

**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, 2013**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

LACEY TOWNSHIP BOARD OF EDUCATION

LANOKA HARBOR, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Prepared by

**Lacey Township Board of Education
Business Administrator's Office**

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INTRODUCTORY SECTION

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LACEY TOWNSHIP BOARD OF EDUCATION

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ERIC J. SCHUBIGER
President

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

LINDA A. DOWNING
Vice President

November 18, 2013

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, 2013, 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 2012-2013 fiscal year with an average daily enrollment of 4,651 students, which is 67 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

2008-2009	4,742.0	-2.15%
2009-2010	4,719.0	-0.49%
2010-2011	4,783.0	1.36%
2011-2012	4,718.0	-1.36%
2012-2013	4,651.0	-1.42%

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, 2013, the District's outstanding debt issues included \$41,230,000 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.

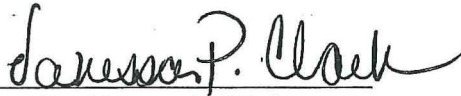
9. CASH MANAGEMENT: The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the 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.

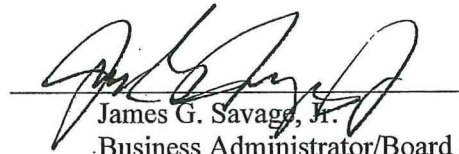
11. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board. In addition to meeting the requirements set forth in state statutes, 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,

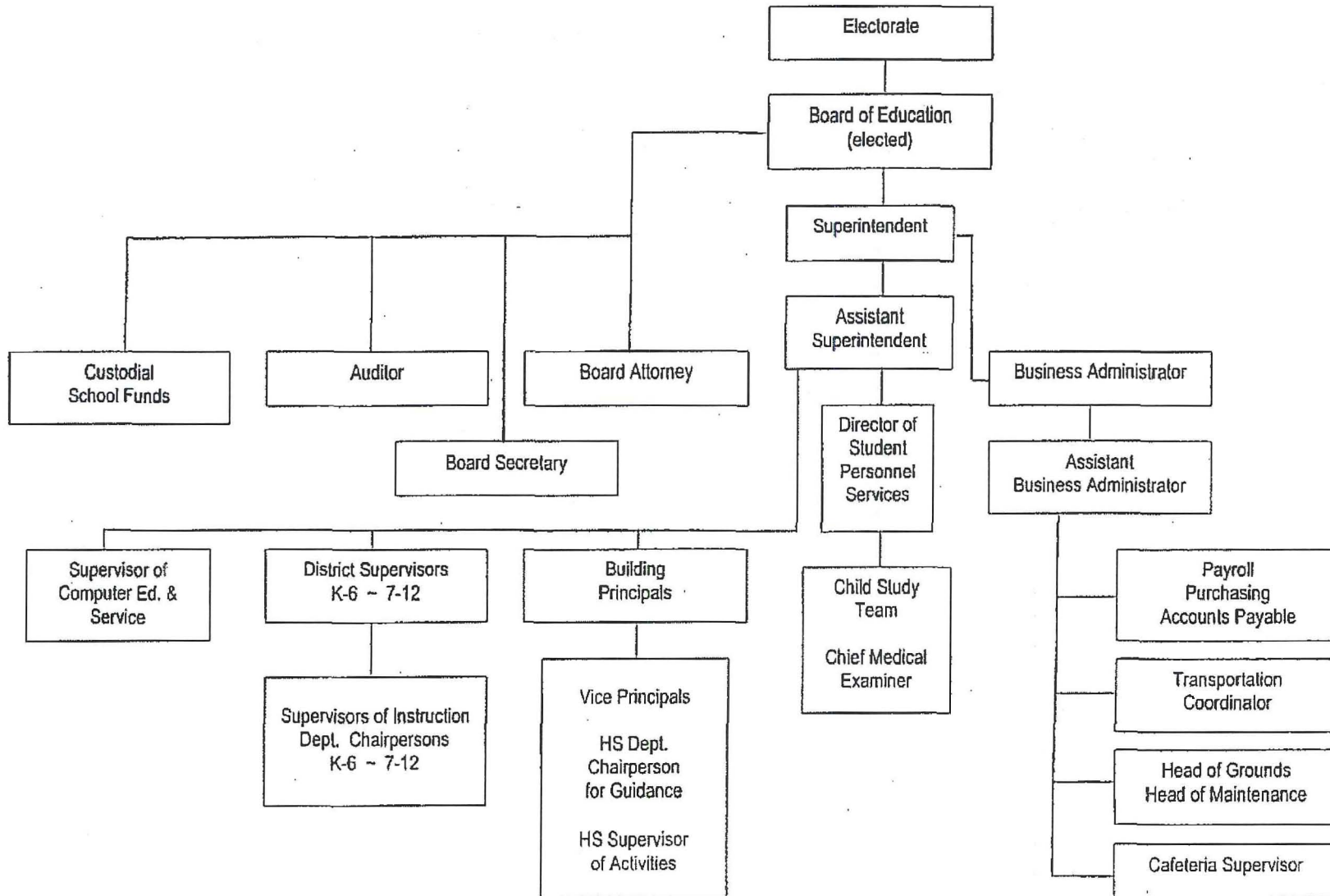


Dr. Vanessa P. Clark
Acting Superintendent



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

Lacey Township Board of Education Organizational Chart



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

ROSTER OF OFFICIALS

JUNE 30, 2013

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Eric Schubiger, President	12/31/2015
Linda A. Downing, Vice President	12/31/2013
William R. Quist	12/31/2013
Bruce Carney	12/31/2014
Jack Martenak	12/31/2014
Maureen Tirella	12/31/2015
Frank Palino	12/31/2013

OTHER OFFICIALS

Vanessa Clark, Acting 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

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ATTORNEY

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AUDIT FIRM

Frank B. Holman, III, CPA, PSA
Holman Frenia Allison, P.C.
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Toms River, New Jersey 08753

OFFICIAL DEPOSITORY

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

FINANCIAL SECTION

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Certified Public Accountants & Consultants

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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

Report on the Financial Statements

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 fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 Office of School 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 17 through 20 and 75 through 87 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lacey Township Board of Education's basic financial statements. The accompanying introductory section, comparative totals for June 30, 2012, 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, comparative totals for June 30, 2012, 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 or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2013 on our consideration of the Board of Education of the Lacey Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board of Education of the Lacey Township School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

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

Toms River, New Jersey
November 18, 2013

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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**LACEY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2013**

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, 2013. Please read it in conjunction with the letter of transmittal, beginning on page 1, and the financial statements, which begin on page 25.

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 Position (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 position 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 position 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 position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of Net Position at June 30:

	<u>2013</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Current & Other Assets	\$ 4,446,956	\$ 299,128	\$ 4,746,084
Capital Assets, net	<u>52,692,281</u>	<u>82,277</u>	<u>52,774,558</u>
Total Assets	<u>57,139,237</u>	<u>381,405</u>	<u>57,520,642</u>
Long-Term Liabilities Outstanding	42,836,179	-	42,836,179
Other Liabilities	<u>4,422,384</u>	<u>23,496</u>	<u>4,445,880</u>
Total Liabilities	<u>47,258,563</u>	<u>23,496</u>	<u>47,282,059</u>

2013

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Net Position:			
Investment in Capital Assets, net	11,311,352	82,277	11,393,629
Restricted	2,697,936	-	2,697,936
Unrestricted	<u>(4,128,614)</u>	<u>275,632</u>	<u>(3,852,982)</u>
Total Net Position	<u>\$ 9,880,674</u>	<u>\$ 357,909</u>	<u>\$10,238,583</u>

2012

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
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>
Net Position:			
Investment in Capital Assets, net	8,058,176	-	8,058,176
Restricted	6,922,653	-	6,922,653
Unrestricted	<u>(3,306,663)</u>	<u>324,503</u>	<u>(2,982,160)</u>
Total Net Position	<u>\$11,674,166</u>	<u>\$ 324,503</u>	<u>\$11,998,669</u>

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget is comprised solely of the June 30, 2012 encumbrances, which 'roll-over' into the subsequent year's budget (2012-2013) and are added to the original budget appropriations.

Throughout the year, as necessary, budget transfers are effectuated between budget accounts to realign the 2012-2013 budget.

Capital Assets

At June 30, 2013 the District had capital assets of \$52,774,558, a decrease of \$137,251 due primarily to 2012-2013 Depreciation Expense. This capital asset amount is comprised of: Buildings - \$82,371,462, machinery and equipment - \$11,030,624, construction in progress - \$11,457,440, site improvements - \$163,472. These capital assets are shown net of accumulated depreciation of \$52,248,439.

