

SCHOOL DISTRICT
OF
BOROUGH OF LAWNSIDE

**Auditor's Management Report
For the Fiscal Year Ended June 30, 2025**

**AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT AUDITORS

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

We have audited, in accordance with audit standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Borough of Lawnside School District in the County of Camden for the year ended June 30, 2025, and have issued our report thereon dated January 6, 2026.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the management of the Borough of Lawnside School District, and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

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

January 6, 2026

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Moneys, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's ACFR.

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Jennifer Johnson	Board Secretary/ Business Administrator	\$ 90,000.00
Nancy McCabe	Treasurer	\$ 200,000.00

The Treasurer of School Monies was bonded in a surety bond in accordance with provisions of Title 18A:17-32 within minimum limits of State Board promulgated schedule.

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A.18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by school district.

The school district project data certification was completed by the chief school administrator. The school district school project Chapter 44 data was submitted timely.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did indicate any discrepancies with respect to signatures or certification. No exceptions were noted.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Financial Planning, Accounting and Reporting – Continued

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrator) to the NJ Department of Treasury was filed by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal (or state) regulations regarding the compensation which is required to be reported.

Reserve for Encumbrances, Liability for Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No discrepancies were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-2.4. As a result of the procedures performed, a transaction error rate of 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

- A. *General Classification Findings - None*
- B. *Administrative Classification Findings - None*

Board Secretary's Records

Other than the following Finding, the Board Secretary's Records were in satisfactory condition.

Bids received were summarized in the minutes.

Acknowledgement of the Board's receipt of the Board Secretary's and the Treasurer's monthly financial reports were included in the minutes.

Budget appropriations were not greater than realized revenues and Board authorized use of surplus.

No budgetary line accounts were over-expended during the fiscal year and at June 30.

Purchase orders were charged to the appropriate line accounts in accordance with State prescribed Uniform Minimum Chart of Accounts (2R2), for New Jersey Public Schools.

FINDING AMR #2025-1

The District failed to file IRS Forms 1099 and 1096.

RECOMMENDATION AMR #2025-1

We recommend that Forms 1096 and 1099 be properly and timely filed with the recipients and electronically filed with the IRS and the State of NJ.

Treasurer's Records

The Board Treasurer's Records were in satisfactory condition.

All required reconciliations were performed.

All cash receipts were promptly deposited.

Financial Planning, Accounting and Reporting – Continued

The Treasurers Records were in agreement with the Board Secretary.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2024-25 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also include a review of transportation related contracts and purchases. Based on our review, the district complied the proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Elementary and Secondary Education Act of 1965 (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. revealed no areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on the Schedule A and Schedule B in the ACFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for Special Federal and/or State Projects did not reveal areas of noncompliance and/or questioned cost.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report for all federal awards for the Borough of Lawnside school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid Thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3 is \$44,000 with a Qualified Purchasing Agent. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$22,400 for 2024-2025.

Financial Planning, Accounting and Reporting – Continued

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

The results of my examination indicated that no individual payments, contracts, or agreements were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A-5.

School Food Service

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis. Cash receipts and bank records were reviewed for timely deposit. The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17- 34, and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable Fixed Price or Non-Competitive Emergency Procurement contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which does not provided a guarantee. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually. Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used. The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements. Net cash resources did (did not) exceed three months average expenditures. Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education/board of trustees. No exceptions were noted. The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications /or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review. USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted. The Statement of Revenues, Expenses, and Changes in Fund Net Assets (ACFR Schedule B-5) does separate program and non-program revenue AND program and non-program cost of goods sold.

FINDING AMR #2025-2

At June 30, 2025 the Food Service has a Total Net Position in the amount of \$2,429.35 but that amount is net of the Investment In Capital Assets in the amount of \$131,381.18 and the Unrestricted Deficit of \$128,951.83.

RECOMMENDATION AMR #2025-2

We recommend that the District address the funding of the Deficit in Unrestricted Net Position in the Food Service Fund.

Student Body Activities

During our review of the student activity funds, the records were found to be in satisfactory condition.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2024 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low income and bilingual. We also performed a review of the districts procedures related to its completion. The information on the ASSA was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

The district has adequate written procedures for the recording of student enrollment data.

Testing for Lead of All Drinking Water in Educational Facilities

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Follow-Up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations and they have been adequately resolved.

