

**Annual Comprehensive
Financial Report
of the**

**Laurel Springs School District
Laurel Springs, New Jersey
For The Year Ended June 30, 2025**

Prepared by
Laurel Springs Board of Education
Finance Department

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Introductory Section

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LAUREL SPRINGS SCHOOL DISTRICT

Mr. Steve Crispin
Superintendent

623 Grand Avenue
Laurel Springs, NJ 08021
856-783-1086
www.laurelspringschool.org

November 14, 2025

Honorable President and
Members of the Board of Education
Laurel Springs School District
County of Camden
Dear Board Members:

The annual comprehensive financial report (ACFR) of the Laurel Springs School District (District) for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education ("Board"). 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 and account groups of the School District. All disclosures necessary to enable the reader to gain an understanding of the School 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 School District's organizational chart and a list of principal officials. The financial section includes the 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 School District is required to undergo an annual single audit in conformity with the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

Reporting Entity

Laurel Springs School District is an independent entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the School District are included in this report. Laurel Springs School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The School District provides a full range of educational services appropriate to grade levels Pre-Kindergarten (PK) through grade six (6). These include regular education and special education for handicapped youngsters. The School District completed the 2024-2025 fiscal year with an enrollment of one hundred eighty-four (184) students, representing an increase from the previous year's enrollment. The following details the changes in the student enrollment of the School District over the last five years. serves as the policy making entity for the School District.

<u>Average Daily Enrollment</u>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2024-2025	184	3.02%
2023-2024	178.61	(1.32)%
2022-2023	181	4.02%
2021-2022	174	3.57%
2020-2021	168	(8.70)%

Economic Condition and Outlook

Population census information indicates that Laurel Springs has experienced a slight increase in population with the current population being 2,003, up from 1,970 as per the 2020 census, thus reflecting a less than 2% increase. The school enrollment has fluctuated periodically, however, has remained basically stable for the past dozen or so years with only minor changes from year to year.

Teachers and students continue to expand computer technology knowledge and use. Teachers now have individual websites for their classrooms and linked with our school website. Distance learning opportunities are available throughout the year for each classroom. A technology mobile lab is now available for our upper grade students. This lab has 10 laptop computers attached to wireless internet. We will continue to monitor the alignment of curriculum with Core Content Standards in other subject areas. The School Level Plan Committee, composed of parents, teachers, Board members, and school administrator meets twice a year to discuss our direction for the development of school objectives to be submitted to the state in accordance with monitoring requirements.

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 School District are protected from loss, theft or misuse, and to ensure that adequate accounting data is 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 School District is also 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 periodic evaluation by the School District management.

As part of the School 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 School District has complied with applicable laws and regulations.

Budgetary Controls

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

Accounting System and Reports

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the School District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

Management's Discussion and Analysis

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditors.

Debt Administration:

As of June 30, 2025, the District's outstanding debt issues included \$575,000.00 of school refunding bonds.

Cash Management

The investment policy of the School District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The School District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Risk Management

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

Other Information

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford-Scott & Associates, LLC was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Acknowledgements

We would like to express our appreciation to the members of the Laurel Springs School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully Submitted,

Steve Crispin

Mr. Steve Crispin

Superintendent

James McCullough

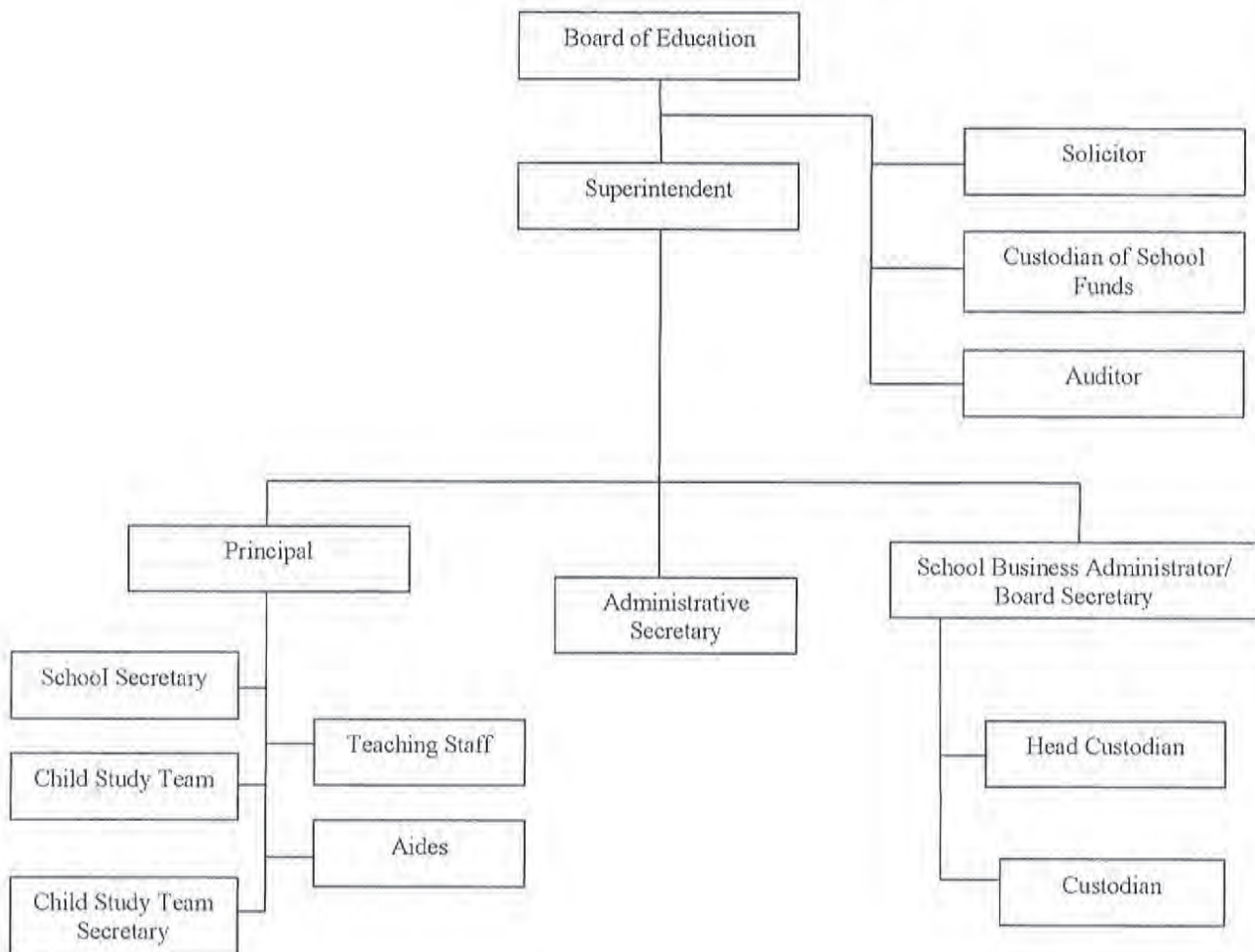
Mr. James McCullough

School Business Administrator

ADMINISTRATION

1110/page 1 of 1
Organizational Chart

1110 ORGANIZATIONAL CHART



Adopted: 17 September 2014



LAUREL SPRINGS BOARD OF EDUCATION
LAUREL SPRINGS, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2025

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Doug Del Pidio, President	2026
Kimberly Brisbin, Vice-President	2025
Giavonna Del Pidio	2027
Tara Dunning	2027
Elizabeth Ford	2027
Elizabeth Hobbs	2026
Monica Korn	2026
Matthew Minder	2025
Carolyn Redstreak	2025
<u>Other Officials</u>	
Steve Crispin, Interim Superintendent	
William Thompson, Interim Business Administrator/Board Secretary	

LAUREL SPRINGS BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

AUDIT FIRM

Ford, Scott & Associates, L.L.C.
1535 Haven Avenue
Ocean City, New Jersey

ATTORNEY

William Morlock
Goman, D'Anella, and Morlock
1601 Atlantic Ave, Suite 700
Atlantic City, NJ 08401
(609)429-4600
wmorlok@gdmlawgroup.com

OFFICIAL DEPOSITORIES

TD Bank NA
55 S. White Horse Pike
Berlin, NJ 08009

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Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Laurel Springs 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 Laurel Springs School District, in the County of Camden, New Jersey, as of and for the year ended June 30, 2025, 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 Laurel Springs School District, as of June 30, 2025, 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 Laurel Springs 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 Laurel Springs 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 charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control – related matters that we identified during the audit.

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 Laurel Springs 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 November 14, 2025 on our consideration of the Laurel Springs 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 Laurel Springs 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

November 14, 2025

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REQUIRED SUPPLEMENTARY INFORMATION
PART 1

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**LAUREL SPRINGS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

The discussion and analysis of Laurel Springs School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. 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.

Financial Highlights

Key financial highlights for 2025 are as follows:

- In total, net position increased by \$618,609, which represents an increase of approximately 45% from the prior year.
- General revenues accounted for \$8,377,829 in revenue or 100.16% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for (\$13,187) or (.16%) of total revenues of \$8,364,642.
- Total assets increased \$343,173 as cash and cash equivalents decreased by \$150,741, receivables decreased by \$55,380, and net capital assets increased by \$549,294.
- The School District had \$7,746,033 in expenses; (\$13,187) of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$8,377,829 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$7,992,974 in revenues and \$7,750,104 in expenditures. The General Fund's fund balance decreased \$217,322 from 2024.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and the notes to those financial statements. These statements are organized so the reader can understand Laurel Springs 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 Laurel Springs School District, the General Fund is by far the most significant fund.

**LAUREL SPRINGS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
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 as a whole looks at all financial transactions and asks the question, "How did we do financially during FY 2025?" 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 takes into account 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 has 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 conditions, 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 on a basis to recover all the expenses of the goods or services provided. The Food Service and Latchkey enterprise funds are reported as 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.

**LAUREL SPRINGS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED (CONTINUED)**

Reporting the School District's Most Significant Funds (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 School 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.

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**LAUREL SPRINGS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED (CONTINUED)**

Table 1 provides a summary of the School District's net position for 2025 and 2024.

**Table 1
Net Position**

	2025	2024
Assets		
Current and Other Assets	\$ 813,800	1,019,921
Capital Assets	2,012,156	1,462,862
Total Assets	2,825,956	2,482,783
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions and Debt	50,929	71,516
Liabilities		
Long-Term Liabilities	829,876	1,041,734
Other Liabilities	32,391	115,819
Total Liabilities	862,267	1,157,553
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	13,992	14,729
Total Liabilities	13,992	14,729
Net Position		
Net Investment in Capital Assets	1,456,121	710,447
Restricted	721,994	794,095
Unrestricted	(177,489)	(122,525)
Total Net Position	\$ 2,000,626	\$ 1,382,017

The overall decrease in net position is the result of the operations in the current year. The variance in the restricted and unrestricted net position is primarily due to the classification of committed balances reflected as restricted in the prior year.

**LAUREL SPRINGS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal year 2025 and 2024

Table 2 Changes in Net Position		
	<u>2025</u>	<u>2024</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 7,486	9,419
Operating Grants and Contributions	(20,673)	207,091
General Revenues:		
Property Taxes	3,317,787	3,149,621
Grants and Entitlements	4,997,227	4,304,801
Other	62,815	64,480
Total Revenues	<u>8,364,642</u>	<u>7,735,412</u>
Program Expenses		
Instruction	2,161,589	2,459,030
Support Services:		
Tuition	3,197,434	3,400,896
Pupils and Instructional Staff	754,531	648,432
General and School Administration, Business	583,982	507,137
Operations and Maintenance of Facilities	592,834	560,205
Pupil Transportation	362,552	354,304
Charter Schools	13,222	12,879
Interest on Debt	21,294	25,618
Food Service	58,595	49,283
Total Expenses	<u>7,746,033</u>	<u>8,017,784</u>
Increase in Net Position	<u>\$ 618,609</u>	<u>(282,372)</u>

Governmental Activities

Property taxes made up 40% of revenues for governmental activities for the Laurel Springs School District for the fiscal year 2025. The School District's total governmental revenues were \$8,307,585 for the year ended June 30, 2025. Charges for services, federal, state, and local grants accounted for another 60% of revenue.

The total cost of all programs and services was \$7,746,033. Instruction comprises 28% of District expenses.

Business-Type Activities

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

- Expenses exceeded revenues by \$1,538.
- Charges for services represent \$7,486 of revenue. This represents amounts paid by patrons for daily food service services.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$52,014.

**LAUREL SPRINGS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED (CONTINUED)**

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 School District's taxpayers by each of these functions.

	Table 3			
	Total Cost of Services 2025	Net Cost of Services 2025	Total Cost of Services 2024	Net Cost of Services 2024
Instruction	\$ 2,161,589	2,397,465	2,459,030	2,536,851
Support Services:				
Tuition	3,197,434	3,197,434	3,400,896	3,400,896
Student and Instructional Staff	754,531	669,276	648,432	479,448
General Administration, School				
Admin & Business Services	583,982	561,399	507,137	499,908
Operation of Plant	592,834	537,483	560,205	496,915
Pupil Transportation	362,552	362,552	354,304	354,304
Interest and Finance Charges	21,294	21,294	25,618	25,618
Charter School	13,222	13,222	12,879	12,879
Food Service	58,595	(905)	49,283	(5,545)
Total Expenses	\$ <u>7,746,033</u>	<u>7,759,220</u>	<u>8,017,784</u>	<u>7,801,274</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 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 School 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.

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

"Other" includes special schools and a loss on the disposal of capital assets.

None of the variances are unusual or unexpected.

**LAUREL SPRINGS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED (CONTINUED)**

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 \$8,629,796 and expenditures were \$8,752,573. The net decrease in the fund balance of operations for the year was (\$122,777).

As demonstrated by the various statements and schedules included in the financial section of this report, the School 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, 2025, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2024	Percent of Increase (Decrease)
Local Sources	\$ 3,387,467	39.3%	162,625	5.0%
State Sources	4,997,227	57.9%	692,426	16.1%
Federal Sources	245,102	2.8%	(155,043)	-38.7%
Total	<u>\$ 8,629,796</u>	100.0%	<u>700,008</u>	8.8%

The change in State sources is based on the state funding formula.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2025, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2024	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 1,727,176	19.7%	(128,168)	-6.9%
Undistributed expenditures	6,227,636	71.2%	37,720	0.6%
Capital Outlay	565,243	6.5%	451,596	397.4%
Special Schools & Charter Schools	13,222	0.2%	343	2.7%
Debt Service:				
Principal	205,000	2.3%	-	0.0%
Interest	14,296	0.2%	(4,324)	-23.2%
Total	<u>\$ 8,752,573</u>	100.0%	<u>357,167</u>	4.3%

Changes in the expenditures were the results of varying factors. The significant change in Capital Outlay was due to a SDA construction project within District.