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

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A. District-Wide Financial Statements

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LACEY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

			TOTALS	
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2013	JUNE 30, 2012
(MEMORANDUM ONLY)				
ASSETS				
Cash & Cash Equivalents	\$ 19,382	\$ 243,517	\$ 262,899	\$ 4,075,614
Receivables - State	330,513	1,009	331,522	378,645
Receivables - Federal	282,368	33,125	315,493	507,425
Receivables - Other Governments	47,965	-	47,965	35,337
Other Receivable	2,923,634	3,786	2,927,420	3,644,753
Inventory	-	17,691	17,691	15,329
Unamortized Loss on Early Retirement of Debt	692,290	-	692,290	783,701
Unamortized Bond Issue Costs	150,804	-	150,804	169,928
Capital Assets, Net (Note 5)	52,692,281	82,277	52,774,558	52,911,809
Total Assets	57,139,237	381,405	57,520,642	62,522,541
LIABILITIES				
Accounts Payable	774,417	23,496	797,913	1,280,246
Accrued Interest	544,114	-	544,114	575,689
Unamortized Bond Premium	77,595	-	77,595	105,640
Unearned Revenue	131,509	-	131,509	176,793
Long-Term Obligations (Note 6):				
Due Within One Year	2,894,749	-	2,894,749	3,425,612
Due Beyond One Year	42,836,179	-	42,836,179	44,959,892
Total Liabilities	47,258,563	23,496	47,282,059	50,523,872
NET POSITION				
Invested in Capital Assets, Net of Related Debt	11,311,352	82,277	11,393,629	8,058,176
Restricted For:				
Capital Projects	946,577	-	946,577	3,696,577
Other Purposes	1,751,359	-	1,751,359	3,226,076
Unrestricted	(4,128,614)	275,632	(3,852,982)	(2,982,160)
Total Net Position	9,880,674	357,909	10,238,583	11,998,669

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, 2013
(With Comparative Totals for June 30, 2012)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				
	CHARGES	OPERATING	GOVERNMENTAL	BUSINESS-	TOTALS		
	FOR	GRANTS &			ACTIVITIES	TYPE	JUNE 30,
EXPENSES	SERVICES	CONTRIBUTIONS	ACTIVITIES	ACTIVITIES	2013	2012	
Governmental Activities:							
Instruction:							
Regular	\$ 22,199,001	\$ -	\$ 1,255,437	\$ (20,943,564)	\$ -	\$(20,943,564)	\$ (21,287,463)
Special Education	6,320,828	-	-	(6,320,828)	-	(6,320,828)	(6,088,388)
Other Special Instruction	1,420,127	-	-	(1,420,127)	-	(1,420,127)	(1,403,269)
Support Services & Undistributed Costs:							
Instruction	1,899,808	-	-	(1,899,808)	-	(1,899,808)	(1,988,740)
Attendance & Social Work Services	246,381	-	-	(246,381)	-	(246,381)	(240,966)
Health Services	642,853	-	-	(642,853)	-	(642,853)	(614,344)
Other Support Services	4,930,852	-	614,818	(4,316,034)	-	(4,316,034)	(4,087,954)
Educational Media Services/School Library	467,127	-	-	(467,127)	-	(467,127)	(445,656)
Instructional Staff Training	73,666	-	-	(73,666)	-	(73,666)	(40,490)
General Administrative Services	998,769	-	-	(998,769)	-	(998,769)	(1,112,901)
School Administrative Services	1,451,965	-	-	(1,451,965)	-	(1,451,965)	(1,407,849)
Central Services	528,064	-	-	(528,064)	-	(528,064)	(517,263)
Allowed Maintenance for School Facilities	1,818,911	-	-	(1,818,911)	-	(1,818,911)	(1,867,513)
Other Operation & Maintenance of Plant	3,143,393	-	-	(3,143,393)	-	(3,143,393)	(3,106,307)
Care & Upkeep of Grounds	419,835	-	-	(419,835)	-	(419,835)	(400,188)
Security	287,130	-	-	(287,130)	-	(287,130)	(242,078)
Pupil Transportation	2,825,083	-	-	(2,825,083)	-	(2,825,083)	(2,771,058)
Unallocated Employee Benefits	20,395,173	-	5,791,009	(14,604,164)	-	(14,604,164)	(13,656,604)
Unallocated Amortization of Bond Costs	110,535	-	-	(110,535)	-	(110,535)	(193,957)
Unallocated Depreciation	2,041,518	-	-	(2,041,518)	-	(2,041,518)	(1,954,712)
Loss on Disposal of Undepreciated Capital Assets	59,763	-	-	(59,763)	-	(59,763)	-
Unallocated Adjustment to Capital Assets	(672,290)	-	-	672,290	-	672,290	(833,756)
Unallocated Compensated Absence Expense	771,036	-	-	(771,036)	-	(771,036)	153,696
Interest Expense	1,666,562	-	1,174,659	(491,903)	-	(491,903)	(592,900)

LACEY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
						JUNE 30, 2013	JUNE 30, 2012
Total Governmental Activities	74,046,090	-	8,835,923	(65,210,167)	-	(65,210,167)	(64,700,660)
Business-Type Activities:							
Food Service	1,471,681	821,382	663,508	-	13,209	13,209	33,167
Community Education	179,941	211,497	(11,359)	-	20,197	20,197	42,372
Total Business-Type Activities	1,651,622	1,032,879	652,149	-	33,406	33,406	75,539
Total Primary Government	<u>\$ 75,697,712</u>	<u>\$ 1,032,879</u>	<u>\$ 9,488,072</u>	<u>\$ (65,210,167)</u>	<u>\$ 33,406</u>	<u>\$(65,176,761)</u>	<u>\$ (64,625,121)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				40,090,630	-	40,090,630	39,413,121
Taxes Levied for Debt Service				1,103,479	-	1,103,479	628,680
Local Aid				-	-	-	108,935
Federal & State Aid Not Restricted				21,160,059	-	21,160,059	21,566,818
Tuition Received				97,251	-	97,251	153,068
Solar Renewable Energy Credits				689,549	-	689,549	1,284,028
Miscellaneous Income				235,787	-	235,787	133,125
Interest Earnings				11,875	-	11,875	26,905
Amortized Premium Realization				28,045	-	28,045	71,467
Total General Revenues, Special Items, Extraordinary Items & Transfers				63,416,675	-	63,416,675	63,386,147
Change In Net Position				(1,793,492)	33,406	(1,760,086)	(1,238,974)
Net Position - Beginning				11,674,166	324,503	11,998,669	13,237,643
Net Position - Ending				<u>\$ 9,880,674</u>	<u>\$ 357,909</u>	<u>\$ 10,238,583</u>	<u>\$ 11,998,669</u>

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

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B. Fund Financial Statements

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Governmental Funds

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**LACEY TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					(MEMORANDUM ONLY)	
					JUNE 30, 2013	JUNE 30, 2012
Assets:						
Cash & Cash Equivalents	\$ -	\$ -	\$ 946,577	\$ 2	\$ 946,579	\$ 3,971,452
Tax Levy Receivable	2,840,895	-	-	-	2,840,895	3,284,427
Interfund Receivable	82,739	-	-	-	82,739	-
Intergovernmental Accounts Receivable:						
State	330,513	-	-	-	330,513	378,020
Federal	1,929	280,439	-	-	282,368	489,941
Other	47,965	-	-	-	47,965	35,337
Other Accounts Receivable	-	-	-	-	-	360,326
Total Assets	\$ 3,304,041	\$ 280,439	\$ 946,577	\$ 2	\$ 4,531,059	\$ 8,519,503
Liabilities & Fund Balances:						
Liabilities:						
Cash Overdraft	\$ 816,699	\$ 110,498	\$ -	\$ -	\$ 927,197	\$ 140,252
Accounts Payable	735,983	38,434	-	-	774,417	1,279,778
Intergovernmental Accounts Payable - State						
Payable - State	-	-	-	-	-	27
Unearned Revenue	2	131,507	-	-	131,509	176,793
Total Liabilities	1,552,684	280,439	-	-	1,833,123	1,596,850
Fund Balances:						
Restricted for:						
Excess Surplus	-	-	-	-	-	327,493
Excess Surplus - Designated for Subsequent Year's Expenditures	327,493	-	-	-	327,493	241,356
Capital Projects Fund	-	-	946,577	-	946,577	3,696,577
Debt Service Fund	-	-	-	2	2	1
Committed to:						
Other Purposes	945,747	-	-	-	945,747	1,046,367
Assigned to:						
Other Purposes	-	-	-	-	-	52,215
Designated for Subsequent Year's Expenditures	478,117	-	-	-	478,117	1,558,644
Total Fund Balances	1,751,357	-	946,577	2	2,697,936	6,922,653
Total Liabilities & Fund Balances	\$ 3,304,041	\$ 280,439	\$ 946,577	\$ 2		

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$104,581,497 and the accumulated depreciation is \$51,889,216.

52,692,281 52,864,717
(544,114) (575,689)

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.

765,499 847,989

Long-term obligations, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 6).

