

**SCHOOL DISTRICT OF
LACEY TOWNSHIP**

LACEY TOWNSHIP BOARD OF EDUCATION
Lanoka Harbor, New Jersey
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

LACEY TOWNSHIP BOARD OF EDUCATION

LANOKA HARBOR, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by

**Lacey Township Board of Education
Finance Department**

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INTRODUCTORY SECTION

LACEY TOWNSHIP BOARD OF EDUCATION

200 WESTERN BLVD

LANOKA HARBOR NJ 08734-1538

(609) 971-2000, Opt. 0 FAX#(609) 693-9638

JACK MARTENAK
President

JAMES G. SAVAGE, JR.
Business Administrator / Board Secretary

ERIC J. SCHUBIGER
Vice President

September 14, 2012

Honorable President and Members of the Board of Education
Lacey Township School District
Lanoka Harbor, New Jersey 08734

Dear Board Members:

The Comprehensive Annual Financial Report of the Lacey Township School District for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Lacey Township Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory Section includes this transmittal letter, the District's Organizational Chart and a list of principal officials. The Financial Section includes the Basic Financial Statements and Schedules, as well as the Auditor's Report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended by the Single Audit Act of 1996, and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments" and State Treasury Circular Letter 04-04. 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 recommendation, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Lacey Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB 23. All funds and account groups of the District are included in this report. The Lacey Township Board of Education and all its schools constitute the District's reporting.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular as well as special education for handicapped youngsters. The District completed the 2011-2012 fiscal year with an average daily enrollment of 4,718 students, which is 65 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

2006-2007	5,016.0	2.23%
2007-2008	4,890.3	-2.51%
2008-2009	4,742.0	-2.15%
2009-2010	4,719.0	-0.49%
2010-2011	4,783.0	1.36%

2. ECONOMIC CONDITION AND OUTLOOK: A substantial portion of Lacey Township is still available for development but Pinelands Legislation passed in 1979 has limited residential construction west of the Garden State Parkway. Growth, however, as measured by new residential construction, has leveled off in the last few years. The Oyster Creek Nuclear Power Generating Plant, located in the community, has contributed funds to relieve taxes. Although many residents moved to Lacey to take advantage of a favorable tax scenario, the potential of the Oyster Creek Facility to contribute to tax relief has diminished in recent years. Lacey, however, continues to be a desirable place to live due to its still relatively low tax rate, its proximity to the water, and its accessibility to major roadways such as the Garden State Parkway, Route 9, and Route 70, making it convenient for commuters.

3. MAJOR INITIATIVES: The State Department of Education conducted the Quality Single Accountability Continuum (QSAC) of the Lacey Township School District pursuant to the requirements of N.J.A.C. 6A:30. Upon completion of the QSAC process, the district was certified on April 27, 2009, pursuant to N.J.A.C. 6A:30-4.1 (c), to continue operation as a public school district for a period of three years or until the district's next QSAC review.

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

As a recipient of Federal and State awards, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's Single Audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal and State awards, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund and the Special Revenue Fund and the Debt Service Fund. Project-length budgets are approved for the 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30.

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the Financial Section of this report, the District continues to meet its responsibility for sound financial management. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.

8. DEBT ADMINISTRATION: At June 30, 2012, the District's outstanding debt issues included \$44,560,000 of general obligation bonds. In June 1989, the District issued \$8,492,000 in bonds to complete various renovations. In November 1996 the District issued \$16,790,000 in bonds to construct a new 7/8 grade school, the proceeds of which we placed in the District's Capital Projects Fund. In April 2001 the District issued general obligation bonds in the amount of \$24,722,000. The proceeds of this bond issue were placed in the District's Capital Projects Fund for use to provide funds for renovations, replacement and additions to the Lacey Township High School, and elementary schools. In February 2005, the Board of Education had a partial refinancing of the 1996 Series Bonds. The Board issued \$10,095,000 of general obligation refunding bonds Series 2005 to retire \$11,290,000 of the Series 1996 Bonds. The refunding resulted in a net economic gain to the District of \$1,195,000, which will be recognized over the life of the reissue. In February 2006, the Board of Education had a partial refinancing of the 2001 Series Bonds. The Board issued \$24,625,000 of general obligation refunding bonds Series 2006 to retire \$23,370,000 of the Series 2001 Bonds. The refunding resulted in a net income gain to the district of \$976,896, which will be recognized over the life of the reissue. In May 2009, the District issued \$19,806,000 in Series 2009 Bonds for solar panels on all schools, window replacement at Forked River and Lanoka Harbor Elementary Schools, roof replacement at Lanoka Harbor Elementary School and boiler replacements at Forked River Elementary. The proceeds of this bond were placed in the District's Capital Projects Fund.

9. CASH MANAGEMENT: The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 2. 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. 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.

10. 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.

11. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman & Frenia, P.C. 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 the Single Audit Act of 1984, as amended by the Single Audit Act of 1996, and the related OMB Circular A-133 and State Treasury Circular Letter 04-04. 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.

12. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Lacey Township School Board 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,

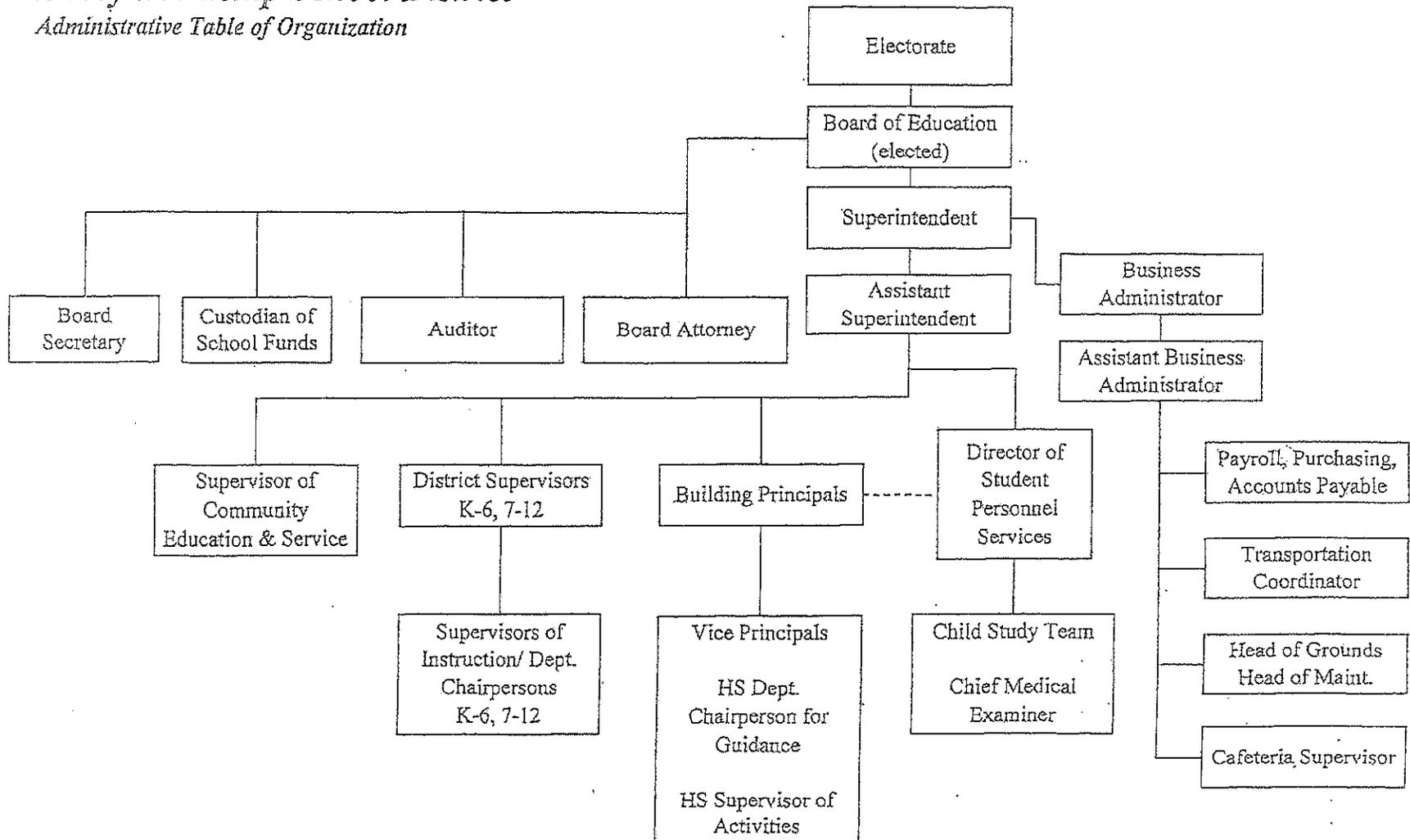


Dr. Sandra D. Brower
Superintendent



James G. Savage, Jr.
Business Administrator/Board Secretary

Lacey Township School District
Administrative Table of Organization



LACEY TOWNSHIP BOARD OF EDUCATION
200 Western Boulevard
Lanoka Harbor, New Jersey 08734-0605

ROSTER OF OFFICIALS
JUNE 30, 2012

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Jack Martenak, President	2014
Eric Schubiger, Vice President	2012
Linda A. Downing	2013
William R. Quist	2013
Bruce Carney	2014
Maureen Tirella	2012
Frank Palino	2013

OTHER OFFICIALS

Sandra Brower, Ed.D., Superintendent

James G. Savage, Jr., Business Administrator/Board Secretary

LACEY TOWNSHIP BOARD OF EDUCATION
200 Western Boulevard
Lanoka Harbor, New Jersey 08734-0605

CONSULTANTS AND ADVISORS

ARCHITECT

DiCara/Rubino Architects
30 Galesi Drive, West Wing
Wayne, New Jersey 07470

AUDIT FIRM

Holman & Frenia, P. C.
10 Allen Street, Suite 2B
Toms River, New Jersey 08753

ATTORNEY

Stein & Supsie
1041 W. Lacey Road
P.O. Box 131
Forked River, New Jersey 08731

OFFICIAL DEPOSITORY

Ocean First Bank
975 Hooper Avenue
Toms River, New Jersey 08754-2009

FINANCIAL SECTION





Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Lacey Township School District
County of Ocean
Lanoka Harbor, New Jersey 08734-0605

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 Board of Education of the Lacey Township School District, County of Ocean, State of New Jersey, as of and for the year ended June 30, 2012, which collectively comprise the District's financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 Board of Education of the Lacey Township School District, County of Ocean, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2012, on our consideration of the Lacey Township School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 10 through 13 and 46 through 58 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lacey Township School District's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements. The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Frank B. Holman, III
Certified Public Accountant
Public School Accountant
No. 783

Toms River, New Jersey
September 14, 2012

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

LACEY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2012

UNAUDITED

The following discussion and analysis of the Board of Education of the Lacey Township School District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2012. Please read it in conjunction with the letter of transmittal, beginning on page 1, and the financial statements, which begin on page 14.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic Financial Statements. The District's basic Financial Statements comprise three components: (1.) District-wide Financial Statements, (2.) Fund Financial Statements, and (3.) Notes to the Financial Statements. This report contains required supplementary information and other supplementary information in addition to the basic Financial Statements themselves.

District-wide Financial Statements. The District-wide Financial Statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private sector business.

The Statement of Net Assets (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities (A-2) presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary or fiduciary.

Governmental Funds - are used to account for essentially the same functions reported as governmental activities in the District-wide Financial Statements. However, unlike the District-wide Financial Statements, Governmental Fund Financial Statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the District-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar statements. By so doing, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual government funds: the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund. All are considered to be major funds. The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary Funds - The District maintains one proprietary fund – an Enterprise Fund. The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing the goods or services be financed through user charges. Included in the Enterprise Fund are the Food Services and Community Education. The basic Proprietary Fund statements can be found as Exhibits B-4 through B-6.

Fiduciary Funds - are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the District-wide Financial Statements because the resources of those funds are not available to support the District's own programs. The District uses trust and Agency Funds to account for resources held for student activities and groups and for payroll transactions. The basic Fiduciary Fund Statements can be found as Exhibit B-7.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the District-wide and Fund Financial Statements. The notes to the Financial Statements can be found after the Fund Statements in this report.

District-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net assets at June 30:

	2012		
	Governmental Activities	Business-Type Activities	Total
Current & Other Assets	\$ 9,332,880	277,852	9,610,732
Capital Assets, net	<u>52,864,717</u>	<u>47,092</u>	<u>52,911,809</u>
Total Assets	<u>62,197,597</u>	<u>324,944</u>	<u>62,522,541</u>
Long-Term Liabilities Outstanding	44,959,892		44,959,892
Other Liabilities	<u>5,563,539</u>	<u>441</u>	<u>5,563,980</u>
Total Liabilities	<u>50,523,431</u>	<u>441</u>	<u>50,523,872</u>

2012			
	Governmental Activities	Business-Type Activities	Total
Net Assets:			
Investment in Capital Assets, net	8,058,176		8,058,176
Restricted	3,696,577		3,696,577
Unrestricted	<u>(80,587)</u>	324,503	<u>243,916</u>
 Total Net Assets	 <u>\$11,674,166</u>	 <u>324,503</u>	 <u>11,998,669</u>

2011			
	Governmental Activities	Business-Type Activities	Total
Current & Other Assets	\$ 11,500,048	187,803	11,687,851
Capital Assets, net	<u>54,398,844</u>	<u>61,227</u>	<u>54,460,071</u>
 Total Assets	 <u>65,898,892</u>	 <u>249,030</u>	 <u>66,147,922</u>
Long-Term Liabilities Outstanding	48,539,200		48,539,200
Other Liabilities	<u>4,371,013</u>	<u>66</u>	<u>4,371,079</u>
 Total Liabilities	 <u>52,910,213</u>	 <u>66</u>	 <u>52,910,279</u>
Net Assets:			
Investment in Capital Assets, net	6,220,655		6,220,655
Restricted	6,985,935		6,985,935
Unrestricted	<u>(217,911)</u>	248,964	<u>31,053</u>
 Total Net Assets	 <u>\$12,988,679</u>	 <u>248,964</u>	 <u>13,237,643</u>

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget is comprised solely of the June 30, 2011 encumbrances, which 'roll-over' into the subsequent year's budget (2011-2012) and are added to the original budget appropriations.

Throughout the year, as necessary, budget transfers are effectuated between budget accounts to realign the 2011-2012 budget.

Capital Assets

At June 30, 2012 the District had capital assets of \$52,911,809, a decrease of \$1,548,262 due primarily to 2011-2012 Depreciation Expense. This capital asset amount is comprised of: Buildings - \$82,371,462, machinery and equipment - \$9,866,210, construction in progress - \$11,457,440, site improvements - \$163,472. These capital assets are shown net of accumulated depreciation of \$50,946,940.

Contacting the District's Financial Management

The District's Financial Report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions regarding this report can be addressed to Mr. James G. Savage, Jr., Business Administrator/Board Secretary, Lacey Township School District, 200 Western Boulevard, Lanoka Harbor, New Jersey 08734.

BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements

LACEY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

(With Comparative Totals for June 30, 2011)

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2012	JUNE 30, 2011
(MEMORANDUM ONLY)				
ASSETS				
Cash & Cash Equivalents	\$3,831,200	244,414	4,075,614	5,363,494
Receivables - State	378,020	625	378,645	309,901
Receivables - Federal	489,941	17,484	507,425	1,493,196
Receivables - Other Governments	35,337		35,337	70,422
Other Receivable	3,644,753		3,644,753	3,283,114
Inventory		15,329	15,329	20,138
Unamortized Loss on Early Retirement of Debt	783,701		783,701	944,907
Unamortized Bond Issue Costs	169,928		169,928	202,679
Capital Assets, Net (Note 4)	52,864,717	47,092	52,911,809	54,460,071
Total Assets	62,197,597	324,944	62,522,541	66,147,922
LIABILITIES				
Accounts Payable	1,279,805	441	1,280,246	34,416
Accrued Interest	575,689		575,689	611,469
Other Payable				
Unamortized Bond Premium	105,640		105,640	177,107
Deferred Revenue	176,793		176,793	176,439
Noncurrent Liabilities (Note 5):				
Due Within One Year	3,425,612		3,425,612	3,371,648
Due Beyond One Year	44,959,892		44,959,892	48,539,200
Total Liabilities	50,523,431	441	50,523,872	52,910,279
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	8,058,176		8,058,176	6,220,655
Restricted For:				
Capital Projects	3,696,577		3,696,577	6,985,935
Other Purposes	3,226,076		3,226,076	3,155,738
Unrestricted	(3,306,663)	324,503	(2,982,160)	(3,124,685)
Total Net Assets	\$11,674,166	324,503	11,998,669	13,237,643

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

LACEY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
						JUNE 30, 2012	JUNE 30, 2011
Governmental Activities:							
Instruction:							
Regular	\$22,709,081		1,421,618	(21,287,463)		(21,287,463)	(19,380,553)
Special Education	6,088,388			(6,088,388)		(6,088,388)	(5,735,472)
Other Special Instruction	1,403,269			(1,403,269)		(1,403,269)	(1,363,751)
Support Services & Undistributed Costs:							
Instruction	1,988,740			(1,988,740)		(1,988,740)	(1,406,711)
Attendance & Social Work Services	240,966			(240,966)		(240,966)	(228,199)
Health Services	614,344			(614,344)		(614,344)	(580,154)
Other Support Services	4,694,870		606,916	(4,087,954)		(4,087,954)	(3,945,354)
Educational Media Services/School Library	445,656			(445,656)		(445,656)	(539,690)
Instructional Staff Training	40,490			(40,490)		(40,490)	(14,870)
General Administrative Services	1,112,901			(1,112,901)		(1,112,901)	(1,106,604)
School Administrative Services	1,407,849			(1,407,849)		(1,407,849)	(1,371,073)
Central Services	517,263			(517,263)		(517,263)	(498,371)
Allowed Maintenance for School Facilities	1,867,513			(1,867,513)		(1,867,513)	(1,535,052)
Other Operation & Maintenance of Plant	3,106,307			(3,106,307)		(3,106,307)	(3,179,920)
Care & Upkeep of Grounds	400,188			(400,188)		(400,188)	(412,967)
Security	242,078			(242,078)		(242,078)	(182,619)
Pupil Transportation	2,771,058			(2,771,058)		(2,771,058)	(2,468,123)
Unallocated Employee Benefits	13,656,604			(13,656,604)		(13,656,604)	(13,262,203)
On Behalf - Non-Budgeted Expenditures	4,689,961		4,689,961				
Unallocated Amortization of Bond Costs	193,957			(193,957)		(193,957)	(193,956)
Unallocated Depreciation	1,954,712			(1,954,712)		(1,954,712)	(1,966,667)
Unallocated Adjustment to Capital Assets	833,756			(833,756)		(833,756)	(192,463)
Unallocated Compensated Absence Expense	(153,696)			153,696		153,696	(345,804)
Interest Expense	1,797,008			(1,797,008)		(1,797,008)	(1,930,094)

**LACEY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
						JUNE 30, 2012	JUNE 30, 2011
Total Governmental Activities	72,623,263		6,718,495	(65,904,768)		(65,904,768)	(61,840,670)
Business-Type Activities:							
Food Service	1,483,028	887,406	628,789		33,167	33,167	15,116
Community Education	178,852	221,224			42,372	42,372	89,019
Total Business-Type Activities	1,661,880	1,108,630	628,789		75,539	75,539	104,135
Total Primary Government	\$74,285,143	1,108,630	7,347,284	(65,904,768)	75,539	(65,829,229)	(61,736,535)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				39,413,121		39,413,121	38,379,406
Taxes Levied for Debt Service				628,680		628,680	1,651,730
Local Aid				108,935		108,935	76,592
Federal & State Aid Not Restricted				22,770,926		22,770,926	22,272,674
Tuition Received				153,068		153,068	71,270
Solar Renewable Energy Credits				1,284,028		1,284,028	1,067,829
Miscellaneous Income				133,125		133,125	287,396
Interest Earnings - Capital Projects				26,905		26,905	67,021
Amortized Premium Realization				71,467		71,467	71,467
Total General Revenues, Special Items, Extraordinary Items & Transfers				64,590,255		64,590,255	63,945,385
Change In Net Assets				(1,314,513)	75,539	(1,238,974)	2,208,850
Net Assets - Beginning				12,988,679	248,964	13,237,643	11,028,793
Net Assets - Ending				\$11,674,166	324,503	11,998,669	13,237,643

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

B. Fund Financial Statements



Governmental Funds

**LACEY TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					(MEMORANDUM ONLY)	
					JUNE 30, 2012	JUNE 30, 2011
Assets:						
Cash & Cash Equivalents	\$274,874		3,696,577	1	3,971,452	9,150,935
Tax Levy Receivable	3,284,427				3,284,427	3,198,293
Interfund Receivable						2,507,872
Intergovernmental Accounts Receivable:						
State	378,020				378,020	308,808
Federal	167,218	322,723			489,941	1,468,244
Other	35,337				35,337	70,422
Other Accounts Receivable	360,326				360,326	
Total Assets	\$4,500,202	322,723	3,696,577	1	8,519,503	16,704,574
Liabilities & Fund Balances:						
Liabilities:						
Cash Overdraft		140,252			140,252	3,926,616
Accounts Payable	1,274,127	5,651			1,279,778	34,341
Intergovernmental Accounts Payable - State		27			27	9
Interfund Payable						2,425,496
Deferred Revenue		176,793			176,793	176,439
Total Liabilities	1,274,127	322,723			1,596,850	6,562,901
Fund Balances:						
Restricted for:						
Excess Surplus	327,493				327,493	241,356
Excess Surplus - Designated for Subsequent Year's Expenditures	241,356				241,356	
Capital Projects Fund			3,696,577		3,696,577	3,700,770
Debt Service Fund				1	1	1
Committed to:						
Other Purposes	1,046,367				1,046,367	1,713,622
Assigned to:						
Other Purposes	52,215				52,215	5,924
Designated for Subsequent Year's Expenditures	1,558,644				1,558,644	4,480,000
Total Fund Balances	3,226,075		3,696,577	1	6,922,653	10,141,673
Total Liabilities & Fund Balances	\$4,500,202	322,723	3,696,577	1		

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 \$103,484,665 and the accumulated depreciation is \$50,619,948.

52,864,717
(575,689)

54,398,844
(611,469)

Accrued interest not recorded in current financial statements.

Loss on the early extinguishments of debt, costs of issuance, and premiums are recorded when incurred in the governmental funds but are deferred and recognized in the statement of activities, net of net of accumulated amortization.

847,989

970,479

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 (Note 5).

(48,385,504)

(51,910,848)

Net assets of Governmental Activities

\$11,674,166

12,988,679

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

**LACEY TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2012	JUNE 30, 2011
Revenues:						
Local Tax Levy	\$39,413,121			628,680	40,041,801	40,031,136
Tuition Charges	153,068				153,068	71,270
Interest on Investments	26,905				26,905	67,021
Solar Renewable Energy Credits	1,284,028				1,284,028	1,067,829
Miscellaneous	133,125				133,125	287,396
Total Local Sources	41,010,247			628,680	41,638,927	41,524,652
Local Sources		108,935			108,935	76,592
State Sources	25,613,726	771		1,204,108	26,818,605	26,141,595
Federal Sources	730,173	1,940,643			2,670,816	2,722,755
Total Revenues	67,354,146	2,050,349		1,832,788	71,237,283	70,465,594
Expenditures:						
Current:						
Regular Instruction	21,287,463	1,421,618			22,709,081	21,415,354
Special Education Instruction	6,088,388				6,088,388	5,735,472
Other Special Instruction	1,403,269				1,403,269	1,363,751
Support Services & Undistributed Costs:						
Instruction	1,988,740				1,988,740	1,406,711
Attendance & Social Work Services	240,966				240,966	228,199
Health Services	614,344				614,344	580,154
Other Support Services	4,087,954	606,916			4,694,870	4,636,630
Educational Media Services/ School Library	445,656				445,656	539,690
Instructional Staff Training	40,490				40,490	14,870
General Administrative Services	1,112,901				1,112,901	1,106,604
School Administrative Services	1,407,849				1,407,849	1,371,073
Central Services	517,263				517,263	498,371
Allowed Maintenance for School Facilities	1,867,513				1,867,513	1,535,052
Other Operation & Maintenance of Plant	3,106,307				3,106,307	3,179,920
Care & Upkeep of Grounds	400,188				400,188	412,967
Security	242,078				242,078	182,619
Pupil Transportation	2,771,058				2,771,058	2,468,123
Unallocated Employee Benefits	13,656,604				13,656,604	13,262,203
Nonbudgeted Expenditures	4,689,961				4,689,961	3,865,599
Debt Service:						
Principal				3,280,000	3,280,000	2,651,000
Interest & Other Charges				1,832,788	1,832,788	2,414,598
Capital Outlay	1,314,816	21,815	9,358		1,345,989	1,001,740
Total Expenditures	67,283,808	2,050,349	9,358	5,112,788	74,456,303	69,870,700
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	70,338		(9,358)	(3,280,000)	(3,219,020)	594,894
Other Financing Sources/(Uses):						
Operating Transfer In:						
Capital Projects				3,280,000	3,280,000	2,230,000
Capital Lease Proceeds (Nonbudgeted)						245,895
Operating Transfer Out:						
Debt Service			(3,280,000)		(3,280,000)	(2,230,000)
Total Other Financing Sources (Uses)			(3,280,000)	3,280,000		245,895
Net Change in Fund Balances	70,338		(3,289,358)		(3,219,020)	840,789
Fund Balance - July 1	3,155,737		6,985,935	1	10,141,673	9,300,884
Fund Balance - June 30	\$3,226,075	-	3,696,577	1	6,922,653	10,141,673

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

**LACEY TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Total Net Change in Fund Balances - Governmental Funds (From B-2) (\$3,219,020)

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, in 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 period:

Depreciation Expense	(\$1,954,712)	
Adjustment to Capital Assets	(833,756)	
Capital Outlays	1,254,341	(1,534,127)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 3,280,000

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 91,648

Loss on the early extinguishments of debt, cost of issuance on refunding, and original issue premiums are recorded when incurred in the governmental funds but are deferred and recognized in the statement of activities over the life of the refunding:

Amortization of Loss on Refunding	(161,206)	
Amortization of Cost of Issuance	(32,751)	
Amortization of Original Issue Premiums	71,467	(122,490)

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets:

Capital Lease Proceeds _____

Accrual of interest of capital leases and bonds is not an expenditure in the governmental funds, but the adjustment is charged to expense and is reported in the statement of activities.

Prior Year	611,469	
Current Year	(575,689)	35,780

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

Prior Year	3,732,659	
Current Year	(3,578,963)	153,696

Change in Net Assets of Governmental Activities (\$1,314,513)

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

Proprietary Funds

**LACEY TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES -		TOTALS	
	ENTERPRISE FUNDS		(MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	JUNE 30, 2012	JUNE 30, 2011
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$52,112	192,302	244,414	148,421
Accounts Receivable:				
State	\$625		625	1,093
Federal	17,484		17,484	24,952
Other				2,445
Inventories	\$15,329		15,329	20,138
Total Current Assets	85,550	192,302	277,852	197,049
Noncurrent Assets:				
Furniture, Machinery & Equipment	343,867	30,052	373,919	383,506
Less: Accumulated Depreciation	(325,324)	(1,503)	(326,827)	(322,279)
Total Noncurrent Assets	18,543	28,549	47,092	61,227
Total Assets	104,093	220,851	324,944	258,276
LIABILITIES				
Cash Overdraft				9,246
Accounts Payable	369	72	441	66
Total Liabilities	369	72	441	9,312
NET ASSETS				
Investment in Capital Assets, Net	18,543	28,549	47,092	61,227
Unrestricted Net Assets	85,181	192,230	277,411	187,737
Total Net Assets	\$103,724	220,779	324,503	248,964

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

**LACEY TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES -		TOTALS	
	ENTERPRISE FUNDS		(MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	JUNE 30, 2012	JUNE 30, 2011
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$857,041		857,041	912,583
Daily Sales - Nonreimbursable Programs	30,365		30,365	39,562
Program Revenues		203,286	203,286	233,604
Trip Income		17,938	17,938	18,988
Total Operating Revenues	887,406	221,224	1,108,630	1,204,737
Operating Expenses:				
Salaries	602,938	146,754	749,692	792,093
Advertising				
Other Purchased Services		99	99	8,837
Tickets				8,650
Supplies & Materials	9,138	18,365	27,503	12,773
Depreciation Expense	3,045	1,503	4,548	817
Cost of Sales	848,131		848,131	839,366
Miscellaneous	19,776	12,131	31,907	9,911
Total Operating Expenses	1,483,028	178,852	1,661,880	1,672,447
Operating Income/(Loss)	(595,622)	42,372	(553,250)	(467,710)
Nonoperating Revenues (Expenses):				
Interest Income				1,455
Miscellaneous	9,491		9,491	1,728
State Sources:				
State School Lunch Program	18,416		18,416	18,258
Federal Sources:				
National School Lunch Program	446,891		446,891	407,757
School Breakfast Program	42,474		42,474	35,181
Special Milk Program	5,342		5,342	5,255
Food Distribution Program	106,175		106,175	102,211
Total Nonoperating Revenues/ (Expenses)	628,789		628,789	571,845
Income/(Loss) Before Contributions & Transfers	33,167	42,372	75,539	104,135
Change in Net Assets	33,167	42,372	75,539	104,135
Total Net Assets - Beginning	70,557	178,407	248,964	144,829
Total Net Assets - Ending	\$103,724	220,779	324,503	248,964

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

**LACEY TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES -		TOTALS	
	ENTERPRISE FUNDS		(MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	JUNE 30, 2012	JUNE 30, 2011
Cash Flows From Operating Activities:				
Receipts from Customers	\$889,851	221,224	1,111,075	1,206,717
Payments to Employees	(602,938)	(146,754)	(749,692)	(792,093)
Payments to Suppliers	(765,692)	(30,589)	(796,281)	(814,928)
Net Cash Provided/(Used) by Operating Activities	(478,779)	43,881	(434,898)	(400,304)
Cash Flows From Noncapital Financing Activities:				
Interest Income				1,455
Miscellaneous	9,491		9,491	1,727
Cash Received from Federal Reimbursements	502,175		502,175	458,080
Cash Received from State Reimbursements	18,884		18,884	19,493
Net Cash Provided/(Used) by Noncapital Financing Activities	530,550		530,550	480,755
Cash Flows From Capital Activities:				
Purchase of Fixed Assets	9,587		9,587	(60,104)
Net Cash Provided/(Used) by Capital Activities	9,587		9,587	(60,104)
Net Increase/(Decrease) in Cash & Cash Equivalents	61,358	43,881	105,239	20,347
Balances - Beginning of Year	(9,246)	148,421	139,175	118,828
Balances - End of Year	\$52,112	192,302	244,414	139,175

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	(\$595,622)	42,372	(553,250)	(467,710)
Adjustments to Reconcile Operating Income/ (Loss) to Net Cash Provided/(Used) by Operating Activities:				
Food Distribution Program	106,175		106,175	102,211
Depreciation Expense	3,045	1,503	4,548	817
Decrease/(Increase) in Other Receivables	2,445		2,445	1,980
Decrease/(Increase) in Inventory	4,809		4,809	2,348
(Decrease)/Increase in Interfund Payable		6	6	66
(Decrease)/Increase in Accounts Payable	369		369	(40,016)
Total Adjustments	116,843	1,509	118,352	67,406
Net Cash Provided/(Used) by Operating Activities	(\$478,779)	43,881	(434,898)	(400,304)

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

Fiduciary Funds



**LACEY TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	PRIVATE PURPOSE		AGENCY		TOTALS	
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY FUND	PAYROLL FUND	JUNE 30, 2012	JUNE 30, 2011
ASSETS						
Cash & Cash Equivalents		108,187	139,704	118,882	366,773	757,966
Restricted Cash	\$10,549				10,549	10,191
Interfunds Receivable						21,750
Total Assets	10,549	108,187	139,704	118,882	377,322	789,907
LIABILITIES						
Payroll Deductions & Withholdings				118,882	118,882	349,881
Payable to Student Groups			139,704		139,704	166,575
Interfunds Payable						104,126
Total Liabilities			139,704	118,882	258,586	620,582
NET ASSETS						
Reserve For:						
Held in Trust for:						
Unemployment Claims & Other Purposes		108,187			108,187	159,134
Scholarships	10,549				10,549	10,191
Total Net Assets	\$10,549	108,187	-	-	118,736	169,325

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

**LACEY TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	PRIVATE PURPOSE		TOTALS	
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
ADDITIONS				
Contributions:				
Plan Member		64,479	64,479	61,538
Total Contributions		64,479	64,479	61,538
Investment Earnings:				
Interest	\$358	452	810	1,632
Net Investment Earnings	358	452	810	1,632
Total Additions	358	64,931	65,289	63,170
DEDUCTIONS				
Scholarship Awards				400
Quarterly Contribution Reports				
Unemployment Claims		115,878	115,878	74,903
Total Deductions		115,878	115,878	75,303
Change in Net Assets	358	(50,947)	(50,589)	(12,133)
Net Assets-Beginning of the Year	10,191	159,134	169,325	181,458
Net Assets - End of the Year	\$10,549	108,187	118,736	169,325

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

**SCHOOL DISTRICT OF
LACEY TOWNSHIP**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

LACEY TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Board of Education of the Lacey Township School District (the District) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34 Basic *Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. They required new information and restructured much of the information that governments had presented in the past. Comparability with reports issued in prior years was affected.

The District implemented these standards beginning with fiscal year-ending June 30, 2004. With the implementation of GASB Statement 34, the District has prepared required supplementary information titled *Management’s Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. Therefore, the District has implemented the following GASB Statements in the current fiscal year: Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*; Statement 37 - *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures* and Statement 44 – *Economic Condition Reporting – The Statistical Section*. Statement 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*; and Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2012 and for the year then ended with comparative totals as of and for the year ended June 30, 2011 (Memorandum Only).

A. Reporting Entity

The Lacey Township School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of seven members appointed to three-year terms. These terms are staggered so that selected members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The Lacey Township School District has an approximate enrollment at June 30, 2012 of 4,718 students.