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 School 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.

**LAUREL SPRINGS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED (CONTINUED)**

- On-behalf TPAF Pension contributions appear as both a revenue and an expense in the School District's financial statements. The State of New Jersey made on behalf TPAF Pension Contributions of \$484,151 for FY 2025 and also made on-behalf TPAF post-retirements contributions of \$141,469 and long-term disability insurance for the School District in the amount of \$155.
- The State of New Jersey reimbursed the District for TPAF Social Security contributions made during the school year. The amount of \$105,843.

Capital Assets

At the end of the fiscal year 2025, the School District had \$2,012,156 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2025 balances compared to 2024.

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

	<u>2025</u>	<u>2024</u>
Land	\$ 6,100	6,100
Buildings & Improvements	1,890,391	1,366,292
Machinery and Equipment	115,665	90,470
Total	<u>\$ 2,012,156</u>	<u>1,462,862</u>

Debt Administration

At June 30, 2025, the School District had \$829,876 of outstanding long term liabilities. Of this amount, \$46,080 is for compensated absences, \$575,000 of serial bonds, net pension liability of \$208,796.

**Table 5
Bonded Outstanding Debt as of June 30,**

	<u>2025</u>	<u>2024</u>
2016 General Refunding Bonds	\$ 575,000	780,000
Pension liability	208,796	224,170
Compensated Absences	46,080	37,564
Total	<u>\$ 829,876</u>	<u>1,041,734</u>

As of June 30, 2025, the School District was within its overall legal debt margin.

For the Future

The Laurel Springs School District is presently in good financial condition.

In conclusion, the Laurel Springs 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 to identify operational efficiencies which will allow it to meet the challenges of declining or stable state aid.

**LAUREL SPRINGS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED (CONTINUED)**

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 Business Administration/Board Secretary at Laurel Springs Board of Education, 623 Grand Avenue, Laurel Springs, NJ 08021. Please visit our website at www.laurelspringschool.org.

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BASIC FINANCIAL STATEMENTS

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DISTRICT-WIDE FINANCIAL STATEMENTS

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LAUREL SPRINGS SCHOOL DISTRICT
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 342,095	67,311	409,406
Receivables, Net	404,394	-	404,394
Internal Balances	97,538	(97,538)	-
Capital Assets			
Non-depreciated assets	6,100		6,100
Capital Assets being Depreciated, net	2,006,056	-	2,006,056
Total Assets	<u>2,856,183</u>	<u>(30,227)</u>	<u>2,825,956</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	31,964		31,964
Loss on Refunding Bonds	18,965	-	18,965
Total Deferred Outflows of Resources	<u>50,929</u>	<u>-</u>	<u>50,929</u>
LIABILITIES			
Accounts Payable	-	2,768	2,768
Payroll Taxes Payable	9,106		9,106
Other Liabilities	3,083		3,083
Payable to Federal Government	8,053		8,053
Unearned Revenue	4,831		4,831
Accrued Interest	4,550		4,550
Noncurrent Liabilities			
Due Within One Year	200,000		200,000
Due Beyond One Year	421,080		421,080
Net Pension Liability	208,796		208,796
Total Liabilities	<u>859,499</u>	<u>2,768</u>	<u>862,267</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	13,992		13,992
Total Deferred Outflows of Resources	<u>13,992</u>	<u>-</u>	<u>13,992</u>
NET POSITION			
Net Investment in Capital Assets	1,456,121	-	1,456,121
Restricted for:			
Capital Projects	242,821		242,821
Other Purposes	466,722		466,722
Debt Service	1		1
Student Activities	12,450		12,450
Unrestricted (Deficit)	(144,494)	(32,995)	(177,489)
Total Net Position (Deficit)	<u>\$ 2,033,621</u>	<u>(32,995)</u>	<u>2,000,626</u>

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

LAUREL SPRINGS SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2025

Function/Programs	Expenses	Indirect Costs Allocation	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental Activities:								
Instruction:								
Regular	622,009	374,398	-	(180,095)	(1,176,502)	-	(1,176,502)	
Special Education	593,319	360,759		(17,380)	(971,458)		(971,458)	
Other Special Instruction	131,270	79,834		(38,401)	(249,505)		(249,505)	
Support Services:								
Tuition	3,197,434	-			(3,197,434)		(3,197,434)	
Student & Instruction Related Services	521,537	232,994		85,255	(669,276)		(669,276)	
General Administration and Business Services	169,693	92,794		10,908	(251,579)		(251,579)	
School Administrative Services	99,226	44,333		5,211	(138,348)		(138,348)	
Plant Operation and Maintenance	424,001	168,833		55,351	(537,483)		(537,483)	
Pupil Transportation	362,552	-		-	(362,552)		(362,552)	
Central Services	122,947	54,989		6,464	(171,472)		(171,472)	
Unallocated Benefits	1,408,934	(1,408,934)			-		-	
Charter Schools	13,222				(13,222)		(13,222)	
Interest on Long-Term Debt	21,294				(21,294)		(21,294)	
Total Governmental Activities	<u>7,687,438</u>	<u>-</u>	<u>-</u>	<u>(72,687)</u>	<u>(7,760,125)</u>	<u>-</u>	<u>(7,760,125)</u>	
Business-Type Activities:								
Food Service	58,595	-	7,486	52,014		905	905	
Total Business-Type Activities	<u>58,595</u>	<u>-</u>	<u>7,486</u>	<u>52,014</u>	<u>-</u>	<u>905</u>	<u>905</u>	
Total Primary Government	<u><u>7,746,033</u></u>	<u><u>-</u></u>	<u><u>7,486</u></u>	<u><u>(20,673)</u></u>	<u><u>(7,760,125)</u></u>	<u><u>905</u></u>	<u><u>(7,759,220)</u></u>	
General Revenues:								
Taxes:								
			Property Taxes, Levied for General Purposes			3,173,212	3,173,212	
			Taxes Levied for Debt Service			144,575	144,575	
			Federal and State Aid not Restricted			4,997,227	4,997,227	
			Investment Earnings			26,611	(2,443)	
			Restricted Revenue			3,403	3,403	
			Miscellaneous Income			35,244	35,244	
			Total General Revenues, Special Items, Extraordinary Items and Transfers			<u>8,380,272</u>	<u>8,377,829</u>	
			Change in Net Position			<u>620,147</u>	<u>(1,538)</u>	
			Net Position (Deficit) - Beginning			<u>1,413,474</u>	<u>(31,457)</u>	
			Net Position (Deficit) - Ending			<u><u>2,033,621</u></u>	<u><u>(32,995)</u></u>	
						<u><u>2,000,626</u></u>	<u><u>2,000,626</u></u>	

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

FUND FINANCIAL STATEMENTS

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LAUREL SPRINGS SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 329,644	\$ 12,450		\$ 1	\$ 342,095
Tax Levy Receivable	90,792				90,792
Due from Other Funds	175,299				175,299
Intergovernmental Accounts Receivable					
Federal		21,098			21,098
State	124,502		168,002		292,504
Other Receivables					-
Total Assets	<u>720,237</u>	<u>33,548</u>	<u>168,002</u>	<u>1</u>	<u>921,788</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable					-
Due to Other Funds		8,214	69,547		77,761
Payroll Taxes Payable	9,106				9,106
Due Federal Government		8,053			8,053
Other Liabilities	3,083				3,083
Unearned Revenue		4,831			4,831
Total Liabilities	<u>12,189</u>	<u>21,098</u>	<u>69,547</u>	<u>-</u>	<u>102,834</u>
Fund Balances:					
Restricted for:					
Excess Surplus - Current Year	379,183				379,183
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	52,165				52,165
Capital Projects Fund			98,455		98,455
Debt Service				1	1
Capital Reserve	144,366				144,366
Maintenance Reserve	30,000				30,000
Unemployment Claims	5,374				5,374
Student Activities		12,450			12,450
Assigned to:					
Designated for					
Subsequent Year's Expenditures	79,042				79,042
Other Purposes	37,714				37,714
Unassigned					
General Fund	(19,796)				(19,796)
Special Revenue Fund		-			-
	<u>708,048</u>	<u>12,450</u>	<u>98,455</u>	<u>1</u>	<u>818,954</u>
Total Liabilities and Fund Balances	<u>\$ 720,237</u>	<u>\$ 33,548</u>	<u>\$ 168,002</u>	<u>\$ 1</u>	

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

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds. The cost of the assets is
\$4,573,750 and the accumulated depreciation is \$2,561,594. 2,012,156

Deferred Outflows of Resources - Loss on Refunding Bond Issue
is not a resource in the funds and therefore not reported in the funds. 18,965

Interest on long-term debt in the statement of activities is accrued,
regardless of when due. (4,550)

Pension Liabilities Net of Deferred Outflows & Inflows (190,824)

Long-term liabilities, including bonds and capital lease payable, are not due and
payable in the current period and therefore are not reported as liabilities in the funds. (621,080)

Net Position of governmental activities 2,033,621

LAUREL SPRINGS SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 3,173,212			144,575	3,317,787
Interest Earned on Investments	26,611				26,611
Other Restricted Miscellaneous Revenues	3,403				3,403
Miscellaneous	35,244	4,422			39,666
Total Local Sources	3,238,470	4,422	-	144,575	3,387,467
State Sources	4,754,504		168,002	74,721	4,997,227
Federal Sources		245,102			245,102
Total Revenues	7,992,974	249,524	168,002	219,296	8,629,796
EXPENDITURES					
Current:					
Regular Instruction	793,447				793,447
Special Education Instruction	608,387	156,154			764,541
Other Special Instruction	169,188				169,188
Support Services:					
Tuition	3,197,434				3,197,434
Student & Instruction Related Serv.	431,997	61,776			493,773
General Administrative Services	196,654				196,654
School Administrative Services	93,953				93,953
Plant Operation and Maintenance	357,801				357,801
Pupil Transportation	362,552				362,552
Central Services	116,535				116,535
Unallocated Employee Benefits	1,408,934				1,408,934
Transfer to Charter School	13,222				13,222
Debt Service:					
Principal				205,000	205,000
Interest and Other Charges				14,296	14,296
Capital Outlay		35,504	529,739		565,243
Total Expenditures	7,750,104	253,434	529,739	219,296	8,752,573
Excess (Deficiency) of Revenues Over Expenditures	242,870	(3,910)	(361,737)	-	(122,777)
OTHER FINANCING SOURCES (USES)					
Transfer out	(460,192)				(460,192)
Transfer in	-		460,192		460,192
Total Other Financing Sources and Uses	(460,192)	-	460,192	-	-
Net Changes in Fund Balance	(217,322)	(3,910)	98,455	-	(122,777)
Fund Balance - July 1	925,370	16,360		1	941,731
Fund Balance - June 30	\$ 708,048	12,450	98,455	1	818,954

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

LAUREL SPRINGS 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, 2025

Total Net Change in Fund Balance - Governmental Funds (from B-2)		(122,777)
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	(88,886)	
Loss on Disposal of Capital Assets	-	
Capital Outlay	<u>638,180</u>	549,294
Repayment of bond principal and capital leases are expenditures in the governmental funds, but the repayment reduces long - term liabilities in the statement of Net Position and is not reported in the statement of activities.		
Principal Repayments:		
Bonds Payable		205,000
Governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.		
Amortization of Gain on Refunding Bonds	<u>(8,620)</u>	(8,620)
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	(16,765)	
Cost of benefits earned net of employee contributions	<u>20,909</u>	4,144
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.		
		(8,516)
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.		
		1,622
Change in Net Position of Governmental Activities	<u><u>620,147</u></u>	

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

LAUREL SPRINGS SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2025

	Business-Type Activities - Enterprise Fund	
	Food Service	Totals
ASSETS		
Current Assets:		
Cash and Cash Equivalents	67,311	67,311
Intergovernmental Accounts Receivable		
Federal	-	-
State	-	-
Total Current Assets	<u>67,311</u>	<u>67,311</u>
Noncurrent Assets:		
Furniture, Machinery & Equipment	8,792	8,792
Less: Accumulated Depreciation	<u>(8,792)</u>	<u>(8,792)</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>
Total Assets	<u><u>67,311</u></u>	<u><u>67,311</u></u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	2,768	2,768
Interfund Payable	97,538	97,538
Total Current Liabilities	<u>100,306</u>	<u>100,306</u>
NET POSITION		
Net Investment in Capital Assets		
Related Debt	-	-
Unrestricted	(32,995)	(32,995)
Total Net Position	<u><u>(32,995)</u></u>	<u><u>(32,995)</u></u>

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

LAUREL SPRINGS SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Fund	
	Food Service	Totals Enterprise
Operating Revenues:		
Charges for Services:		
Reimbursable Program Daily Sales	\$ 7,486	7,486
Total Operating Revenue	7,486	7,486
Operating Expenses:		
Cost of Sales-Reimbursable	56,501	56,501
Supplies and Materials	2,094	2,094
Total Operating Expenses	58,595	58,595
Operating (Loss)	(51,109)	(51,109)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	1,398	1,398
State School Breakfast Program	59	59
Federal Sources:		
National School Lunch Program	28,309	28,309
School Breakfast Program	5,495	5,495
Food Distribution Program	16,753	16,753
Receivables Canceled	(2,443)	(2,443)
Total Nonoperating Revenues (Expenses)	49,571	49,571
Changes in Net Position	(1,538)	(1,538)
Total Net Position - Beginning	(31,457)	(31,457)
Total Net Position - Ending	\$ (32,995)	(32,995)

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

LAUREL SPRINGS SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Fund	
	Food Service	Totals Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Other Income	\$ 7,486	\$ 7,486
Payments for Food and Supplies	(39,074)	(39,074)
Net Cash Provided by Operating Activities	<u>(31,588)</u>	<u>(31,588)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	1,456	1,456
Federal Sources	34,100	34,100
Net Cash Provided by Noncapital Financing Activities	<u>35,556</u>	<u>35,556</u>
Net Increase in Cash and Cash Equivalents	3,968	3,968
Balance - Beginning of Year	63,344	63,344
Balance - End of Year	<u>\$ 67,312</u>	<u>\$ 67,312</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income	(51,109)	(51,109)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:		
Food Distribution Program	16,753	16,753
Increase (Decrease) in Accounts Payable	2,768	2,768
Total Adjustments	<u>19,521</u>	<u>19,521</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (31,588)</u>	<u>\$ (31,588)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Laurel Springs School 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 School District. A chief school administrator is appointed by the Board and is responsible for the administrative control of the School District.