(45,730,928) (48,385,504)

Net position of Governmental Activities

\$ 9,880,674 \$ 11,674,166

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, 2013
(With Comparative Totals for June 30, 2012)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2013	JUNE 30, 2012
Revenues:						
Local Tax Levy	\$ 40,090,630	\$ -	\$ -	\$ 1,103,479	\$ 41,194,109	\$ 40,041,801
Tuition Charges	97,251	-	-	-	97,251	153,068
Interest on Investments	11,875	-	-	-	11,875	26,905
Solar Renewable Energy Credits	689,549	-	-	-	689,549	1,284,028
Miscellaneous	81,082	154,705	-	-	235,787	242,060
Total Local Sources	40,970,387	154,705	-	1,103,479	42,228,571	41,747,862
State Sources	27,059,434	1,086	-	1,174,659	28,235,179	26,818,605
Federal Sources	40,719	1,720,084	-	-	1,760,803	2,670,816
Total Revenues	68,070,540	1,875,875	-	2,278,138	72,224,553	71,237,283
Expenditures:						
Current:						
Regular Instruction	20,943,564	1,255,437	-	-	22,199,001	22,709,081
Special Education Instruction	6,320,828	-	-	-	6,320,828	6,088,388
Other Special Instruction	1,420,127	-	-	-	1,420,127	1,403,269
Support Services & Undistributed Costs:						
Instruction	1,899,808	-	-	-	1,899,808	1,988,740
Attendance & Social Work Services	246,381	-	-	-	246,381	240,966
Health Services	642,853	-	-	-	642,853	614,344
Other Support Services	4,316,034	614,818	-	-	4,930,852	4,694,870
Educational Media Services/						
School Library	467,127	-	-	-	467,127	445,656
Instructional Staff Training	73,666	-	-	-	73,666	40,490
General Administrative Services	998,769	-	-	-	998,769	1,112,901
School Administrative Services	1,451,965	-	-	-	1,451,965	1,407,849
Central Services	528,064	-	-	-	528,064	517,263
Allowed Maintenance for School						
Facilities	1,818,911	-	-	-	1,818,911	1,867,513
Other Operation & Maintenance						
of Plant	3,143,393	-	-	-	3,143,393	3,106,307
Care & Upkeep of Grounds	419,835	-	-	-	419,835	400,188
Security	287,130	-	-	-	287,130	242,078
Pupil Transportation	2,825,083	-	-	-	2,825,083	2,771,058
Unallocated Employee Benefits	20,395,173	-	-	-	20,395,173	18,346,565
Debt Service:						
Principal	-	-	-	3,330,000	3,330,000	3,280,000
Interest & Other Charges	-	-	-	1,698,137	1,698,137	1,832,788
Capital Outlay	1,346,547	5,620	-	-	1,352,167	1,345,989
Total Expenditures	69,545,258	1,875,875	-	5,028,137	76,449,270	74,456,303
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,474,718)	-	-	(2,749,999)	(4,224,717)	(3,219,020)
Other Financing Sources/(Uses):						
Operating Transfer From:						
Capital Projects	-	-	-	2,750,000	2,750,000	3,280,000
Operating Transfer To:						
Debt Service	-	-	(2,750,000)	-	(2,750,000)	(3,280,000)
Total Other Financing Sources/(Uses)	-	-	(2,750,000)	2,750,000	-	-
Net Change in Fund Balances	(1,474,718)	-	(2,750,000)	1	(4,224,717)	(3,219,020)
Fund Balance - July 1	3,226,075	-	3,696,577	1	6,922,653	10,141,673
Fund Balance - June 30	\$ 1,751,357	\$ -	\$ 946,577	\$ 2	\$ 2,697,936	\$ 6,922,653

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, 2013**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (4,224,717)

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	(2,041,518)	
Loss on Disposal of Undepreciated Capital Assets	(59,763)	
Adjustment to Capital Assets	672,290	
Capital Outlays	1,256,555	(172,436)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 3,330,000

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 95,612

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	(91,411)	
Amortization of Cost of Issuance	(19,124)	
Amortization of Original Issue Premiums	28,045	(82,490)

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	575,689	
Current Year	(544,114)	31,575

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

Prior Year	3,578,963	
Current Year	(4,349,999)	(771,036)

Change in Net Position of Governmental Activities \$ (1,793,492)

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

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Proprietary Funds

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**LACEY TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2013
 (With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES -		TOTALS	
	ENTERPRISE FUNDS		(MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	JUNE 30, 2013	JUNE 30, 2012
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 13,852	\$ 229,665	\$ 243,517	\$ 244,414
Accounts Receivable:				
State	1,009	-	1,009	625
Federal	33,125	-	33,125	17,484
Other	3,786	-	3,786	-
Inventories	17,691	-	17,691	15,329
Total Current Assets	69,463	229,665	299,128	277,852
Noncurrent Assets:				
Furniture, Machinery & Equipment	416,942	24,558	441,500	373,919
Less: Accumulated Depreciation	(346,944)	(12,279)	(359,223)	(326,827)
Total Noncurrent Assets	69,998	12,279	82,277	47,092
Total Assets	139,461	241,944	381,405	324,944
LIABILITIES				
Accounts Payable	22,528	968	23,496	441
Total Liabilities	22,528	968	23,496	441
NET POSITION				
Investment in Capital Assets, Net	69,998	12,279	82,277	47,092
Unrestricted Net Position	46,935	228,697	275,632	277,411
Total Net Position	\$ 116,933	\$ 240,976	\$ 357,909	\$ 324,503

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 POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	JUNE 30, 2013	JUNE 30, 2012
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 797,808	\$ -	\$ 797,808	\$ 857,041
Daily Sales - Nonreimbursable Programs	23,574	-	23,574	30,365
Program Revenues	-	201,372	201,372	203,286
Trip Income	-	10,125	10,125	17,938
Total Operating Revenues	821,382	211,497	1,032,879	1,108,630
Operating Expenses:				
Salaries	605,787	161,719	767,506	749,692
Other Purchased Services	-	-	-	99
Supplies & Materials	1,853	9,562	11,415	27,503
Depreciation Expense	4,549	4,911	9,460	4,548
Cost of Sales	854,459	-	854,459	848,131
Miscellaneous	5,033	3,749	8,782	31,907
Total Operating Expenses	1,471,681	179,941	1,651,622	1,661,880
Operating Income/(Loss)	(650,299)	31,556	(618,743)	(553,250)
Nonoperating Revenues (Expenses):				
Miscellaneous	6,067	-	6,067	9,491
Adjustment to Fixed Assets	(205)	(11,359)	(11,564)	-
State Sources:				
State School Lunch Program	17,364	-	17,364	18,416
Federal Sources:				
National School Lunch Program	465,683	-	465,683	446,891
National School Performance Based Program	17,786	-	17,786	-
School Breakfast Program	45,800	-	45,800	42,474
Special Milk Program	3,611	-	3,611	5,342
Food Distribution Program	107,402	-	107,402	106,175
Total Nonoperating Revenues/ (Expenses)	663,508	(11,359)	652,149	628,789
Change in Net Position	13,209	20,197	33,406	75,539
Total Net Position - Beginning	103,724	220,779	324,503	248,964
Total Net Position - Ending	\$ 116,933	\$ 240,976	\$ 357,909	\$ 324,503

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, 2013
 (With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES -		TOTALS	
	ENTERPRISE FUNDS		(MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	JUNE 30, 2013	JUNE 30, 2012
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 817,596	\$ 211,497	\$ 1,029,093	\$ 1,111,075
Payments to Employees	(605,787)	(161,719)	(767,506)	(749,692)
Payments to Suppliers	(734,146)	(12,415)	(746,561)	(796,281)
Net Cash Provided/(Used) by Operating Activities	(522,337)	37,363	(484,974)	(434,898)
Cash Flows From Noncapital Financing Activities:				
Miscellaneous	6,067	-	6,067	9,491
Cash Received from Federal Reimbursements	517,239	-	517,239	502,175
Cash Received from State Reimbursements	16,980	-	16,980	18,884
Net Cash Provided/(Used) by Noncapital Financing Activities	540,286	-	540,286	530,550
Cash Flows From Capital Activities:				
Purchase of Fixed Assets	(56,209)	-	(56,209)	9,587
Net Cash Provided/(Used) by Capital Activities	(56,209)	-	(56,209)	9,587
Net Increase/(Decrease) in Cash & Cash Equivalents	(38,260)	37,363	(897)	105,239
Balances - Beginning of Year	52,112	192,302	244,414	139,175
Balances - End of Year	\$ 13,852	\$ 229,665	\$ 243,517	\$ 244,414

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

Operating Income/(Loss)	\$ (650,299)	\$ 31,556	\$ (618,743)	\$ (553,250)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:				
Food Distribution Program	107,402	-	107,402	106,175
Depreciation Expense	4,549	4,911	9,460	4,548
Decrease/(Increase) in Other Receivables	(3,786)	-	(3,786)	2,445
Decrease/(Increase) in Inventory	(2,362)	-	(2,362)	4,809
(Decrease)/Increase in Interfund Payable	-	-	-	6
(Decrease)/Increase in Accounts Payable	22,159	896	23,055	369
Total Adjustments	127,962	5,807	133,769	118,352
Net Cash Provided/(Used) by Operating Activities	\$ (522,337)	\$ 37,363	\$ (484,974)	\$ (434,898)