Respectfully submitted,

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

January 6, 2026

SCHEDULE OF MEAL COUNT ACTIVITY
BOROUGH OF LAWNSIDE SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Verified</u>	<u>Diff.</u>	<u>Rate</u>	<u>(Over) Under Claim</u>
National School Lunch (Regular Rate)	Paid	-	-	-		\$ -
	Reduced	-	-	-		-
	Free	48,241	48,241	-	4.5400	-
Total		<u>48,241</u>	<u>48,241</u>	<u>-</u>		<u>\$ -</u>
School Breakfast Program	Paid	-	-	-		\$ -
	Reduced	-	-	-		-
	Free	47,486	47,486	-	2.8400	-
Total		<u>47,486</u>	<u>47,486</u>	<u>-</u>		<u>\$ -</u>
School Snack Program	Paid	-	-	-		\$ -
	Reduced	-	-	-		-
	Free	6,196	6,196	-	1.2100	-
Total		<u>6,196</u>	<u>6,196</u>	<u>-</u>		<u>\$ -</u>
TOTAL NET (UNDERCLAIM)/OVERCLAIM						<u>\$ -</u>

NET CASH RESOURCE SCHEDULE

**Net cash resources DID NOT exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2025**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	303,340.95
B-4		Due from Other Gov'ts	-
B-4		Accounts Receivable	18,538.38
B-4		Investments	-
CAFR		Current Liabilities	
B-4		Less Accounts Payable	-
B-4		Less Accruals	-
B-4		Less Due to Other Funds	(465,550.38)
B-4		Less Deferred Revenue	(419.89)
		Net Cash Resources	<u>(144,090.94)</u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	440,491.17	
B-5	Less Depreciation	(23,058.39)	
	Adj. Tot. Oper. Exp.	<u>417,432.78</u>	(B)

Average Monthly Operating Expense:

B / 10	<u>41,743.28</u>	(C)
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Three times monthly Average:

3 X C	<u>125,229.83</u>	(D)
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TOTAL IN BOX A	\$	(144,090.94)
LESS TOTAL IN BOX D	\$	125,229.83
NET	\$	<u>(269,320.77)</u>

From above:

**A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.**

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

LAWNSIDE SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	2025-2026 Application for State School Aid						Sample for Verification						Private Schools for Disabled					
	Reported on A.S.A. On Roll			Errors			Sample Selected from Workpapers			Registers Verified per On Roll			Errors per Registers On Roll			Reported on A.S.A. as Private Schools		
	Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Reported on A.S.A. as Private Schools	Reported on workpapers	Sample for Verification
Full Day Preschool - 3	16	-	-	-	-	-	8	-	-	8	-	-	-	-	-	-	-	-
Full Day Preschool - 4	22	-	-	-	-	-	11	-	-	11	-	-	-	-	-	-	-	-
Full Day Kindergarten	30	-	-	-	-	-	14	-	-	14	-	-	-	-	-	-	-	-
One	30	-	-	-	-	-	14	-	-	14	-	-	-	-	-	-	-	-
Two	32	-	-	-	-	-	15	-	-	15	-	-	-	-	-	-	-	-
Three	22	-	-	-	-	-	11	-	-	11	-	-	-	-	-	-	-	-
Four	24	-	-	-	-	-	12	-	-	12	-	-	-	-	-	-	-	-
Five	39	-	-	-	-	-	19	-	-	19	-	-	-	-	-	-	-	-
Six	24	-	-	-	-	-	12	-	-	12	-	-	-	-	-	-	-	-
Seven	29	-	-	-	-	-	14	-	-	14	-	-	-	-	-	-	-	-
Eight	23	-	-	-	-	-	11	-	-	11	-	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	291	-	-	-	-	-	141	-	-	141	-	-	-	-	-	-	-	-
Special Ed - Elementary	35	-	-	-	-	-	17	-	-	17	-	-	-	-	-	2	2	2
Special Ed - Middle School	19	-	-	-	-	-	9	-	-	9	-	-	-	-	-	3	3	2
Special Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1
Subtotal	54	-	-	-	-	-	26	-	-	26	-	-	-	-	-	6	6	5
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	345	-	-	-	-	-	167	-	-	167	-	-	-	-	-	6	6	5
Percentage Error				0.00%			0.00%			0.00%			0.00%			0.00%		

LAWNDSIDE SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Lunch App. and Register	Sample Errors	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Lunch App. and Register	Sample Errors
Full Day Preschool - 3	12	12	-	7	7	-	-	-	-	-	-	-
Full Day Preschool - 4	14	14	-	8	8	-	-	-	-	-	-	-
Full Day Kindergarten	18	18	-	10	10	-	-	-	-	-	-	-
One	22	22	-	13	13	-	-	-	-	-	-	-
Two	17	17	-	10	10	-	-	-	-	-	-	-
Three	15	15	-	9	9	-	-	-	-	-	-	-
Four	15	15	-	9	9	-	-	-	-	-	-	-
Five	20	20	-	11	11	-	-	-	-	-	-	-
Six	15	15	-	9	9	-	-	-	-	-	-	-
Seven	16	16	-	9	9	-	-	-	-	-	-	-
Eight	12	12	-	7	7	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	176	176	-	102	102	-	-	-	-	-	-	-
Special Ed - Elementary	23	23	-	13	13	-	-	-	-	-	-	-
Special Ed - Middle School	11	11	-	6	6	-	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	34	34	-	19	19	-	-	-	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	210	210	-	121	121	-	-	-	-	-	-	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

Transportation

Reported on DOE/County	Reported on DRTS by District	Errors	Sample Tested	Verified to Register	Errors
32	32	-	24	24	-
5	5	-	4	4	-
8	8	-	6	6	-
10	10	-	8	8	-
14	14	-	11	11	-
69	69	-	53	53	-
Percentage Error					0.00%