The financial statements of the Board of Education (Board) of the Laurel Springs School District (District) have been prepared in conformity with generally accepted accounting principles (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. In its accounting and financial reporting, the School District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the School District are discussed below.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher's Pension and Annuity Fund (TPAF) and Public Employee Retirement System (PERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. REPORTING ENTITY

The Laurel Springs School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II District, the District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The members are elected during the general election held in November each year. The purpose of the district is to educate students in grades PreK-8.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization
- the School District appoints a voting majority of the organization's board
- the School District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the School District
- there is a fiscal dependency by the organization on the School District

Based on the aforementioned criteria, the School District has no component units.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The School District's basic financial statements include both government-wide (reporting the School District as a whole) and fund financial statements (reporting the School District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The School District's general and special revenue activities are classified as governmental activities. The School District's food service program is classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts-invested in capital assets, net

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

of related debt; restricted net position; and unrestricted net position. The School District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the School District's functions and business-type activities (food service). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, interest income, etc.).

- a. The School District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the School District as an entity and the change in the School District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the School District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB standards set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a single column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the School District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the School District

- a. **General Fund** is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special Revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the School District.

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

- c. **Capital Projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. 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.
- d. **Debt Service** funds are 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:

Non-spendable – 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 School 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 School 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 School 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 School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

2. 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 School District:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The School District operates a food service fund to provide a child nutrition program for the students of the district.

All internal service fund activity is eliminated when carried to the Government-wide statements.

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

Cash and cash equivalents include petty cash, change funds, cash in banks 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.

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.

NJSA 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.

2. 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.

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the School District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2025, the District did not have inventory in the general fund and had no inventory in the enterprise fund.

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2025 is \$0.

4. Capital Assets:

Capital assets purchased or acquired at an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

Infrastructure assets include roads, parking lots, underground pipes, etc. The School District includes all infrastructure assets as depreciable assets in the financial statements.

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses, and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

6. Expenditures:

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

7. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. 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 School 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

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and a fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

8. Interfund Activity:

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

9. 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, as long as the School District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

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

Regular Programs - Instruction	
Grades 1-5 Salaries of Teachers	\$ (116,087)
Preschool Disabilities - Part-time	
Purchased Professional - Educational Services	(64,801)
Undist. Expend. - Instruction	
Tuition to Other LEAs within State - Special	(71,646)
Tuition to Private Schools for the Disabled - Within State	(210,328)
Undist. Expend. -Unallocated Benefits	
Other Retirement Contributions - PERS	65,895
Capital Outlay - Construction Services	(115,453)
Capital Outlay to Capital Projects	460,192

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

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payments 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.

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 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.

10. 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 various Boards of Education with a negotiated amount up to the final cost as determined by the State of New Jersey.

11. Tuition Payable:

Tuition charges for the fiscal years 2024/25 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

13. Allocation of Costs:

In the government-wide statement of activities, the School District has allocated unallocated benefits to various programs based on the budgetary expenditures by program.

F. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2025:

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This statement, which is effective for fiscal years beginning after December 31, 2023, and all reporting periods, thereafter. This standard did not have a significant effect on the School District's financial statements for the year ended June 30, 2025.

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, and all reporting periods, thereafter. This standard did not have a significant effect on the School District's financial statements for the year ended June 30, 2025.

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,

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

and all reporting periods, thereafter. This standard did not have a significant effect on the School District's financial statements for the year ended June 30, 2025.

G. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

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, and all reporting periods, thereafter, will not have any significant effect on the School District's financial reporting.

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, "Disclosure of Certain Capital Assets". This statement, which is effective for fiscal years beginning after June 15, 2025, and all reporting periods, thereafter, will not have any significant effect on the School District's financial reporting.

NOTE 2 – CASH

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2025, \$31,336 of the School District's bank balance of \$939,132 was exposed to custodial credit risk.

NOTE 3 - INVESTMENTS

As of June 30, 2025, the District had no investments:

Interest Rate Risk. The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limit the length of time for most investment to 397 days.

Credit Risk. New Jersey Statutes 18A:20-37 limits district investments to those specified in the Statutes. The type of allowable investments includes Bonds of the United States of America or of the district or the local units in which the district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The district places no limit on the amount the district may invest in any one issuer.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2025, consisted of accounts (extraordinary services), interfund, intergovernmental, and other revenues. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

	Governmental Fund Financial Statements	Business-Type Activities Financial Statements	Government Wide Financial Statements
State Aid	\$ 292,504	\$ -	\$ 292,504
Federal Aid	21,098	-	21,098
Other	-	-	-
Gross Receivables	313,602	-	313,602
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$ 313,602</u>	<u>\$ -</u>	<u>\$ 313,602</u>

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES

As of June 30, 2025, several interfunds remained on the various balance sheets as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 175,299	
Special Revenue Fund		8,214
Capital Projects Fund		69,547
Food Service Fund		97,538
	<u>\$ 175,299</u>	<u>\$ 175,299</u>

The general fund receivable is comprised of funds due from the special revenue fund negative cash. The interfund owed to the General Fund from the Food Service Fund for reimbursements not transferred.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

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**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Adjustments/ Disposals</u>	<u>Balance June 30, 2025</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,100	\$ -	\$ -	\$ 6,100
Total capital assets not being depreciated	<u>6,100</u>	<u>-</u>	<u>-</u>	<u>6,100</u>
Capital assets being depreciated:				
Buildings and Improvements	3,696,659	596,763		4,293,422
Equipment	302,622	41,417	(69,811)	274,228
Total capital assets being depreciated at historical cost	<u>3,999,281</u>	<u>638,180</u>	<u>(69,811)</u>	<u>4,567,650</u>
Less accumulated depreciation for:				
Buildings and Improvements	(2,330,366)	(72,665)		(2,403,031)
Equipment	(212,153)	(16,221)	69,811	(158,563)
Total capital assets being depreciated, net of accumulated depreciation	<u>(2,542,519)</u>	<u>(88,886)</u>	<u>69,811</u>	<u>(2,561,594)</u>
Governmental activity capital assets, net	<u>\$ 1,462,862</u>	<u>\$ 549,294</u>	<u>\$ -</u>	<u>\$ 2,012,156</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 8,792	\$ -	\$ -	\$ 8,792
Less accumulated depreciation	<u>(8,792)</u>	<u>-</u>	<u>-</u>	<u>(8,792)</u>
Enterprise Fund capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grand Total	<u>\$ 1,462,862</u>	<u>\$ 549,294</u>	<u>\$ -</u>	<u>\$ 2,012,156</u>

Depreciation expense was charged to governmental functions:

Regular Instruction	\$ 6,394
Special Education Instruction	131
Student and Instruction Related Services	593
General and Business Administrative Services	2,525
School Administrative Services	103
Plant Operations and Maintenance	79,140
	<u>\$ 88,886</u>

No interest on debt was capitalized during the year and the amount of interest expense paid on long term debt was \$14,296 for the entity wide statements this was modified by the change in accrued interest of (\$1,622); amortization of gain on refunding \$8,620 and the state charge back to the School District for debt service aid of \$0 for a total charge of \$21,294.

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

NOTE 7 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Issues or Additions	Payments or Expenditures	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 780,000	\$	\$ 205,000	\$ 575,000	\$ 200,000
Compensated Absences	37,564	8,516		46,080	
Net Pension Liability	224,170		15,374	208,796	
	<u>\$ 1,041,734</u>	<u>\$ 8,516</u>	<u>\$ 220,374</u>	<u>\$ 829,876</u>	<u>\$ 200,000</u>

Compensated absences and Net Pension Liability have been liquidated in the General 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.

At June 30, 2025 bonds payable consisted of the following issues:

\$1,930,000 Serial Refunding Bonds dated February 16, 2016, due in annual installments through August 15, 2027, bearing interest at 2.110%. The balance remaining as of June 30, 2025, is \$575,000.

Debt service requirements on serial bonds payable at June 30, 2025 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 200,000	\$ 10,023	\$ 210,023
2027	195,000	5,855	200,855
2028	180,000	1,899	181,899
2029	-	-	-
2030	-	-	-
	<u>\$ 575,000</u>	<u>\$ 17,777</u>	<u>\$ 592,777</u>

Bonds Authorized But Not Issued:

As of June 30, 2025, the District had no authorized but not issued bonds.

NOTE 8 – UNEARNED REVENUE

The District has unearned revenue reflected on the Statement of Net Position in the District-Wide Financial Statements of \$4,831. This consists of unearned revenue of \$4,831 in the special revenue fund which is made up of grant proceeds on hand where the grant period overlaps the district's fiscal year.

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

NOTE 9 – PENSION PLANS

Description of Plans - All required employees of the School District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund 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 both 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 Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <http://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. 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 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 District has employees enrolled in the Defined Contribution Retirement Program (DCRP) for the fiscal year ended June 30, 2025.

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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 7.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF and the PERS rate is 7.5% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2025, 2024 and 2023 were \$625,775, \$594,192, and \$551,521 respectively, 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, 2025, 2024 and 2023 were \$20,909, \$20,685, and \$18,469 respectively, equal to the required contributions for each year.

The Board's total payroll for the year ended June 30, 2025, was \$1,932,611. The TPAF covered payroll for the years ending June 30, 2025, 2024 and 2023 were \$1,179,290, \$1,409,606, and \$1,435,992. and the PERS covered payroll was \$120,389, \$130,785, and \$111,300.

During the fiscal years ended June 30, 2025, 2024 and 2023, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$105,843, \$110,415, and \$103,956, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB standards.

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 provides for 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.

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 Police and Firemen's Retirement System (PFRS) 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 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 $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.

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- 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; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. 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, special retirement under the PFRS, and employer contributions to the retirement systems.

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 1/60th from 1/55th, 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 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced accidental and ordinary disability retirement for new members of the PERS 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 laws that permit the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

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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 School District's pension liabilities. The following information describes the School District's proportionate share of the statewide pension system's liabilities and expenses.

The following represents the School District's pension liabilities as June 30, 2024:

Public Employees’ Retirement System

The School District has a liability of \$208,796 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 that was rolled forward to June 30, 2024. The School 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, 2024, the District's proportion is 0.0015366124%, which is a decrease of .71% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$16,765. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 4,183	\$ (556)
Changes of assumptions	259	(2,376)
Net difference between projected and actual earnings on pension plan investments	-	(9,681)
Changes in proportion	27,522	(1,379)
Total	<u>\$ 31,964</u>	<u>\$ (13,992)</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:

Year ended June 30,	
2025	\$ (19,499)
2026	15,088
2027	(8,680)
2028	(5,011)
2029	130
Total	<u>\$ (17,972)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

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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 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, 2023 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, 2024) 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be

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(CONTINUED)**

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 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 School District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the School 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	\$ 254,020	\$ 208,796	\$ 170,345

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, 2024, 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 School 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 School District were as follows:

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District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net position liability associated with the District	<u>5,354,928</u>
Total	<u>\$ 5,354,928</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School 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, 2024, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of (\$19,534) and revenue of (\$19,534) for support provided by the State.

Actuarial assumptions. The total pension liability in the June 30, 2024, actuarial valuation was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions, applied to all periods included in the measurement:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary increases	2.75% - 5.65% (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, 2023 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, 2024) 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, 2024 are summarized in the following table:

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(CONTINUED)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount rate.

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 School District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the School 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	\$ 6,365,090.01	5,354,928.00	4,504,180.63

Pension plan fiduciary net position.

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

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Additional Information

Collective balances of the local group at June 30, 2024 are as follows:

Deferred outflows of resources	\$	1,108,112,477
Deferred inflows of resources		(10,545,101,790)
Net pension liability		49,492,072,325

Collective pension expense for the plan for the measurement period ended June 30, 2024 is \$(180,539,491).

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 2024 the State funded the various defined benefit pension systems at 104 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, 2023, which is required to be reported on the financial statements, is \$79.4 billion.

The Fiscal Year 2025 projected aggregate State contribution to the pension plans of \$7.2 billion represents 104 percent of the actuarially determined contribution.

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2024, 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 2024, the State contributed \$2.3 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$2.1 billion in Fiscal Year 2023. The State has appropriated \$2.4 billion in Fiscal Year 2025 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 2024 State OPEB liability to provide these benefits is \$76.9 billion, an increase

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of \$2.0 billion, or 2.6 percent, from the \$74.9 billion liability recorded in Fiscal Year 2023. 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 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, 2024, actuarial valuation reported by the State in the State's most recently issued ACFR was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. 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

<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
2.75% to 5.65% 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 were 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, 2023 valuation were based on the results of the TPAF, PERS, and PFRS experience studies for the period July 1, 2018 to June 30, 2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.5% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027, and decreases to 4.5% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027, and decreases to 4.5% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.5% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. 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 6/30/24 (Based on 6/30/2023 measurement date)	\$ 52,361,668,239.00
Changes for the year:	
Service cost	2,152,062,729.00
Interest	1,963,557,443.00
Changes in Benefit Terms	-
Differences between Expected & Actual Experiences	158,934,425.00
Changes in assumptions or other inputs	4,462,660,491.00
Contributions: Member	51,347,810.00
Benefit payments	<u>(1,499,600,607.00)</u>
Net changes	<u>7,288,962,291.00</u>
Balance at 6/30/25 (Based on 6/30/2024 measurement date)	<u>\$ 59,650,630,530.00</u>

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

The following presents the total OPEB liability as of June 30, 2024, respectively, calculated using a discount rate as disclosed above as well as what the total non-employer 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 (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	\$ 69,863,663,542.00	59,650,630,530.00	51,437,232,141.00

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, 2024, 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)	\$ 49,689,409,509.00	59,650,630,530.00	72,625,778,279.00

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

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

For the year ended June 30, 2024, the board of education recognized OPEB expense of \$165,623 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, 2024, 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	\$ 6,378,932,312.00	(11,139,706,892.00)
Changes in assumptions	10,004,978,073.00	(11,662,607,882.00)
	<u>\$ 16,383,910,385.00</u>	<u>(22,802,314,774.00)</u>

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,	
2025	\$ (2,115,877,507.00)
2026	(1,774,175,666.00)
2027	(842,677,045.00)
2028	221,470,185.00
2029	(1,537,725,697.00)
Thereafter	<u>(369,418,659.00)</u>
	<u>\$ (6,418,404,389.00)</u>

(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 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 funds is not considered material to the applicable fund's 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, 2025, the liability for compensated absences was \$46,080.