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

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Fiduciary Fund

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**LACEY TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	PRIVATE PURPOSE		AGENCY		TOTALS	
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY FUND	PAYROLL FUND	JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
ASSETS						
Cash & Cash Equivalents	\$ -	\$ 91,254	\$ 148,713	\$ 1,204,684	\$ 1,444,651	\$ 366,773
Restricted Cash	10,109	-	-	-	10,109	10,549
Interfunds Receivable	-	4,941	-	-	4,941	-
Total Assets	10,109	96,195	148,713	1,204,684	1,459,701	377,322
LIABILITIES						
Payroll Deductions & Withholdings	-	-	-	1,117,004	1,117,004	118,882
Payable to Student Groups	-	-	148,713	-	148,713	139,704
Interfunds Payable	-	-	-	87,680	87,680	-
Total Liabilities	-	-	148,713	1,204,684	1,353,397	258,586
NET POSITION						
Reserve For:						
Held in Trust for:						
Unemployment Claims & Other Purposes	-	96,195	-	-	96,195	108,187
Scholarships	10,109	-	-	-	10,109	10,549
Total Net Position	\$ 10,109	\$ 96,195	\$ -	\$ -	\$ 106,304	\$ 118,736

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 POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	PRIVATE PURPOSE		TOTALS	
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
ADDITIONS				
Contributions:				
Plan Member	\$ -	\$ 96,989	\$ 96,989	\$ 64,479
Total Contributions	-	96,989	96,989	64,479
Investment Earnings:				
Interest	360	184	544	810
Net Investment Earnings	360	184	544	810
Total Additions	360	97,173	97,533	65,289
DEDUCTIONS				
Scholarship Awards	800	-	800	-
Unemployment Claims	-	109,165	109,165	115,878
Total Deductions	800	109,165	109,965	115,878
Change in Net Position	(440)	(11,992)	(12,432)	(50,589)
Net Position - Beginning of the Year	10,549	108,187	118,736	169,325
Net Position - End of the Year	\$ 10,109	\$ 96,195	\$ 106,304	\$ 118,736

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, 2013**

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**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1: Summary of Significant Accounting Policies

The accompanying financial statements of the Lacey Township School 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 require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District has implemented these standards for the fiscal year-ending June 30, 2003, 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. The District has implemented the following GASB Statements in the current fiscal year: Statement 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No.65 reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement but it is expected to have a material impact on the financial statements for the year ended June 30, 2014.

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, 2013 and for the year then ended with comparative totals as of and for the year ended June 30, 2012 (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, 2013 of 4,578 students.

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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 position 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 position is 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 position. 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.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013

Note 1: Summary of Significant Accounting Policies (continued)

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.

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.

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1: Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

Governmental Funds (continued):

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.

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.

Proprietary Funds:

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, 2013**

Note 1: Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

Proprietary Funds (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 position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

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:

<u>Food Service Fund:</u>	
Equipment & Vehicles	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 scholarship and unemployment trust funds as private purpose trusts.

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.

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1: Summary of Significant Accounting Policies (continued)

E. Basis of Accounting (continued)

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 on the balance sheet. Fund equity (i.e., net total position) 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 position.

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.

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.

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.

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1: Summary of Significant Accounting Policies (continued)

F. Budgets/Budgetary Control (continued)

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

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 the budgetary comparison schedules	\$68,091,136	\$1,899,638
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	-	90,697
Current Year	-	(114,460)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	2,050,351	-
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(2,070,947)</u>	<u>-</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$68,070,540</u>	<u>\$1,875,875</u>

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1: Summary of Significant Accounting Policies (continued)

F. Budgets/Budgetary Control (continued)

	General Fund	Special Revenue Fund
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$69,545,258	\$1,899,638
 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		
Prior Year	-	90,697
Current Year	<u>-</u>	<u>(114,460)</u>
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	 <u>\$69,545,258</u>	 <u>\$1,875,875</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.

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

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, 2013, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2010-2011 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.

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, 2013.

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1: Summary of Significant Accounting Policies (continued)

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. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

N. Unearned Revenue

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

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1: Summary of Significant Accounting Policies (continued)

O. 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.

P. Fund Equity

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Lacey Township Board of Education 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

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.

Q. Management's Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

R. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2013 through November 18, 2013, 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, 2013**

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, 2013, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$1,717,659</u>
Total Deposits	<u>\$1,717,659</u>
The District's Cash and Cash Equivalents are Reported as Follows:	
Governmental Activities	\$ 19,382
Business-Type Activities	243,517
Fiduciary Funds	<u>1,454,760</u>
Total Cash and Cash Equivalents	<u>\$1,717,659</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$1,743,435 at June 30, 2013 and was insured, uninsured or collateralized as follows:

Insured	\$ 250,000
Uninsured	1,375,655
Collateralized in the District's Name Under GUDPA (see Note 3)	<u>117,780</u>
Total	<u>\$1,743,435</u>

Note 3: Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash during the year ended June 30, 2013 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 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

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

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

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.

Note 4: Accounts Receivable

Accounts receivable at June 30, 2013 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 4: Accounts Receivable (continued)

	General Fund	Special Revenue Fund	Proprietary Funds	Total
Tax Levy	\$ 2,840,895	\$ -	\$ -	\$ 2,840,895
Intergovernmental	380,407	280,439	34,134	694,980
Other	-	-	3,786	3,786
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 3,221,302</u>	<u>\$ 280,439</u>	<u>\$ 37,920</u>	<u>\$ 3,539,661</u>

Note 5: Capital Assets

The following schedule is a summarization of the capital fixed assets by source for the fiscal year ended June 30, 2013.

	June 30, 2012	Additions	Deletions	Transfers/ Adjustment	June 30, 2013
Governmental Activities:					
Land	\$ 163,472	\$ -	\$ -	\$ -	\$ 163,472
Construction in Progress	11,457,440	-	-	-	11,457,440
Buildings	82,371,462	-	-	-	82,371,462
Machinery & Equipment	<u>9,492,292</u>	<u>1,928,845</u>	<u>\$ (815,147)</u>	<u>\$ (16,866)</u>	<u>10,589,124</u>
Subtotal	103,484,665	1,928,845	(815,147)	(16,866)	104,581,497
Accumulated Depreciation	<u>(50,619,948)</u>	<u>(2,041,518)</u>	<u>755,178</u>	<u>17,072</u>	<u>(51,889,216)</u>
Total	<u>\$ 52,864,717</u>	<u>\$ (112,673)</u>	<u>\$ (59,969)</u>	<u>\$ 206</u>	<u>\$ 52,692,281</u>

	June 30, 2012	Additions	Deletions	Transfers/ Adjustment	June 30, 2013
Business-Type Activities:					
Equipment	<u>\$ 373,919</u>	<u>\$ 56,209</u>	<u>\$ -</u>	<u>\$ 11,372</u>	<u>\$ 441,500</u>
Accumulated Depreciation	<u>(326,827)</u>	<u>(9,460)</u>	<u>-</u>	<u>(22,936)</u>	<u>(359,223)</u>
Total	<u>\$ 47,092</u>	<u>\$ 46,749</u>	<u>\$ -</u>	<u>\$ (11,564)</u>	<u>\$ 82,277</u>

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 6: Long-Term Obligations

During the fiscal year ended June 30, 2013 the following changes occurred in liabilities reported in the long-term debt:

Governmental Activities:	Balance 6/30/12	Accrued/ Issued	Retired/ Decreases	Balance 6/30/13	Due Within One Year
Compensated Absences Payable	\$ 3,578,963	\$ 771,036	\$ -	\$ 4,349,999	\$ -
Capital Leases	246,541	-	95,612	150,929	99,749
Bonds Payable	44,560,000	-	3,330,000	41,230,000	2,795,000
Total	<u>\$48,385,504</u>	<u>\$ 771,036</u>	<u>\$ 3,425,612</u>	<u>\$45,730,928</u>	<u>\$2,894,749</u>

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
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	2,895,000	1,209,450	4,104,450
2019-2023	15,355,000	4,357,538	19,712,538
2024-2028	10,150,000	1,363,663	11,513,663
2029-2030	<u>1,800,000</u>	<u>114,750</u>	<u>1,914,750</u>
Total	<u>\$41,230,000</u>	<u>\$12,910,925</u>	<u>\$54,140,925</u>

B. Obligations Under Capital Leases

The District is leasing equipment and vehicles totaling \$7,157,909 under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2013:

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 6: Long-Term Obligations (continued)

B. Obligations Under Capital Leases (continued)

Year-ending June 30,	Amount
2014	\$ 106,239
2015	<u>55,356</u>
Total Minimum Lease Payments	159,595
Less: Amount Representing Interest	<u>(8,666)</u>
Present Value of Lease Payments	<u>\$ 150,929</u>

Note 7: 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.

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

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013

Note 7: Pension Plans (continued)

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 $\frac{1}{2}$ 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 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.