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

LACEY TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

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

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

B. District-Wide and Fund Financial Statements

The district-wide financial statements (the statement of net assets and the statement of activities) report information of all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these district-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the district-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-Wide Financial Statements – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

LACEY TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

Governmental Fund Financial Statements – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Fund Accounting

The accounts of the Lacey Township School District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into seven fund types within three broad fund categories and two account groups as follows:

Governmental Funds

General Fund - The general fund is the general operating fund of the Lacey Township School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey Department of Education, Lacey Township School District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

LACEY TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

Permanent Fund - Resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the reporting governments programs, that is for the benefit of the government or its citizenry.

Proprietary Fund

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

Enterprise - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund and Community Education Fund.

LACEY TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

All Proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line-method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	5 Years
Light Trucks & Vehicle	5 Years
Heavy Trucks & Vehicle	5 Years

Fiduciary Fund

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency funds

Private Purpose Trust Funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The District currently maintains an Unemployment Trust Fund as a private purpose trust.

Agency Funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity's own operating programs. The District currently maintains Payroll funds and Student Activity Funds as Agency Funds

E. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included

LACEY TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, private purpose trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

In its accounting and financial reporting, the Lacey Township School District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The Lacey Township School District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and private purpose trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

F. 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 and are voted upon at the annual school election on or around the third Tuesday in April. Effective January 17, 2012, P.L.2011 c.202 eliminated the annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6A:23-1.2*. All budget amendments must be approved by School Board resolution.

Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6A:23-1.2*. All budget amendments must be approved by School Board resolution.

LACEY TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 1. Summary of Significant Accounting Policies (continued):

F. Budgets/Budgetary Control (continued):

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

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

The budget, as detailed on Exhibit C-1, includes all amendments to the adopted budget, if any.

The following presents a reconciliation of the special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types:

**Notes to Required Supplementary Information.
Budgetary Comparison Schedule**

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from C-3 the budgetary comparison schedules	\$67,488,013	\$1,807,272
Difference – Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		243,077
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,916,484	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(2,050,351)</u>	<u> </u>

LACEY TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 1. Summary of Significant Accounting Policies (continued):

F. Budgets/Budgetary Control (continued):

	General Fund	Special Revenue Fund
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$67,354,146</u>	<u>\$2,050,349</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$67,283,808	\$1,807,272
Differences – 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 financial reporting purposes	_____	<u>243,077</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$67,283,808</u>	<u>\$2,050,349</u>

G. Encumbrances

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

Open encumbrances in the special revenue fund for which the Lacey Township School District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

H. 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.

LACEY TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 1. Summary of Significant Accounting Policies (continued):

H. Cash and Cash Equivalents (continued):

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.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 loss of funds on deposit with a failed banking institution in New Jersey.

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

I. Tuition Receivable/Payable

Tuition charges were established by the District based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

These adjustments are recorded upon certification by the State School District, which is normally two years following the contract year. The cumulative adjustments through June 30, 2012, which have not been recorded, are not determinable.

The tuition rate adjustments for the year 2009-2010 have been established. According to the School District's records, these amounts of adjustments are immaterial to the financial statements.

J. Inventories & Prepaid Expenses

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed.

LACEY TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 1. Summary of Significant Accounting Policies (continued):

J. Inventories & Prepaid Expenses (continued):

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditure during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

K. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Lacey Township School District and that are due within one year.

L. Fixed Assets

General fixed assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Fixed assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed were valued by an independent appraisal company. General fixed assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

General fixed assets are reflected as expenditures in the applicable governmental funds. Depreciation expense is recorded in the district-wide financial statements as well as the proprietary fund. Capital assets are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally estimated useful lives are as follows:

Machinery & Equipment	3 – 20 Years
Building & Other Improvements	7 – 60 Years
Infrastructure	30 Years

M. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2012 for such salaries.

LACEY TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 1. Summary of Significant Accounting Policies (continued):

N. 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 is accrued as the employees earn the rights to the benefits.

In the District-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

O. Deferred Revenue

Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned.

P. Long-term Obligations

In district-wide financial statements, under governmental activities, long-term debt is recognized as a liability in the general fund as debt is incurred.

Q. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

In addition, \$3,696,577 of capital project fund unreserved fund balance has been designated for the additions and renovations to school facilities in future years.

In accordance with State of New Jersey statutes, the fund balance to be utilized in the subsequent year budget is not legally restricted and therefore has been classified as fund balance designated for subsequent year's expenditures and is not reserved.

R. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2012 through September 14, 2012 which is the date the financial statements were available to be issued.

LACEY TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 2. Cash and Cash Equivalents

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2012, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$4,452,936</u>
Total Deposits	<u>\$4,452,936</u>
Reconciliation to Statements of Net Assets:	
Governmental Activities	\$3,831,200
Business-Type Activities	244,414
Fiduciary Funds	<u>377,322</u>
Total Cash and Cash Equivalents	<u>\$4,452,936</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$5,425,969 at June 30, 2012. Of the bank balance \$250,000 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$5,175,969 was secured by a collateral pool held by the bank, but not in the District’s name, as required by New Jersey statutes.

Insured	\$ 250,000
Collateralized in the District’s Name Under GUDPA (See Note 3)	<u>5,175,969</u>
Total	<u>\$5,425,969</u>

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2012 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits,

LACEY TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 3. Governmental Unit Deposit Protection Act (GUDPA) (continued):

maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

LACEY TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 4. Fixed Assets

The following schedule is a summarization of the general fixed assets recorded at historical cost by source for the fiscal year ended June 30, 2012:

	June 30, 2011	Additions	Deletions	Adjustment	June 30, 2012
Land	\$ 163,472			\$ -	\$ 163,472
Construction in Progress	11,457,440				11,457,440
Buildings	82,371,463				82,371,462
Machinery & Equipment	9,136,287	\$ 420,585	\$(64,581)		9,492,291
Subtotal	103,128,661	420,585	(64,581)		103,484,665
Accumulated Depreciation	(48,729,817)	(1,954,712)	64,581		(50,619,948)
Total	<u>\$ 54,398,844</u>	<u>\$ (1,534,127)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$52,864,717</u>

The following schedule is a summarization of the proprietary fund fixed assets recorded at historical cost by source for the fiscal year ended June 30, 2012:

	June 30, 2011	Additions	Adjustment	June 30, 2012
Machinery & Equipment	\$ 383,506	\$20,465	\$(30,052)	\$373,919
Less: Accumulated Depreciation	(322,279)	(4,548)	(9,165)	(326,992)
Net Fixed Assets	<u>\$ 61,227</u>	<u>\$15,917</u>	<u>\$(30,217)</u>	<u>\$ 46,927</u>

Note 5. Noncurrent Liabilities

During the fiscal year ended June 30, 2012 the following changes occurred in liabilities reported in the long-term debt:

	Balance 6/30/11	Accrued/ Increases	Retired/ Decreases	Balance 6/30/12	Due Within One Year
Bonds Payable	\$47,840,000	\$ -	\$3,280,000	\$44,560,000	\$3,330,000
Capital Leases	338,189		91,648	246,541	95,612
Compensated Absences Payable	3,732,659		153,696	3,578,963	
Total	<u>\$51,910,848</u>	<u>\$ -</u>	<u>\$3,525,344</u>	<u>\$48,385,504</u>	<u>\$3,425,612</u>

LACEY TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 5. Noncurrent Liabilities (continued):

A. Bonds Payable

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

Serial Bonds Payable

Principal and interest remaining on the Serial Bonds Outstanding is as follows.

Fiscal Years Ending June 30,	Principal	Interest	Total
2013	\$ 3,330,000	\$ 1,698,138	\$ 5,028,138
2014	2,795,000	1,619,550	4,415,550
2015	2,755,000	1,517,600	4,272,600
2016	2,745,000	1,415,900	4,160,900
2017	2,735,000	1,312,475	4,047,475
2018-2022	15,070,000	4,934,275	20,004,275
2023-2027	12,530,000	1,886,875	14,416,875
2028-2030	<u>2,600,000</u>	<u>224,250</u>	<u>2,824,250</u>
Total	<u>\$44,560,000</u>	<u>\$14,609,063</u>	<u>\$59,169,063</u>

B. Bonds Authorized but not Issued

As of June 30, 2012, the District had no authorized but not issued bonds.

Note 6. Pension Plans

Plan Descriptions - All required employees of the 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 Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

LACEY TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012

Note 6. Pension Plans (continued):

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established in January 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 noncontributing 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 in January 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.

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by *N.J.S.A. 43:15A* and *43:3B* and *N.J.S.A. 18A:66* 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 55 and are generally determined to be 1/55 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 - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be

LACEY TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 6. Pension Plans (continued):

reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the TPAF and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Contribution Requirements – 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 5.5% of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$890,891	100%	\$ -0-
6/30/11	876,722	100%	-0-
6/30/10	668,516	100%	-0-

Three-Year Trend Information for TPAF (Paid on behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$2,646,560	100%	\$ -0-
6/30/11	1,878,030	100%	-0-
6/30/10	1,765,635	100%	-0-

LACEY TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 6. Pension Plans (continued):

During the year ended June 30, 2012 the State of New Jersey contributed \$2,646,560 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District \$2,043,401 for the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 7. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

Note 8. 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, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts

LACEY TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012

Note 8. Risk Management (continued):

due to the State. The following is a summary of School District contributions, interest earned, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$64,479	\$ 452	\$115,878	\$108,187
2010-2011	61,538	1,261	74,903	159,134
2009-2010	65,006	1,944	91,458	171,238

Note 9. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2012 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

Note 10. Economic Dependency

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

Note 11. Interfund Receivables & Payables

There were no interfund balances remaining on the balance sheet at June 30, 2012.

LACEY TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012

Note 12. GASB #54 Fund Balance Disclosures

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Lacey Township School District classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

General Fund – Of the \$3,226,075 General Fund fund balance at June 30, 2012, \$1,046,367 has been committed for other purposes; \$1,558,644 has been assigned to be designated for subsequent year's expenditures; \$52,215 has been assigned for other purposes; \$327,493 is restricted for excess surplus; \$241,356 is restricted for excess surplus to be designated for subsequent year's expenditures; and \$-0- is unassigned.

The Lacey Township School District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation.

Additionally, the Lacey Township School District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Capital Projects Fund – Of the \$3,696,577 Capital Projects Fund fund balance at June 30, 2012, \$3,696,577 is unassigned.

Debt Service Fund – Of the \$1 Debt Service Fund fund balance at June 30, 2012, \$1 is unassigned.

Note 13. Deferred Compensation

The District offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits 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.

Equitable Lincoln Investments Met Life The Legend Group

LACEY TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 14. Compensated Absences

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2012 is \$3,578,963.

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, 2012 no liability existed for compensated absences in the proprietary fund types.

Note 15. Calculation of Excess Surplus

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). 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 District had excess fund balance at June 30, 2012 of \$327,493.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules



**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Revenues:											
Local Tax Levy	10-1210	\$39,413,121		39,413,121	39,413,121		38,379,406		38,379,406	38,379,406	
Tuition	10-1320				153,068	153,068			71,270	71,270	
Interest on Investments	10-1510				26,905	26,905			67,021	67,021	
Solar Renewable Energy Credits	10-199X				1,284,028	1,284,028			1,067,829	1,067,829	
Miscellaneous Revenues	10-1990	1,200,000		1,200,000	133,125	(1,066,875)	681,207		681,207	287,396	
Total Local Sources		40,613,121		40,613,121	41,010,247	397,126	39,060,613		39,060,613	39,872,922	812,309
46 State Sources:											
Extraordinary Aid	10-3131				273,803	273,803				172,582	172,582
Categorical Special Education Aid	10-3132	2,352,617		2,352,617	2,352,617		1,590,138		1,590,138	2,352,617	762,479
Equalization Aid	10-3176	17,815,116		17,815,116	17,965,107	149,991	17,965,107		17,965,107	17,202,628	(762,479)
Categorical Security Aid	10-3177				462,498	462,498					
Non-Public Transportation Aid	10-3198				2,436	2,436				1,914	1,914
TPAF Wage Freeze Grant	10-3XXX									71,048	71,048
Anti-Bullying Bill of Rights Act	10-3XXX				1,171	1,171					
Nonbudgeted:											
On-Behalf TPAF Pension Contribution	10-3901				2,646,560	2,646,560				1,878,030	1,878,030
Reimbursed TPAF Social Security Contribution	10-3902				2,043,401	2,043,401				1,987,569	1,987,569
Total State Sources		20,167,733		20,167,733	25,747,593	5,579,860	19,555,245		19,555,245	23,666,388	4,111,143
Federal Sources:											
Medicaid Reimbursement	10-4200	57,852		57,852	3,303	(54,549)	55,880		55,880	12,750	(43,130)
Education Jobs Fund Program	18-4522	375,000	386,216	761,216	726,870	(34,346)		12,783	12,783	11,712	(1,071)
Total Federal Sources		432,852	386,216	819,068	730,173	(88,895)	55,880	12,783	68,663	24,462	(44,201)
Total Revenues		61,213,706	386,216	61,599,922	67,488,013	5,888,091	58,671,738	12,783	58,684,521	63,563,772	4,879,251

**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Expenditures:												
Current Expense:												
Instruction - Regular Programs:												
Salaries of Teachers:												
	Preschool/Kindergarten	11-110-100-101	542,988		542,988	521,484	21,504	556,477		556,477	520,343	36,134
	Grades 1 - 5	11-120-100-101	7,409,776	113,553	7,523,329	7,456,657	66,672	7,353,668	(191,332)	7,162,336	6,955,806	206,530
	Grades 6 - 8	11-130-100-101	3,931,019	(8,285)	3,922,734	3,854,763	67,971	4,089,350	84,194	4,173,544	3,883,709	289,835
	Grades 9 - 12	11-140-100-101	6,878,008	(6,783)	6,871,225	6,802,833	68,392	6,810,354	879	6,811,233	6,641,280	169,953
Regular Programs - Undistributed Instruction:												
	Other Salaries for Instruction	11-190-100-106	201,500	44,500	246,000	245,937	63	217,604		217,604	208,847	8,757
	Purchased Professional - Educational Services	11-190-100-320	30,853	1,084	31,937	17,654	14,283	26,956	2,755	29,711	24,082	5,629
	Other Purchased Services	11-190-100-500	500,010	129,707	629,717	478,939	150,778	489,213	(6,227)	482,986	465,164	17,822
	General Supplies	11-190-100-610	667,400	1,197,256	1,864,656	1,360,281	504,375	691,588	460,698	1,152,286	591,635	560,651
	Textbooks	11-190-100-640	233,000	274,980	507,980	501,397	6,583	34,000	194,762	228,762	47,940	180,822
	Other Objects	11-190-100-800	51,000	9,480	60,480	47,518	12,962	57,300	2,845	60,145	41,747	18,398
Total Regular Programs			20,445,554	1,755,492	22,201,046	21,287,463	913,583	20,326,510	548,574	20,875,084	19,380,553	1,494,531
Special Education:												
Learning and/or Language Disabilities:												
	Salaries of Teachers	11-204-100-101	877,774	49,400	927,174	927,140	34	812,685		812,685	791,594	21,091
	Other Salaries for Instruction	11-204-100-106	280,893		280,893	274,635	6,258	204,907	3,728	208,635	204,450	4,185
	Other Purchased Services	11-204-100-500	1,000		1,000	416	584	1,000	(597)	403	403	
	General Supplies	11-204-100-610	8,000	2,788	10,788	10,093	695	8,100	850	8,950	8,590	360
	Textbooks	11-204-100-640	4,000	(2,032)	1,968	1,967	1	4,000	(1,641)	2,359	2,358	1
	Other	11-204-100-800	2,250	(630)	1,620	784	836	2,465	(1,115)	1,350	265	1,085
Total Learning and/or Language Disabilities			1,173,917	49,526	1,223,443	1,215,035	8,408	1,033,157	1,225	1,034,382	1,007,660	26,722
Behavioral Disabilities:												
	Salaries of Teachers	11-209-100-101	361,934		361,934	361,934		364,822		364,822	346,450	18,372
	Other Salaries for Instruction	11-209-100-106	79,905	26,000	105,905	105,851	54	81,818		81,818	75,956	5,862
	General Supplies	11-209-100-610	4,250	590	4,840	3,308	1,532	4,500	446	4,946	4,617	329
	Textbooks	11-209-100-640	1,000	(1,000)				1,000	(1,000)			
	Other	11-209-100-800	3,000	2,000	5,000	4,972	28	3,000	1,845	4,845	4,845	

