1,625,000.00	0.78%	61,642
2022	1,440,000.00	-	1,440,000.00	0.69%	60,489
2023	1,175,000.00	-	1,175,000.00	0.56%	Unavailable
2024	950,000.00	-	950,000.00	0.44%	Unavailable

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt,**  
**As of December 31, 2023**  
**(Unaudited)**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Local Municipality	4,825,522.22	100.00%	\$ 4,825,522.22
<b>Other Debt</b>			
County of Camden	472,941,249.45	0.50%	2,361,394.59
Subtotal, Overlapping Debt			7,186,916.81
<b>BOROUGH OF LAWNSIDE School District Direct Debt</b>	950,000.00	100.00%	<u>950,000.00</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 8,136,916.81</u></u>

Sources: Annual Debt Statement

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Exhibit J-13**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 7,049,967.00	\$ 6,836,732.00	\$ 6,727,239.00	\$ 6,572,440.00	\$ 6,544,603.00	\$ 6,456,083.00	\$ 6,436,933.00	\$ 6,389,486.00	\$ 6,444,592.00	\$ 5,951,800.47
Total net debt applicable to limit	3,125,000.00	2,500,000.00	2,375,000.00	2,225,000.00	2,050,000.00	1,850,000.00	1,625,000.00	1,440,000.00	1,175,000.00	950,000.00
Legal debt margin	\$ 3,924,967.00	\$ 4,336,732.00	\$ 4,352,239.00	\$ 4,347,440.00	\$ 4,494,603.00	\$ 4,608,083.00	\$ 4,811,933.00	\$ 4,949,486.00	\$ 5,269,592.00	\$ 5,001,800.47

	2023	2022	2021
Equalized valuation basis	\$ 280,790,394.00	\$ 224,444,218.00	\$ 208,981,444.00
Average equalized valuation of taxable property	\$ 238,072,018.67		
Debt limit (2.5% of average)	5,951,800.47		
Net bonded school debt	950,000.00		
Legal debt margin	\$ 5,001,800.47		

Total net debt applicable to the limit as a percentage of debt limit	44.33%	36.57%	35.30%	33.85%	31.32%	28.65%	25.24%	22.54%	18.23%	15.96%
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**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Demographic and Economic Statistics,**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Exhibit J-14**

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2015	2,919	140,357.20	48,084	10.10%
2016	2,920	144,224.64	49,392	7.90%
2017	2,920	151,483.76	51,878	8.20%
2018	2,894	156,574.08	54,103	7.50%
2019	2,882	160,757.96	55,780	5.80%
2020	2,875	169,136.25	58,830	12.20%
2021	3,139	193,494.24	61,642	8.70%
2022	3,289	198,948.32	60,489	6.10%
2023	3,301	Unavailable	Unavailable	7.40%
2024	Unavailable	Unavailable	Unavailable	Unavailable

Source : New Jersey Department of Labor

**BOROUGH OF LAWN SIDE SCHOOL DISTRICT**  
**Principal Employers,**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

**Exhibit J-15**

Employer	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Totals	-		Not Available	-		Not Available

**DATA NOT AVAILABLE**

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Full-Time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Exhibit J-16

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Function/Program</b>										
Instruction:										
Regular instruction	23	24	24	24	24	24	24	29	41	N/A
Special education instruction	12	13	13	13	13	13	5	6	9	N/A
Support Services:										
Student & instruction related services	9	10	11	10	10	7	15	10	3	N/A
School administrative services	2	2	2	2	2	2	6	5	5	N/A
Business administrative services	1	1	2	2	2	2	2	2	3	N/A
Plant operations and maintenance / Security	5	5	5	4	4	4	4	2	2	N/A
<b>Total</b>	<b>53</b>	<b>56</b>	<b>56</b>	<b>54</b>	<b>54</b>	<b>52</b>	<b>56</b>	<b>54</b>	<b>63</b>	<b>-</b>