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

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 the entities listed below, 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 are as follows:

Lincoln Investment Planning, Inc.
Equitable

Siracusa Benefits Program
Vanguard

NOTE 15 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-2.13(g) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance, July 1, 2023		\$ 144,366
Increased by:		
Interest Earnings	\$	
Board Resolution	-	
	_____	-
Decreased by:		
Budget Withdrawals		-

Ending balance, June 30, 2025		\$ <u>144,366</u>

NOTE 16 – MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Board of Education for the accumulation of funds for use as required maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the Maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

Beginning balance, July 1, 2024	\$	30,000
Increased by:		
Board Resolution		-
Decreased by:		
Budget Withdrawals		-
Ending balance, June 30, 2025	\$	<u>30,000</u>

NOTE 17 – COMMITMENTS

The District did not have an encumbrance policy for the fiscal year end to determine significant encumbrances. All encumbrances are classified as either Assigned Fund Balance in the General Fund or Committed Fund Balance in the Capital Projects Fund. Encumbrances in the Special Revenue Fund are reflected as unearned revenue. Reserve for encumbrances, as of June 30th are as follows.

Fund	Amount
General Fund Encumbered Orders	\$ 37,714

Of the general fund encumbrances, \$0 is for capital outlay.

NOTE 18 – 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 (Exhibit J-20).

The School District is a member of the School Alliance Insurance Fund ("SAIF"). SAIF provides its members with insurance coverage.

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

Fiscal Year	Employee Contributions	District Contribution	Amount Reimbursed	Ending Balance
2024-2025	\$ 3,403			\$ 5,374
2023-2024	3,037		2,154	1,971
2022-2023	3,176		3,176	1,088

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

NOTE 19 – CONTINGENT LIABILITIES

Federal and State Grants

The School District participates in numerous federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The School 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 20 – FUND BALANCE APPROPRIATED

General Fund – Of the \$708,048 General Fund - Fund balance, at June 30, 2025, \$37,714 is reserved for encumbrances; \$431,348 is reserved as excess surplus in accordance with NJSA 18A:7F-7 \$379,183 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2026), \$144,366 has been reserved in the Capital Reserve Account; \$30,000 has been reserved in a Maintenance Reserve Account; \$79,042 has been assigned as designated for subsequent year's expenditures, and (\$19,796) is classified as Unassigned.

Special Revenue Fund – Of the \$12,450 Special Revenue Fund - fund balance at June 30, 2025, \$12,450 has been restricted for Student Activities.

NOTE 21 – CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, c.73, 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, 2021 is \$431,348, of which \$379,183 has been included in the 2026 fiscal year budget.

NOTE 22 – DEFICIT IN NET POSITION

Unrestricted Net Position – The School District's governmental activities General Fund had a deficit in unrestricted net position in the amount of \$(19,796). The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Unrestricted Net Position – The School District's business-type activities Food Service Fund had a deficit in unrestricted net position in the amount of \$(32,995).

NOTE 23 – LITIGATION

The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts' attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

NOTE 24 – ECONOMIC DEPENDENCY

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

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

NOTE 25 – SUBSEQUENT EVENT

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2025 through November 14, 2025, the date that the financial statements were available to be 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.

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Budgetary Comparison Schedules

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LAUREL SPRINGS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,173,212		\$ 3,173,212	\$ 3,173,212	
Tuition Other LEA's	25,000		25,000		(25,000)
Interest Earned on Investments	2		2	26,611	26,609
Other Restricted Miscellaneous Revenues				3,403	3,403
Unrestricted Miscellaneous				35,244	35,244
Total Local Sources	<u>3,198,214</u>	<u>-</u>	<u>3,198,214</u>	<u>3,238,470</u>	<u>40,256</u>
State Sources:					
Categorical Special Education Aid	370,214		370,214	370,214	
School Choice Aid	90,890		90,890	90,890	
Security Aid	67,592		67,592	67,592	
Transportation Aid	46,209		46,209	46,209	
Equalization Aid	3,385,236		3,385,236	3,385,236	
Extraordinary Aid			-	119,309	119,309
TPAF Pension (On-Behalf - Non-Budgeted)				484,151	484,151
TPAF Post-retirement (On-Behalf - Non-Budgeted)				141,469	141,469
TPAF Long Term Disability Insurance				155	155
TPAF Social Security (Reimbursed- Non-Budgeted)				105,843	105,843
Total State Sources	<u>3,960,141</u>	<u>-</u>	<u>3,960,141</u>	<u>4,811,068</u>	<u>850,927</u>
Total Revenues	<u>7,158,355</u>	<u>-</u>	<u>7,158,355</u>	<u>8,049,538</u>	<u>891,183</u>
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Preschool - Salaries of Teachers	28,316	1,780	30,096	30,096	
Kindergarten - Salaries of Teachers	57,250	7,176	64,426	64,176	250
Grades 1 - 5 Salaries of Teachers	608,128	(116,087)	492,041	486,438	5,603
Grades 6 - 8 Salaries of Teachers	77,733	17,064	94,797	94,797	
Regular Programs - Home Instruction Salaries of Teachers		1,300	1,300	1,300	
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	1,000	(828)	172		172
Purchased Professional - Educational Services		6,699	6,699	6,287	412
Purchased Technical Services	12,129	4,105	16,234	16,229	5
Other Purchased Services (400-500 series)	42,558	5,350	47,908	47,907	1
General Supplies	37,669	5,148	42,817	42,817	
Textbooks	1,000	(1,000)	-		
Other Objects	2,970	430	3,400	3,400	
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>868,753</u>	<u>(68,863)</u>	<u>799,890</u>	<u>793,447</u>	<u>6,443</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and or Language Disabilities					
Salaries of Teachers	69,620	5,556	75,176	75,176	
General Supplies	256		256	37	219
Total Learning and or Language Disabilities	<u>69,876</u>	<u>5,556</u>	<u>75,432</u>	<u>75,213</u>	<u>219</u>
Multiple Disabilities					
Salaries of Teachers	57,407	3,369	60,776	60,776	
General Supplies	295		295	273	22
Total Multiple Disabilities	<u>57,702</u>	<u>3,369</u>	<u>61,071</u>	<u>61,049</u>	<u>22</u>
Resource Room/Resource Center					
Salaries of Teachers	129,286	(44,010)	85,276	85,276	
Other Salaries for Instruction	103,738	(4,347)	99,391	96,543	2,848
General Supplies	382		382	225	157
Total Resource Room/Resource Center	<u>233,406</u>	<u>(48,357)</u>	<u>185,049</u>	<u>182,044</u>	<u>3,005</u>
Preschool Disabilities Part-time					
Salaries of Teachers	28,316	1,750	30,066	30,066	
Other Salaries for Instruction			-		
Purchased Professional - Educational Services	350,000	(64,801)	285,199	258,435	26,764
General Supplies	990	590	1,580	1,580	
	<u>379,306</u>	<u>(62,461)</u>	<u>316,845</u>	<u>290,081</u>	<u>26,764</u>

LAUREL SPRINGS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
TOTAL SPECIAL EDUCATION - INSTRUCTION	740,290	(101,893)	638,397	608,387	30,010
Basic Skills/Remedial - Instruction					
Salaries of Teachers	75,761	23,178	98,939	98,939	
Purchased Professional - Educational Services		4,284	4,284	4,284	
General Supplies	671	(311)	360	360	
Total Basic Skills/Remedial - Instruction	76,432	27,151	103,583	103,583	
Bilingual Education - Instruction					
Salaries of Teachers	54,147		54,147	53,890	257
Total Bilingual Education - Instruction	54,147	-	54,147	53,890	257
School-Spon. Cocurricular Activities - Instruction					
Salaries		205	205		205
Total School-Spon. Cocurricular Activities - Inst.	-	205	205	-	205
After School Programs					
Salaries	7,500		7,500	3,189	4,311
Other Salaries for Instruction	2,295	(205)	2,090		2,090
Supplies & Materials	3,000	66	3,066	3,066	
Supervisor SVC Salaries	3,000	60	3,060	3,060	
Purchased Professional & Technical	7,352	(126)	7,226		7,226
Total After School Programs	23,147	(205)	22,942	9,315	13,627
Community Service- Instruction					
Other Purchased Services (300-500 series)	11,000		11,000	2,400	8,600
Total Community Service-Instructional	11,000	-	11,000	2,400	8,600
TOTAL INSTRUCTION	1,773,769	(143,605)	1,630,164	1,571,022	59,142
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Regular	2,343,900		2,343,900	2,343,900	
Tuition to Other LEAs Within the State-Special	251,767	44,342	296,109	295,430	679
Tuition to County Voc. School Dist. - Regular	65,000		65,000	25,658	39,342
Tuition to CSSD & Regional Day Schools	253,000	(71,646)	181,354	118,418	62,936
Tuition to Private Schools for the Disabled - Within State	676,641	(210,328)	466,313	414,028	52,285
Total Undistributed Expenditures - Instruction	3,590,308	(237,632)	3,352,676	3,197,434	155,242
Undistributed Expend. - Health Services					
Salaries	65,059	6,088	71,147	70,965	182
Purchased Professional and Technical Services	25		25		25
Supplies & Materials	460	2,216	2,676	2,571	105
Total Undistributed Expend. - Health Services	65,544	8,304	73,848	73,536	312
Undist. Expend. - Speech, PT, OT & Related Services					
Purchased Professionals - Educational Services	83,500	3,020	86,520	72,917	13,603
Total Undist. Expend.-Speech, PT, OT & Rel. Svces	83,500	3,020	86,520	72,917	13,603
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Purchased Professional-Educational Services	18,000	(18,000)	-		
Students - Extraordinary Services	18,000	(18,000)	-	-	-
Undist. Expenditures - Guidance					
Salaries of Other Professional Staff	60,333	12,152	72,485	72,485	
Salaries of Secretarial and Clerical Assistants	16,981	315	17,296	17,296	
Purchased Professional-Educational Services	3,500		3,500	3,500	
Total Undistributed Expend. - Guidance	80,814	12,467	93,281	93,281	-
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	60,333	44,770	105,103	105,103	
Salaries of Secretarial and Clerical Assistants	40,231	5,509	45,740	45,740	
Purchased Professional - Education Services	14,298	(4,069)	10,229	10,147	82
Supplies & Materials	3,000	(818)	2,182	2,128	54
Total Undist. Expend. - Child Study Teams	117,862	45,392	163,254	163,118	136

LAUREL SPRINGS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Improvement of Inst. Services					
Salaries of Other Professional Staff	29,897		29,897	27,744	2,153
Total Undist. Expend. - Improvement of Inst. Serv.	29,897	-	29,897	27,744	2,153
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	1,790		1,790		1,790
Purchased Professional and Technical Services	1,112		1,112	1,111	1
Total Undistributed Expenditures - Educational					
Media Services - School Library	2,902	-	2,902	1,111	1,791
Undist. Expend. - Instructional Staff Training Serv.					
Other Purchased Services (400-500 series)	3,800	9,090	12,890	290	12,600
Supplies & Materials	250		250		250
Total Undistributed Expenditures - Instructional					
Staff Training Services	4,050	9,090	13,140	290	12,850
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	82,522	3,473	85,995	85,995	
Legal Services	12,000	(1,354)	10,646	10,646	
Audit Fees	46,000	(4,500)	41,500	41,500	
Architectural/Engineering Services		53,743	53,743	40,308	13,435
Other Purchased Professional Services	6,270	(1,693)	4,577	4,327	250
Purchased Technical Services					
Communications/Telephone	10,850	(9,000)	1,850	1,850	
BOE Other Purchased Services	900	(804)	96	96	
Misc. Purch Serv (400-500) [Other than 530 & 585]	18,661	(16,415)	2,246	2,246	
General Supplies	500	(19)	481	481	
BOE In-house Train/Meeting Supplies	630	(630)			
Miscellaneous Expenditures	3,780	(293)	3,487	3,487	
BOE Membership Dues/Fees	6,100	(382)	5,718	5,718	
Total Undistr. Expend. - Support Svs - Gen.Admin.	188,213	22,126	210,339	196,654	13,685
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Asst.	57,993	21,245	79,238	76,948	2,290
Salaries of Other Professional Staff	2,442	706	3,148	3,148	
Salaries of Secretarial and Clerical Assistants	5,660	600	6,260	6,260	
Other Salaries		3,658	3,658	3,658	
Other Purchased Services (400-500 series)		1,015	1,015	1,015	
Supplies and Materials	2,195	2,981	5,176	2,924	2,252
Other Objects	1,279	(890)	389		389
Total Undistributed Expenditures - Support					
Services - School Administration	69,569	29,315	98,884	93,953	4,931
Undist. Expend. - Central Services					
Salaries	86,485	1,919	88,404	88,404	
Purchased Professional Services	21,400	582	21,982	21,982	
Miscellaneous Purchased Services (400-500 series)	300	(119)	181		181
Supplies and Materials	1,000	4,089	5,089	5,089	
Interest on Lease Purchase Agreements	1,800	(1,800)			
Other Objects	1,200	(140)	1,060	1,060	
Total Undistributed Expenditures -					
Central Services	112,185	4,531	116,716	116,535	181
Undist. Expend. - Required Maint. School Fac.					
Cleaning, Repair and Maintenance Services	86,815	28,519	115,334	115,099	235
General Supplies	6,572	(3,893)	2,679	2,342	337
Total Undistributed Expenditures - Required					
Maintenance for School Facilities	93,387	24,626	118,013	117,441	572