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**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Total Behavioral Disabilities	450,089	27,590	477,679	476,065	1,614	455,140	1,291	456,431	431,868	24,563	
Multiple Disabilities:											
Salaries of Teachers	11-212-100-101	364,114	9,500	373,614	373,594	20	372,120		372,120	357,504	14,616
Other Salaries for Instruction	11-212-100-106	254,852	(2,350)	252,502	252,496	6	201,332		201,332	200,125	1,207
General Supplies	11-212-100-610	8,000	(135)	7,865	7,613	252	8,000	69	8,069	6,678	1,391
Textbooks	11-212-100-640	300	(165)	135	134	1	650	(500)	150		150
Other	11-212-100-800	900		900	421	479	890	350	1,240	336	904
Total Multiple Disabilities		628,166	6,850	635,016	634,258	758	582,992	(81)	582,911	564,643	18,268
Resource Room:											
Salaries of Teachers	11-213-100-101	3,056,164	(179,993)	2,876,171	2,875,833	338	3,037,728	(42,997)	2,994,731	2,917,708	77,023
Other Salaries for Instruction	11-213-100-106	211,432		211,432	211,044	388	226,028		226,028	195,156	30,872
Other Purchased Services	11-213-100-500	1,000		1,000	740	260	1,000	(600)	400	368	32
General Supplies	11-213-100-610	11,945	3,260	15,205	10,224	4,981	13,100	500	13,600	10,299	3,301
Textbooks	11-213-100-640	4,825	(3,407)	1,418	1,417	1	5,000	(1,441)	3,559	3,558	1
Other Objects	11-213-100-800	1,050	(53)	997	486	511	1,050		1,050	690	360
Total Resource Room		3,286,416	(180,193)	3,106,223	3,099,744	6,479	3,283,906	(44,538)	3,239,368	3,127,779	111,589
Special Education - Autism:											
Salaries of Teachers	11-214-100-101	155,024	6,100	161,124	161,036	88	104,146		104,146	104,146	
Other Salaries for Instruction	11-214-100-106	251,480	(31,812)	219,668	219,667	1	261,147		261,147	244,134	17,013
Other Purchased Services	11-214-100-500	1,000		1,000		1,000	1,000	(1,000)			
General Supplies	11-214-100-610	1,000	945	1,945	1,945		1,000	1,133	2,133	2,036	97
Other Objects	11-214-100-800	450	(11)	439	300	139	600		600	20	580
Total Autism		408,954	(24,778)	384,176	382,948	1,228	367,893	133	368,026	350,336	17,690
Special Education - Preschool Disabilities - Full-Time:											
Salaries of Teachers	11-216-100-101	152,856	12,800	165,656	165,614	42	156,050		156,050	148,151	7,899
Other Salaries for Instruction	11-216-100-106	118,991		118,991	113,396	5,595	107,895		107,895	103,237	4,658
General Supplies	11-216-100-600	1,500	(50)	1,450	1,328	122	1,675		1,675	1,649	26
Other Objects	11-216-100-800	350	(100)	250		250	350		350	149	201

**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Total Preschool Disabilities - Full-Time	273,697	12,650	286,347	280,338	6,009	265,970		265,970	253,186	12,784	
Total Special Education	6,221,239	(108,355)	6,112,884	6,088,388	24,496	5,989,058	(41,970)	5,947,088	5,735,472	211,616	
Bilingual Educational - Instruction:											
Salaries of Teachers	11-240-100-101	143,069	6,000	149,069	149,025	44	90,246	25,400	115,646	115,642	4
General Supplies	11-240-100-610	1,400		1,400		1,400	1,400		1,400		1,400
Total Bilingual Education - Instruction		144,469	6,000	150,469	149,025	1,444	91,646	25,400	117,046	115,642	1,404
School Sponsored Cocurricular Activities:											
Salaries	11-401-100-100	337,727	3,655	341,382	341,315	67	336,278	24,060	360,338	352,240	8,098
Supplies and Materials	11-401-100-600	14,487	(1,200)	13,287	8,521	4,766	16,717	(2,547)	14,170	8,130	6,040
Other Objects	11-401-100-800	1,950		1,950	1,155	795	1,900		1,900	822	1,078
Total School Sponsored Cocurricular Activities		354,164	2,455	356,619	350,991	5,628	354,895	21,513	376,408	361,192	15,216
School Sponsored Athletics - Instruction:											
Salaries	11-402-100-100	727,518	6,657	734,175	716,843	17,332	65,324	657,217	722,541	701,731	20,810
Purchased Services	11-402-100-500	66,126	6,092	72,218	65,323	6,895	66,126	6,376	72,502	68,025	4,477
Supplies and Materials	11-402-100-600	100,404	(1,554)	98,850	96,843	2,007	100,404	4,892	105,296	96,286	9,010
Other Objects	11-402-100-800	23,870	2,049	25,919	24,244	1,675	23,370	1,844	25,214	20,875	4,339
Total School Sponsored Athletics Instruction		917,918	13,244	931,162	903,253	27,909	255,224	670,329	925,553	886,917	38,636
Total Instruction		28,083,344	1,668,836	29,752,180	28,779,120	973,060	27,017,333	1,223,846	28,241,179	26,479,776	1,761,403
Undistributed Expenditures:											
Instruction :											
Tuition to Other LEAs Within the State - Regular	11-000-100-561	80,000	(80,000)				80,000	(62,700)	17,300	17,283	17
Tuition to Other LEAs Within the State - Special	11-000-100-562	50,000	82,545	132,545	132,545		130,000	13,721	143,721	143,718	3

**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Undistributed Expenditures (continued):											
Instruction (continued):											
Tuition to County Voc. School District - Regular	11-000-100-563	15,000	2,000	17,000	17,000		18,000	(376)	17,624	14,500	3,124
Tuition to CSSD & Regional Day School	11-000-100-565	140,000	10,000	150,000	149,040	960	200,000	(118,242)	81,758	71,488	10,270
Tuition to Private School for the Handicapped - State	11-000-100-566	1,170,000	406,900	1,576,900	1,574,685	2,215	501,000	492,722	993,722	991,752	1,970
Tuition - State Facilities	11-000-100-568	115,470		115,470	115,470		167,970		167,970	167,970	
Total Undistributed Expenditures - Instruction		1,570,470	421,445	1,991,915	1,988,740	3,175	1,096,970	325,125	1,422,095	1,406,711	15,384
50 Attendance & Social Work Services:											
Salaries	11-000-211-100	241,454	(480)	240,974	240,966	8	210,806	17,393	228,199	228,199	
Total Attendance & Social Work Services		241,454	(480)	240,974	240,966	8	210,806	17,393	228,199	228,199	
Health Services:											
Salaries	11-000-213-100	518,722	25,701	544,423	535,595	8,828	526,557	(1,393)	525,164	507,171	17,993
Purchased Professional & Technical Services	11-000-213-300	43,397		43,397	43,157	240	43,397		43,397	41,897	1,500
Other Purchased Services	11-000-213-500	20,000	(2,000)	18,000	15,517	2,483	20,000	(8,000)	12,000	8,606	3,394
Supplies and Materials	11-000-213-600	24,300	910	25,210	20,075	5,135	26,500	2,984	29,484	22,480	7,004
Total Health Services		606,419	24,611	631,030	614,344	16,686	616,454	(6,409)	610,045	580,154	29,891
Other Support Services - Students - Related Services:											
Salaries	11-000-216-100	446,846	(136,000)	310,846	310,247	599	459,146	(42,004)	417,142	400,420	16,722
Purchased Professional - Educational Services	11-000-216-320	15,000	2,012	17,012	17,000	12	15,000	4,876	19,876	18,268	1,608
Supplies and Materials	11-000-216-600	2,160	671	2,831	1,819	1,012	2,160	81	2,241	1,554	687
Total Other Support Services - Students - Related Services		464,006	(133,317)	330,689	329,066	1,623	476,306	(37,047)	439,259	420,242	19,017
Other Support Services - Students - Extra Services:											
Salaries	11-000-217-100	127,745		127,745	127,648	97	141,938	(19,365)	122,573	121,522	1,051
Total Other Support Services - Students - Extra Services		127,745		127,745	127,648	97	141,938	(19,365)	122,573	121,522	1,051

**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Other Support Services - Students - Regular:											
Salaries of Other Professional Staff	11-000-218-104	1,011,115	12,067	1,023,182	1,023,153	29	1,030,750	570	1,031,320	967,200	64,120
Salaries of Secretarial & Clerical Assistants	11-000-218-105	152,335	(3,500)	148,835	146,951	1,884	147,578	(2,775)	144,803	142,105	2,698
Purchased Professional - Educational Services	11-000-218-320	100,000	(15,920)	84,080	80,597	3,483	40,000	110,994	150,994	150,994	
Supplies and Materials	11-000-218-600	12,100		12,100	12,090	10	11,100	2,000	13,100	12,811	289
Total Other Support Services - Regular		1,275,550	(7,353)	1,268,197	1,262,791	5,406	1,229,428	110,789	1,340,217	1,273,110	67,107
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	871,595	(37,985)	833,610	827,667	5,943	881,668	(51,987)	829,681	801,551	28,130
Salaries of Secretarial & Clerical Assistants	11-000-219-105	77,065		77,065	75,733	1,332	76,496		76,496	71,180	5,316
Purchased Professional - Educational Services	11-000-219-320	180,134	166,189	346,323	346,302	21	180,134	17,000	197,134	191,403	5,731
Total Other Support Services - Students - Special Services		1,128,794	128,204	1,256,998	1,249,702	7,296	1,138,298	(34,987)	1,103,311	1,064,134	39,177
Improvement of Instruction Services/Other Support Services - Instruction Staff:											
Salaries of Supervisors of Instruction	11-000-221-102	893,181	(16,951)	876,230	872,941	3,289	765,336	107,342	872,678	813,861	58,817
Salaries of Secretarial & Clerical Assistants	11-000-221-105	182,280	(18,681)	163,599	163,553	46	204,051	3,709	207,760	178,737	29,023
Purchased Professional - Educational Services	11-000-221-320	62,000	5,000	67,000	64,285	2,715	58,500		58,500	57,187	1,313
Supplies and Materials	11-000-221-600	28,610	(2,467)	26,143	17,968	8,175	29,610	(11,957)	17,653	16,561	1,092
Total Improvement of Instruction Services/Other Support Services - Instructional Staff		1,166,071	(33,099)	1,132,972	1,118,747	14,225	1,057,497	99,094	1,156,591	1,066,346	90,245

**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Educational Media Services/School Library:											
Salaries	11-000-222-100	469,818	(51,366)	418,452	412,928	5,524	502,702	21,053	523,755	500,025	23,730
Purchased Professional & Technical Services	11-000-222-300	8,950	1,379	10,329	9,139	1,190	6,912	(183)	6,729	6,728	1
Supplies and Materials	11-000-222-600	20,000	4,721	24,721	23,589	1,132	33,000	1,121	34,121	32,937	1,184
Total Educational Media Services/School Library		498,768	(45,266)	453,502	445,656	7,846	542,614	21,991	564,605	539,690	24,915
Support Services Instructional Staff Training Services:											
Other Purchased Services	11-000-223-500	37,000	6,000	43,000	40,490	2,510	18,560	3,310	21,870	14,870	7,000
Total Support Services Instructional Staff Training Service:		37,000	6,000	43,000	40,490	2,510	18,560	3,310	21,870	14,870	7,000
Support Services General Administration:											
Salaries	11-000-230-100	544,880	66,892	611,772	611,447	325	558,938	162,206	721,144	633,252	87,892
Salaries of Attorneys	11-000-230-108	10,000		10,000	10,000		10,000		10,000	10,000	
Legal Services	11-000-230-331	140,000	67,216	207,216	207,213	3	140,000	104,900	244,900	244,200	700
Audit Fees	11-000-230-332	22,000	5,575	27,575	27,575		22,000	1,475	23,475	23,475	
Other Purchased Professional Services	11-000-230-339	38,000	14,506	52,506	51,721	785	37,000	(13,475)	23,525	23,013	512
Communications/Telephone	11-000-230-530	125,000	2,085	127,085	122,506	4,579	145,000	(44,527)	100,473	99,844	629
Other Purchased Services	11-000-230-590	34,300	(27,530)	6,770	3,650	3,120	34,300	(15,276)	19,024	18,184	840
General Supplies	11-000-230-610	31,500	7,094	38,594	28,872	9,722	31,500	2,530	34,030	23,079	10,951
Miscellaneous Expenditures	11-000-230-890	15,000		15,000	13,015	1,985	16,300	(11,500)	4,800	4,437	363
BOE Membership Dues & Fees	11-000-230-895	36,000	4,500	40,500	36,902	3,598	36,000	(2,000)	34,000	27,120	6,880
Total Support Services General Administration		996,680	140,338	1,137,018	1,112,901	24,117	1,031,038	184,333	1,215,371	1,106,604	108,767
Support Services School Administration:											
Salaries of Principals & Assistant Principals	11-000-240-103	998,525	8,900	1,007,425	1,005,416	2,009	1,005,740	(4,457)	1,001,283	969,504	31,779
Salaries of Secretarial & Clerical Assistants	11-000-240-105	353,404	98	353,502	350,434	3,068	365,863	18,288	384,151	348,650	35,501
Supplies and Materials	11-000-240-600	50,000	12,550	62,550	51,999	10,551	54,450	2,729	57,179	52,919	4,260
Total Support Services School Administration		1,401,929	21,548	1,423,477	1,407,849	15,628	1,426,053	16,560	1,442,613	1,371,073	71,540

**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Central Services:											
Salaries	11-000-251-100	494,624	(103)	494,521	492,163	2,358	496,532		496,532	474,732	21,800
Purchased Professional Services	11-000-251-330	18,000		18,000	10,552	7,448	18,000		18,000	10,168	7,832
General Supplies	11-000-251-600	17,400	2,942	20,342	12,614	7,728	16,380		16,380	11,434	4,946
Miscellaneous Expenditures	11-000-251-890	3,000		3,000	1,934	1,066	3,000		3,000	2,037	963
Total Central Services		533,024	2,839	535,863	517,263	18,600	533,912		533,912	498,371	35,541
Required Maintenance for School Facilities:											
Salaries	11-000-261-100	1,322,836	129,669	1,452,505	1,367,544	84,961	1,279,485	(37,618)	1,241,867	1,217,102	24,765
Cleaning, Repair & Maintenance Services	11-000-261-420	200,700	39,358	240,058	223,691	16,367	212,404	74,236	286,640	200,495	86,145
General Supplies	11-000-261-610	145,000	141,249	286,249	276,278	9,971	137,210	44,119	181,329	117,455	63,874
Total Required Maintenance for School Facilities		1,668,536	310,276	1,978,812	1,867,513	111,299	1,629,099	80,737	1,709,836	1,535,052	174,784
Operation & Maintenance of Plant Services:											
Salaries	11-000-262-100	1,398,120	(18,882)	1,379,238	1,369,633	9,605	1,300,649	41,785	1,342,434	1,310,233	32,201
Purchased Professional & Technical Services	11-000-262-300	7,000		7,000	5,245	1,755	7,000	1,300	8,300	4,600	3,700
Cleaning, Repair & Maintenance Services	11-000-262-420	30,000	22,400	52,400	36,721	15,679	35,000	(2,900)	32,100	9,409	22,691
Rental of Land & Buildings Other Than Lease	11-000-262-441		4,000	4,000	4,000						
Other Purchased Property Services	11-000-262-490	77,000	(800)	76,200	69,607	6,593	80,000	(6,900)	73,100	72,467	633
Insurance	11-000-262-520	575,000	(7,481)	567,519	566,773	746	550,000	9,065	559,065	559,065	
General Supplies	11-000-262-610	127,000	9,438	136,438	132,509	3,929	130,000	56,587	186,587	118,484	68,103
Energy (Natural Gas)	11-000-262-621	517,000	(137,540)	379,460	257,185	122,275	600,000	(255,510)	344,490	331,103	13,387
Energy (Electricity)	11-000-262-622	907,000	(217,700)	689,300	664,634	24,666	907,000	(131,877)	775,123	774,559	564
Total Operation & Maintenance of Plant Services		3,638,120	(346,565)	3,291,555	3,106,307	185,248	3,609,649	(288,450)	3,321,199	3,179,920	141,279
Care & Upkeep of Grounds:											
Salaries	11-000-263-100	341,258	(15,000)	326,258	323,282	2,976	337,727		337,727	327,796	9,931
General Supplies	11-000-263-610	70,000	25,224	95,224	76,906	18,318	70,000	40,071	110,071	85,171	24,900
Total Care & Upkeep of Grounds		411,258	10,224	421,482	400,188	21,294	407,727	40,071	447,798	412,967	34,831
Security:											
Salaries	11-000-266-100	285,132	(40,000)	245,132	242,078	3,054	242,155	(24,169)	217,986	182,619	35,367
Total Security		285,132	(40,000)	245,132	242,078	3,054	242,155	(24,169)	217,986	182,619	35,367

**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Student Transportation Services:											
Salaries of Non-Instructional Aides	11-000-270-107	60,380		60,380	27,553	32,827	60,374		60,374	60,374	
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,033,932		1,033,932	1,033,930	2	990,908	4,276	995,184	995,184	
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	432,565	(35,269)	397,296	394,022	3,274	383,500	(9,902)	373,598	312,516	61,082
Cleaning, Repair & Maintenance Services	11-000-270-420	12,000	3,812	15,812	13,204	2,608	12,000	2,106	14,106	10,294	3,812
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512		200	200		200		1,200	1,200	1,200	
Contracted Services (Between Home & School) - Joint Agreements	11-000-270-513	35,000	595,100	630,100	629,855	245	80,500	(60,000)	20,500	5,400	15,100
Contracted Services (Special Education Students) - ESC's & CTSA's	11-000-270-518	580,000	(580,000)				600,000		600,000	582,932	17,068
Aid in Lieu of Payments	11-000-270-503	12,000	2,690	14,690	14,686	4	12,000	(2,106)	9,894	8,653	1,241
Miscellaneous Purchased Services - Transportation	11-000-270-593	130,000	2,281	132,281	132,280	1	140,000	(21,845)	118,155	117,705	450
General Supplies	11-000-270-610	8,000	17,350	25,350	20,575	4,775	7,200	12,111	19,311	1,960	17,351
Transportation Supplies	11-000-270-615	436,195	51,510	487,705	487,687	18	400,000	(9,000)	391,000	357,378	33,622
Other Objects	11-000-270-800	16,000	2,200	18,200	17,266	934	16,800	(220)	16,580	14,527	2,053
Total Student Transportation Services		2,756,072	59,874	2,815,946	2,771,058	44,888	2,703,282	(83,380)	2,619,902	2,468,123	151,779
Unallocated Benefits - Employee Benefits:											
Social Security	11-xxx-xxx-220	1,100,000	(207,200)	892,800	863,287	29,513	980,000	(55,022)	924,978	850,850	74,128
Other Retirement Contributions	11-xxx-xxx-241	933,805	(40,000)	893,805	890,891	2,914	700,000	176,722	876,722	876,722	
Worker's Compensation	11-xxx-xxx-260	730,000	(134,662)	595,338	587,234	8,104	730,000	(125,000)	605,000	600,723	4,277
Health Benefits	11-xxx-xxx-270	12,250,000	(1,130,000)	11,120,000	11,117,878	2,122	10,990,000	(216,799)	10,773,201	10,754,288	18,913
Tuition Reimbursement	11-xxx-xxx-280	90,587	20,455	111,042	109,488	1,554	90,950	10,174	101,124	100,069	1,055
Other Employee Benefits	11-xxx-xxx-290	88,500	44,682	133,182	87,826	45,356	88,500	(7,137)	81,363	79,551	1,812
Total Unallocated Benefits - Employee Benefits		15,192,892	(1,446,725)	13,746,167	13,656,604	89,563	13,579,450	(217,062)	13,362,388	13,262,203	100,185