Source: District Personnel Records

Exhibit J-17

**BOROUGH OF LAWNDSIDE SCHOOL DISTRICT**  
**Operating Statistics,**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio		Average		% Change in	Student Attendance Percentage
						Elementary School	Ratio	Daily Enrollment (ADE)	Daily Attendance (ADA)		
2014	285	8,385,233.00	29,422	-1.31%	29	1:10	276	258	4.11%	93.59%	
2015	286	8,835,697.00	30,894	5.00%	35	1:8	293	266	6.12%	90.78%	
2016	317	8,853,922.00	27,930	-9.59%	37	1:12	317	277	8.19%	87.38%	
2017	318	9,159,432.00	28,803	3.13%	37	1:12	317	279	0.00%	88.01%	
2018	312	9,790,439.00	31,380	8.94%	36	1:12	312	290	-1.58%	92.95%	
2019	311	9,767,047.00	31,405	0.08%	36	1:12	311	287	-0.32%	92.22%	
2020	309	9,061,103.00	29,324	-6.63%	30	1:10	309	289	-0.64%	93.53%	
2021	334	10,122,129.00	30,306	3.35%	29	1:11	319	267	3.24%	83.70%	
2022	345	11,679,287.00	33,853	11.70%	29	1:12	319	289	0.13%	90.54%	
2023	354	11,692,527.00	33,030	-2.43%	41	1:13	329	303	3.01%	92.10%	
2024	348	12,627,014.28	36,285	19.73%	N/A	N/A	N/A	N/A	N/A	N/A	

Source: District records

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**School Building Information,**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Exhibit J-18**

	2015	2016	2017	2018	2019	2020	2020	2020	2022	2023	2024
<b>District Buildings</b>											
<b>Elementary</b>											
Lawnside Elementary (1974)	60,110	60,110	60,110	60,110	60,110	60,110	60,110	60,110	60,110	60,110	60,110
Square Feet	496	496	496	496	496	496	496	496	496	496	496
Capacity (students)	286	317	318	312	311	309	334	345	354	348	348
Enrollment											

Number of Schools at June 30, 2024  
 Elementary - 1  
 Middle - 0  
 Other - 0

Source: District Records, ASSA

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**General Fund**  
**Schedule of Required Maintenance for School Facilities,**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Undistributed Expenditures - Required Maintenance for School Facilities**

School Facilities	School #	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Lawnside Elementary School	2560	\$ 77,000.00	\$ 62,254.00	\$ 87,920.00	\$ 66,059.00	\$ 58,520.00	\$ 62,797.00	\$ 60,044.00	\$ 75,380.00	\$ 64,144.00	\$ 27,664.33
Total School Facilities		77,000.00	62,254.00	87,920.00	66,059.00	58,520.00	62,797.00	60,044.00	75,380.00	64,144.00	27,664.33

Source: District Records

Source: District Records

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Insurance Schedule**  
**For the Fiscal Year ended June 30, 2024**  
**(Unaudited)**