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 7: Pension Plans (continued)

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/13	\$830,936	100%	\$ -0-
6/30/12	890,891	100%	-0-
6/30/11	876,722	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
6/30/13	\$3,723,620	100%	\$ -0-
6/30/12	2,646,560	100%	-0-
6/30/11	1,878,030	100%	-0-

During the year ended June 30, 2013 the State of New Jersey contributed \$3,723,620 to the TPAF for normal and post-retirement medical 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 \$2,067,389 for the year ended June 30, 2013 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 8: 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, 2012, there were 97,661 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.

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 8: Post-Retirement Benefits (continued)

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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' 2011 were \$945,166, \$812,671, and \$806,404, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on-behalf of the District was not determined or made available by the State of New Jersey.

Note 9: 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 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>
2012-2013	\$96,989	\$ 184	\$109,165	\$ 96,195
2011-2012	64,479	452	115,878	108,187
2010-2011	61,538	1,261	74,903	159,134

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 10: 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, 2013 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 11: 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 12: Fund Balance

General Fund – Of the \$1,751,357 General Fund fund balance at June 30, 2013, \$327,493 has been restricted for the excess surplus designated for subsequent year's expenditures; \$945,747 has been committed for other purposes; \$478,117 has been designated for subsequent year's expenditures.

Capital Projects Fund – All of the \$946,577 Capital Projects Fund fund balance at June 30, 2013 is restricted for Capital Projects.

Debt Service Fund – All of the \$2 Debt Service Fund fund balance at June 30, 2013 is restricted for Debt Service.

Note 13: Interfund Receivables & Payables

The following interfund balances remained on the balance sheet at June 30, 2013:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 82,739	\$ -
Unemployment Fund	4,941	-
Agency Fund	-	87,680
Total	<u>\$ 87,680</u>	<u>\$ 87,680</u>

The purpose of these interfunds are for short-term borrowings.

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 14: 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

Note 15: 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, 2013 is \$4,349,999.

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, 2013 no liability existed for compensated absences in the proprietary fund types.

Note 16: 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 has no excess fund balance at June 30, 2013.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:											
Local Tax Levy	10-1210	\$ 40,090,630	\$ -	\$ 40,090,630	\$ 40,090,630	\$ -	\$ 39,413,121	\$ -	\$ 39,413,121	\$ 39,413,121	\$ -
Tuition	10-1320	-	-	-	97,251	97,251	-	-	-	153,068	153,068
Interest on Investments	10-1510	-	-	-	11,875	11,875	-	-	-	26,905	26,905
Solar Renewable Energy Credits	10-199X	-	-	-	689,549	689,549	-	-	-	1,284,028	1,284,028
Miscellaneous Revenues	10-1990	1,200,000	-	1,200,000	81,082	(1,118,918)	1,200,000	-	1,200,000	133,125	(1,066,875)
Total Local Sources		41,290,630	-	41,290,630	40,970,387	(320,243)	40,613,121	-	40,613,121	41,010,247	397,126
State Sources:											
Extraordinary Aid	10-3131	-	-	-	227,231	227,231	-	-	-	273,803	273,803
Categorical Special Education Aid	10-3132	2,473,933	-	2,473,933	2,473,933	-	2,352,617	-	2,352,617	2,352,617	-
Equalization Aid	10-3176	17,692,202	-	17,692,202	17,692,202	-	17,815,116	-	17,815,116	17,965,107	149,991
Categorical Security Aid	10-3177	470,686	-	470,686	470,686	-	-	-	-	462,498	462,498
Adjustment Aid	10-3178	79,895	-	79,895	79,895	-	-	-	-	-	-
Categorical Transportation Aid	10-3121	342,986	-	342,986	342,986	-	-	-	-	-	-
Non-Public Transportation Aid	10-3198	-	-	-	2,088	2,088	-	-	-	2,436	2,436
Anti-Bullying Bill of Rights Act	10-3XXX	-	-	-	-	-	-	-	-	1,171	1,171
Nonbudgeted:											
On-Behalf TPAF Pension Contribution	10-3901	-	-	-	1,747,565	1,747,565	-	-	-	879,179	879,179
On-Behalf TPAF Post-Retirement Medical	10-3901	-	-	-	1,976,055	1,976,055	-	-	-	1,767,381	1,767,381
Reimbursed TPAF Social Security Contribution	10-3902	-	-	-	2,067,389	2,067,389	-	-	-	2,043,401	2,043,401
Total State Sources		21,059,702	-	21,059,702	27,080,030	6,020,328	20,167,733	-	20,167,733	25,747,593	5,579,860
Federal Sources:											
Medicaid Reimbursement	10-4200	66,565	-	66,565	4,444	(62,121)	57,852	-	57,852	3,303	(54,549)
Education Jobs Fund Program	18-4522	-	36,275	36,275	36,275	-	375,000	386,216	761,216	726,870	(34,346)
Total Federal Sources		66,565	36,275	102,840	40,719	(62,121)	432,852	386,216	819,068	730,173	(88,895)
Total Revenues		62,416,897	36,275	62,453,172	68,091,136	5,637,964	61,213,706	386,216	61,599,922	67,488,013	5,888,091

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**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				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	537,337	-	537,337	528,805	8,532	542,988	-	542,988	521,484	21,504
Grades 1 - 5	11-120-100-101	7,435,302	122,000	7,557,302	7,328,929	228,373	7,409,776	113,553	7,523,329	7,456,657	66,672
Grades 6 - 8	11-130-100-101	4,114,108	201,816	4,315,924	4,151,323	164,601	3,931,019	(8,285)	3,922,734	3,854,763	67,971
Grades 9 - 12	11-140-100-101	6,887,035	(82,300)	6,804,735	6,646,720	158,015	6,878,008	(6,783)	6,871,225	6,802,833	68,392
Regular Programs - Undistributed Instruction:											
Other Salaries for Instruction	11-190-100-106	209,212	37,870	247,082	247,079	3	201,500	44,500	246,000	245,937	63
Purchased Professional -											
Educational Services											
Other Purchased Services	11-190-100-320	23,141	(3,916)	19,225	10,082	9,143	30,853	1,084	31,937	17,654	14,283
General Supplies	11-190-100-500	560,671	179,089	739,760	692,396	47,364	500,010	129,707	629,717	478,939	150,778
Textbooks	11-190-100-610	987,556	306,741	1,294,297	1,219,736	74,561	667,400	1,197,256	1,864,656	1,360,281	504,375
Other Objects	11-190-100-640	144,160	(7,100)	137,060	75,526	61,534	233,000	274,980	507,980	501,397	6,583
	11-190-100-800	53,500	7,845	61,345	42,968	18,377	51,000	9,480	60,480	47,518	12,962
Total Regular Programs		20,952,022	762,045	21,714,067	20,943,564	770,503	20,445,554	1,755,492	22,201,046	21,287,463	913,583
Special Education:											
Learning and/or Language Disabilities:											
Salaries of Teachers	11-204-100-101	944,376	(150,000)	794,376	792,917	1,459	877,774	49,400	927,174	927,140	34
Other Salaries for Instruction	11-204-100-106	304,408	-	304,408	289,572	14,836	280,893	-	280,893	274,635	6,258
Other Purchased Services	11-204-100-500	1,000	-	1,000	296	704	1,000	-	1,000	416	584
General Supplies	11-204-100-610	9,585	600	10,185	6,379	3,806	8,000	2,788	10,788	10,093	695
Textbooks	11-204-100-640	3,750	-	3,750	1,964	1,786	4,000	(2,032)	1,968	1,967	1
Other Objects	11-204-100-800	2,150	-	2,150	108	2,042	2,250	(630)	1,620	784	836
Total Learning and/or Language Disabilities		1,265,269	(149,400)	1,115,869	1,091,236	24,633	1,173,917	49,526	1,223,443	1,215,035	8,408
Behavioral Disabilities:											
Salaries of Teachers	11-209-100-101	369,707	(70,260)	299,447	299,446	1	361,934	-	361,934	361,934	-
Other Salaries for Instruction	11-209-100-106	103,129	-	103,129	76,833	26,296	79,905	26,000	105,905	105,851	54
General Supplies	11-209-100-610	53,550	-	53,550	2,714	50,836	4,250	590	4,840	3,308	1,532
Textbooks	11-209-100-640	590	-	590	-	590	1,000	(1,000)	-	-	-
Other	11-209-100-800	3,000	28	3,028	505	2,523	3,000	2,000	5,000	4,972	28