LAUREL SPRINGS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Custodial Services Other Oper. & Maint.of Plant					
Salaries	16,647	2,353	19,000	19,000	
Purchased Professional and Technical Services	5,000	(952)	4,048	2,739	1,309
Cleaning, Repair and Maintenance Services	63,507	28,184	91,691	91,686	5
Other Purchased Property Services	8,100	1,277	9,377	8,592	785
Insurance	43,696		43,696	43,696	
General Supplies	17,450	(1,404)	16,046	10,596	5,450
Energy (Natural Gas)	25,000	2,381	27,381	20,354	7,027
Energy (Electricity)	52,000	(3,427)	48,573	43,697	4,876
Total Undistributed Expenditures - Custodial Services	<u>231,400</u>	<u>28,412</u>	<u>259,812</u>	<u>240,360</u>	<u>19,452</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>324,787</u>	<u>53,038</u>	<u>377,825</u>	<u>357,801</u>	<u>20,024</u>
Undist. Expend. - Student Transportation Serv.					
Management Fee - ESC & CTSA Transportation	21,000		21,000	20,885	115
Contr. Serv. - (Other than Btn Home & School) - Vendors	5,000		5,000	1,837	3,163
Contr. Serv. - (Sp Ed Students) - Vendors	10,000	(9,090)	910		910
Contr. Serv. - (Reg Students) - ESCs & CTSA's	31,000		31,000	27,806	3,194
Special Education students - ESC's & CTSA's	285,000	27,024	312,024	312,024	
Total Undistributed Expenditures - Student Transportation Services	<u>352,000</u>	<u>17,934</u>	<u>369,934</u>	<u>362,552</u>	<u>7,382</u>
Unallocated Benefits - Employee Benefits					
Social Security Contribution	32,000	5,386	37,386	37,386	-
Other Retirement Contributions - PERS	26,500	65,895	92,395	89,523	2,872
Unemployment	1,000		1,000		1,000
Workmen's Compensation	18,805	(3,997)	14,808	13,508	1,300
Health Benefits	524,070	(57,345)	466,725	460,665	6,060
Tuition Reimbursement	4,800	(2,465)	2,335		2,335
Other Employee Benefits	83,290	(7,056)	76,234	76,234	
Total Unallocated Benefits	<u>690,465</u>	<u>418</u>	<u>690,883</u>	<u>677,316</u>	<u>13,567</u>
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (non-bud)				484,151	(484,151)
On-Behalf TPAF Post-retir. Contribution (non-bud)	-			141,469	(141,469)
On-Behalf TPAF Long Term Disability Insurance				155	(155)
Reimbursed TPAF Social Security Cont.(non-bud)				105,843	(105,843)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>731,618</u>	<u>(731,618)</u>
Total Personal Services - Employee Benefits	<u>690,465</u>	<u>418</u>	<u>690,883</u>	<u>1,408,934</u>	<u>(718,051)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>5,730,096</u>	<u>(49,997)</u>	<u>5,680,099</u>	<u>6,165,860</u>	<u>(485,761)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>7,503,865</u>	<u>(193,602)</u>	<u>7,310,263</u>	<u>7,736,882</u>	<u>(426,619)</u>
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Construction Services	185,000	(115,453)	69,547		69,547
Lease Purchase Agreement	5,500		5,500		5,500
Total Facilities Acquisition and Construction Services	<u>190,500</u>	<u>(115,453)</u>	<u>75,047</u>	<u>-</u>	<u>75,047</u>
TOTAL CAPITAL OUTLAY	<u>190,500</u>	<u>(115,453)</u>	<u>75,047</u>	<u>-</u>	<u>75,047</u>
Transfer of Funds to Charter Schools	13,222		13,222	13,222	-
TOTAL EXPENDITURES	<u>7,707,587</u>	<u>(309,055)</u>	<u>7,398,532</u>	<u>7,750,104</u>	<u>(351,572)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(549,232)</u>	<u>309,055</u>	<u>(240,177)</u>	<u>299,434</u>	<u>539,611</u>
Other Financing Sources/(Uses):					
Operating Transfers:					
Capital Outlay to Capital Projects		460,192	460,192	460,192	-
Transfer to Special Revenue Fund			-	-	-
Total Other Financing Sources/(Uses):	<u>-</u>	<u>460,192</u>	<u>460,192</u>	<u>460,192</u>	<u>-</u>

LAUREL SPRINGS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(549,232)	(151,137)	220,015	(160,758)	(380,773)
Fund Balance July 1	<u>1,257,911</u>		<u>1,257,911</u>	<u>1,257,911</u>	<u>-</u>
Fund Balance June 30	<u>\$ 708,679</u>	<u>\$ (151,137)</u>	<u>\$ 1,477,926</u>	<u>\$ 1,097,153</u>	<u>\$ (380,773)</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 52,165	
Excess Surplus - Current Year				379,183	
Capital Reserve				144,366	
Maintenance Reserve				30,000	
Unemployment Claims				5,374	
Assigned Fund Balance:					
Year-End Encumbrances				37,714	
Designated for Subsequent Year's Expenditures				79,042	
Unassigned Fund Balance					
General Fund				<u>369,309</u>	
				1,097,153	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not recognized on GAAP Basis				<u>(389,105)</u>	
				<u>\$ 708,048</u>	

LAUREL SPRINGS SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
Local Sources			\$ -	\$ 4,422	\$ (4,422)
Federal Sources	114,204	126,193	240,397	208,954	31,443
Total Revenues	<u>114,204</u>	<u>126,193</u>	<u>240,397</u>	<u>213,376</u>	<u>27,021</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	33,183	5,389	38,572	31,657	6,915
Other Purchased Services (400-500 series)	55,042	10,231	65,273	65,273	
General Supplies		66,080	66,080	59,224	6,856
Total Instruction	<u>88,225</u>	<u>81,700</u>	<u>169,925</u>	<u>156,154</u>	<u>13,771</u>
Support Services:					
Other Salaries	8,500	16,416	24,916	21,587	3,329
Personal Services - Employee Benefits	8,272	2,025	10,297	9,690	607
Purchased Professional and Technical Services	2,326	18,603	20,929	13,283	7,646
Other Purchased Services (400-500 series)	6,881	4,947	11,828	7,715	4,113
General Supplies		2,502	2,502	525	1,977
Student Activities			-	8,332	(8,332)
Total Support Services	<u>25,979</u>	<u>44,493</u>	<u>70,472</u>	<u>61,132</u>	<u>9,340</u>
Total Expenditures	<u>\$ 114,204</u>	<u>\$ 126,193</u>	<u>\$ 240,397</u>	<u>\$ 217,286</u>	<u>\$ 23,111</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,910)</u>	<u>50,132</u>
Fund Balance, July 1				<u>16,360</u>	
Fund Balance, June 30				<u>\$ 12,450</u>	

**NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION
PART II**

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LAUREL SPRINGS SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to RSI
For the Year Ended June 30, 2025

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	\$ 8,049,538	213,376
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		36,353
Current Year		(205)
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.	332,541	
The Final State Aid payment for the Year Ended June 30, 2025 that was delayed until July 2025 was recorded as budgetary revenue for the Year Ended June 30, 2025 but is not recognized under GAAP until the Year Ended June 30, 2026.	(389,105)	
	<u>7,992,974</u>	<u>249,524</u>
Uses / outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	7,750,104	217,286
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.		
Prior Year		36,353
Current Year		(205)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	<u>\$ 7,750,104</u>	<u>253,434</u>

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REQUIRED SUPPLEMENTARY INFORMATION
PART III

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LAUREL SPRINGS SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0015661240%	0.0015476676%	0.0014645755%	0.0012337802%	0.0012055400%	0.0012100272%	0.0011986807%	0.0013591421%	0.0013404088%	0.0011475672%
District's proportionate of the net pension liability (asset)	\$ 208,796	\$ 224,170	\$ 221,025	\$ 146,160	\$ 196,592	\$ 218,029	\$ 236,014	316,387	396,991	257,606
District's covered payroll	\$ 120,389	\$ 130,785	\$ 111,300	\$ 100,468	\$ 90,268	\$ 95,580	\$ 93,568	105,704	94,340	88,004
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	173.43%	171.40%	198.58%	145.48%	217.79%	228.11%	252.24%	299.31%	420.81%	292.72%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

LAUREL SPRINGS SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 20,909	\$ 20,685	\$ 18,469	\$ 14,449	\$ 13,188	\$ 11,770	\$ 11,923	\$ 12,951	\$ 11,908	\$ 9,866
Contributions in relation to the contractually required contribution	20,909	20,685	18,469	14,449	13,188	11,770	11,923	12,951	11,908	9,866
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	120,389	130,785	111,300	100,468	90,268	95,580	93,568	105,704	94,340	88,004
Contributions as a percentage of covered-employee payroll	17.37%	15.82%	16.59%	14.38%	14.61%	12.31%	12.74%	12.25%	12.62%	11.21%

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

LAUREL SPRINGS SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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	5,354,928	5,376,615	5,573,709	4,965,324	7,246,888	6,816,059	7,031,484	7,213,374	9,124,781	7,407,820
Total	<u>\$ 5,354,928</u>	<u>\$ 5,376,615</u>	<u>\$ 5,573,709</u>	<u>\$ 4,965,324</u>	<u>\$ 7,246,888</u>	<u>\$ 6,816,059</u>	<u>\$ 7,031,484</u>	<u>7,213,374</u>	<u>9,124,781</u>	<u>7,407,820</u>
District's covered payroll	1,179,290	1,409,606	1,435,292	1,442,536	1,344,252	1,420,692	1,408,692	1,334,000	1,314,168	1,405,508
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	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

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

LAUREL SPRINGS 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 Eight Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability (asset)	0.00%	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>\$ 7,774,924</u>	<u>\$ 6,500,484</u>	<u>\$ 6,435,763</u>	<u>\$ 7,191,365</u>	<u>\$ 8,684,841</u>	<u>\$ 4,658,054</u>	<u>\$ 5,186,997</u>	<u>\$ 6,147,091</u>
Total	<u>\$ 7,774,924</u>	<u>\$ 6,500,484</u>	<u>\$ 6,435,763</u>	<u>\$ 7,191,365</u>	<u>\$ 8,684,841</u>	<u>\$ 4,658,054</u>	<u>\$ 5,186,997</u>	<u>\$ 6,147,091</u>
District's covered payroll	\$ 1,299,679	\$ 1,540,391	\$ 1,546,592	\$ 1,543,004	\$ 1,434,520	\$ 1,516,272	\$ 1,502,260	\$ 1,439,704
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%	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%	0.00%
State's proportionate share of OPEB associated with the District:								
Service Cost	221,028	221,722	260,712	313,396	165,073	143,972	186,080	223,812
Interest Cost	255,932	228,929	170,547	186,544	166,266	203,649	224,352	193,656
Change in Benefit Terms				(7,354)				
Differences between Expected & Actual	404,878	(226,445)	703,023	(1,850,982)	2,255,639	(807,267)	(641,388)	
Changes in Assumptopns	581,668	13,102	(1,726,371)	7,095	1,586,422	69,452	(595,234)	(772,447)
Member Contributions	6,693	5,867	5,419	4,769	4,583	4,239	4,794	5,243
Benefit Payments	(195,159)	(178,454)	(168,932)	(146,944)	(151,196)	(142,988)	(138,698)	(142,380)
Change in Total OPEB Liability	<u>1,274,740</u>	<u>64,721</u>	<u>(755,602)</u>	<u>(1,493,476)</u>	<u>4,026,787</u>	<u>(528,943)</u>	<u>(960,094)</u>	<u>(492,116)</u>
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	<u>6,500,484</u>	<u>6,435,763</u>	<u>7,191,365</u>	<u>8,684,841</u>	<u>4,658,054</u>	<u>5,186,997</u>	<u>6,147,091</u>	<u>6,639,207</u>
Ending Balance	<u>7,774,924</u>	<u>6,500,484</u>	<u>6,435,763</u>	<u>7,191,365</u>	<u>8,684,841</u>	<u>4,658,054</u>	<u>\$ 5,186,997</u>	<u>\$ 6,147,091</u>
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	598.24%	422.00%	416.13%	466.06%	605.42%	307.20%	345.28%	426.97%

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 eight years.
Additional years will be presented as they become available.

OTHER SUPPLEMENTARY INFORMATION

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**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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LAUREL SPRINGS SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2025

	Student Activity	ARP Mental Health	ARP ESSER	ARP ESSER Summer	ARP ESSER Beyond School	ARP Learning Acceleration
REVENUES:						
Local Sources	\$ 4,422					
Federal Sources		44,967	10,838	4,485	22,399	249
Total Revenues	<u>4,422</u>	<u>44,967</u>	<u>10,838</u>	<u>4,485</u>	<u>22,399</u>	<u>249</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers				4,485		
Purchased Technical Services						
Other Purchased Services (400-500 series)						
General Supplies		32,036	2,843		22,399	
Total Instruction	<u>-</u>	<u>32,036</u>	<u>2,843</u>	<u>4,485</u>	<u>22,399</u>	<u>-</u>
Support Services:						
Salaries of Other Professional Staff		12,931				
Personal Services - Employee Benefits						
Purchased Professional and Technical Services			7,995			249
Other Purchased Services (400-500 series)						
General Supplies						
Student Activities	8,332					
Total Support Services	<u>8,332</u>	<u>12,931</u>	<u>7,995</u>	<u>-</u>	<u>-</u>	<u>249</u>
Capital Outlay:						
Building						
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>8,332</u>	<u>44,967</u>	<u>10,838</u>	<u>4,485</u>	<u>22,399</u>	<u>249</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Uses)	<u>(3,910)</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	<u>16,360</u>					
Fund Balance, June 30	<u>\$ 12,450</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

LAUREL SPRINGS SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2025

	Title IIA	Title IV	Title I Part A	IDEA Part B	IDEA Preschool	Totals 2025
REVENUES:						
Local Sources					\$	4,422
Federal Sources	8,715	6,610	42,729	65,273	2,689	208,954
Total Revenues	<u>8,715</u>	<u>6,610</u>	<u>42,729</u>	<u>65,273</u>	<u>2,689</u>	<u>213,376</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers			27,172			31,657
Purchased Professional and Technical Services						-
Other Purchased Services (400-500 series)				65,273		65,273
General Supplies		256	1,690			59,224
Total Instruction	<u>-</u>	<u>256</u>	<u>28,862</u>	<u>65,273</u>	<u>-</u>	<u>156,154</u>
Support Services:						
Salaries of Other Professional Staff	1,000	3,479	4,177			21,587
Personal Services - Employee Benefits			9,690			9,690
Purchased Professional and Technical Services		2,350			2,689	13,283
Other Purchased Services (400-500 series)	7,715					7,715
General Supplies		525				525
Student Activities						8,332
Total Support Services	<u>8,715</u>	<u>6,354</u>	<u>13,867</u>	<u>-</u>	<u>2,689</u>	<u>61,132</u>
Capital Outlay:						
Building						-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>8,715</u>	<u>6,610</u>	<u>42,729</u>	<u>65,273</u>	<u>2,689</u>	<u>217,286</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	-	\$ -	-	\$ (3,910)
Fund Balance, July 1						16,360
Fund Balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>12,450</u>

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

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LAUREL SPRINGS SCHOOL DISTRICT
Capital Projects Funds
Summary Statement of Project Expenditures
For the Year Ended June 30, 2025

Project Title/Issue	Original Date	Original Appropriations	GAAP Expenditures to Date		Unexpended Balance June 30, 2025
			Prior Years	Current Years	
HVAC System Upgrades	9/15/2023	\$ 673,919		\$ 529,739	\$ 144,180
		<u>\$ 673,919</u>	<u>-</u>	<u>529,739</u>	<u>144,180</u>

LAUREL SPRINGS SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2025

REVENUES AND OTHER FINANCING SOURCES:

State Sources:

SDA Grants	\$	213,727
------------	----	---------

Total Revenues		213,727
----------------	--	---------

EXPENDITURES

Construction services		529,739
-----------------------	--	---------

Total Expenditures		529,739
--------------------	--	---------

Excess (Deficiency) of Revenues Over (Under) Expenditures		(316,012)
---	--	-----------

Other Financing Sources(Uses):

Operating Transfers In:

Transfer from Capital Outlay		460,192
------------------------------	--	---------

		460,192
--	--	---------

Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures		144,180
---	--	---------