**Exhibit J-20**

Company	Type of Coverage	Amount of Coverage	Deductible
<b>School Package Policy</b>			
	Real & Personal Property	(1) \$ 500,000,000.00	\$ 1,000.00
	Extra Expense - Blanket	(1) 50,000,000.00	1,000.00
	Valuable Papers Blanket	(1) 10,000,000.00	1,000.00
	Demolition & Increased Cost of Construction	(1) 25,000,000.00	N/A
	Pollutant Cleanup and Removal	(1) 250,000.00	N/A
	Accounts Receivable	(1) 250,000.00	N/A
	Flood Zones	(2) 75,000,000.00	10,000.00
	Special Flood Hazard	(2) 25,000,000.00	500,000.00
	Earthquake	(2) 50,000,000.00	N/A
	Terrorism	(2) 1,000,000.00	N/A
	Electronic Data Processing	(1) 300,000.00	1,000.00
	Equipment Breakdown	100,000,000.00	1,000.00
	Faithful Performance	250,000.00	1,000.00
	Forgery & Alteration	25,000.00	500.00
	Money & Securities	25,000.00	500.00
	Computer Fraud	25,000.00	500.00
	Money Orders/Counterfeit	10,000.00	500.00
	Bodily Injury & Property Damage	6,000,000.00	N/A
	Products & Completed Operations	(2) 6,000,000.00	N/A
	Sexual Abuse	(2) 6,000,000.00	N/A
	Personal & Advertising Injury	(2) 6,000,000.00	N/A
	Employee Benefits Liability	(2) 6,000,000.00	1000
	Premises Medical Payments	(3) 10,000.00	N/A
	Automobile Liability	(3) 6,000,000.00	N/A
	Workers' Compensation	(4) 2,000,000.00	
	Errors & Omissions	6,000,000.00	5,000.00
<b>Bonds:</b>			
	Board Secretary	90,000.00	500.00
	Treasurer	200,000.00	1,000.00

- (1) Limit Each Occurrence, No Annual Aggregate
- (2) Limit Each Occurrence, Annual Aggregated
- (3) Per Claim / Annual Aggregate
- (4) Each Accident

## **Single Audit Section**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

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K-1

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable President and  
Members of the Board of Education  
Borough of Lawnside School District  
County of Camden, New Jersey

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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Lawnside School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Borough of Lawnside School District's basic financial statements, and have issued our report thereon dated February 14, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Borough of Lawnside School District's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Lawnside School 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. We have identified the finding listed as FINDING #2024-1 as a significant deficiency.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Lawnside School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

February 14, 2025



# FORD - SCOTT

& ASSOCIATES, L.L.C.

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K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND NEW JERSEY OMB'S CIRCULAR 15-08**

Honorable President and  
Members of the Board of Education  
Borough of Lawnside School District  
County of Camden, New Jersey

## **Report on Compliance for Each Major Federal & State Program**

### **Opinion on Each Major Federal & State Program**

We have audited the Borough of Lawnside School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Borough of Lawnside School District's major federal and state programs for the year ended June 30, 2024. The Borough of Lawnside School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Lawnside School 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 federal and state programs for the year ended June 30, 2024.

### **Basis for Opinion on Each Major Federal & State Program**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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) and NJ OMB 15-08. 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 Borough of Lawnside School 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 opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Lawnside School District's compliance with the 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 its Federal and State programs.

## Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough of Lawnside School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 Borough of Lawnside School District's compliance with the requirements of each major federal or state 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 Borough of Lawnside School 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 Borough of Lawnside School District's internal control over compliance relevant to the audit 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 and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of Borough of Lawnside's School 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.

## Other Matters

We have not identified any instances of noncompliance which is required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

## Report on Internal Control Over Compliance

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

material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 have not been 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 and NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