**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Nonbudgeted:										
On-Behalf TPAF Pension Contribution				2,646,560	(2,646,560)				1,878,030	(1,878,030)
Reimbursed TPAF Social Security Contribution				2,043,401	(2,043,401)				1,987,569	(1,987,569)
Total Undistributed Expenditures	33,999,920	(927,446)	33,072,474	37,189,872	(4,117,398)	31,691,236	188,534	31,879,770	34,597,509	(2,717,739)
Total Expenditures - Current Expense	62,083,264	741,390	62,824,654	65,968,992	(3,144,338)	58,708,569	1,412,380	60,120,949	61,077,285	(956,336)
Capital Outlay:										
Equipment:										
Regular Programs - Instruction:										
Grades 1 - 5	12-120-100-730		3,000	3,000	2,555	445	88,749		88,749	88,749
Grades 6 - 8	12-130-100-730	80,000	(77,000)	3,000	2,555	445				
Special Education - Instruction:										
School Sponsored and Other										
Instructional Programs	12-4xx-100-730		3,885	3,885		3,885				
Instruction	12-000-100-730		950,000	950,000	798,762	151,238				
Central Services	12-000-251-730	3,835	3,031	6,866	3,835	3,031	10,491		10,491	10,491
Custodial Services	12-000-262-730		588,000	588,000	95,354	492,646				
Care & Upkeep of Grounds	12-000-263-730		12,500	12,500	12,500		15,599	15,599	3,099	12,500
Undistributed Expenditures - Student Transportation:										
Noninstructional Equipment	12-000-270-732	170,360	360,552	530,912	323,008	207,904	150,500	216,800	367,300	148,734
Total Equipment	254,195	1,843,968	2,098,163	1,238,569	859,594	249,740	232,399	482,139	251,073	231,066
Facilities Acquisition & Construction Services:										
Other Objects	12-000-400-800	76,247		76,247	76,247		131,111		131,111	131,111
Total Facilities Acquisition & Construction Services	76,247		76,247	76,247		131,111		131,111	131,111	
Assets Acquired Under Capital Leases (Nonbudgeted)									245,895	(245,895)
Total Capital Outlay	330,442	1,843,968	2,174,410	1,314,816	859,594	380,851	232,399	613,250	628,079	(14,829)
Total Expenditures	62,413,706	2,585,358	64,999,064	67,283,808	(2,284,744)	59,089,420	1,644,779	60,734,199	61,705,364	(971,165)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,200,000)	(2,199,142)	(3,399,142)	204,205	3,603,347	(417,682)	(1,631,996)	(2,049,678)	1,858,408	3,908,086
Other Financing Sources/(Uses):										
Operating Transfers In:										
Capital Lease Proceeds (Nonbudgeted)									245,895	245,895

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**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Excess/(Deficiency) of Revenues & Other Financing Sources										
Over/(Under) Expenditures & Other Financing Uses	(1,200,000)	(2,199,142)	(3,399,142)	204,205	3,603,347	(417,682)	(1,631,996)	(2,049,678)	2,104,303	4,153,981
Fund Balances, July 1	5,072,221		5,072,221	5,072,221		2,967,918		2,967,918	2,967,918	
Fund Balances, June 30	<u>\$3,872,221</u>	<u>(2,199,142)</u>	<u>1,673,079</u>	<u>5,276,426</u>	<u>3,603,347</u>	<u>2,550,236</u>	<u>(1,631,996)</u>	<u>918,240</u>	<u>5,072,221</u>	<u>4,153,981</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Excess Surplus	\$327,493
Excess Surplus Designated for Subsequent Year's Expenditures	241,356
Committed Fund Balance:	
Year-end Encumbrances	1,046,367
Assigned Fund Balance:	
Year-end Encumbrances	574,450
Designated for Subsequent Year's Expenditures	1,558,644
Unassigned Fund Balance	<u>1,528,116</u>
Subtotal	5,276,426
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	<u>(2,050,351)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$3,226,075</u>

**LACEY TOWNSHIP SCHOOL DISTRICT
EDUCATION JOBS FUND PROGRAM
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		FINAL TO ACTUAL	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:											
Federal Sources:											
Education Jobs Fund Program	18-4522	\$375,000	386,216	761,216	726,870	(34,346)	12,783	12,783	11,712	(1,071)	
Total Federal Sources		375,000	386,216	761,216	726,870	(34,346)	12,783	12,783	11,712	(1,071)	
Total Revenues		375,000	386,216	761,216	726,870	(34,346)	12,783	12,783	11,712	(1,071)	
Expenditures:											
Current Expense:											
Instruction - Regular Programs:											
Salaries of Teachers:											
Grades 1 - 5	18-120-100-101		66,563	66,563	66,563		2,440	2,440	2,440		
Grades 6 - 8	18-130-100-101		66,563	66,563	66,563		2,440	2,440	2,440		
Grades 9 - 12	18-140-100-101		66,564	66,564	66,564		2,440	2,440	2,440		
Total Instruction - Regular Programs			199,690	199,690	199,690		7,320	7,320	7,320		
Required Maintenance for School Facilities:											
Salaries	18-000-261-100	375,000	145,410	520,410	520,410		4,392	4,392	4,392		
Total Required Maintenance for School Facilities		375,000	145,410	520,410	520,410		4,392	4,392	4,392		
Unallocated Benefits Employee Benefits:											
Other Employee Benefits	18-000-291-290		41,116	41,116	6,770	34,346	1,071	1,071		1,071	
Total Unallocated Benefits - Employee Benefits			41,116	41,116	6,770	34,346	1,071	1,071		1,071	
Total Expenditures - Current Expense		375,000	386,216	761,216	726,870	34,346	12,783	12,783	11,712	1,071	
Total Expenditures		375,000	386,216	761,216	726,870	34,346	12,783	12,783	11,712	1,071	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		\$ -	-	-	-	-	-	-	-	-	

**LACEY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES										
Local Sources		285,333	285,333	132,673	(152,660)		71,220	71,220	71,220	
State Sources		733	733	715	(18)		844	844	844	
Federal Sources	\$1,340,300	539,231	1,879,531	1,673,884	(205,647)	1,226,700	1,683,013	2,909,713	2,909,713	
Total - Revenues	1,340,300	825,297	2,165,597	1,807,272	(358,325)	1,226,700	1,755,077	2,981,777	2,981,777	
EXPENDITURES										
Instruction:										
Salaries of Teachers	300,000	179,123	479,123	388,032	91,091	300,000	335,725	635,725	635,725	
Other Salaries for Instruction							108,426	108,426	108,426	
Purchased Professional Services	372,300	(249,376)	122,924	122,924		527,900	(361,935)	165,965	165,965	
Tuition	500,000	24,553	524,553	524,553		300,000	629,362	929,362	929,362	
General Supplies		345,260	345,260	141,052	204,208	30,000	364,950	394,950	394,950	
Textbooks		733	733	715	18		844	844	844	
Miscellaneous Expenses		4,574	4,574	1,265	3,309		5,633	5,633	5,633	
Total Instruction	1,172,300	304,867	1,477,167	1,178,541	298,626	1,157,900	1,083,005	2,240,905	2,240,905	
Support Services:										
Salaries of Secretarial & Clerical Assistants	13,000	9,762	22,762	20,274	2,488	12,000	8,441	20,441	20,441	
Purchased Professional - Educational Services	30,000	363,566	393,566	392,546	1,020	32,800	350,585	383,385	383,385	
Other Purchased Professional Services		261	261	261			839	839	839	
Purchased Technical Services	75,000	(1,981)	73,019	55,369	17,650		78,952	78,952	78,952	
Employee Benefits	50,000	19,409	69,409	69,409		24,000	150,472	174,472	174,472	
Travel		9,241	9,241	9,151	90		14,014	14,014	14,014	
Supplies & Materials		96,951	96,951	59,806	37,145		19,173	19,173	19,173	
Miscellaneous Expenditures		100	100	100						
Total Support Services	168,000	497,309	665,309	606,916	58,393	68,800	622,476	691,276	691,276	
Capital Outlay										
Instructional Equipment		23,121	23,121	21,815	1,306		49,596	49,596	49,596	
Total Capital Outlay		23,121	23,121	21,815	1,306		49,596	49,596	49,596	
Total Expenditures	1,340,300	825,297	2,165,597	1,807,272	358,325	1,226,700	1,755,077	2,981,777	2,981,777	
Total Outflows	1,340,300	825,297	2,165,597	1,807,272	358,325	1,226,700	1,755,077	2,981,777	2,981,777	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	-	-	-	-	-	-	-	-	-

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**LACEY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule	\$67,488,013	1,807,272
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		333,774
Current Year		(90,697)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,916,484	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(2,050,351)	
	<hr/>	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$67,354,146</u>	<u>2,050,349</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$67,283,808	1,807,272
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year		333,774
Current Year		(90,697)
	<hr/>	
Total Expenditures as Reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds (B-2)	<u>\$67,283,808</u>	<u>2,050,349</u>

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

**LACEY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	I.D.E.A. - PART B BASIC REGULAR PROGRAM	IDEA - PART B PRESCHOOL PROGRAM	I.D.E.A. - PART B BASIC REGULAR PROGRAM - ARRA	IDEA - PART B PRESCHOOL PROGRAM - ARRA	NO CHILD LEFT BEHIND <u>TITLE I</u>
Revenues:					
Local Sources					
State Sources					
Federal Sources	\$1,071,829	34,491	1,643	460	431,057
Total Revenues	\$1,071,829	34,491	1,643	460	431,057
Expenditures:					
Instruction:					
Salaries of Teachers					315,300
Other Salaries for Instruction					
Purchased Professional Services	\$118,160				
Tuition	522,450		1,643	460	
General Supplies	49,156				9,397
Textbooks					
Miscellaneous Expense	900				
Total Instruction	690,666		1,643	460	324,697
Support Services:					
Other Support Services - Students - Special:					
Salaries of Secretarial & Clerical Assistants	13,334				
Purchased Professional Services	358,055	34,491			
Other Purchased Professional Services					
Purchased Technical Services					35,163
Employee Benefits	961				65,121
Travel	3,400				2,920
General Supplies	5,413				500
Miscellaneous Expenses					100
Total Support Services	381,163	34,491			103,804
Capital Outlay Instructional Equipment					2,556
Total Capital Outlay					2,556
Total Expenditures	\$1,071,829	34,491	1,643	460	431,057

**LACEY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	<u>NO CHILD LEFT BEHIND</u>		NONPUBLIC TEXTBOOKS	CARL D. PERKINS GRANT SECONDARY
	TITLE III	TITLE IIA		
Revenues:				
Local Sources				
State Sources			715	
Federal Sources	\$261	106,466		27,677
Total Revenues	\$261	106,466	715	27,677
Expenditures:				
Instruction:				
Salaries of Teachers		\$63,426		
Other Salaries for Instruction				
Purchased Professional Services				1,910
Tuition				
General Supplies		12,200		22,303
Textbooks			715	
Miscellaneous Expense				
Total Instruction		75,626	715	24,213
Support Services:				
Other Support Services - Students - Special:				
Salaries of Secretarial & Clerical Assistants		6,940		
Purchased Professional Services				
Other Purchased Professional Services	\$261			
Purchased Technical Services		17,742		2,464
Employee Benefits		3,327		
Travel		2,831		
General Supplies				1,000
Miscellaneous Expenses				
Total Support Services	261	30,840		3,464
Capital Outlay				
Instructional Equipment				
Total Capital Outlay				
Total Expenditures	\$261	106,466	715	27,677

**LACEY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	VARIOUS LOCAL GRANTS	2012	2011
Revenues:			
Local Sources	\$132,673	132,673	71,220
State Sources		715	844
Federal Sources		1,673,884	2,909,713
Total Revenues	\$132,673	1,807,272	2,981,777
Expenditures:			
Instruction:			
Salaries of Teachers	\$9,306	388,032	635,725
Other Salaries for Instruction			108,426
Purchased Professional Services	2,854	122,924	165,965
Tuition		524,553	929,362
General Supplies	47,996	141,052	394,950
Textbooks		715	844
Miscellaneous Expense	365	1,265	5,633
Total Instruction	60,521	1,178,541	2,240,905
Support Services:			
Other Support Services - Students - Special:			
Salaries of Secretarial & Clerical Assistants		20,274	20,441
Purchased Professional Services		392,546	383,385
Other Purchased Professional Services		261	839
Purchased Technical Services		55,369	78,952
Employee Benefits		69,409	174,472
Travel		9,151	14,014
General Supplies	52,893	59,806	19,173
Miscellaneous Expenses		100	
Total Support Services	52,893	606,916	691,276
Capital Outlay			
Instructional Equipment	19,259	21,815	49,596
Total Capital Outlay	19,259	21,815	49,596
Total Expenditures	\$132,673	1,807,272	2,981,777

F. Capital Projects Fund

LACEY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2012
			PRIOR YEARS	CURRENT YEAR	
Installation of Solar Panels & Various Elementary School Renovations	4/28/2009	\$20,750,625	13,764,690	3,289,358	3,696,577
Total		\$20,750,625	13,764,690	3,289,358	3,696,577

**LACEY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Expenditures & Other Financing Uses:	
Construction Services	\$9,358
Project Balances Cancelled:	
Debt Service Fund	<u>3,280,000</u>
 Total Expenditures	 <u>3,289,358</u>
 Excess/(Deficiency) of Revenues Over/(Under) Expenditures	 (3,289,358)
Fund Balance - Beginning	<u>6,985,935</u>
 Fund Balance - Ending	 <u><u>\$3,696,577</u></u>

**LACEY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
INSTALLATION OF SOLAR PANELS AND ELEMENTARY SCHOOL RENOVATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$19,806,000		19,806,000	\$19,806,000
NJ Clean Energy Rebate	944,625		944,625	
Total Revenues	20,750,625		20,750,625	19,806,000
Expenditures & Other Financing Uses:				
Construction Services	11,534,690	9,358	11,544,048	14,296,000
Project Balances Cancelled:				
Debt Service Fund	2,230,000	3,280,000	5,510,000	5,510,000
Total Expenditures	13,764,690	3,289,358	17,054,048	19,806,000
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$6,985,935	(3,289,358)	3,696,577	-

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	4/28/2009
Bonds Authorized	\$19,806,000
Bonds Issued	\$19,806,000
Original Authorized Cost	19,806,000
Additional Authorized Cost	
Revised Authorized Cost	19,806,000
Percentage Increase Over Original Authorized Cost	
Percentage Completion	100.0%
Original Target Completion Date	June 2010
Revised Target Completion Date	September 2011

G. Proprietary Funds

Enterprise Funds

**LACEY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		2012	2011
	FOOD SERVICE	COMMUNITY EDUCATION		
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$52,112	192,302	244,414	148,421
Accounts Receivable:				
State	\$625		625	1,093
Federal	17,484		17,484	24,952
Other				2,445
Inventories	15,329		15,329	20,138
Total Current Assets	85,550	192,302	277,852	197,049
Noncurrent Assets:				
Furniture, Machinery & Equipment	343,867	30,052	373,919	383,506
Less: Accumulated Depreciation	(325,324)	(1,503)	(326,827)	(322,279)
Total Noncurrent Assets	18,543	28,549	47,092	61,227
Total Assets	104,093	220,851	324,944	258,276
LIABILITIES				
Cash Overdraft				9,246
Accounts Payable	369	72	441	66
Total Liabilities	369	72	441	9,312
NET ASSETS				
Investment in Capital Assets, Net	18,543	28,549	47,092	61,227
Unrestricted Net Assets	85,181	192,230	277,411	187,737
Total Net Assets	\$103,724	220,779	324,503	248,964