Fund Balances, July 1		144,180
-----------------------	--	---------

Fund Balances, June 30	\$	144,180
------------------------	----	---------

LAUREL SPRINGS SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
HVAC System Upgrades
From Inception and for the Year Ended June 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
REVENUES AND OTHER FINANCING SOURCES:				
State Sources:				
SDA Grant		213,727	213,727	213,727
Local Sources				
Bond proceeds and transfers		460,192	460,192	460,192
Total Revenues	<u>-</u>	<u>673,919</u>	<u>673,919</u>	<u>673,919</u>
EXPENDITURES AND OTHER FINANCING USES:				
Construction services		529,739	529,739	673,919
Total Expenditures	<u>-</u>	<u>529,739</u>	<u>529,739</u>	<u>673,919</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>144,180</u>	<u>144,180</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION:				
Project Number	2540-050-023-R501			
Bond Authorization Date	9/7/2023			
Bonds Authorized	-			
Bonds Issued	-			
Original Cost Authorized	393,504			
Additional Authorized Cost	280,415			
Revised Authorized Cost	673,919			
Percentage Increase over Original Authorized Cost	71%			
Percentage Completion	85%			
Original Target Completion Date	6/30/2025			
Revised Target Completion Date	10/31/2025			

See accompanying auditor's report

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LONG-TERM DEBT SCHEDULES

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LAUREL SPRINGS SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2025

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance June 30, 2024	Decreased	Balance June 30, 2025
			Date	June 30, 2025	Amount				
Refunding Bonds	2/16/2016	\$ 1,930,000	8/15/2025	200,000		2.110%	\$ 780,000	\$ 205,000	\$ 575,000
			8/15/2026	195,000		2.110%			
			8/15/2027	180,000		2.110%			
							<u>\$ 780,000</u>	<u>\$ 205,000</u>	<u>\$ 575,000</u>

LAUREL SPRINGS SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 144,575		\$ 144,575	\$ 144,575	\$ -
State Sources:					
Debt Service Aid	74,721		74,721	74,721	
Total Revenues	219,296	-	219,296	219,296	-
EXPENDITURES:					
Regular Debt Service:					
Redemption of Principal	205,000		205,000	205,000	-
Interest on Bonds	14,296		14,296	14,296	-
Total Regular Debt Service	219,296	-	219,296	219,296	-
Total Expenditures	219,296	-	219,296	219,296	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	1	-	1	1	-
Fund Balance, June 30	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

Statistical Section

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LAUREL SPRINGS School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	470,553	452,344	434,136	455,330	484,036	492,039	518,972	548,524	710,447	1,456,121
Restricted	1,096	237,926	366,966	537,273	432,495	1,097,845	1,489,237	954,290	794,095	721,994
Unrestricted	165,194	(209,141)	(84,969)	(76,851)	(143,717)	(224,930)	(131,493)	194,487	(91,068)	(144,494)
Total governmental activities net position	636,833	481,130	716,133	915,752	772,814	1,364,954	1,876,716	1,697,302	1,413,474	2,033,621
Business-type activities										
Net investment in capital assets	(44,982)	(52,091)	(58,589)	(63,354)	(68,836)	(60,217)	(36,369)	(32,913)	(31,457)	(32,995)
Unrestricted	(44,982)	(52,091)	(58,589)	(63,354)	(68,836)	(60,217)	(36,369)	(32,913)	(31,457)	(32,995)
Total business-type activities net position										
District-wide										
Net investment in capital assets	470,553	452,344	434,136	455,330	484,036	492,039	518,972	548,524	710,447	1,456,121
Restricted	1,096	237,926	366,966	537,273	432,495	1,097,845	1,489,237	954,290	794,095	721,994
Unrestricted	120,212	(281,232)	(143,558)	(140,204)	(212,552)	(285,147)	(187,863)	181,575	(122,525)	(177,489)
Total district net position	591,851	423,039	657,545	852,396	703,979	1,304,737	1,840,346	1,694,390	1,382,017	2,000,626

Source: ACFR Schedule A-1

LAUREL SPRINGS School District
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
Instruction:										
Regular	1,106,767	1,133,151	1,250,338	1,147,132	1,120,620	1,080,204	1,181,783	1,348,355	1,205,897	996,407
Special education	245,363	257,646	266,328	245,047	275,426	286,002	411,191	574,586	1,116,744	964,078
Other special education	21,812	22,891	13,156	25,903	81,268	77,352	110,864	101,994	136,389	211,104
Other instruction				338						
Co-Curricular / Extra-Curricular Instruction	700			3885	3,207	2,345	4,327	3,211		
Community Services Programs / Operations	6,225	2,419	3,069							
Support Services:										
Tuition	2,451,837	2,377,158	1,715,340	2,264,862	2,537,895	1,907,534	2,196,255	2,780,804	3,400,896	3,197,434
Student & instruction related services	353,869	360,458	423,757	410,974	518,295	495,018	451,399	619,412	648,432	754,531
General Administration and Business Services	128,996	121,927	123,878	145,072	150,824	145,090	145,624	209,355	96,329	143,559
School Administration Services	72,767	44,811	46,077	39,469	35,506	34,694	113,402	119,668	410,808	440,423
Central Services	66,256	69,692	71,689	89,031	71,403	74,326				
Plant operations and maintenance	229,359	247,983	236,430	234,478	259,206	285,647	288,207	302,970	560,205	592,834
Pupil transportation	97,895	152,403	118,985	232,617	96,127	63,651	67,674	183,107	354,304	362,552
Unallocated benefits	1,017,820	1,329,802	1,331,001	1,111,706	957,943	13,766	1,012,157	11,875	-	-
Transfer to Charter Schools									12,879	13,222
Unallocated depreciation	73,778	47,828	38,445	35,352	32,917	37,872	34,296	29,958	25,618	21,294
Interest on long-term debt										
Total governmental activities expenses	5,873,483	6,168,179	5,638,492	5,985,867	6,140,636	5,922,736	6,017,378	7,202,986	7,968,501	7,667,438
Business-type activities:										
Food service	51,883	53,956	43,987	41,113	36,534	23,316	58,026	35,240	49,283	58,595
Total business-type activities expenses	51,883	53,956	43,987	41,113	36,534	23,316	58,026	35,240	49,283	58,595
Total district expenses	5,925,367	6,222,135	5,682,479	6,026,980	6,177,170	5,946,052	6,075,404	7,238,226	8,017,784	7,726,033
Program Revenues										
Governmental activities:										
Charges for services:										
Operating grants and contributions	205,309	755,198	758,137	476,094	323,382	1,211,312	829,050	865,491	161,682	(72,687)
Capital grants and contributions								5,592		
Total governmental activities program revenues	205,309	755,198	758,137	476,094	323,382	1,215,071	838,873	879,873	161,682	(72,687)
Business-type activities:										
Charges for services:										
Food service	13,918	14,618	16,000	13,653	9,235		60	7,129	9,419	7,486
Operating grants and contributions	28,059	32,230	21,490	22,694	21,817	36,089	81,814	31,568	45,409	52,014
Total business-type activities program revenue	41,976	46,847	37,490	36,348	31,052	36,089	81,873	38,697	54,828	59,500
Total district program revenue	247,285	802,045	795,626	512,441	354,434	1,251,160	920,747	918,570	216,510	(13,187)
Net (Expense)/Revenue										
Governmental activities	(5,668,175)	(5,412,980)	(4,890,355)	(5,509,773)	(5,817,254)	(4,707,665)	(5,178,505)	(6,323,113)	(7,806,819)	(7,760,125)
Business-type activities	(9,907)	(7,109)	(6,498)	(4,765)	(5,482)	12,773	23,848	3,457	5,545	905
Total district-wide net expense	(5,678,082)	(5,420,089)	(4,896,853)	(5,514,538)	(5,822,736)	(4,694,891)	(5,154,657)	(6,319,656)	(7,801,274)	(7,759,220)

LAUREL SPRINGS School District
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	2,969,081	2,842,962	2,592,418	3,047,030	2,829,626	2,829,626	2,888,808	2,943,695	3,002,195	3,173,212
Taxes levied for debt service	141,274	137,874	129,594	128,172	134,610	128,984	128,974	128,974	147,426	144,575
Unrestricted grants and contributions	2,615,255	2,265,445	2,382,751	2,519,442	2,704,884	2,254,804	2,589,478	2,989,995	4,304,801	4,997,227
Restricted grants and contributions						56,221	59,899	71,451	883	3,403
Investment earnings	55,588	10,996	10,595	14,748	5,197	9,472	23,107	9,584	25,060	26,611
Miscellaneous income	5,781,208	5,257,277	5,115,358	5,709,392	5,674,316	5,279,107	5,690,266	6,143,699	42,626	35,244
Total governmental activities									7,522,991	8,380,272
Business-type activities:										
Investment earnings										(2,443)
Other adjustments										(2,443)
Total business-type activities										
Total district-wide	5,781,208	5,257,277	5,115,358	5,709,392	5,674,316	5,279,107	5,690,266	6,143,699	7,522,991	8,377,829
Changes in Net Position										
Governmental activities	113,034	(155,703)	235,003	199,619	(142,938)	571,443	511,762	(179,414)	(283,828)	620,147
Business-type activities	(9,907)	(7,109)	(6,498)	(4,765)	(5,482)	12,773	23,848	3,466	5,545	(1,539)
Total district	103,127	(162,812)	228,506	194,854	(148,420)	584,216	535,609	(175,948)	(278,283)	618,609

Source: ACFR Schedule A-2

LAUREL SPRINGS School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	287,278	225,791	355,917	537,273	432,485	1,077,890	1,472,496	937,092	525,763	611,088
Assigned	119,490	47,280	183,076		10,156	39,724	2,700	316,538	151,135	116,756
Unassigned	122,167	111,075	87,640	253,876	156,949	25,213	120,469	136,521	(3,499)	(19,796)
Total general fund	528,935	384,146	626,633	791,149	599,590	1,142,828	1,595,665	1,390,151	673,399	708,048
All Other Governmental Funds										
Restricted:										
Special revenue fund						19,945	16,741	17,198	16,360	12,450
Debt Service Fund	1,086	12,136	11,050	-	10	10	0	0	1	1
Capital Projects Fund										
Total all other governmental funds	1,086	12,136	11,050	-	10	19,955	16,741	17,198	16,361	98,455
										209,361

Source: ACFR Schedule B-1

LAUREL SPRINGS School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years **Exhibit J-4**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	3,110,355	2,980,836	2,722,012	3,175,202	2,964,236	2,958,610	3,017,782	3,072,669	3,149,621	3,317,787
Interest earnings									25,060	26,611
Local source - Student Activity						3,759	9,824	8,791	6,652	4,422
Miscellaneous	55,598	10,996	10,595	14,748	5,197	9,472	23,107	9,584	43,509	38,647
State sources	2,324,418	2,336,703	2,444,581	2,610,411	2,806,830	2,818,799	3,312,381	3,729,480	4,304,801	4,997,227
Federal sources	132,294	118,677	138,650	111,375	112,592	204,116	236,035	410,028	400,145	245,102
Total revenue	5,622,665	5,447,212	5,315,838	5,911,736	5,888,854	5,994,756	6,599,129	7,230,551	7,929,788	8,629,796
Expenditures										
Instruction:										
Regular instruction	986,677	1,013,592	1,130,779	1,027,573	1,001,061	960,646	1,059,923	1,208,613	901,514	793,447
Special education instruction	237,357	249,640	258,322	237,041	267,420	277,996	403,088	553,462	849,937	764,541
Other special education instruction	21,812	22,891	13,156	25,903	81,268	77,352	110,864	101,994	103,893	169,188
Community Services Programs / Operations	6,225	2,419	3,069	3,885	3,207	2,345	4,327	3,211	-	-
Co-Curricular / Extra-Curricular Instruction	700	-		338						
Support Services:										
Tuition	2,451,837	2,377,158	1,715,340	2,264,862	2,537,895	1,907,534	2,196,255	2,760,804	3,400,896	3,197,434
Student & instruction related services	337,857	344,446	407,745	394,962	494,545	466,758	422,797	582,571	441,926	493,773
General administrative services	120,990	113,921	115,872	128,194	133,945	128,211	128,541	191,829	188,090	196,654
School administrative services	68,764	40,808	42,074	35,466	36,337	35,806	105,299	111,355	64,426	93,953
Business administrative/central services	62,292	65,689	67,686	90,304	67,400	70,323	-	-	91,662	116,535
Plant operations and maintenance	229,359	247,993	236,430	234,478	259,206	284,869	292,831	307,889	299,735	357,801
Pupil transportation	97,895	152,403	118,985	232,617	96,127	63,651	67,874	193,107	354,304	362,552
Unallocated employee benefits	664,893	751,910	772,470	852,910	859,127	939,371	1,116,820	1,165,007	1,348,877	1,408,934
Charter schools						13,766		11,875	12,879	13,222
Capital outlay						27,995	38,827	10,892	113,647	565,243
Debt service:										
Principal	125,000	150,000	150,000	175,000	170,000	165,000	175,000	210,000	205,000	205,000
Interest and other charges	89,288	48,083	42,510	36,737	34,172	30,648	27,061	22,999	18,620	14,296
Total Expenditures	5,500,946	5,580,952	5,074,436	5,784,634	6,080,403	5,452,271	6,149,506	7,435,607	8,395,406	8,752,573
Excess (Deficiency) of revenues over (under) expenditures	121,719	(133,739)	241,402	127,102	(191,549)	542,485	449,624	(205,056)	(465,618)	(122,777)
Other Financing Sources (Uses)										
Bond Proceeds	1,930,000								-	-
Deposit in Refunding Escrow	(1,898,547)								-	-
Capital Lease										
Total other financing sources (uses)	31,453	-	-	26,365	-	-	-	-	-	-
Net change in fund balances	153,172	(133,739)	241,402	153,467	(191,549)	542,485	449,624	(205,056)	(465,618)	(122,777)
Debt service as a percentage of noncapital expenditures	3.90%	3.55%	3.79%	3.69%	3.38%	3.61%	3.31%	3.14%	2.70%	2.68%

Source: ACFR Schedule B.2

LAUREL SPRINGS School District
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
(Unaudited)

Exhibit J-5

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Prior Year Refund</u>	<u>Miscellaneous</u>	<u>Totals</u>
2016			55,598	\$ 55,598
2017			10,996	10,996
2018			10,595	10,595
2019			14,748	14,748
2020			5,197	5,197
2021			9,472	9,472
2022		17,982	5,125	23,107
2023		5,465	4,119	9,584
2024	25,060	2,160	41,349	68,569
2025	26,611		35,244	61,855