February 14, 2025

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Federal FAIN Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2023		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures		(Accounts Receivable) at June 30, 2024	Deferred Revenue	Due to Grantor at June 30, 2024
					Account Receivable	Due to Grantor			Pass Through	Source			
<b>U.S. Department of Education</b>													
<b>Passed-through State Department of Health</b>													
<b>General Fund:</b>													
Medical Assistance Program (SEMI)	93.778	2305NJ5MAP	7/1/2022	249.47 \$	\$	\$	249.47 \$	(249.47) \$				\$	
Cares Act Semi	93.778	2305NJ5MAP	7/1/2022	1,059.00			1,059.00	(1,059.00)					
<b>Total General Fund</b>				<b>1,308.47</b>			<b>1,308.47</b>	<b>(1,308.47)</b>					
<b>U.S. Department of Education</b>													
<b>Passed-Through State Department</b>													
<b>Education:</b>													
<b>Special Revenue Fund:</b>													
Title I	84.010A	S010A230030	7/1/2023	169,291.00		64,122.00	11,716.00	(78,353.96)			(157,575.00)	155,059.04	
Title I	84.010A	S010A220030	7/1/2022	166,637.00	(17,047.00)	(64,122.00)	81,169.00						
Title I - SIA	84.010A	S010A220030	7/1/2022	21,400.00		(21,400.00)	21,400.00						
Title I - SIA	84.010A	S010A230030	7/1/2023	86,100.00		21,400.00	22,617.00	(44,017.44)			(63,483.00)	63,482.56	
I.D.E.A. Part B, Basic Regular	84.027A	H027A220100	7/1/2022	106,001.00	(46,699.00)	(3,157.00)	49,856.00	(108,751.00)				2.00	
I.D.E.A. Part B, Basic Regular	84.027A	H027A230100	7/1/2023	105,596.00		3,157.00	105,596.00						
I.D.E.A. Part B, Preschool	84.173A	H173A220114	7/1/2022	3,206.00		(3,206.00)	1.00				(3,205.00)	6,493.00	
I.D.E.A. Part B, Preschool	84.173A	H173A230114	7/1/2023	3,287.00	(1,169.00)	(3,206.00)	1,169.00				(3,287.00)		
ARP - I, D.E.A. Part B, Preschool	84.173X	H173X210114	7/1/2021	1,169.00									
Title IIA	84.367A	S367A220029	7/1/2022	39,983.00	(13,343.00)	(23,620.00)	10,862.00	(500.00)			(26,101.00)	42,847.00	
Title IIA	84.367A	S367A230029	7/1/2023	19,727.00		23,620.00					(19,727.00)		
ARP - ESSER	84.425U	SA25U200027	3/13/2020	1,214,887.00	(195,229.00)	(195,229.00)	406,936.00	(209,836.65)			(188,266.00)	190,136.35	