**LACEY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		2012	2011
	FOOD SERVICE	COMMUNITY EDUCATION		
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$857,041		857,041	912,583
Daily Sales - Nonreimbursable Programs	30,365		30,365	39,562
Program Revenues		203,286	203,286	233,604
Trip Income		17,938	17,938	18,988
Total Operating Revenues	887,406	221,224	1,108,630	1,204,737
Operating Expenses:				
Salaries	602,938	146,754	749,692	792,093
Advertising				
Other Purchased Services		99	99	8,837
Tickets				8,650
Supplies & Materials	9,138	18,365	27,503	12,773
Depreciation Expense	3,045	1,503	4,548	817
Cost of Sales	848,131		848,131	839,366
Miscellaneous	19,776	12,131	31,907	9,911
Total Operating Expenses	1,483,028	178,852	1,661,880	1,672,447
Operating Income/(Loss)	(595,622)	42,372	(553,250)	(467,710)
Nonoperating Revenues (Expenses):				
Interest Income				1,455
Miscellaneous	9,491		9,491	1,728
State Sources:				
State School Lunch Program	18,416		18,416	18,258
Federal Sources:				
National School Lunch Program	446,891		446,891	407,757
School Breakfast Program	42,474		42,474	35,181
Special Milk Program	5,342		5,342	5,255
Food Distribution Program	106,175		106,175	102,211
Total Nonoperating Revenues/(Expenses)	628,789		628,789	571,845
Income/(Loss) Before Contributions & Transfers	33,167	42,372	75,539	104,135
Change in Net Assets	33,167	42,372	75,539	104,135
Total Net Assets - Beginning	70,557	178,407	248,964	144,829
Total Net Assets - Ending	\$103,724	220,779	324,503	248,964

**LACEY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		2012	2011
	FOOD SERVICE	COMMUNITY EDUCATION		
Cash Flows From Operating Activities:				
Receipts from Customers	\$889,851	221,224	1,111,075	1,206,717
Payments to Employees	(602,938)	(146,754)	(749,692)	(792,093)
Payments to Suppliers	(765,692)	(30,589)	(796,281)	(814,928)
Net Cash Provided/(Used) by Operating Activities	(478,779)	43,881	(434,898)	(400,304)
Cash Flows From Noncapital Financing Activities:				
Interest Income				1,455
Miscellaneous	9,491		9,491	1,727
Cash Received from Federal Reimbursements	502,175		502,175	458,080
Cash Received from State Reimbursements	18,884		18,884	19,493
Net Cash Provided/(Used) by Noncapital Financing Activities	530,550		530,550	480,755
Cash Flows From Capital Activities:				
Purchase of Fixed Assets	9,587		9,587	(60,104)
Net Cash Provided/(Used) by Capital Activities	9,587		9,587	(60,104)
Net Increase/(Decrease) in Cash & Cash Equivalents				
	61,358	43,881	105,239	20,347
Balances - Beginning of Year	(9,246)	148,421	139,175	118,828
Balances - End of Year	\$52,112	192,302	244,414	139,175

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	(\$595,622)	42,372	(553,250)	(467,710)
Adjustments to Reconcile Operating Income/ (Loss) to Net Cash Provided/(Used) by Operating Activities:				
Food Distribution Program	106,175		106,175	102,211
Depreciation Expense	3,045	1,503	4,548	817
Decrease/(Increase) in Other Receivables	2,445		2,445	1,980
Decrease/(Increase) in Inventory	4,809		4,809	2,348
(Decrease)/Increase in Interfund Payable		6	6	66
(Decrease)/Increase in Accounts Payable	369		369	(40,016)
Total Adjustments	116,843	1,509	118,352	67,406
Net Cash Provided/(Used) by Operating Activities	(\$478,779)	43,881	(434,898)	(400,304)



Internal Service Fund

Not Applicable

H. Fiduciary Funds



**LACEY TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	PRIVATE PURPOSE		AGENCY FUND		2012	2011
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION INSURANCE	STUDENT ACTIVITY	PAYROLL FUND		
ASSETS						
Cash & Cash Equivalents		108,187	139,704	118,882	366,773	757,966
Restricted Cash	\$10,549				10,549	10,191
Interfunds Receivable						21,750
Total Assets	10,549	108,187	139,704	118,882	377,322	789,907
LIABILITIES						
Payroll Deductions & Withholdings				118,882	118,882	349,881
Due to Student Groups			139,704		139,704	166,575
Interfunds Payable						104,126
Total Liabilities			139,704	118,882	258,586	620,582
NET ASSETS						
Reserve For:						
Held in Trust for:						
Unemployment Claims & Other Purposes		108,187			108,187	159,134
Scholarships	10,549				10,549	10,191
Total Net Assets	\$10,549	108,187	-	-	118,736	169,325

**LACEY TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	PRIVATE PURPOSE		2012	2011
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST		
ADDITIONS				
Contributions:				
Scholarship Plan Member		64,479	64,479	61,538
Total Contributions		64,479	64,479	61,538
Investment Earnings:				
Interest	\$358	452	810	1,632
Net Investment Earnings	358	452	810	1,632
Total Additions	358	64,931	65,289	63,170
DEDUCTIONS				
Scholarship				400
Unemployment Claims		115,878	115,878	74,903
Total Deductions		115,878	115,878	75,303
Change in Net Assets	358	(50,947)	(50,589)	(12,133)
Net Assets - Beginning of the Year	10,191	159,134	169,325	181,458
Net Assets - End of the Year	\$10,549	108,187	118,736	169,325

EXHIBIT H-3

**LACEY TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BALANCE JULY 1, 2011	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2012
Elementary School	\$2,321	1,939	2,751	1,509
Middle School	18,014	29,941	36,241	11,714
High School	146,240	300,842	320,601	126,481
Total All Schools	\$166,575	332,722	359,593	139,704

EXHIBIT H-4

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

	BALANCE JULY 1, 2011	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2012
ASSETS				
Cash & Cash Equivalents	\$410,507	54,790,876	55,082,501	118,882
Interfunds Receivable	21,750		21,750	
Total Assets	\$432,257	54,790,876	55,104,251	118,882
LIABILITIES				
Payroll Deductions & Withholdings	\$349,881	54,790,876	55,021,875	118,882
Interfunds Payable	82,376		82,376	
Total Liabilities	\$432,257	54,790,876	55,104,251	118,882

I. Long-Term Debt

**LACEY TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2012**

PURPOSE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2011	ISSUED	RETIRED	BALANCE JUNE 30, 2012
			DATE	AMOUNT					
Refunding of 1996 Bond Issuance	1/25/2005	\$11,755,000	11/01/12	\$ 250,000	3.250%	\$4,370,000		2,100,000	2,270,000
			11/01/12	2,020,000	4.000%				
Refunding of 2001 Bond Issuance	2/22/2006	24,625,000	04/01/13	310,000	3.750%	23,995,000		305,000	23,690,000
			04/01/14	1,810,000	4.000%				
			04/01/15	1,905,000	4.000%				
			04/01/16	1,895,000	4.000%				
			04/01/17	1,885,000	4.000%				
			04/01/18	1,770,000	4.000%				
			04/01/19	1,760,000	4.125%				
			04/01/20	1,845,000	4.250%				
			04/01/21	1,835,000	4.250%				
			04/01/22	1,820,000	4.250%				
			04/01/23	1,810,000	4.500%				
			04/01/24	1,700,000	4.500%				
			04/01/25	1,690,000	4.500%				
			04/01/26	1,655,000	4.500%				
			Installation of Solar Panels and Various Elementary School Renovations	4/28/2009	19,806,000				
1/15/14	985,000	3.000%							
1/15/15	850,000	3.000%							
1/15/16	850,000	3.250%							
1/15/17	850,000	3.250%							
1/15/18	1,125,000	3.250%							
1/15/19	1,170,000	3.250%							
1/15/20	1,165,000	3.250%							
1/15/21	1,265,000	3.250%							
1/15/22	1,315,000	3.500%							
1/15/23	1,370,000	3.500%							
1/15/24	1,425,000	3.750%							
1/15/25	1,480,000	3.875%							
1/15/26	700,000	4.000%							
1/15/27	700,000	4.000%							
1/15/28	800,000	4.125%							
1/15/29	900,000	4.250%							
1/15/30	900,000	4.250%							
Total						<u>\$47,840,000</u>	<u>3,280,000</u>	<u>44,560,000</u>	

**LACEY TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

SERIES	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2011	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2012
School Buses	243,051	\$145,650		46,475	99,175
School Buses	245,895	192,539		45,173	147,366
Total		\$338,189	-	91,648	246,541

**LACEY TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:										
Local Sources:										
Local Tax Levy	\$628,680		628,680	628,680		1,651,730		1,651,730	1,651,730	
State Sources:										
Debt Service Aid Type II	1,204,108		1,204,108	1,204,108		1,183,869		1,183,869	1,183,869	
Total Revenues	1,832,788		1,832,788	1,832,788		2,835,599		2,835,599	2,835,599	
Expenditures:										
Regular Debt Service:										
Interest	1,832,788		1,832,788	1,832,788		2,414,599		2,414,599	2,414,598	1
Redemption of Principal	3,280,000		3,280,000	3,280,000		2,651,000		2,651,000	2,651,000	
Total Regular Debt Service	5,112,788		5,112,788	5,112,788		5,065,599		5,065,599	5,065,598	1
Total Expenditures	5,112,788		5,112,788	5,112,788		5,065,599		5,065,599	5,065,598	1
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(3,280,000)		(3,280,000)	(3,280,000)		(2,230,000)		(2,230,000)	(2,229,999)	(1)
Other Financing Sources:										
Operating Transfers In:										
Capital Projects Fund	3,280,000		3,280,000	3,280,000		2,230,000		2,230,000	2,230,000	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources									1	(1)
Fund Balance, July 1	1		1	1						
Fund Balance, June 30	1	-	1	1	-	-	-	-	1	(1)

STATISTICAL SECTION (Unaudited)

LACEY TOWNSHIP SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	\$8,058,176	6,220,655	4,972,940	(6,037,951)	12,406,334	14,462,541	13,115,794	16,559,630	14,700,745
Restricted	6,922,653	10,141,673	10,657,836	21,428,794	2,205,352	968,901	1,223,357	2,072,903	2,726,815
Unrestricted	(3,306,663)	(3,373,649)	(4,746,812)	(4,316,450)	(2,672,187)	(1,674,402)	(571,752)	(4,518,101)	(2,933,745)
Total Governmental Activities Net Assets	\$11,674,166	12,988,679	10,883,964	11,074,393	11,939,499	13,757,040	13,767,399	14,114,432	14,493,815
Business-Type Activities									
Unrestricted	\$324,503	248,964	144,829	130,742	183,443	138,320	158,346	147,997	(295,392)
Total Business-Type Activities Net Assets	\$324,503	248,964	144,829	130,742	183,443	138,320	158,346	147,997	(295,392)
District-Wide									
Invested in Capital Assets, Net of Related Debt	\$8,058,176	6,220,655	4,972,940	(6,037,951)	12,406,334	14,462,541	13,115,794	16,559,630	14,700,745
Restricted	6,922,653	10,141,673	10,657,836	21,428,794	2,205,352	968,901	1,223,357	2,072,903	2,726,815
Unrestricted	(2,982,160)	(3,124,685)	(4,601,983)	(4,185,708)	(2,488,744)	(1,536,082)	(413,406)	(4,370,104)	(3,229,137)
Total District Net Assets	\$11,998,669	13,237,643	11,028,793	11,205,135	12,122,942	13,895,360	13,925,745	14,262,429	14,198,423

**LACEY TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:									
Governmental Activities									
Instruction:									
Regular	\$22,709,081	21,415,354	23,301,900	22,775,378	21,069,758	19,952,651	19,933,030	19,512,581	19,041,211
Special Education	6,088,388	5,735,472	5,799,390	5,442,477	5,196,187	4,727,849	4,495,758	4,110,585	3,469,490
Other Special Education	1,403,269	1,363,751	1,455,353	1,408,180	1,343,013	1,223,343	1,188,432	1,152,704	1,048,671
Support Services:									
Tuition	1,988,740	1,406,711	1,545,010	1,285,374	1,260,773	1,062,343	1,111,777	818,791	834,416
Student & Instruction Related Services	6,036,326	5,999,543	6,010,560	5,660,586	5,391,509	5,377,453	5,650,442	5,390,229	4,973,248
General Administrative Services	1,112,901	1,106,604	1,255,437	1,235,349	1,120,088	1,183,579	1,162,361	1,152,797	1,058,798
School Administrative Services	1,407,849	1,371,073	1,438,819	1,424,257	1,455,554	1,417,815	1,438,888	1,462,312	1,320,312
Central Services	517,263	498,371	515,023	504,963	452,327	431,576	416,955	400,468	
Plant Operations & Maintenance	5,616,086	5,310,558	5,535,596	5,630,773	5,454,230	5,285,057	5,069,342	4,872,729	4,443,051
Pupil Transportation	2,771,058	2,468,123	2,448,582	2,491,549	2,427,506	2,233,460	2,027,159	1,980,035	1,692,815
Business & Other Support Services								6,986	371,960
On Behalf-Nonbudgeted Expenditures	4,689,961	3,865,599	3,845,322	3,698,021	5,054,045	4,802,258	3,018,269	2,526,146	2,329,389
Unallocated Employee Benefit/Compensation Absences	13,502,908	13,608,007	11,733,576	11,396,320	12,995,861	12,238,753	11,035,533	10,461,012	9,483,284
Interest on Long-Term Debt	1,797,008	1,930,094	1,872,412	1,641,437	1,479,852	1,639,666	1,116,628	1,923,762	2,137,320
Unallocated Amortization	193,957	193,956	193,956	193,956	193,957	193,957	182,486		
Unallocated Revaluation Loss	833,756	192,463	(198,049)	160,079	2,036,435				
Unallocated Depreciation	1,954,712	1,966,667	1,924,170	2,492,389	2,259,730	2,168,212	2,254,418	2,233,728	2,075,098
Total Governmental Activities Expenses	72,623,263	68,432,346	68,677,057	67,441,088	69,190,825	63,937,972	60,101,478	58,004,865	54,279,063
Business-Type Activities:									
Food Service	1,483,028	1,507,930	1,503,050	1,494,472	1,499,835	1,479,695	1,434,492	1,386,793	1,554,994
Community Education	178,852	164,517	304,361	313,667	301,437	349,394	327,171	328,311	
Total Business-Type Activities Expense	1,661,880	1,672,447	1,807,411	1,808,139	1,801,272	1,829,089	1,761,663	1,715,104	1,554,994
Total District Expenses	\$74,285,143	70,104,793	70,484,468	69,249,227	70,992,097	65,767,061	61,863,141	59,719,969	55,834,057

**LACEY TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Program Revenues:									
Governmental Activities:									
Operating Grants & Contributions	\$6,718,495	6,591,676	5,699,983	5,772,404	7,296,842	6,683,240	4,825,977	5,214,683	4,210,615
Total Governmental Activities Program Revenues	<u>6,718,495</u>	<u>6,591,676</u>	<u>5,699,983</u>	<u>5,772,404</u>	<u>7,296,842</u>	<u>6,683,240</u>	<u>4,825,977</u>	<u>5,214,683</u>	<u>4,210,615</u>
Business-Type Activities:									
Charges for Services:									
Food Service	887,406	952,145	989,830	996,209	1,018,195	1,077,385	1,060,929	1,028,622	979,375
Community Education	221,224	252,592	287,856	242,168	321,296	322,074	314,211	313,054	292,113
Operating Grants & Contributions	628,789	571,845	543,812	467,061	456,904	409,604	396,872	362,817	304,551
Total Business Type Activities Program Revenues	<u>1,737,419</u>	<u>1,776,582</u>	<u>1,821,498</u>	<u>1,705,438</u>	<u>1,796,395</u>	<u>1,809,063</u>	<u>1,772,012</u>	<u>1,704,493</u>	<u>1,576,039</u>
Total District Program Revenues	<u>\$8,455,914</u>	<u>8,368,258</u>	<u>7,521,481</u>	<u>7,477,842</u>	<u>9,093,237</u>	<u>8,492,303</u>	<u>6,597,989</u>	<u>6,919,176</u>	<u>5,786,654</u>
Net (Expense)/Revenue:									
Governmental Activities	(\$65,904,768)	(61,840,670)	(62,977,074)	(61,668,684)	(61,893,983)	(57,254,732)	(55,275,501)	(52,790,182)	(50,068,448)
Business-Type Activities	75,539	104,135	14,087	(102,701)	(4,877)	(20,026)	10,349	(10,611)	21,045
Total District-Wide Net Expense	<u>(\$65,829,229)</u>	<u>(61,736,535)</u>	<u>(62,962,987)</u>	<u>(61,771,385)</u>	<u>(61,898,860)</u>	<u>(57,274,758)</u>	<u>(55,265,152)</u>	<u>(52,800,793)</u>	<u>(50,047,403)</u>