Source: District Records

LAUREL SPRINGS School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	County Equalized Value
2016	434,500	68,549,724			6,784,050	1,810,000	77,578,274	100	77,578,374	3.864	113,071,380
2017	460,400	102,789,100			8,768,300	3,451,400	115,469,200	100	115,469,300	2.427	112,884,153
2018	425,400	102,833,900			8,768,300	3,451,400	115,479,000	100	115,479,100	2.513	116,751,592
2019	425,400	102,860,400			8,768,300	3,492,400	115,546,500	100	115,546,600	2.616	121,474,453
2020	425,400	103,343,400			8,768,300	3,492,400	116,029,500	100	116,029,600	2.552	124,428,418
2021	422,400	103,425,500			8,600,300	3,492,400	115,940,600	92	115,940,692	2.538	125,354,741
2022	422,400	103,632,900			8,720,600	3,492,400	116,268,300	89	116,268,389	2.580	130,642,311
2023	422,400	104,273,600			8,720,600	3,492,400	116,909,000	84	116,909,084	2.622	139,073,451
2024	422,400	104,213,400			8,924,200	3,492,400	117,052,400	74	117,052,474	2.720	156,755,890
2025	422,400	104,278,200			8,924,200	3,204,800	116,829,600		116,829,600	2.819	176,421,392

Source: County Abstract of Ratables & Municipal Tax Assessor

LAUREL SPRINGS School District
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	School District		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Local School	Total Direct	Camden County	Municipal Local Purpose		
2016	3.864	\$ 3.864	1.281	2.363	\$ 7.508	
2017	2.427	2.427	0.872	1.647	4.946	
2018	2.513	2.513	0.906	1.679	5.098	
2019	2.616	2.616	0.913	1.721	5.250	
2020	2.552	2.552	0.913	1.769	5.234	
2021	2.538	2.538	0.914	1.805	5.257	
2022	2.580	2.580	0.882	1.844	5.306	
2023	2.622	2.622	0.856	1.914	5.392	
2024	2.720	2.720	0.882	1.962	5.564	
2025	2.819	2.819	0.907	2.004	5.730	

Source: District Records and Municipal Tax Collector

**LAUREL SPRINGS School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Exhibit J-8

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Laurel Springs Garden Assoc	3,025,800	1	2.58%			
Bell Atlantic	1,324,900	2	1.13%			
Akoya Real Estate LLC	770,900	3	0.66%			
Taxpayer #1	590,700	4	0.50%		Not available	
Wine Barrel NJ LLC	505,100	5	0.43%			
Verizon Business Network Services	488,600	6	0.42%			
Sat-Raj Inc	476,900	7	0.41%			
Taxpayer #2	422,100	8	0.36%			
Taxpayer #3	419,500	9	0.36%			
Kellmoll Properties LLC		10	0.00%			
Totals	<u>\$ 8,024,500</u>		<u>6.86%</u>	<u>\$ -</u>		<u>0.00%</u>
District Assessed Value			<u>\$ 117,052,474</u>			<u>\$ 77,578,374</u>

Source: District ACFR & Municipal Tax Assessor

**LAUREL SPRINGS School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

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	
2016	3,110,355	2,922,497	93.96%	187,858
2017	2,980,836	2,980,836	100.00%	
2018	2,722,012	2,722,012	100.00%	
2019	3,175,202	3,075,347	96.86%	99,855
2020	2,964,236	2,963,111	99.96%	1,126
2021	2,958,610	2,861,006	96.70%	97,604
2022	3,017,782	3,017,782	100.00%	
2023	3,072,669	2,975,066	96.82%	97,603
2024	3,149,621	2,921,175	92.75%	228,446
2025	3,317,787	3,226,995	97.26%	90,792

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

LAUREL SPRINGS School District
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income	* Debt Per Capita
	General Obligation Bonds	Financed Purchases	Other Loans			
2016	\$ 2,180,000	\$ -		\$ 2,180,000	2.41%	1,166
2017	2,030,000			2,030,000	2.18%	1,087
2018	1,880,000			1,880,000	1.95%	1,006
2019	1,705,000	21,088		1,726,088	1.73%	925
2020	1,535,000	16,255		1,551,255	1.47%	834
2021	1,370,000	11,140		1,381,140	1.14%	700
2022	1,195,000	5,727		1,200,727	0.98%	608
2023	985,000			985,000	N/A	496
2024	780,000			780,000	N/A	N/A
2025	575,000			575,000	N/A	N/A

Source: District ACFR Schedules I-1, I-2

* = Per Capital Income data presented is for the entire County of Camden, not only the Borough of Laurel Springs.

LAUREL SPRINGS School District
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

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			
2016	2,180,000	-	2,180,000	2.81%	48,405
2017	2,030,000	-	2,030,000	1.76%	49,884
2018	1,880,000	-	1,880,000	1.63%	51,612
2019	1,705,000	-	1,705,000	1.48%	53,425
2020	1,535,000	-	1,535,000	1.32%	56,727
2021	1,370,000	-	1,370,000	1.18%	61,158
2022	1,195,000	-	1,195,000	1.03%	61,989
2023	985,000	-	985,000	0.84%	64,987
2024	780,000	-	780,000	0.67%	n/a
2025	575,000	-	575,000	0.49%	n/a

Source: School District records; New Jersey Department of Labor and Workforce Development.

* = Per Capital Income data presented is for the entire County of Camden, not only the Borough of Laurel Springs.

LAUREL SPRINGS School District
Direct and Overlapping Governmental Activities Bonded Debt,
As of December 31, 2024 for overlapping debt

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Borough of Laurel Springs	\$ 2,763,000	100.00%	\$ 2,763,000
Other Debt			
County of Camden	700,301,593	0.31%	2,180,603
Subtotal, Overlapping Debt			4,943,603
Laurel Springs School District Direct Debt			575,000
Total Direct and Overlapping Debt			\$ 5,518,603

Sources: Borough of Laurel Springs, County of Camden.

LAUREL SPRINGS School District
Legal Debt Margin Information,
Last Ten Fiscal Years

Exhibit J-13

Equalized valuation basis	
2024	\$ 176,694,813
2023	156,149,325
2022	137,938,427
	<u>\$ 470,782,565</u>

Average equalized valuation of taxable property	\$ 156,927,522
Debt limit (2.5% of average)	
Net bonded school debt	4,707,826
Legal debt margin	<u>575,000</u>
	<u>\$ 4,132,826</u>

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 2,907,101	\$ 2,831,414	\$ 2,839,856	\$ 2,905,069	\$ 3,017,130	\$ 3,089,707	\$ 3,161,771	\$ 3,278,670	\$ 4,241,389	\$ 4,707,826
Total net debt applicable to limit	2,180,000	2,030,000	1,880,000	1,705,000	1,535,000	1,370,000	1,195,000	985,000	780,000	575,000
Legal debt margin	<u>\$ 727,101</u>	<u>\$ 801,414</u>	<u>\$ 959,856</u>	<u>\$ 1,200,069</u>	<u>\$ 1,482,130</u>	<u>\$ 1,719,707</u>	<u>\$ 1,966,771</u>	<u>\$ 2,293,670</u>	<u>\$ 3,461,389</u>	<u>\$ 4,132,826</u>
Total net debt applicable to the limit as a percentage of debt limit	74.99%	71.70%	66.20%	58.69%	50.88%	44.34%	37.80%	30.04%	18.39%	12.21%

Source: Annual Debt Statement Borough of Laurel Springs and District Records ACFR Schedule J-7

**LAUREL SPRINGS School District
Demographic and Economic Statistics,
Last Ten Fiscal Years**

Exhibit J-14

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	* Per Capita Personal Income	Unemployment Rate
2016	1,870	90,517,350	48,405	6.3%
2017	1,867	93,133,428	49,884	4.8%
2018	1,869	96,462,828	51,612	4.3%
2019	1,866	99,691,050	53,425	4.2%
2020	1,861	105,568,947	56,727	10.5%
2021	1,973	120,664,734	61,158	8.1%
2022	1,976	122,490,264	61,989	4.0%
2023	1,984	128,934,208	64,987	5.0%
2024	2,003	n/a	n/a	5.0%
2025	n/a	n/a	n/a	n/a

Source: New Jersey Department of Labor and Workforce Development.

* = Per Capital Income data presented is for the entire County of Camden, not only the Borough of Laurel Springs.

**LAUREL SPRINGS School District
Principal Employers,
Current Year and Nine Years Ago**

Exhibit J-15

<u>Employer</u>	<u>2025</u>			<u>2016</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Information not available						
Totals	<u>-</u>		<u>0.00%</u>	<u>0</u>		<u>0.00%</u>

Source: Individual Employers

Note: The information at the municipal level is not readily available.

LAUREL SPRINGS School District
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years

Exhibit J-16

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction:										
Regular instruction	14.1	14.1	14.1	14.1	13.5	13.9	13.9	10.3	10.3	10.0
Special education	2.0	2.0	2.0	2.0	3.2	4.2	4.2	10.0	10.0	9.0
Other instruction	3.5	3.5	3.5	3.5	3.5	3.5	3.5	1.8	1.8	1.4
Support Services:										
Student & instruction related services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.2	3.2	3.4
General administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.7
School administrative services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.5	0.5	0.9
Central services	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0.4	0.9
Plant operations and maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.3	0.3	0.3
Pupil transportation										
Total	25.8	25.8	25.8	25.8	26.4	27.8	27.8	27.4	27.4	26.6

Source: District Personnel Records

LAUREL SPRINGS School District
Operating Statistics,
Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/ Teacher Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	199.0	5,286,658	26,566	4.35%	16.1	12.360	198.00	191.00	2.59%	96.46%
2017	200.0	5,382,869	26,914	1.31%	16.1	12.422	198.00	189.00	0.00%	95.45%
2018	181.0	4,881,926	26,972	0.21%	16.1	11.242	186.00	177.00	-6.06%	95.16%
2019	186.0	5,528,533	29,723	10.20%	16.5	11.273	188.00	178.00	1.08%	94.68%
2020	183.0	5,837,538	31,899	7.32%	16.7	10.991	184.00	177.00	-2.13%	96.20%
2021	167.0	5,228,628	31,309	-1.85%	18.1	9.252	168.00	162.00	-8.70%	96.43%
2022	176.0	5,908,618	33,572	7.23%	18.1	9.724	174.00	161.00	3.57%	92.53%
2023	182.0	7,191,716	39,515	17.70%	18.1	10.055	181.00	169.00	4.02%	93.37%
2024	179.0	8,058,139	45,018	13.93%	20.3	8.818	178.61	168.57	-1.32%	94.38%
2025	184.0	7,968,034	43,305	-3.81%	19.0	9.684	181.18	172.49	1.44%	95.20%

Source: District records, ASSA and Schedules J-12, J-14

LAUREL SPRINGS School District
School Building Information,
Last Ten Fiscal Years

Exhibit J-18

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>District Buildings</u>										
<u>Elementary</u>										
Square Feet	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Capacity (students)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enrollment	199	200	181	186	183	167	176	182	179	184
Number of Schools at June 30, 2025										
Elementary -										
										1

Source: District Records, ASSA

LAUREL SPRINGS 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	Gross Square Footage	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
LAUREL SPRINGS School	20,311	89,786	102,241	89,984	85,622	89,479	98,580	80,078	95,042	95,836	117,441

Source: District Records

LAUREL SPRINGS School District
Insurance Schedule
for the Fiscal Year ended June 30, 2025
(Unaudited)

Exhibit J-20

<u>mpan</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Deductible</u>
Burlington County Insurance Pool Joint Insurance Fund			
	Property, Inland Marine and Automobile Physical Damages		
	Limit of Liability	175,000,000	
	GCSSD JIF Self Insured Retention	250,000	
	Member District Deductible		500
	Property Valuation	Replacement Cost	
	Boiler and Machinery		
	Limit of Liability	125,000,000	
	BCIP JIF Self Insured Retention	None	
	Member District Deductible		1,000
	Crime		
	Limit of Liability	500,000	
	GCSSD JIF Self Insured Retention	250,000	
	Member District Deductible		500
	General and Automobile Liability		
	Limit of Liability	27,000,000	
	GCSSD JIF Self Insured Retention	250,000	
	Member District Deductible		None
	Workers' Compensation		
	Limit of Liability	Statutory	
	GCSSD JIF Self Insured Retention	250,000	
	Member District Deductible		None
	Educator's Legal Liability		
	Limit of Liability	27,000,000	
	BCIP JIF Self Insured Retention	250,000	
	Member District Deductible		None
	Pollution Legal Liability		
	Limit of Liability	3,000,000	
	BCIP JIF Self Insured Retention	None	
	Member District Deductible – Pollution Incident		25,000
	Member District Deductible – Mold Incident		100,000-250,000
	Cyber Liability		
	Limit of Liability	2,000,000	
	BCIP JIF Self Insured Retention		None

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SINGLE AUDIT SECTION

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Exhibit K-1

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable President and
Members of the Board of Education
Laurel Springs School District
County of Camden
State of 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 Laurel Springs School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Laurel Springs School District's basic financial statements, and have issued our report thereon dated November 14, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Laurel Springs 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 Laurel Springs Township School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, as Finding No 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Laurel Springs 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 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, and which are described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, as Finding No 2025-001.

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, LLC.
Certified Public Accountants

Michael S. Garcia

Michael S. Garcia

Certified Public Accountant
Licensed Public School Accountant
No. 2080

November 14, 2025



Exhibit K-2

Report on Compliance with 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 Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance)*, and New Jersey OMB's Circular 15-08

Honorable President and
Members of the Board of Education
Laurel Springs School District
County of Camden, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal & State Program

We have audited the Laurel Springs 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 Laurel Springs School District's major federal and state programs for the year ended June 30, 2025. The Laurel Springs 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 Laurel Springs 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, 2025.

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 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 Laurel Springs 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 Laurel Springs 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 Laurel Springs 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 Laurel Springs 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 Laurel Springs 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 Laurel Springs School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of Laurel Springs 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

The results of our auditing procedures disclosed an instance of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08 which is described in the accompanying *Schedule of Findings and Questioned Costs* as Finding No. 2025-001. Our opinion on each major state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Laurel Springs School District's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance 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 in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that have not been identified... We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed

below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the Laurel Springs School District's response to the internal control over compliance findings identified in our audit described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.

Ford, Scott & Associates, LLC.