ARP - Learning Acceleration	84.425U	SA25U200027	3/13/2020	50,000.00	1,999.00						(4,618.00)	6,517.00	
ARP - Summer Learning	84.425U	SA25U200027	3/13/2020	40,000.00							(3,376.00)	3,376.00	
ARP - Beyond School Day	84.425U	SA25U200027	3/13/2020	40,000.00	(2,341.00)		2,341.00				(2,861.00)	2,861.00	
ARP - Mental Health	84.425U	SA25U200027	3/13/2020	45,000.00	16,017.00		6,164.00	(10,150.00)			(32,732.00)	44,763.00	
CRSSA - ESSER II	84.425D	SA25U210027	3/13/2020	540,566.00	(17,067.66)	(17,067.66)	36,063.33	(18,995.67)			(18,995.67)	879.47	
CRSSA - Learning Acceleration	84.425D	SA25U210027	3/13/2020	34,690.00	(1,899.00)	(1,899.00)	13,432.00	(10,653.53)			(10,653.53)		
CRSSA - Mental Health	84.425D	SA25U210027	3/13/2020	45,000.00	(4,178.00)	(4,178.00)	7,929.00	(111.18)			(111.18)	3,638.82	
<b>Total Special Revenue Fund</b>				<b>777,250.33</b>	<b>(281,056.66)</b>	<b>-</b>	<b>481,369.43</b>	<b>(481,369.43)</b>			<b>(605,231.00)</b>	<b>520,055.24</b>	<b>-</b>
<b>U.S. Department of Education</b>													
<b>Passed-through State Department</b>													
<b>of Education:</b>													
<b>Enterprise Fund:</b>													
National School Lunch Program	10.555	231NJ304N1099	7/1/2022	177,325.45	(8,852.83)		8,852.83						
National School Lunch Program	10.555	241NJ304N1099	7/1/2023	162,014.66			155,897.01	(162,014.66)			(6,317.65)		
National School Breakfast Program	10.553	231NJ304N1099	7/1/2022	98,631.34	(5,131.47)		5,131.47						
National School Breakfast Program	10.553	241NJ304N1099	7/1/2023	94,443.02			90,497.86	(94,443.02)			(3,945.14)		
Food Distribution Program	10.555	241NJ304N1099	7/1/2023	23,806.46			23,806.46	(23,806.46)					
National School Snack Program	10.555	231NJ304N1099	7/1/2022	12,795.84	(96.12)		96.12						
National School Snack Program	10.555	241NJ304N1099	7/1/2023	15,659.28			15,234.57	(15,659.28)			(424.71)		
Supply Chain Assistance	10.555	241NJ304N1099	7/1/2023	12,339.08			12,339.08	(12,339.08)					
<b>Total Enterprise Fund</b>				<b>311,655.42</b>	<b>(14,080.42)</b>	<b>-</b>	<b>311,655.42</b>	<b>(308,262.50)</b>			<b>(10,667.50)</b>	<b>-</b>	<b>-</b>
<b>Total Federal Financial Awards</b>				<b>1,090,214.22</b>	<b>(295,137.08)</b>	<b>-</b>	<b>1,090,214.22</b>	<b>(790,940.40)</b>			<b>(515,918.50)</b>	<b>520,055.24</b>	<b>-</b>

