

**SYNOPSIS OF
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
FOR PUBLIC DISTRIBUTION**

LAWNSIDE SCHOOL DISTRICT

As required by Title 18A:23-4, the following is a synopsis of the Comprehensive Annual Financial Report and the Auditor's Management Report on Administrative Findings for the year ended June 30, 2012.

**LAWNSIDE SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2012**

ASSETS	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 344,053	\$ (185,860)		\$ 6,193	\$ 164,386
Receivables, net:					
District tax levy	199,645				199,645
State aid	26,238		\$ 3,494,873		3,521,111
Federal aid		404,359			404,359
Interfund	291				291
Restricted assets:					
Cash and cash equivalents			497,080		497,080
Total Assets	<u>\$ 570,227</u>	<u>\$ 218,499</u>	<u>\$ 3,991,953</u>	<u>\$ 6,193</u>	<u>\$ 4,786,872</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 70,690	\$ 170,323	\$ 786,632		\$ 1,027,645
Loan payable			2,600,000		2,600,000
Intergovernmental payable:					
Federal		2,483			2,483
Deferred revenue		45,693			45,693
Total Liabilities	<u>70,690</u>	<u>218,499</u>	<u>3,386,632</u>		<u>3,675,821</u>
 Fund Balances:					
Restricted for:					
Excess surplus	344,949				344,949
Assigned to:					
Year-end encumbrances	3,635				3,635
Designated to subsequent year's budget	227,559		605,321	\$ 2,417	835,297
Unassigned	(76,606)			3,776	(72,830)
Total Fund Balances	<u>499,537</u>		<u>605,321</u>	<u>6,193</u>	<u>1,111,051</u>
Total Liabilities and Fund Balances	<u>\$ 570,227</u>	<u>\$ 218,499</u>	<u>\$ 3,991,953</u>	<u>\$ 6,193</u>	

Amounts reported for governmental activities in the statement of net assets (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 \$8,313,807 and the accumulated depreciation is \$1,507,230.	6,806,577
Bond issuance costs are amortized over the life of the bonds on the statement of net assets.	50,989
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:	
General Obligation Bonds	\$ (2,990,255)
Accrued Interest Payable	(35,045)
Compensated Absences Payable	<u>(80,175)</u>
	<u>(3,105,475)</u>
Net assets of governmental activities	<u><u>\$ 4,863,142</u></u>

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

LAWNSIDE SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 4,000,589			\$ 225,956	\$ 4,226,545
Miscellaneous	214,916		\$ 3,781		218,697
Total local sources	4,215,505		3,781	225,956	4,445,242
State sources	3,886,297	\$ 37,062	595,823	30,242	4,549,424
Federal sources	129,778	653,498			783,276
Total Revenues	8,231,580	690,560	599,604	256,198	9,777,942
EXPENDITURES:					
Current expense:					
Regular instruction	1,650,109				1,650,109
Special education instruction	351,046	392,213			743,259
Other instruction	4,192				4,192
Support services and undistributed costs:					
Tuition	3,643,431				3,643,431
Student & instruction related services	557,244	302,186			859,430
General administrative services	223,678				223,678
School administrative services	83,395				83,395
Central services	154,383				154,383
Plant operations and maintenance	421,106				421,106
Pupil transportation	321,026				321,026
Unallocated employee benefits	343,226				343,226
Transfer to Charter School	66,757				66,757
Capital outlay	11,940	2,588	987,038		1,001,566
Debt service:					
Principal				117,552	117,552
Interest and other charges				138,644	138,644
Total Expenditures	7,831,533	696,987	987,038	256,196	9,771,754
Excess (Deficiency) of Revenues over (under) Expenditures	400,047	(6,427)	(387,434)	2	6,188
Other Financing Sources (Uses):					
Transfers in				3,774	3,774
Transfers out			(3,774)		(3,774)
Total Other Financing Sources (Uses)			(3,774)	3,774	
Net Change in Fund Balances	400,047	(6,427)	(391,208)	3,776	6,188
Fund Balances - July 1, 2011	99,490	6,427	996,529	2,417	1,104,863
Fund Balances - June 30, 2012	\$ 499,537	\$ -	\$ 605,321	\$ 6,193	\$ 1,111,051

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

RECOMMENDATIONS

Financial Planning, Accounting and Reporting

- The School District should properly prepare the final program close-out reports and agree the total expenditures and unexpended balances with the financial records.
- The School District should take care in recording all assets, liabilities, revenues and expenditures and all expenditures should be properly classified.
- The School District should document, in the minutes of the Board of Education, board approval for all employees charged to a federal program, their related salaries, assigned school and funding percentage and time sheets should be approved by the program supervisor.

School Purchasing Programs

- All contracts entered into pursuant to a state contract should be awarded by board resolution and documented in the board minutes.
- All professional services contracts awarded should be in compliance with the pay-to-play regulations.

Student Body Activities

- The School District required control procedures regarding depositing, recording and documentation of cash receipts should be followed in all accounts.
- The School District required control procedures regarding recording, approvals and documentation of cash disbursements should be followed in all accounts.

Status of Prior Years' Audit Finding/Recommendations

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings with the exception of the following, which are repeated in this year's recommendations:

- The School District should properly prepare the final program close-out reports and agree the total expenditures and unexpended balances with the financial records.
- The School District should take care in recording all assets, liabilities, revenues and expenditures and all expenditures should be properly classified.

The above synopsis was prepared from the Comprehensive Annual Financial Report and the Auditor's Management Report on Administrative Findings of the Lawnside School District for the year ended June 30, 2012. These reports are on file at the Board Secretary/Business Administrator's Office and may be inspected by any interested person.

Theresa Tutt
Board Secretary/Business Administrator