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**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total Behavioral Disabilities	529,976	(70,232)	459,744	379,498	80,246	450,089	27,590	477,679	476,065	1,614	
Multiple Disabilities:											
Salaries of Teachers	11-212-100-101	378,759	6,300	385,059	384,061	998	364,114	9,500	373,614	373,594	20
Other Salaries for Instruction	11-212-100-106	282,853	-	282,853	270,797	12,056	254,852	(2,350)	252,502	252,496	6
General Supplies	11-212-100-610	7,050	1,250	8,300	6,684	1,616	8,000	(135)	7,865	7,613	252
Textbooks	11-212-100-640	300	(150)	150	-	150	300	(165)	135	134	1
Other	11-212-100-800	930	-	930	300	630	900	-	900	421	479
Total Multiple Disabilities		669,892	7,400	677,292	661,842	15,450	628,166	6,850	635,016	634,258	758
Resource Room:											
Salaries of Teachers	11-213-100-101	3,048,394	173,400	3,221,794	3,221,792	2	3,056,164	(179,993)	2,876,171	2,875,833	338
Other Salaries for Instruction	11-213-100-106	267,215	-	267,215	232,823	34,392	211,432	-	211,432	211,044	388
Other Purchased Services	11-213-100-500	1,000	-	1,000	315	685	1,000	-	1,000	740	260
General Supplies	11-213-100-610	11,600	(1,000)	10,600	9,500	1,100	11,945	3,260	15,205	10,224	4,981
Textbooks	11-213-100-640	4,625	(2,200)	2,425	74	2,351	4,825	(3,407)	1,418	1,417	1
Other Objects	11-213-100-800	1,050	-	1,050	490	560	1,050	(53)	997	486	511
Total Resource Room		3,333,884	170,200	3,504,084	3,464,994	39,090	3,286,416	(180,193)	3,106,223	3,099,744	6,479
Special Education - Autism:											
Salaries of Teachers	11-214-100-101	163,425	77,000	240,425	228,623	11,802	155,024	6,100	161,124	161,036	88
Other Salaries for Instruction	11-214-100-106	248,564	(65,330)	183,234	183,231	3	251,480	(31,812)	219,668	219,667	1
Other Purchased Services	11-214-100-500	1,000	-	1,000	-	1,000	1,000	-	1,000	-	1,000
General Supplies	11-214-100-610	2,500	-	2,500	1,232	1,268	1,000	945	1,945	1,945	-
Other Objects	11-214-100-800	600	800	1,400	1,350	50	450	(11)	439	300	139
Total Autism		416,089	12,470	428,559	414,436	14,123	408,954	(24,778)	384,176	382,948	1,228
Special Education - Preschool Disabilities - Full-Time:											
Salaries of Teachers	11-216-100-101	206,369	-	206,369	198,996	7,373	152,856	12,800	165,656	165,614	42
Other Salaries for Instruction	11-216-100-106	154,710	-	154,710	106,921	47,789	118,991	-	118,991	113,396	5,595
General Supplies	11-216-100-600	1,625	-	1,625	1,358	267	1,500	(50)	1,450	1,328	122
Textbooks	11-216-100-640	-	1,500	1,500	1,429	71	-	-	-	-	-
Other Objects	11-216-100-800	450	-	450	118	332	350	(100)	250	-	250

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**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total Preschool Disabilities - Full-Time	363,154	1,500	364,654	308,822	55,832	273,697	12,650	286,347	280,338	6,009	
Total Special Education	6,578,264	(28,062)	6,550,202	6,320,828	229,374	6,221,239	(108,355)	6,112,884	6,088,388	24,496	
Bilingual Educational - Instruction:											
Salaries of Teachers	11-240-100-101	151,254	1,800	153,054	152,955	99	143,069	6,000	149,069	149,025	44
General Supplies	11-240-100-610	1,400	-	1,400	-	1,400	-	1,400	-	1,400	
Total Bilingual Education - Instruction		152,654	1,800	154,454	152,955	1,499	144,469	6,000	150,469	149,025	1,444
School Sponsored Cocurricular Activities:											
Salaries	11-401-100-100	371,979	(700)	371,279	347,310	23,969	337,727	3,655	341,382	341,315	67
Supplies and Materials	11-401-100-600	14,787	6,665	21,452	18,142	3,310	14,487	(1,200)	13,287	8,521	4,766
Other Objects	11-401-100-800	1,950	500	2,450	1,462	988	1,950	-	1,950	1,155	795
Total School Sponsored Cocurricular Activities		388,716	6,465	395,181	366,914	28,267	354,164	2,455	356,619	350,991	5,628
School Sponsored Athletics - Instruction:											
Salaries	11-402-100-100	755,740	3,956	759,696	720,847	38,849	727,518	6,657	734,175	716,843	17,332
Purchased Services	11-402-100-500	72,676	6,724	79,400	62,580	16,820	66,126	6,092	72,218	65,323	6,895
Supplies and Materials	11-402-100-600	100,404	(4,810)	95,594	87,752	7,842	100,404	(1,554)	98,850	96,843	2,007
Other Objects	11-402-100-800	24,370	7,080	31,450	29,079	2,371	23,870	2,049	25,919	24,244	1,675
Total School Sponsored Athletics Instruction		953,190	12,950	966,140	900,258	65,882	917,918	13,244	931,162	903,253	27,909
Total Instruction		29,024,846	755,198	29,780,044	28,684,519	1,095,525	28,083,344	1,668,836	29,752,180	28,779,120	973,060
Undistributed Expenditures:											
Instruction :											
Tuition to Other LEAs Within the State - Regular	11-000-100-561	50,000	(49,290)	710	-	710	80,000	(80,000)	-	-	-
Tuition to Other LEAs Within the State - Special	11-000-100-562	118,000	(22,710)	95,290	94,827	463	50,000	82,545	132,545	132,545	-

**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				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	18,000	2,500	20,500	20,500	-	15,000	2,000	17,000	17,000	-
Tuition to CSSD & Regional Day School	11-000-100-565	150,000	5,005	155,005	155,005	-	140,000	10,000	150,000	149,040	960
Tuition to Private School for the Handicapped - State	11-000-100-566	1,861,000	(219,422)	1,641,578	1,485,911	155,667	1,170,000	406,900	1,576,900	1,574,685	2,215
Tuition - State Facilities	11-000-100-568	143,565	-	143,565	143,565	-	115,470	-	115,470	115,470	-
Total Undistributed Expenditures - Instruction		2,340,565	(283,917)	2,056,648	1,899,808	156,840	1,570,470	421,445	1,991,915	1,988,740	3,175
Attendance & Social Work Services:											
Salaries	11-000-211-100	242,223	4,200	246,423	246,381	42	241,454	(480)	240,974	240,966	8
Total Attendance & Social Work Services		242,223	4,200	246,423	246,381	42	241,454	(480)	240,974	240,966	8
Health Services:											
Salaries	11-000-213-100	510,524	62,200	572,724	568,136	4,588	518,722	25,701	544,423	535,595	8,828
Purchased Professional & Technical Services	11-000-213-300	43,397	3,500	46,897	42,352	4,545	43,397	-	43,397	43,157	240
Other Purchased Services	11-000-213-500	20,000	(3,500)	16,500	14,899	1,601	20,000	(2,000)	18,000	15,517	2,483
Supplies and Materials	11-000-213-600	24,975	20	24,995	17,466	7,529	24,300	910	25,210	20,075	5,135
Total Health Services		598,896	62,220	661,116	642,853	18,263	606,419	24,611	631,030	614,344	16,686
Other Support Services - Students - Related Services:											
Salaries	11-000-216-100	326,204	50,225	376,429	376,429	-	446,846	(136,000)	310,846	310,247	599
Purchased Professional - Educational Services	11-000-216-320	15,000	300	15,300	15,300	-	15,000	2,012	17,012	17,000	12
Supplies and Materials	11-000-216-600	2,160	-	2,160	-	2,160	2,160	671	2,831	1,819	1,012
Total Other Support Services - Students - Related Services		343,364	50,525	393,889	391,729	2,160	464,006	(133,317)	330,689	329,066	1,623
Other Support Services - Students - Extra Services:											
Salaries	11-000-217-100	136,000	15,000	151,000	150,961	39	127,745	-	127,745	127,648	97
Total Other Support Services - Students - Extra Services		136,000	15,000	151,000	150,961	39	127,745	-	127,745	127,648	97

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**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Other Support Services - Students - Regular:											
Salaries of Other Professional Staff	11-000-218-104	1,037,419	93,000	1,130,419	1,130,408	11	1,011,115	12,067	1,023,182	1,023,153	29
Salaries of Secretarial & Clerical Assistants	11-000-218-105	144,498	1,400	145,898	145,892	6	152,335	(3,500)	148,835	146,951	1,884
Purchased Professional - Educational Services	11-000-218-320	100,000	(800)	99,200	73,238	25,962	100,000	(15,920)	84,080	80,597	3,483
Supplies and Materials	11-000-218-600	9,225	-	9,225	6,212	3,013	12,100	-	12,100	12,090	10
Total Other Support Services - Regular		1,291,142	93,600	1,384,742	1,355,750	28,992	1,275,550	(7,353)	1,268,197	1,262,791	5,406
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	848,748	(2,100)	846,648	842,615	4,033	871,595	(37,985)	833,610	827,667	5,943
Salaries of Secretarial & Clerical Assistants	11-000-219-105	78,577	-	78,577	77,577	1,000	77,065	-	77,065	75,733	1,332
Purchased Professional - Educational Services	11-000-219-320	236,134	(13,850)	222,284	205,315	16,969	180,134	166,189	346,323	346,302	21
Total Other Support Services - Students - Special Services		1,163,459	(15,950)	1,147,509	1,125,507	22,002	1,128,794	128,204	1,256,998	1,249,702	7,296
Improvement of Instruction Services/Other Support Services - Instruction Staff:											
Salaries of Supervisors of Instruction	11-000-221-102	902,313	128,200	1,030,513	950,380	80,133	893,181	(16,951)	876,230	872,941	3,289
Salaries of Other Professional Staff	11-000-221-104	-	121,825	121,825	121,825	-	-	-	-	-	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	127,722	(21,400)	106,322	102,445	3,877	182,280	(18,681)	163,599	163,553	46
Purchased Professional - Educational Services	11-000-221-320	86,000	-	86,000	82,153	3,847	62,000	5,000	67,000	64,285	2,715
Supplies and Materials	11-000-221-600	33,900	7,672	41,572	35,284	6,288	28,610	(2,467)	26,143	17,968	8,175
Total Improvement of Instruction Services/Other Support Services - Instructional Staff		1,149,935	236,297	1,386,232	1,292,087	94,145	1,166,071	(33,099)	1,132,972	1,118,747	14,225