(from dtrts)
Reported 5.0
Recalculated 5.0
 Reg. Avg. (Mileage) = Regular Including Grade PK Students (Part A)
 Reg. Avg. (Mileage) = Regular Excluding Grade PK Students (Part A)
 Spec Avg. = Special Ed with Special Needs (Part B)

Reg. - Public Schools, col. 1,2
 Reg - Sp Ed, col. 8
 Transported - Non-Public, col. 6
 Transported - Non-Public, ALL, col. 7
 Special Ed Special Needs, col. 6
 Totals

LAWN SIDE SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool - 3	-	-	-	-	-	-
Full Day Preschool - 3	-	-	-	-	-	-
Half Day Preschool - 4	-	-	-	-	-	-
Full Day Preschool - 4	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-
One	-	-	-	-	-	-
Two	-	-	-	-	-	-
Three	-	-	-	-	-	-
Four	-	-	-	-	-	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Nine	-	-	-	-	-	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14+CR.)	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle School	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-
Totals	-	-	-	-	-	-
Percentage Error			0.00%			0.00%

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2025**

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2024-25 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 12,828,823.14	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	(B1d)
Decreased By:		
On-Behalf TPAF Pension & Social Security	\$ 1,440,892.39	(B2a)
Assets Acquired Under Capital Leases	-	(B2b)
Adjusted 2024-25 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ 11,387,930.75	(B3)
2% of Adjusted 2024-25 General Fund Expenditures [(B3) times .04]	\$ 227,758.62	(B4)
Enter Greater of (B4) or \$250,000	\$ 250,000.00	(B5)
Increased by: Allowable Adjustment*	\$ 234,508.00	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ 484,508.00	(M)

SECTION 2

Total General Fund - Fund Balances @ 06/30/25 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 5,360,231.44	(C)
Decreased by:		
Year-end Encumbrances	\$ 172,561.13	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 1,354,456.32	(C3)
Other Restricted Fund Balances ****	\$ 504,395.76	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ 636,033.68	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ 2,692,784.55	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER - 0 -	\$ 2,208,276.55	(E)
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Recapitulation of Excess Surplus as of June 30, 2025:

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 1,354,456.32	(C3)
Reserved Excess Surplus ***	\$ 2,208,276.55	(E)
Total [(C3) + (E)]	\$ 3,562,732.87	(D)

**BOROUGH OF LAWNSIDE SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2025**

- * This adjustment line (as detailed below) is to be utilized for Impact Aid (when applicable), Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10), and Extraordinary Aid, and Additional Nonpublic School Transportation Aid if applicable (Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid).

Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ 229,838.00	(J1)
Additional Nonpublic School Transportation Aid	\$ 4,670.00	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
Supplemental Stabilization Aid Received April & Maintenance of Equity Aid Received July	\$ _____	(J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ 234,508.00	(K)

- ** This amount represents the June 30, 2025 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

- *** Amounts must agree to the June 30, 2025 ACFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.

- **** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:		
Approved unspent separate proposal	\$ -	
Sale/lease-back reserve	\$ -	
Capital reserve	\$ -	
Maintenance reserve	\$ 387,061.00	-
Emergency reserve	\$ -	
Tuition reserve	\$ -	
School Bus Advertising 50% Fuel Offset Reserve – current year	\$ -	
School Bus Advertising 50% Fuel Offset Reserve –prior year	\$ -	
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ -	
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ -	
Other state/government mandated reserve	\$ -	
Reserve for Unemployment Fund	\$ 117,334.76	-
[Other Restricted Fund Balance not noted above] ****	\$ _____	
Total Other Restricted Fund Balance	\$ 504,395.76	(C4)

**AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2025
BOROUGH OF LAWNSIDE SCHOOL DISTRICT**

Recommendations:

1. Administrative Practices and Procedures

None.

2. Financial Planning, Accounting and Reporting

FINDING AMR #2025-1

The District failed to file IRS Forms 1099 and 1096.

RECOMMENDATION AMR #2025-1

We recommend that Forms 1096 and 1099 be properly and timely filed with the recipients and electronically filed with the IRS and the State of NJ.

3. School Purchasing Programs

None.

4. School Food Service

FINDING AMR #2025-2

At June 30, 2025 the Food Service has a Total Net Position in the amount of \$2,429.35 but that amount is net of the Investment In Capital Assets in the amount of \$131,381.18 and the Unrestricted Deficit of \$128,951.83.

RECOMMENDATION AMR #2025-2

We recommend that the District address the funding of the Deficit in Unrestricted Net Position in the Food Service Fund.

5. Student Body Activities

None.

6. Application for State School Aid

None.

7. Pupil Transportation

None.

8. Facilities and Capital Assets

None.

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2025
BOROUGH OF LAWNSIDE SCHOOL DISTRICT

9. Miscellaneous

None.

10. Status of Prior Year Audit Findings/Recommendations

The Prior Year Finding have all been resolved.