Certified Public Accountants

Michael S. Garcia

Michael S. Garcia

Certified Public Accountant

Licensed Public School Accountant

No. 2080

November 14, 2025

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LAUREL SPRINGS SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	June 30, 2024		Budgetary Expenditures		Adjustments / Repayment of Prior Years' Balances	Balance at June 30, 2025	
						Accounts Receivable	Unearned Revenue	Cash Received	Source Pass Through		Total	Unearned Revenue
U. S. Department of Agriculture												
Passed-through State Department of Education:												
Enterprise Fund:												
Food Distribution Program	10.555	2025INJ04N1099	N/A	7/1/24 - 6/30/25	16,753	\$	\$	16,753	\$ (16,753)		\$	-
School Breakfast Program	10.553	2025INJ04N1099	N/A	7/1/24 - 6/30/25	5,485			5,114	(5,485)	381		
School Breakfast Program	10.553	2024INJ04N1099	N/A	7/1/23 - 6/30/24	4,829		(430)	430				
National School Lunch Program	10.555	2025INJ04N1099	N/A	7/1/24 - 6/30/25	28,309			26,333	(28,309)	1,976		
National School Lunch Program	10.555	2024INJ04N1099	N/A	7/1/23 - 6/30/24	25,660		(1,580)	1,580				
Total Child Nutrition Cluster						(2,010)	-	50,210	(50,557)	2,357	-	-
Pandemic EBT Administrative Costs												
Total Enterprise Fund	10.649	2022225900941	N/A	7/1/23 - 6/30/24	-	(643)		643	-	2,357	-	-
						(2,653)	-	50,853	(50,557)		-	-
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Title I, Part A	84.010A	S010A250030	ESEA254025	7/1/24 - 9/30/25	54,679			24,002	(42,729)		(18,727)	
Title I, Part A	84.010A	S010A240030	ESEA254024	7/1/23 - 9/30/24	49,447	(21,031)		20,439			(592)	
Total Title I						(21,031)		44,441	(42,729)	-	(19,319)	
Title II, Part A	84.367A	S367A250029	ESEA254025	7/1/24 - 9/30/25	12,904			7,120	(8,715)	749	(1,595)	
Title II, Part A	84.367A	S367A240029	ESEA254024	7/1/23 - 9/30/24	10,878	(4,773)		3,924			(100)	
Total Title II						(4,773)	-	11,044	(8,715)	749	(1,695)	-
Title IV	84.424A	S424A250031	ESEA254025	7/1/24 - 9/30/25	16,196			7,433	(6,610)		823	
Title IV	84.424A	S424A240031	ESEA254024	7/1/23 - 9/30/24	16,032	(6,589)		6,588		1		
Title IV	84.424A	S424A200031	ESEA254023	7/1/22 - 9/30/23	10,476	(289)					(289)	
Total Title IV						(6,878)	-	14,021	(6,610)	1	(289)	-
Special Education Cluster (IDEA)												
IDEA Part B - Basic	84.027A	H027A250100	IDEA254024	7/1/23 - 9/30/24	65,273			65,273	(65,273)			
IDEA Part B - Basic	84.027A	H027A240100	IDEA254024	7/1/23 - 9/30/24	64,755	(29,555)		29,555				
IDEA Part B - Preschool	84.173A	H173A250114	IDEA254024	7/1/23 - 9/30/24	2,689	(5,462)		2,689	(2,689)			
IDEA Part B - Preschool	84.173A	H173A240114	IDEA254024	7/1/23 - 9/30/24	5,462			5,462				
Total Special Education Cluster						(35,017)		102,979	(67,962)		-	
Total Special Education Cluster												
CARES - Emergency Relief	84.425D	S425D200027	N/A	3/13/20 - 9/30/22	37,658							2,168
CRRSA - ESSER II	84.425D	S425D210027	N/A	3/13/20 - 9/30/23	146,094		2,168					4,926
CRRSA - Learning Acceleration	84.425D	S425D210027	N/A	3/13/20 - 9/30/23	25,000							
CRRSA - Mental Health	84.425D	S425D210027	N/A	3/13/20 - 9/30/23	45,000		959					959
ARP - ESSER	84.425U	S425U210027	N/A	3/13/20 - 9/30/24	328,337	(38,640)		49,478	(10,838)			
ARP - Accelerated Learning (Instruction)	84.425U	S425U210027	N/A	3/13/20 - 9/30/24	50,000	(6,822)		7,071	(249)			
ARP - Evidence Based Summer Learning	84.425U	S425U210027	N/A	3/13/20 - 9/30/24	40,000			4,485	(4,485)			
ARP - Beyond the School Day (Afterschool)	84.425U	S425U210027	N/A	3/13/20 - 9/30/24	40,000	(1,298)		23,697	(22,399)			
ARP - NJTSS Mental Health	84.425U	S425U210027	N/A	3/13/20 - 9/30/24	45,000			44,967	(44,967)			
Total Education Stabilization Cluster						(46,760)	8,053	129,698	(82,938)	-	-	8,053
Total Special Revenue Fund												
						(114,459)	8,053	302,183	(208,954)	750	(21,303)	8,053
Total Federal Financial Assistance												
						(117,112)	8,053	353,036	(259,511)	3,107	(21,303)	8,053

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2024		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments / Repayment of Prior Years' Balances	Balance at June 30, 2025		MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable
State Department of Education														
General Fund:														
State Aid Public Cluster:														
Special Education Aid	25-495-034-5120-089	370,214	7/1/2024	6/30/2025	\$	\$	\$	370,214	\$ (370,214)	\$	\$	\$	\$	370,214
School Choice Aid	25-495-034-5120-088	90,890	7/1/2024	6/30/2025				90,890	(90,890)					90,890
Security Aid	25-495-034-5120-084	67,592	7/1/2024	6/30/2025				67,592	(67,592)					67,592
Equalization Aid	25-495-034-5120-078	3,385,236	7/1/2024	6/30/2025				3,385,236	(3,385,236)					3,385,236
Total State Aid Public Cluster														
					-	-	-	3,913,932	(3,913,932)	-	-	-	384,565	3,913,932
Transportation Aid														
Extraordinary Aid	25-495-034-5120-014	46,209	7/1/2024	6/30/2025				46,209	(46,209)				4,540	46,209
Extraordinary Aid	25-100-034-5120-044	119,309	7/1/2023	6/30/2024					(119,309)					119,309
On-Behalf TPAF Pension	24-100-034-5120-044	150,484	7/1/2022	6/30/2023				150,484		(119,309)				150,484
On-Behalf TPAF Post-Retirement	25-495-034-5094-002	484,151	7/1/2024	6/30/2025				484,151	(484,151)					484,151
On-Behalf TPAF LTD	25-495-034-5094-001	141,469	7/1/2024	6/30/2025				141,469	(141,469)					141,469
Reimbursed TPAF Social Security	25-495-034-5094-004	155	7/1/2024	6/30/2025				155	(155)					155
	25-495-034-5094-003	105,843	7/1/2024	6/30/2025				100,650	(105,843)		(5,193)			105,843
Total General Fund														
					(150,484)	-	-	4,837,050	(4,811,068)	-	-	-	389,105	4,961,552
Special Revenue Fund:														
Emergent and Capital Needs Grant		4,008	7/1/2022	6/30/2023							4,008		-	-
Total Special Revenue Fund														
					4,008	-	-	-	-	-	4,008	-	-	-
Capital Projects Fund:														
School Development Authority	25-40-050-23-FS01	213,727	9/15/2023	complete					(168,002)					168,002
Total Capital Projects Fund														
					-	-	-	-	(168,002)	-	-	-	-	168,002
State Department of Education														
Debt Service Fund:														
Debt Service Aid	25-100-034-5120-017	74,721	1/2/1900	6/30/2025				74,721	(74,721)					74,721
Total Debt Service Fund														
					-	-	-	74,721	(74,721)	-	-	-	-	74,721
State Department of Agriculture:														
Enterprise Fund:														
State School Lunch Program	25-100-010-3350-023	1,398	7/1/2024	6/30/2025				1,312	(1,398)	86				1,398
State School Lunch Program	24-100-010-3350-023	1,035	7/1/2023	6/30/2024	(67)			67	(59)					1,035
State School Breakfast Program	25-100-010-3350-023	59	7/1/2024	6/30/2025				18						59
State School Breakfast Program	24-100-010-3350-023	125	7/1/2023	6/30/2024	(18)			59						
Total Enterprise Fund														
					(85)	-	-	1,456	(1,457)	86	-	-	-	2,492
Total State Financial Assistance														
					\$ (146,561)	\$ -	\$ -	4,913,227	(5,055,248)	\$ 86	\$ (292,504)	\$ 4,008	\$ -	\$ 5,206,767
Less: On-Behalf TPAF Pension														
Less: On-Behalf TPAF Post-Retirement	25-495-034-5094-001	484,151	7/1/2024	6/30/2025					(484,151)					
Less: On-Behalf TPAF LTD	25-495-034-5094-004	141,469	7/1/2024	6/30/2025					(141,469)					
		155	7/1/2024	6/30/2025					(155)					
Total State Financial Assistance														
									(625,775)					
Total State Financial Assistance														
									(4,429,473)					

The accompanying Notes to Schedules of Expenditures of Awards of Financial Assistance are an integral part of this schedule.

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2025**

Note 1: General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Laurel Springs School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the schedule of federal awards and state financial assistance.

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information 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 School 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 state aid payment 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 special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$56,564) for the general fund and \$36,148 for the special revenue fund. See the Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

	Federal	State	On-Behalf Contributions	Total
General Fund	\$	4,754,504	(731,618)	4,022,886
Special Revenue Fund	245,102	-		245,102
Capital Projects fund		168,002		168,002
Debt Service Fund		74,721		74,721
Food Service Fund	50,557	1,457		52,014
Total Financial Assistance	\$ 295,659	4,998,684	(731,618)	4,562,725

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.

**LAUREL SPRINGS SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2025
(CONTINUED)**

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 Food Distribution Program represent current year's 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, 2025. 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, 2025.

Note 6: Adjustments

Amounts reported in the column entitled "adjustments" are shown in the table below for fiscal year 2024-2025:

	<u>Federal</u>	<u>State</u>
Prior year payables canceled	\$ 750	-
Grants Receivable Canceled	2,357	86
	<u> </u>	<u> </u>
Total Financial Assistance	<u>\$ 3,107</u>	<u>86</u>

**LAUREL SPRINGS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2025**

Exhibit K-6

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
1) Material weakness identified?	No
2) Significant deficiencies identified?	Yes
Noncompliance material to basic financial statements noted?	No

Federal Awards N/A

Internal control over major programs:

- 1) Material weakness identified?
- 2) Significant deficiencies identified?

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

Any audit findings disclosed that are required to be reported
In accordance with section .510(a) of Uniform Guidance?

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Numbers</u>	<u>Name of Federal Program or Cluster</u>
--	----------------------------	--

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
--	-----------

Auditee qualified as low-risk auditee?

State Awards

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

Auditee qualified as low-risk auditee?	Yes
--	-----

Type of auditor's report issued on compliance for major programs:	Unmodified Opinion
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**LAUREL SPRINGS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2025
(CONTINUED)**

Exhibit K-6

Section I – Summary of Auditor’s Results (Continued)

Internal Control over major programs:

- | | |
|---|-----|
| 1) Material weaknesses identified? | No |
| 2) Significant deficiencies identified? | Yes |

Any audit findings disclosed that are required to be reported In accordance with NJ OMB Circular Letter 15-08?	Yes
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Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
	State Aid Public Cluster:
495-034-5120-078	Equalization Aid
495-034-5120-089	Categorical Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-068	School Choice Aid

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires reporting.

Finding No. 2025-001

Criteria or Specific Requirement

In accordance with maintaining a strong internal control environment over certain special tests and provisions, such as requirements of the public-school contracts law and obligations and payments in excess of amounts appropriated, internal controls should be established for the timely creation, approval and payment of purchase orders, including the required signatures, certifications and supporting documents.

Condition

The School District did not have adequate internal control procedures in place for the timely creation, approval and payment of purchase orders, the required signatures, certifications and supporting documents.

Context

Numerous purchase orders were not maintained on file in support of the proper approval of requirements of the public-school contracts law. In addition, purchase orders were not always created prior to ordering goods / services, therefore the funds were not encumbered timely. Also, numerous purchase orders did not contain the required signatures, certifications, supporting documents and timely payment.

**LAUREL SPRINGS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2025
(CONTINUED)**

Exhibit K-6

Effect or Potential Effect

The School District could be noncompliant with the public-school contracts law and could overexpend budget appropriations, interest may be assessed for late payment or payments could be made for goods and services not received.

Cause - Change in personnel.

Recommendation

That the School District establishes and implements internal control procedures for the timely creation, approval of purchase orders, documentation of the required signatures and certification and supporting documents.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with this finding and will address the matter as part of their corrective action plan.

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

FEDERAL AWARDS

Not applicable.

STATE AWARDS

State Aid Public – State Grant Numbers 495-034-5120-078, 495-034-5120-089, 495-034-5120-084 & 495-034-5120-068

Finding No. 2025-001

Criteria or Specific Requirement

In accordance with maintaining a strong internal control environment over certain special tests and provisions, such as requirements of the public-school contracts law and obligations and payments in excess of amounts appropriated, internal controls should be established for the timely creation, approval and payment of purchase orders, including the required signatures, certifications and supporting documents.

Condition

The School District did not have adequate internal control procedures in place for the timely creation, approval and payment of purchase orders, the required signatures, certifications and supporting documents.

Questioned Costs - None

Context

Numerous purchase orders were not maintained on file in support of the proper approval of requirements of the public-school contracts law. In addition, purchase orders were not always created prior to ordering goods / services, therefore the funds were not encumbered timely. Also, numerous purchase orders did not contain the required signatures, certifications, supporting documents and timely payment.

**LAUREL SPRINGS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2025
(CONTINUED)**

Exhibit K-6

Effect or Potential Effect

The School District could be noncompliant with the public-school contracts law and could overexpend budget appropriations, interest may be assessed for late payment or payments could be made for goods and services not received.

Cause

Change in personnel.

Recommendation

That the School District establishes and implements internal control procedures for the timely creation, approval of purchase orders, documentation of the required signatures and certification and supporting documents.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with this finding and will address the matter as part of their corrective action plan.

**LAUREL SPRINGS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND
QUESTIONED COSTS PREPARED BY MANAGEMENT
FOR THE YEAR ENDING JUNE 30, 2025**

Exhibit K-7

STATUS OF PRIOR YEAR FINDINGS

Financial Statements:

Finding 2024-001

The School District did not have adequate internal control procedures in place for the timely creation, approval and payment of purchase orders, the required signatures, certifications and supporting documents.

Current Status

Corrective action has not been taken

Finding 2024-002

Condition

Numerous of the biweekly TPAF social security contribution submissions to the State Department of Education were not filed in a timely manner.

Current Status

Corrective action has been taken

Finding 2024-003

Condition

The School District did not file or remit the funds to the State of New Jersey for the reimbursement for pension and social security for federally funded programs timely. It had not been paid as of the date of the audit.

Current Status

Corrective action has been taken

Federal:

Not applicable.

State:

Same as Finding 2024-001 above