The accompanying Notes to the Schedules of State Awards and Financial Assistance are an integral part of this statement.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance**  
 For the Fiscal Year ended June 30, 2024

State Grantor/Program Title	Grant or State Project Number	Program or Activity Amount	Grant Period		Deferred Revenue	Carryover (Favorable) Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Balance at June 30, 2024		Budgetary Receivable	Cumulative Expenditures
			From	To						Revenue	Due to Grantor		
<b>State Department of Education</b>													
General Fund:													
Equalization Aid	24-495-034-5123-078	\$ 5,428,568.00	7/1/2023	6/30/2024	\$ -	\$ -	\$ 4,965,883.07	\$ (5,428,568.00)	\$ -	\$ -	\$ -	\$ (462,684.93)	\$ 5,428,568.00
School Choice Aid	24-495-034-5123-088	52,152.00	7/1/2023	6/30/2024			47,707.01	(52,152.00)				(4,444.99)	52,152.00
Categorical Special Education Aid	24-495-034-5123-089	317,335.00	7/1/2023	6/30/2024			290,288.07	(317,335.00)				(27,046.93)	317,335.00
Categorical Security Aid	22-495-034-5120-084	150,662.00	7/1/2023	6/30/2024			137,820.85	(150,662.00)				(12,841.15)	150,662.00
Subtotal State Aid - Public							5,441,699.00	(5,948,717.00)				(507,018.00)	5,948,717.00
Transportation Aid	24-495-034-5120-014	101,997.00	7/1/2023	6/30/2024			93,303.64	(101,997.00)				(8,693.36)	101,997.00
Non Public Transportation Aid	24-495-034-506-001	10,010.00	7/1/2023	6/30/2024				(10,010.00)				(10,010.00)	10,010.00
Non Public Transportation Aid	23-495-034-506-001	4,368.00	7/1/2022	6/30/2023	(4,368.00)		4,368.00						4,368.00
Extraordinary Aid	24-495-034-5020-044	152,483.00	7/1/2023	6/30/2024				(152,483.00)				(152,483.00)	152,483.00
Extraordinary Aid	23-495-034-5020-044	188,508.00	7/1/2022	6/30/2023	(188,508.00)		188,508.00						188,508.00
On-Behalf Teachers' Pension and Annuity Fund	24-495-034-5094-002	940,924.00	7/1/2023	6/30/2024			940,924.00	(940,924.00)					940,924.00
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical	24-495-034-5094-001	256,085.00	7/1/2023	6/30/2024			256,085.00	(256,085.00)					256,085.00
On-Behalf Teachers' Pension & Annuity Fund - Non-contributory Insurance	24-495-034-5094-004	704.00	7/1/2023	6/30/2024			704.00	(704.00)					704.00
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	219,824.70	7/1/2023	6/30/2024			218,194.24	(219,824.70)	(1,630.46)			(1,630.46)	219,824.70
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	190,296.70	7/1/2022	6/30/2023	(7,744.29)		7,744.29						190,296.70
<b>Total General Fund</b>					(200,620.29)		7,151,530.17	(7,630,744.70)	(164,123.46)			(679,834.82)	8,013,917.40
Special Revenue Fund:													
Preschool Educational Aid	24-495-034-5120-086	3,469,755.00	7/1/2023	6/30/2024		335,318.74	528,903.36	(493,311.50)			487,752.24	(116,841.64)	3,469,755.00
Preschool Educational Aid	23-495-034-5120-086	413,093.00	7/1/2022	6/30/2023		(335,318.74)							413,093.00
<b>Total Special Revenue Fund</b>							528,903.36	(493,311.50)			487,752.24	(116,841.64)	3,882,848.00
<b>State Department of Agriculture:</b>													
Enterprise Fund:													
National School Lunch Program (State Share)	23-100-010-3350-023	3,707.16	7/1/2022	6/30/2023	(173.42)		173.42						3,707.16
National School Lunch Program (State Share)	24-100-010-3350-023	3,380.87	7/1/2023	6/30/2024			3,241.54	(3,380.87)				(139.33)	3,380.87
National School Breakfast Program (State Share)	23-100-010-3350-023	4,531.90	7/1/2022	6/30/2023	(249.00)		249.00					(205.80)	4,531.90
National School Breakfast Program (State Share)	24-100-010-3350-023	4,927.90	7/1/2023	6/30/2024			4,722.10	(4,927.90)					4,927.90
<b>Total Enterprise Fund</b>					(422.42)		8,388.06	(8,308.77)	(345.13)			(345.13)	16,547.83
<b>Total State Financial Assistance</b>					(201,042.71)		7,688,819.59	(8,132,364.97)	(164,468.59)		487,752.24	(787,021.59)	11,913,313.23
							\$	(940,924.00)					
								(256,085.00)					
								(704.00)					
								<u>\$ (6,934,651.97)</u>					