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**LACEY TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues & Other Changes in Net Assets:									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$39,413,121	38,379,406	37,029,824	35,639,904	36,892,463	34,814,214	32,247,654	30,687,719	28,041,603
Taxes Levied for Debt Service	628,680	1,651,730	2,788,058	2,800,396	2,756,498	2,143,562	2,563,729	2,664,524	2,767,564
Unrestricted Grants & Contributions	22,879,861	22,349,266	22,643,277	22,121,965	19,959,416	19,676,342	19,837,944	18,989,491	19,330,493
Tuition	153,068	71,270	22,585	17,484	55,754	193,321	103,891	144,659	
Solar Renewable Energy Credits	1,284,028	1,067,829							
Investment Earnings	26,905	67,021	158,454	112,589	147,900	201,967		222,575	8,401
Miscellaneous Income	133,125	287,396	72,980	89,773	242,944	143,499	262,616	155,831	97,883
Amortization of Bond Premium	71,467	71,467	71,467	71,467	71,467	71,468	70,412		
Transfers				(50,000)	(50,000)			(454,000)	
Total Governmental Activities	<u>64,590,255</u>	<u>63,945,385</u>	<u>62,786,645</u>	<u>60,803,578</u>	<u>60,076,442</u>	<u>57,244,373</u>	<u>55,086,246</u>	<u>52,410,799</u>	<u>50,245,944</u>
Business-Type Activities:									
Investment Earnings									5,481
Transfers				50,000	50,000			454,000	
Total Business-Type Activities				<u>50,000</u>	<u>50,000</u>			<u>454,000</u>	<u>5,481</u>
Total District-Wide	<u>\$64,590,255</u>	<u>63,945,385</u>	<u>62,786,645</u>	<u>60,853,578</u>	<u>60,126,442</u>	<u>57,244,373</u>	<u>55,086,246</u>	<u>52,864,799</u>	<u>50,251,425</u>
Change in Net Assets:									
Governmental Activities	(\$1,314,513)	2,104,715	(190,429)	(865,106)	(1,817,541)	(10,359)	(189,255)	(379,383)	177,496
Business-Type Activities	75,539	104,135	14,087	(52,701)	45,123	(20,026)	10,349	443,389	26,526
Total District	<u>(\$1,238,974)</u>	<u>2,208,850</u>	<u>(176,342)</u>	<u>(917,807)</u>	<u>(1,772,418)</u>	<u>(30,385)</u>	<u>(178,906)</u>	<u>64,006</u>	<u>204,022</u>

LACEY TOWNSHIP SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:									
Restricted	\$568,849	241,356	983,462	473,765	177,982	133,986	811,667	1,384,338	1,038,091
Committed	1,046,367	1,713,622							
Assigned	1,610,859	1,200,759							
Unassigned			(277,953)	1,371,659	2,210,291	1,253,729	(55,923)	86,443	463,289
Total General Fund	\$3,226,075	3,155,737	705,509	1,845,424	2,388,273	1,387,715	755,744	1,470,781	1,501,380
All Other Governmental Funds:									
Assigned		3,285,165	402,359	254,491		28,240	628,669	749,819	1,417,474
Restricted, Reported in:									
Special Revenue Fund					(8,268)	(2,201)	(6,270)	(8,268)	(8,268)
Capital Projects Fund	3,696,577	3,700,770	8,193,016	18,390,954		93,225	118,449	189,451	705,889
Debt Service Fund	1	1					28,240	236,049	(1,625)
Total All Other Governmental Funds	\$3,696,578	6,985,936	8,595,375	18,645,445	(8,268)	119,264	769,088	1,167,051	2,113,470

LACEY TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST NINE FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:									
Tax Levy	\$40,041,801	40,031,136	39,817,882	38,440,300	39,648,961	36,957,776	34,811,383	33,352,243	30,809,167
Tuition Charges	153,068	71,270	22,585	17,484	55,754	193,321	103,891	144,659	127,735
Interest Earnings	26,905	67,021	158,454	112,589	147,900	201,967	67,021	89,797	8,401
Solar Renewable Energy Credits	1,284,028	1,067,829							
Miscellaneous	242,060	363,988	192,085	163,457	257,071	143,499	262,616	155,831	97,883
State Sources	26,818,605	26,141,595	22,958,117	26,098,631	25,609,112	24,704,285	23,021,550	22,480,433	21,735,699
Federal Sources	2,670,816	2,722,755	5,266,038	1,722,054	1,647,146	1,655,297	1,642,371	1,723,742	1,677,674
Total Revenue	71,237,283	70,465,594	68,415,161	66,554,515	67,365,944	63,856,145	59,908,832	57,946,705	54,456,559
Expenditures:									
Instruction:									
Regular Instruction	22,709,081	21,415,354	23,301,900	22,775,378	21,069,758	19,952,651	19,933,030	19,512,581	19,041,211
Special Education Instruction	6,088,388	5,735,472	5,799,390	5,442,477	5,196,187	4,727,849	4,495,758	4,110,585	3,469,490
Other Special Instruction	1,403,269	1,363,751	1,455,353	1,408,180	1,343,013	1,223,343	1,188,432	1,152,704	1,048,671
Support Services:									
Instruction	1,988,740	1,406,711	1,545,010	1,285,374	1,260,773	1,062,343	1,111,777	818,791	834,416
Attendance & Social Work Services	240,966	228,199	225,678	207,893	193,604	181,577	187,792	178,929	171,249
Health Services	614,344	580,154	599,143	573,725	536,471	532,282	536,247	509,337	489,461
Other Support Services	4,694,870	4,636,630	4,480,466	4,185,419	4,066,316	4,013,246	4,234,232	4,048,733	3,634,219
Educational Media Services/School Library	445,656	539,690	651,038	632,666	560,456	610,631	644,636	621,653	648,239
Instructional Staff Training	40,490	14,870	54,235	60,883	34,662	39,717	47,535	31,577	30,080
General Administrative Services	1,112,901	1,106,604	1,255,437	1,235,349	1,120,088	1,183,579	1,162,361	1,152,796	1,058,798
School Administrative Services	1,407,849	1,371,073	1,438,819	1,424,257	1,455,554	1,417,815	1,438,888	1,462,312	1,320,312
Central Services	517,263	498,371	515,023	504,963	452,327	431,576	416,955	400,468	
Allowed Maintenance for School Facilities	1,867,513	1,535,052	1,566,900	318,700	264,220	189,266	233,958	363,428	244,936
Other Operation & Maintenance of Plant	3,748,573	3,775,506	3,968,696	5,312,073	5,190,010	5,095,791	4,835,384	4,509,301	4,198,115
Pupil Transportation	2,771,058	2,468,123	2,448,582	2,491,549	2,427,506	2,233,460	2,027,159	1,980,035	1,692,815
Business & Other Support Services								6,986	371,960
Unallocated Employee Benefits	13,656,604	13,262,203	12,376,717	11,396,320	12,472,167	12,182,168	11,300,027	10,315,726	9,074,072
Nonbudgeted Expenditures	4,689,961	3,865,599	3,845,322	3,698,021	5,054,045	4,802,258	3,018,269	2,526,146	2,329,389
Debt Service:									
Principal	3,280,000	2,651,000	2,245,000	2,185,000	1,905,000	1,917,000	1,795,000	1,380,000	1,480,000
Interest & Other Charges	1,832,788	2,414,598	1,340,425	1,412,400	1,491,675	1,656,562	1,239,714	1,870,021	2,146,497
Capital Outlay	1,345,989	1,001,740	10,735,063	1,649,024	807,115	420,884	1,300,917	2,122,098	4,967,379

LACEY TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST NINE FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Total Expenditures	74,456,303	69,870,700	79,848,197	68,199,651	66,900,947	63,873,998	61,148,071	59,074,207	58,251,309
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(3,219,020)	594,894	(11,433,036)	(1,645,136)	464,997	(17,853)	(1,239,239)	(1,127,502)	(3,794,750)
Other Financing Sources/(Uses):									
Proceeds from Bond Issuance				19,806,000					
Proceeds from Capital Leases		245,895	243,051		458,030		193,260	604,486	
Transfers in	3,280,000	2,230,000						17,635	8,401
Transfers Out	(3,280,000)	(2,230,000)		(50,000)	(50,000)			(471,635)	(8,401)
Total Other Financing Sources/(Uses)		245,895	243,051	19,756,000	408,030		193,260	150,486	
Net Change in Fund Balances	(\$3,219,020)	840,789	(11,189,985)	18,110,864	873,027	(17,853)	(1,045,979)	(977,016)	(3,794,750)
Debt Service as a Percentage of Noncapital Expenditures	7.0%	7.4%	5.2%	5.4%	5.1%	5.6%	5.1%	5.7%	6.8%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	SALE OF EQUIPMENT	JOINT TRANSPORTATION	USE OF FACILITIES	PRIOR YEAR REFUNDS	STUDENT FINES/LOST TEXTBOOKS	MISCELLANEOUS	TOTAL
2012						133,125	133,125
2011	2,847	20,749	12,610	17,184	6,953	227,053	287,396
2010	3,325	7,964	16,309	7,388	4,873	33,121	72,980
2009	9	3,571	20,446	4,554	4,446	56,747	89,773
2008	2,457	3,651	45,443	237	6,680	67,310	125,778
2007	186	1,906	13,438	4,269	6,122	515	26,436
2006	499	3,176	24,419	433	3,934	204,742	237,203
2005			21,613	7,071	4,420	122,727	155,831
2004			12,873	6,227	4,023	74,760	97,883
2003			8,500		2,250	209,195	219,945

Source: District Records

**LACEY TOWNSHIP 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	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2012	\$121,820,400	3,620,835,200	3,096,600	945,700	340,944,500	222,691,800	5,172,700	4,315,506,900	7,164,737	4,322,671,637	0.957	4,069,866,421
2011	126,311,200	3,614,292,600	3,097,300	945,100	340,414,600	223,441,800	5,172,700	4,313,675,300	7,969,581	4,321,644,881	0.926	4,250,453,976
2010	145,748,200	3,608,130,300	3,742,800	946,100	303,242,600	223,661,100	5,172,700	4,290,643,800	8,008,576	4,298,652,376	0.926	4,445,884,025
2009	38,150,700	1,522,697,000	1,485,700	914,300	135,219,600	66,638,700	2,143,500	1,767,249,500	1,919,933	1,769,169,433	2.173	4,421,896,274
2008	42,485,300	1,503,942,000	1,526,600	914,900	126,610,300	65,983,700	1,719,300	1,743,182,100	2,938,874	1,746,120,974	2.271	4,186,989,695
2007	43,873,700	1,480,007,500	1,604,500	848,500	124,644,200	65,312,100	1,295,000	1,717,585,500	3,218,580	1,720,804,080	2.271	4,186,989,695
2006	43,873,700	1,480,007,500	1,604,500	848,500	124,644,200	65,312,100	1,295,000	1,717,585,500	3,218,580	1,720,804,080	2.147	3,622,409,394
2005	46,132,800	1,448,942,600	1,943,100	849,900	123,632,100	64,705,600	N/A	1,686,206,100	4,090,393	1,690,296,493	2.059	3,027,080,546
2004	48,773,100	1,420,574,700	1,845,300	851,100	123,172,800	64,704,800	N/A	1,659,921,800	4,827,500	1,664,749,300	2.003	2,567,648,005
2003	50,326,800	1,397,698,700	1,331,600	765,100	121,271,700	64,704,800	N/A	1,636,098,700	5,805,987	1,641,904,687	1.877	2,186,043,916
2002	57,391,200	1,365,888,500	1,331,600	765,200	117,582,300	64,698,500	N/A	1,607,657,300	6,219,586	1,613,876,886	1.675	1,927,344,578

Revaluation in 2010

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

**LACEY TOWNSHIP SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	TOTAL DIRECT	TOWNSHIP OF LACEY	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
2012	0.957	0.957	0.227	0.286	0.033	0.011	0.557
2011	0.926	0.926	0.207	0.278	0.034	0.012	0.531
2010	0.926	0.926	0.166	0.264	0.031	0.012	0.473
2009	2.173	2.173	0.348	0.635	0.075	0.030	3.261
2008	2.271	2.271	0.299	0.613	0.073	0.029	3.285
2007	2.271	2.271	0.299	0.613	0.073	0.029	3.285
2006	2.147	2.147	0.265	0.621	0.064	0.026	3.123
2005	2.059	2.059	0.233	0.602	0.061	0.021	2.976
2004	2.003	2.003	0.203	0.583	0.060	0.019	2.868
2003	1.877	1.877	0.194	0.571	0.058	0.016	2.716

Source: Abstract of Ratables/Municipal Tax Assessor

**LACEY TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2012			2003		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Exelon (Amergen Energy) Co	\$145,292,200	1	3.370%	\$59,020,500	1	3.090%
JCP & L	50,085,800	2	1.160%	22,827,800	2	1.190%
PR Lacey LLC	34,675,600	3	0.800%			
Wal-Mart RE Business Trust	21,926,300	4	0.510%			
Piedmont Associates	21,200,000	5	0.490%	7,055,987	3	0.370%
Toll Land XI, LP	18,809,600	6	0.440%			
Forked River Residences, LLC	9,571,800	7	0.220%			
NJ Bell/Verizon	9,009,567	8	0.210%	7,065,900	4	0.370%
Forked River Power, LLC	7,554,000	9	0.180%			
Wawa, Inc.	6,637,400	10	0.150%			
Geriatric & Medical Services				4,727,600	5	0.230%
Taxpayer #1				3,478,700	6	0.180%
Taxpayer #2				2,488,600	7	0.130%
Partners Limited, LLC				2,238,600	8	0.110%
Sunrise Pointe, L.P.				1,992,200	9	0.100%
Taxpayer #3				1,946,300	10	0.100%
Total	<u>\$324,762,267</u>		<u>7.530%</u>	<u>112,842,187</u>		<u>5.870%</u>

Source: Municipal Tax Assessor

**LACEY TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

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	
2012	\$40,041,801	36,757,377	91.80%	3,284,424
2011	40,031,136	36,832,843	92.00%	3,198,293
2010	39,817,882	39,817,882	100.00%	-
2009	38,440,300	32,500,316	84.55%	5,939,984
2008	39,648,961	39,648,961	100.00%	-
2007	36,957,776	36,957,776	100.00%	-
2006	34,811,383	34,811,383	100.00%	-
2005	33,352,243	33,352,243	100.00%	-
2004	30,809,167	30,809,167	100.00%	-
2003	27,041,861	27,041,861	100.00%	-
2002	24,103,253	24,103,253	100.00%	-

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

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES			PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL DISTRICT		
2012	\$44,560,000	246,541	44,806,541	N/A	N/A
2011	47,840,000	338,189	48,178,189	N/A	1,734
2010	50,491,000	265,103	50,756,103	N/A	1,709
2009	52,736,000	243,150	52,979,150	N/A	1,994
2008	35,115,000	443,319	35,558,319	N/A	1,348
2007	37,030,000	219,788	37,249,788	3.81%	1,417
2006	38,937,000	370,685	39,307,685	4.18%	1,499
2005	37,817,000	400,999	38,217,999	4.31%	1,462
2004	40,392,000	N/A	40,392,000	4.69%	1,544
2003	41,992,000	N/A	41,992,000	4.94%	1,599

**LACEY TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS			
2012	\$44,560,000		44,560,000	1.03%	N/A
2011	47,840,000		47,840,000	1.11%	1,734
2010	50,491,000		50,491,000	1.18%	1,709
2009	52,736,000		52,736,000	2.98%	1,994
2008	35,115,000		35,115,000	2.01%	1,348
2007	37,020,000		37,020,000	2.15%	1,417
2006	38,937,000		38,937,000	2.26%	1,499
2005	37,817,000		37,817,000	2.24%	1,462
2004	40,392,000		40,392,000	2.43%	1,544
2003	41,992,000		41,992,000	2.56%	1,599

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Lacey Township	\$15,455,733	100.000%	\$15,455,733
County of Ocean General Obligation Debt	426,609,143	4.000%	<u>17,064,366</u>
Subtotal, Overlapping Debt			32,520,099
Lacey Township School District Direct Debt			<u>44,560,000</u>
Total Direct & Overlapping Debt			<u><u>\$77,080,099</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Ocean Cty Bd of Taxation.

**LACEY TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt Limit	\$174,910	174,910	174,064	163,084	144,487	122,895	108,328	97,114	88,577	76,764
Total Net Debt Applicable to Limit	47,840	47,840	50,491	52,736	35,115	37,020	36,022	37,817	40,392	41,772
Legal Debt Margin	<u>\$127,070</u>	<u>127,070</u>	<u>123,573</u>	<u>110,348</u>	<u>109,372</u>	<u>85,875</u>	<u>72,306</u>	<u>59,297</u>	<u>48,185</u>	<u>34,992</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	27.35%	27.35%	29.01%	32.34%	24.30%	30.12%	33.25%	38.94%	45.60%	54.42%

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized Valuation Basis

2011	\$4,069,866,421
2010	4,250,453,976
2009	<u>4,445,884,025</u>

\$12,766,204,422

Average Equalized Valuation of Taxable Property	\$4,255,401,474
Debt Limit (4 % of Average Equalization Value)	170,216,059
Net Bonded School Debt	<u>44,560,000</u>
Legal Debt Margin	<u>\$125,656,059</u>

Source: Equalized valuation bases were obtained from the Abstract of Ratables

**LACEY TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PER CAPITA		UNEMPLOYMENT RATE (d)
		PERSONAL INCOME (c)		
2012	N/A	N/A		N/A
2011	27,781	N/A		N/A
2010	* 29,696	40,291		10.50%
2009	26,566	39,331		10.10%
2008	26,402	40,975		6.30%
2007	26,319	39,214		5.40%
2006	26,248	36,773		4.20%
2005	26,132	34,497		4.90%
2004	26,143	33,567		4.60%
2003	26,248	33,029		5.10%

Source:

*2010 Census

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Per Capita provided by the NJ Dept of Labor and Workforce Development

^c Unemployment data provided by the NJ Dept of Labor and Workforce Development

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

NOT AVAILABLE

**LACEY TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST SEVEN FISCAL YEARS**

Function/Program	2012	2011	2010	2009	2008	2007	2006
Instruction:							
Regular	285	290	325	323	319	327	311
Special Education	123	119	114	104	125	112	117
Other Instruction	5	5	6	4	2	4	1
Support Services:							
Student & Instruction Related Services	77	80	85	82	82	80	81
School Administrative Services	18	17	17	19	19	21	20
General & Business Administrative Services	13	17	17	17	16	14	15
Plant Operations & Maintenance	110	101	69	69	67	68	68
Pupil Transportation	37	45	43	45	42	43	43
Total	668	674	676	663	672	669	656

Source: District Personnel Records

**LACEY TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADA) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2012	4,718	\$67,997,526	14,412	8.04%	355	11:1	12:1	11:1	4,604	4,294	-1.46%	93.27%
2011	4,783	63,803,362	13,340	-2.84%	357	11:1	13:1	11:1	4,672	4,335	-1.00%	92.79%
2010	4,773	65,527,709	13,729	4.44%	359	11:1	12:1	11:1	4,719	4,379	-0.49%	92.80%
2009	4,789	62,953,227	13,145	2.92%	N/A	11:1	12:1	10:1	4,742	4,472	-3.03%	94.31%
2008	4,909	62,697,157	12,772	5.54%	378	13:1	14:1	13:1	4,890	4,544	N/A	92.92%
2007	4,948	59,879,552	12,102	4.46%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2006	4,904	56,812,440	11,585	7.43%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005	4,980	53,702,090	10,784	9.40%	419	11:1	12:1	11:1	4,980	4,658	-1.16%	93.54%
2004	5,038	49,657,433	9,857	8.32%	416	13:1	14:1	12:1	5,038	4,686	0.01%	93.01%
2003	5,038	45,841,981	9,099	-8.07%	406	13:1	15:1	12:1	5,038	4,695	1.77%	93.20%

Sources: District records

**LACEY TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST EIGHT FISCAL YEAR**

DISTRICT BUILDING:	2012	2011	2010	2009	2008	2007	2006	2005
Elementary Schools:								
Forked River Elementary (1959):								
Square Feet	45,800	45,800	45,800	45,800	45,800	45,800	45,800	45,800
Capacity (Students)	675	675	675	675	675	675	675	675
Enrollment	545	549	528	501	538	575	562	568
Lanoka Harbor Elementary (1969):								
Square Feet	51,630	51,630	51,630	51,630	51,630	51,630	51,630	51,630
Capacity (Students)	750	750	750	750	750	750	750	750
Enrollment (a)	579	589	607	606	632	676	659	681
Cedar Creek Elementary (1990):								
Square Feet	64,420	64,420	64,420	64,420	64,420	64,420	64,420	64,420
Capacity (Students)	700	700	700	700	700	700	700	700
Enrollment	619	613	613	647	609	628	591	590
Mill Pond Elementary (1980):								
Square Feet	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250
Capacity (Students)	975	975	975	975	975	975	975	975
Enrollment	707	730	758	772	772	771	809	835
Lacey Twp Middle School (2000) :								
Square Feet	105,335	105,335	105,335	105,335	105,335	105,335	105,335	105,335
Capacity (Students)	900	900	900	900	900	900	900	900
Enrollment	738	777	763	756	775	803	831	811
Lacey Twp High School (1981):								
Square Feet	276,175	276,175	276,175	276,175	276,175	276,175	276,175	276,175
Capacity (Students)	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,460	1,453	1,504	1,507	1,583	1,563	1,559	1,494
Other Buildings:								
Board Office (1989):								
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Grounds Dept (1995) (b):								
Square Feet	8,960	8,960	8,960	8,960	8,960	8,960	8,960	8,960
Number of Schools at June 30, 2012:								
Elementary = 4								
Middle School = 1								
Senior High School = 1								
Other = 2								

Source: District Facilities Office

LACEY TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF REQUIRED MAINTENANCE
 LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 1-000-261-xxx

	* LACEY TWP HIGH SCHOOL	LACEY TWP MIDDLE SCHOOL	MILL POND ELEM	CEDAR CREEK ELEM	LANOKA HARBOR ELEM	FORKED RIVER ELEM	TOTAL
2012	\$320,586	208,213	245,120	217,307	160,050	179,605	1,330,881
2011	\$365,774	222,803	303,717	184,507	226,243	232,008	1,535,052
2010	365,855	264,228	312,107	187,114	219,024	218,572	1,566,900
2009	81,672	57,229	53,750	35,265	37,389	43,634	308,939
2008	78,189	42,726	40,572	38,463	31,565	32,243	263,758
2007	75,798	25,628	27,824	16,951	13,360	27,692	187,253
2006	72,726	48,223	32,922	22,987	29,440	27,659	233,957
2005	91,770	58,635	62,049	49,624	53,240	48,110	363,428
2004	71,439	55,031	34,146	24,788	33,463	26,069	244,936
2003	56,526	39,729	38,583	24,208	25,120	17,889	202,055
Total School Facilities	\$1,580,335	1,022,445	1,150,790	801,214	828,894	853,481	6,237,159

* School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records M-1 Report

**LACEY TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2012**

	COVERAGE	DEDUCTIBLE
School Package Policy (1):		
Building & Contents (All Locations)	\$161,518,651	5,000
Equipment Breakdown	100,000,000	5,000
Computers - EDP Blanket	1,680,000	1,000
General Liability	16,000,000	
General Automobile Liability	16,000,000	
Employee Benefit Liability	16,000,000	
Crime - Employee Dishonesty	100,000	500
School Leaders Errors & Omissions	16,000,000	
Workers' Compensation:		
Employers Liability	2,000,000	
Auto Physical Damage	3,799,015	1,000
 Surety Bonds:		
Board Secretary	349,000	
 Student Accident Insurance (2)	1,000,000	

- (1) New Jersey School Boards Assoc Insurance Group
(2) Bollinger

SINGLE AUDIT SECTION



Certified Public Accountants & Consultants

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
Lacey Township
County of Ocean
Lanoka Harbor, New Jersey 08734-0605

We have audited the financial statements of the Board of Education of the Lacey Township School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated September 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of Board of Education of the Lacey Township School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Board of Education of the Lacey Township School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lacey Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a

direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

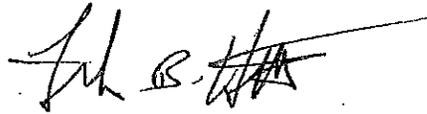
Lacey Township Board of Education's response to the findings identified in our audit is described in the accompanying general comments and recommendations. We did not audit Lacey Township Board of Education's response and, accordingly, we express no opinion on it.

We noted certain matters that we reported to management in a separate *Independent Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated September 14, 2012.

This report is intended solely for the information of the audit committee, management, the Lacey Township Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read 'Frank B. Holman, III', with a long horizontal line extending to the right.

Frank B. Holman, III
Certified Public Accountant
Public School Accountant
No. 783

Toms River, New Jersey
September 14, 2012



Certified Public Accountants & Consultants

EXHIBIT K-2

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members
of the Board of Education
Lacey Township
County of Ocean
Lanoka Harbor, New Jersey 08734-0605

Compliance

We have audited the compliance of the Lacey Township School District, in the County of Ocean, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have a direct and material effect on each of Lacey Township School District's major federal and state programs for the fiscal year ended June 30, 2012. The Lacey Township 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Lacey Township School District's management. Our responsibility is to express an opinion on the Lacey Township School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Lacey Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Board of Education of the Lacey Township School District's compliance with those requirements.

In our opinion, the Board of Education of the Lacey Township School District, County of Ocean, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended June 30, 2012. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04.

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Internal Control Over Compliance

The management of the Board of Education of the Lacey Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to major federal and state programs. In planning and performing our audit, we considered Lacey Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lacey Board of Education's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Lacey Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Lacey Board of Education's response and, accordingly, we express no opinion on it.

This report is intended for the information of the management of the Board of Education of the Lacey Township School District, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Frank B. Holman, III
Certified Public Accountant
Public School Accountant
No. 783

Toms River, New Jersey
September 14, 2012

LACEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2011	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2012	DEFERRED REVENUE AT JUNE 30, 2012	DUE TO GRANTOR JUNE 30, 2012
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:										
Enterprise Fund:										
Food Distribution Program	10.550	\$106,175	7/1/11-6/30/12			106,175	(106,175)			
National School Lunch Program	10.555	446,891	7/1/11-6/30/12			431,572	(446,891)	(15,319)		
National School Lunch Program	10.555	366,419	7/1/10-6/30/11	(\$22,241)		22,241				
National School Breakfast Program	10.553	42,474	7/1/11-6/30/12			40,481	(42,474)	(1,993)		
National School Breakfast Program	10.553	22,913	7/1/10-6/30/11	(2,420)		2,420				
School Milk Program	10.556	5,342	7/1/11-6/30/12			5,170	(5,342)	(172)		
School Milk Program	10.556	4,456	7/1/10-6/30/11	(291)		291				
Total Enterprise Fund				(24,952)		608,350	(600,882)	(17,484)		
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:										
General Fund:										
Medical Assistance Program (SEMI)	93.778	3,303	9/1/11-8/31/12			3,303	(3,303)			
Ed Jobs Fund Program	84.410	772,928	9/1/10-8/31/12	(11,712)		570,293	(726,870)	(168,289)		
Total General Fund				(11,712)		573,596	(730,173)	(168,289)		
Special Revenue Fund:										
I.D.E.A. Part B Preschool	84.173	34,491	9/1/11-8/31/12		(7,034)	41,525	(34,491)			
I.D.E.A. Part B Preschool	84.173	32,882	9/1/10-8/31/11	(7,034)	7,034					
I.D.E.A. Part B. Basic Regular	84.027	1,064,848	9/1/11-8/31/12		(315,235)	1,274,260	(1,071,829)	(112,804)		
I.D.E.A. Part B. Basic Regular	84.027	1,062,370	9/1/10-8/31/11	(315,235)	315,235					
I.D.E.A. Part B. Basic ARRA	84.391	1,067,294	9/1/09-8/31/11	(797,046)		798,689	(1,643)			
I.D.E.A. Part B. Preschool ARRA	84.392	38,543	9/1/09-8/31/11	(37,216)		37,676	(460)			
Perkins Grant - Secondary	84.038	27,677	9/1/11-8/31/12		(8,526)	20,572	(27,677)	(15,631)		
Perkins Grant - Secondary	84.038	30,315	9/1/10-8/31/11	(8,526)	8,526					
N.C.L.B. Title I	84.010	499,500	9/1/11-8/31/12		(440,770)	653,179	(431,057)	(218,648)		
N.C.L.B. Title I	84.010	531,984	9/1/10-8/31/11	(440,770)	440,770					
N.C.L.B. Title I - ARRA	84.389	278,559	9/1/09-8/31/11	(79,406)		79,406				
N.C.L.B. Title I SIA - ARRA	84.389	14,163	9/1/09-8/31/11	(361)		361				
N.C.L.B. Title II - Part A	84.186A	149,741	9/1/11-8/31/12		(92,652)	160,029	(106,466)	(39,089)		
N.C.L.B. Title II - Part A	84.186A	242,788	9/1/10-8/31/11	(92,652)	92,652					
N.C.L.B. Title II - Part D	84.186D	3,002	9/1/10-8/31/11	(2,351)		1,027		(1,324)		
N.C.L.B. Title III	84.365A	10,983	9/1/10-8/31/11	(6,992)		7,253	(261)			
N.C.L.B. Title IV - Safe & Drug Free Schools & Communities	84.184	2,908	9/1/10-8/31/11	(1,415)					(1,415)	
Total Special Revenue Fund				(1,789,004)		3,073,977	(1,673,884)	(388,911)		
Total Federal Financial Assistance				(\$1,825,668)	-	4,255,923	(3,004,939)	(574,684)		

LACEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE			(ACCOUNTS RECEIVABLE) AT JUNE 30, 2012	DUE TO STATE AT JUNE 30, 2012	MEMO	
				AT JUNE 30, 2011	CASH RECEIVED	BUDGETARY EXPENDITURES			BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:										
General Fund:										
Equalization Aid	12-495-034-5120-078	\$17,965,107	7/1/11-6/30/12		17,965,107	(17,965,107)			1,772,528	17,965,107
Special Education Aid	12-495-034-5120-089	2,352,617	7/1/11-6/30/12		2,352,617	(2,352,617)			232,100	2,352,617
Categorical Security Aid	12-495-034-5120-084	462,498	7/1/11-6/30/12		462,498	(462,498)			45,723	462,498
Extraordinary Aid	12-495-034-5120-473	273,803	7/1/11-6/30/12			(273,803)	(273,803)			273,803
Extraordinary Aid	11-495-034-5120-473	172,582	7/1/10-6/30/11	(\$172,582)	172,582					
Nonpublic Transportation Aid	12-495-034-5120-015	2,436	7/1/11-6/30/12			(2,436)	(2,436)			2,436
Nonpublic Transportation Aid	11-495-034-5120-015	1,914	7/1/10-6/30/11	(1,914)	1,914					
TPAF Wage Freeze Grant	11-495-034-5095-002	71,048	7/1/10-6/30/11	(35,524)	35,524					
Anti-Bullying Grant	N/A	1,171	7/1/11-6/30/12		1,171	(1,171)				
On-Behalf TPAF Pension Contribution	12-495-034-5095-006	2,646,560	7/1/11-6/30/12		2,646,560	(2,646,560)				2,646,560
TPAF Social Security Contributions	12-495-034-5095-002	2,043,401	7/1/11-6/30/12		1,941,620	(2,043,401)	(101,781)			2,043,401
TPAF Social Security Contributions	11-495-034-5095-002		7/1/10-6/30/11	(98,788)	98,788					
Total General Fund				(308,808)	25,678,381	(25,747,593)	(378,020)		2,050,351	25,746,422
Special Revenue Fund:										
Nonpublic Aid:										
Textbooks	12-100-034-5120-064	733	7/1/11-6/30/12		733	(715)		18		715
Textbooks	11-100-034-5120-064	853	7/1/10-6/30/11	9				9		
Total Special Revenue Fund				9	733	(715)		27		715
Debt Service Fund:										
Debt Service Aid Type II	12-495-034-5120-125	1,204,108	7/1/11-6/30/12		1,204,108	(1,204,108)				1,204,108
Total Debt Service Fund					1,204,108	(1,204,108)				1,204,108
Enterprise Fund:										
National School Lunch Program (State Share)	12-100-010-3350-023	18,258	7/1/11-6/30/12		17,791	(18,416)	(625)			18,416
National School Lunch Program	11-100-010-3350-023	18,258	7/1/10-6/30/11	(1,093)	1,093					
Total Enterprise Fund				(1,093)	18,884	(18,416)	(625)			18,416
Total State Financial Assistance				(\$309,892)	26,902,106	(26,970,832)	(378,645)	27	2,050,351	26,969,661

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2012**

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 of the Lacey Township School District. The School District is defined in Note 1 to the District'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 expenditures of federal awards and state financial assistance.

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 basis of accounting are described in Note 1 to the District's basic financial statements.

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 state aid payment 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 \$(133,867) for the general fund and \$243,077 for the special revenue fund. See Note 1 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 District's basic financial statements on a GAAP basis as presented as follows:

**LACEY TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2012**

3. Relationship to Basic Financial Statements (continued):

	Federal	State	Total
General Fund	\$ 730,173	\$25,613,726	\$26,343,899
Special Revenue Fund	1,940,643	771	1,941,414
Debt Service Fund		1,204,108	1,204,108
Food Service Fund	<u>600,882</u>	<u>18,416</u>	<u>619,298</u>
Total Financial Assistance	<u>\$3,271,698</u>	<u>\$26,837,021</u>	<u>\$30,108,719</u>

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.

5. Other

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. 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, 2012.

6. Federal and State Loans Outstanding

The Lacey Township School District had no loan balances outstanding at June 30, 2012.

**LACEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial statements noted?	None Reported

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	None Reported

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
84.410	Education Jobs Fund

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**LACEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended June 30, 2012**

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

State Awards

Internal Control over major programs:

- | | |
|--|---------------|
| 1) Material weakness(es) identified? | None Reported |
| 2) Significant deficiencies identified that are not considered
To be material weaknesses? | None Reported |

Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
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Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04?	None Reported
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Identification of major programs:

GMIS Number(s)	Name of State Program
12-495-034-5120-078	Equalization Aid
12-495-034-5120-089	Categorical Special Education Aid
12-495-034-5120-084	Categorical Security Aid
12-495-034-5095-002	TPAF Social Security Contributions

Dollar threshold used to distinguish between type A and type B programs:	\$809,090
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Auditee qualified as low-risk auditee?	Yes
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Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings

Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB’s Circular Letter 04-04.

No Current Year Findings

**LACEY TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2012**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

Finding 2010-01:

During our review of the District's enterprise funds, it was noted that the Cafeteria and Community Education general ledgers were not provided in a timely manner.

Current Status:

This condition has been corrected.

Finding 2011-01:

Condition:

The District's general ledgers for the general fund as well as each of the business-type activity funds were not maintained on a complete accrual basis.

Current Status:

This condition has been corrected.

Finding 2011-02:

Condition:

The reconciliation of bank balances prepared by the Treasurer did not agree to the District's cash balances.

Current Status:

This condition has been corrected.