The accompanying Notes to the Schedules of State Awards and Financial Assistance are an integral part of this statement.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2024**

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**NOTE 1 - GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Borough of Lawnside School District. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying schedules of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's basic financial statements. The information included in this schedule is presented in accordance with the requirements of OMB Uniform Guidance and NJ OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

**NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance – related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is +\$56,166.81, for the general fund, and -\$412,076.20 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Local	TPAF Pension	Total
General Fund	\$ 1,308.47	\$ 7,688,911.51	\$	\$ (1,417,537.70)	\$ 6,272,682.28
Special Revenue Fund	580,603.84	201,825.59	31,702.80		814,132.23
Food Service Fund	308,262.50	8,308.77			316,571.27
	\$ 890,174.81	\$ 7,899,045.87	\$ 31,702.80	(1,417,537.70)	\$ 7,403,385.78

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements but are not considered in the major program determination.

**STAFFORD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2024**  
**(CONTINUED)**

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**NOTE 4 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5 - OTHER**

Revenues and expenditures reported under the U.S.D.A. Commodities Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2024. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024.

**NOTE 6 - ADJUSTMENTS**

The District has instances where a grant period overlaps fiscal years, and the grant has not closed out at the end of the current fiscal year.

**BORROW OF LAWNSIDE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING JUNE 30, 2024**

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**I. SUMMARY OF AUDITORS RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified Opinion issued on the Basic Financial Statements

Internal control over financial reporting:

- 1) Material weakness identified? No
- 2) Significant deficiencies identified? Yes

Noncompliance material to the Basic Financial Statements noted? No

**Federal Awards**

Internal control over major programs:

- 1) Material weakness identified? None noted
- 2) Significant deficiencies identified? None noted

Type of auditor's report issued on compliance for major programs: An Unmodified Opinion was issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? No

Identification of major programs:

<b><u>AL Numbers</u></b>	<b><u>FAIN#</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
84.010A	S010A230030	Title I
84.010A	S010A230030	Title I - SIA
84.425D	S425U240027	CRSSA – ARP – ESSER II
84.425D	S425U240027	CRSSA – Learning Acceleration
84.425D	S425U240027	CRSSA – Mental Health
84.425U	S425U240027	ARP – ESSER
84.425U	S425U240027	ARP – Mental Health

Dollar threshold used to distinguish between type A and type B programs: \$750,000.00

Auditee qualified as low-risk auditee? No

**BORROW OF LAWNSIDE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING JUNE 30, 2024**

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**I. SUMMARY OF AUDITORS RESULTS - Continued**

**State Awards**

Dollar threshold used to distinguish between type A and Type B Programs:	\$750,000.00
Auditee qualified as low-risk auditee?	No
Type of auditor's report issued on compliance for major programs:	An Unmodified Opinion was issued on compliance for major programs
Internal Control over major programs:	
1) Material weakness identified?	None noted
2) Significant deficiencies identified?	None noted
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?	No
Identification of major programs:	

<b><u>GMIS Numbers</u></b>	<b><u>Name of State Program</u></b>
<b><u>State Aid Public Cluster of Programs</u></b>	
24-495-034-5120-068	School Choice Aid
24-495-034-5120-078	Equalization Aid
24-495-034-5120-089	Special Education Aid
24-495-034-5120-084	Security Aid

**BORROW OF LAWNSIDE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING JUNE 30, 2024**

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**II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS**

**FINDING #2024-1**

**Criteria or Specific Requirement:**

When checks are issued they should be recorded in the proper fiscal year.

**Condition:**

The Business Administrator issued checks in July, August and September of 2024 that were recorded as June 30, 2024 transactions in the General Ledger.

**Context:**

The General Ledger presented for audit understated cash and understated accounts payable as of June 30, 2024.

**Effect:**

Adjustments were required in order to present the Financial Statement in accordance with Generally Accepted Accounting Principles.

**Cause:**

The Business Administrator held the books open beyond June 30, 2024.

**Recommendation:**

We recommend that checks issue be charged to the proper fiscal year.

**Views of Responsible Officials and Planned Corrective Actions:**

The District will prepare a Corrective Action.

**BORROW OF LAWNSIDE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING JUNE 30, 2024**

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**III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

Federal & State:

Our audit disclosed no material findings or questioned costs.

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT**  
**STATUS OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDING JUNE 30, 2024**

K-7

**FINDING #2023-001**

Expenditures tested were and mischarged to incorrect budget accounts.

**CURRENT STATUS**

This Finding has been resolved.

**FINDING #2023-002**

Expenditures tested were missing certain documentation.

**CURRENT STATUS**

This Finding has been resolved.

**FINDING #2023-003**

Some of the Students reported on the District Report of Transported Resident Students (DRTRS) could not be traced to attendance records and in some cases the documentation did not support the School District's classifications.

**CURRENT STATUS**

This Finding has been resolved.

**FINDING #2023-004**

The School District incorrectly reported expenditures on its reimbursement requests and final expenditures reports to the State.

**CURRENT STATUS**

This Finding has been resolved.

**FINDING #2023-005**

The School District did not obtain Commissioner approval or executive county superintendent as Commissioner's designee for line item transfers as required by N.J.A.C. 6A:23A-13.3(g).

**CURRENT STATUS**

This Finding has been resolved.

**FINDING #2023-006**

Employee's health benefit deductions were not withheld in accordance with N.J.S.A. 18A:16-17, Chapter 78, P. L. 2011 and/or Chapter 44 P.L. 2020.

**CURRENT STATUS**

This Finding has been resolved.