**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Educational Media Services/School Library:											
Salaries	11-000-222-100	408,954	12,400	421,354	421,312	42	469,818	(51,366)	418,452	412,928	5,524
Purchased Professional & Technical Services	11-000-222-300	15,324	-	15,324	14,297	1,027	8,950	1,379	10,329	9,139	1,190
Supplies and Materials	11-000-222-600	34,802	(4)	34,798	31,518	3,280	20,000	4,721	24,721	23,589	1,132
Total Educational Media Services/School Library		459,080	12,396	471,476	467,127	4,349	498,768	(45,266)	453,502	445,656	7,846
Support Services Instructional Staff Training Services:											
Other Purchased Services	11-000-223-500	82,500	22,665	105,165	73,666	31,499	37,000	6,000	43,000	40,490	2,510
Total Support Services Instructional Staff Training Services		82,500	22,665	105,165	73,666	31,499	37,000	6,000	43,000	40,490	2,510
Support Services General Administration:											
Salaries	11-000-230-100	535,336	14,200	549,536	519,452	30,084	544,880	66,892	611,772	611,447	325
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	49,500	189,500	189,467	33	140,000	67,216	207,216	207,213	3
Audit Fees	11-000-230-332	24,000	4,210	28,210	28,175	35	22,000	5,575	27,575	27,575	-
Other Purchased Professional Services	11-000-230-339	33,000	200	33,200	33,144	56	38,000	14,506	52,506	51,721	785
Communications/Telephone	11-000-230-530	120,000	25,000	145,000	143,020	1,980	125,000	2,085	127,085	122,506	4,579
Other Purchased Services	11-000-230-590	9,000	(2,400)	6,600	299	6,301	34,300	(27,530)	6,770	3,650	3,120
General Supplies	11-000-230-610	31,500	878	32,378	27,103	5,275	31,500	7,094	38,594	28,872	9,722
Miscellaneous Expenditures	11-000-230-890	9,300	6,419	15,719	15,642	77	15,000	-	15,000	13,015	1,985
BOE Membership Dues & Fees	11-000-230-895	36,000	(600)	35,400	32,467	2,933	36,000	4,500	40,500	36,902	3,598
Total Support Services General Administration		948,136	97,407	1,045,543	998,769	46,774	996,680	140,338	1,137,018	1,112,901	24,117
Support Services School Administration:											
Salaries of Principals & Assistant Principals	11-000-240-103	1,041,165	1,200	1,042,365	1,042,107	258	998,525	8,900	1,007,425	1,005,416	2,009
Salaries of Secretarial & Clerical Assistants	11-000-240-105	354,017	(1,200)	352,817	349,340	3,477	353,404	98	353,502	350,434	3,068
Supplies and Materials	11-000-240-600	56,136	10,411	66,547	60,518	6,029	50,000	12,550	62,550	51,999	10,551
Total Support Services School Administration		1,451,318	10,411	1,461,729	1,451,965	9,764	1,401,929	21,548	1,423,477	1,407,849	15,628

LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Central Services:										
Salaries	497,860	15,400	513,260	499,193	14,067	494,624	(103)	494,521	492,163	2,358
Purchased Professional Services	20,000	334	20,334	16,334	4,000	18,000	-	18,000	10,552	7,448
General Supplies	17,400	226	17,626	10,153	7,473	17,400	2,942	20,342	12,614	7,728
Miscellaneous Expenditures	3,000	-	3,000	2,384	616	3,000	-	3,000	1,934	1,066
Total Central Services	538,260	15,960	554,220	528,064	26,156	533,024	2,839	535,863	517,263	18,600
Required Maintenance for School Facilities:										
Salaries	1,483,663	(100,471)	1,383,192	1,300,085	83,107	1,322,836	129,669	1,452,505	1,367,544	84,961
Cleaning, Repair & Maintenance Services	217,454	22,655	240,109	192,556	47,553	200,700	39,358	240,058	223,691	16,367
General Supplies	384,450	(16,464)	367,986	326,270	41,716	145,000	141,249	286,249	276,278	9,971
Total Required Maintenance for School Facilities	2,085,567	(94,280)	1,991,287	1,818,911	172,376	1,668,536	310,276	1,978,812	1,867,513	111,299
Operation & Maintenance of Plant Services:										
Salaries	1,426,531	62,370	1,488,901	1,488,899	2	1,398,120	(18,882)	1,379,238	1,369,633	9,605
Purchased Professional & Technical Services	7,000	-	7,000	3,715	3,285	7,000	-	7,000	5,245	1,755
Cleaning, Repair & Maintenance Services	20,000	-	20,000	17,470	2,530	30,000	22,400	52,400	36,721	15,679
Rental of Land & Buildings Other Than Lease	4,000	-	4,000	4,000	-	-	4,000	4,000	4,000	-
Other Purchased Property Services	77,000	-	77,000	63,313	13,687	77,000	(800)	76,200	69,607	6,593
Insurance	580,000	16,630	596,630	596,627	3	575,000	(7,481)	567,519	566,773	746
General Supplies	121,000	(3,541)	117,459	107,665	9,794	127,000	9,438	136,438	132,509	3,929
Energy (Natural Gas)	426,000	(99,400)	326,600	294,281	32,319	517,000	(137,540)	379,460	257,185	122,275
Energy (Electricity)	837,000	(268,300)	568,700	567,423	1,277	907,000	(217,700)	689,300	664,634	24,666
Total Operation & Maintenance of Plant Services	3,498,531	(292,241)	3,206,290	3,143,393	62,897	3,638,120	(346,565)	3,291,555	3,106,307	185,248
Care & Upkeep of Grounds:										
Salaries	350,120	-	350,120	327,325	22,795	341,258	(15,000)	326,258	323,282	2,976
General Supplies	70,000	23,300	93,300	92,510	790	70,000	25,224	95,224	76,906	18,318
Total Care & Upkeep of Grounds	420,120	23,300	443,420	419,835	23,585	411,258	10,224	421,482	400,188	21,294
Security:										
Salaries	288,220	-	288,220	242,130	46,090	285,132	(40,000)	245,132	242,078	3,054
Purchased Professional & Technical Services	-	45,000	45,000	45,000	-	-	-	-	-	-
Total Security	288,220	45,000	333,220	287,130	46,090	285,132	(40,000)	245,132	242,078	3,054

LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Student Transportation Services:											
Salaries of Non-Instructional Aides	11-000-270-107	61,321	-	61,321	51,763	9,558	60,380	-	60,380	27,553	32,827
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,029,912	(24,000)	1,005,912	1,004,802	1,110	1,033,932	-	1,033,932	1,033,930	2
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	407,700	(1,700)	406,000	379,892	26,108	432,565	(35,269)	397,296	394,022	3,274
Cleaning, Repair & Maintenance Services	11-000-270-420	17,000	-	17,000	12,473	4,527	12,000	3,812	15,812	13,204	2,608
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	-	-	-	-	-	-	200	200	-	200
Contracted Services (Between Home & School) - Joint Agreements	11-000-270-513	65,000	15,800	80,800	80,672	128	35,000	595,100	630,100	629,855	245
Contracted Services (Special Education Students) - ESC's & CTSA's	11-000-270-518	550,000	116,000	666,000	663,174	2,826	580,000	(580,000)	-	-	-
Aid in Lieu of Payments	11-000-270-503	13,000	3,100	16,100	16,064	36	12,000	2,690	14,690	14,686	4
Miscellaneous Purchased Services - Transportation	11-000-270-593	135,000	1,906	136,906	136,902	4	130,000	2,281	132,281	132,280	1
General Supplies	11-000-270-610	8,400	-	8,400	7,190	1,210	8,000	17,350	25,350	20,575	4,775
Transportation Supplies	11-000-270-615	436,000	20,000	456,000	454,611	1,389	436,195	51,510	487,705	487,687	18
Other Objects	11-000-270-800	19,200	-	19,200	17,540	1,660	16,000	2,200	18,200	17,266	934
Total Student Transportation Services		2,742,533	131,106	2,873,639	2,825,083	48,556	2,756,072	59,874	2,815,946	2,771,058	44,888
Unallocated Benefits - Employee Benefits:											
Social Security	11-xxx-xxx-220	1,000,000	(125,000)	875,000	874,780	220	1,100,000	(207,200)	892,800	863,287	29,513
Other Retirement Contributions	11-xxx-xxx-241	903,000	(69,710)	833,290	830,936	2,354	933,805	(40,000)	893,805	890,891	2,914
Unemployment Compensation	11-xxx-xxx-250	-	50,000	50,000	50,000	-	-	-	-	-	-
Worker's Compensation	11-xxx-xxx-260	680,000	(179,436)	500,564	500,547	17	730,000	(134,662)	595,338	587,234	8,104
Health Benefits	11-xxx-xxx-270	12,150,000	(23,000)	12,127,000	12,125,029	1,971	12,250,000	(1,130,000)	11,120,000	11,117,878	2,122
Tuition Reimbursement	11-xxx-xxx-280	102,320	1,517	103,837	103,722	115	90,587	20,455	111,042	109,488	1,554
Other Employee Benefits	11-xxx-xxx-290	88,000	34,346	122,346	119,150	3,196	88,500	44,682	133,182	87,826	45,356
Total Unallocated Benefits - Employee Benefits		14,923,320	(311,283)	14,612,037	14,604,164	7,873	15,192,892	(1,446,725)	13,746,167	13,656,604	89,563

LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				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	-	-	-	1,747,565	(1,747,565)	-	-	-	879,179	(879,179)	
On-Behalf TPAF Post-Retirement Medical	-	-	-	1,976,055	(1,976,055)	-	-	-	1,767,381	(1,767,381)	
Reimbursed TPAF Social Security Contribution	-	-	-	2,067,389	(2,067,389)	-	-	-	2,043,401	(2,043,401)	
Total Undistributed Expenditures	34,703,169	(177,584)	34,525,585	39,514,192	(3,012,552)	33,999,920	(927,446)	33,072,474	37,189,872	(2,350,017)	
Total Expenditures - Current Expense	63,728,015	577,614	64,305,629	68,198,711	(3,893,082)	62,083,264	741,390	62,824,654	65,968,992	(3,144,338)	
Capital Outlay:											
Equipment:											
Regular Programs - Instruction:											
Grades 1 - 5	12-120-100-730	200,000	180,515	380,515	337,548	42,967	-	3,000	3,000	2,555	445
Grades 6 - 8	12-130-100-730	-	39,303	39,303	-	39,303	80,000	(77,000)	3,000	2,555	445
Grades 9 - 12	12-140-100-730	-	6,225	6,225	6,221	4	-	-	-	-	-
Special Education - Instruction:											
School Sponsored and Other Instructional Programs											
Instructional Programs	12-4xx-100-730	-	3,884	3,884	3,884	-	-	3,885	3,885	-	3,885
Instruction	12-000-100-730	-	146,364	146,364	146,364	-	-	950,000	950,000	798,762	151,238
School Administration	12-000-240-730	25,000	(11,535)	13,465	13,233	232	-	-	-	-	-
Central Services	12-000-251-730	-	3,030	3,030	3,030	-	3,835	3,031	6,866	3,835	3,031
Custodial Services	12-000-262-730	-	492,391	492,391	391,988	100,403	-	588,000	588,000	95,354	492,646
Care & Upkeep of Grounds	12-000-263-730	-	9,863	9,863	9,863	-	-	12,500	12,500	12,500	-
Undistributed Expenditures - Student Transportation:											
Noninstructional Equipment	12-000-270-732	159,240	209,438	368,678	329,774	38,904	170,360	360,552	530,912	323,008	207,904
Total Equipment		384,240	1,079,478	1,463,718	1,241,905	221,813	254,195	1,843,968	2,098,163	1,238,569	859,594
Facilities Acquisition & Construction Services:											
Other Objects											
Assessment for Debt Service on SDA Funding	12-000-400-800	-	-	-	-	-	76,247	-	76,247	76,247	-
	12-000-400-896	104,642	-	104,642	104,642	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services		104,642	-	104,642	104,642	-	76,247	-	76,247	76,247	-
Assets Acquired Under Capital Leases (Nonbudgeted)											
Total Capital Outlay		488,882	1,079,478	1,568,360	1,346,547	221,813	330,442	1,843,968	2,174,410	1,314,816	859,594
Total Expenditures		64,216,897	1,657,092	65,873,989	69,545,258	(3,671,269)	62,413,706	2,585,358	64,999,064	67,283,808	(2,284,744)

**LACEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				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	(1,800,000)	(1,620,817)	(3,420,817)	(1,454,122)	1,966,695	(1,200,000)	(2,199,142)	(3,399,142)	204,205	3,603,347
Fund Balances, July 1	5,276,426	-	5,276,426	5,276,426	-	5,072,221	-	5,072,221	5,072,221	-
Fund Balances, June 30	<u>\$ 3,476,426</u>	<u>\$ (1,620,817)</u>	<u>\$ 1,855,609</u>	<u>\$ 3,822,304</u>	<u>\$ 1,966,695</u>	<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>

RECAPITULATION OF BUDGET TRANSFERS

Rollover Encumbrances from Prior Year	\$ 1,620,817
Additional Appropriations for Increased Federal Aid	<u>36,275</u>
	<u>\$ 1,657,092</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Excess Surplus Designated for Subsequent Year's Expenditures	\$ 327,493
Committed Fund Balance:	
Year-end Encumbrances	945,747
Assigned Fund Balance:	
Year-end Encumbrances	257,393
Designated for Subsequent Year's Expenditures	1,472,507
Unassigned Fund Balance	<u>819,164</u>
Subtotal	3,822,304
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	<u>(2,070,947)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$ 1,751,357</u>

**LACEY TOWNSHIP SCHOOL DISTRICT
EDUCATION JOBS FUND PROGRAM
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	ACCOUNT NUMBER	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:												
Federal Sources:												
Education Jobs Fund Program	18-4522	\$ -	\$ 36,275	\$ 36,275	\$ 36,275	\$ -	\$ 375,000	\$ 386,216	\$ 761,216	\$ 726,870	\$ (34,346)	
Total Federal Sources		-	36,275	36,275	36,275	-	375,000	386,216	761,216	726,870	(34,346)	
Total Revenues		-	36,275	36,275	36,275	-	375,000	386,216	761,216	726,870	(34,346)	
Expenditures:												
Current Expense:												
Instruction - Regular Programs:												
Salaries of Teachers:												
Grades 1 - 5	18-120-100-101	-	-	-	-	-	-	66,563	66,563	66,563	-	
Grades 6 - 8	18-130-100-101	-	-	-	-	-	-	66,563	66,563	66,563	-	
Grades 9 - 12	18-140-100-101	-	-	-	-	-	-	66,564	66,564	66,564	-	
Total Instruction - Regular Programs		-	-	-	-	-	-	199,690	199,690	199,690	-	
Required Maintenance for School Facilities:												
Salaries	18-000-261-100	-	1,929	1,929	1,929	-	375,000	145,410	520,410	520,410	-	
Total Required Maintenance for School Facilities		-	1,929	1,929	1,929	-	375,000	145,410	520,410	520,410	-	
Unallocated Benefits Employee Benefits:												
Other Employee Benefits	18-000-291-290	-	34,346	34,346	34,346	-	-	41,116	41,116	6,770	34,346	
Total Unallocated Benefits - Employee Benefits		-	34,346	34,346	34,346	-	-	41,116	41,116	6,770	34,346	
Total Expenditures - Current Expense		-	36,275	36,275	36,275	-	375,000	386,216	761,216	726,870	34,346	
Total Expenditures		-	36,275	36,275	36,275	-	375,000	386,216	761,216	726,870	34,346	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

**LACEY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES										
Local Sources	\$ -	\$ 265,021	\$ 265,021	\$ 154,705	\$ (110,316)	\$ -	\$ 285,333	\$ 285,333	\$ 132,673	\$ (152,660)
State Sources	-	1,086	1,086	1,086	-	-	733	733	715	(18)
Federal Sources	1,354,300	514,770	1,869,070	1,743,847	(125,223)	1,340,300	539,231	1,879,531	1,673,884	(205,647)
Total - Revenues	1,354,300	780,877	2,135,177	1,899,638	(235,539)	1,340,300	825,297	2,165,597	1,807,272	(358,325)
EXPENDITURES										
Instruction:										
Salaries of Teachers	300,000	213,892	513,892	424,007	89,885	300,000	179,123	479,123	388,032	91,091
Other Salaries for Instruction	-	-	-	-	-	-	-	-	-	-
Purchased Professional Services	350,000	(231,358)	118,642	118,642	-	372,300	(249,376)	122,924	122,924	-
Tuition	520,000	(7,000)	513,000	513,000	-	500,000	24,553	524,553	524,553	-
General Supplies	17,000	339,011	356,011	219,393	136,618	-	345,260	345,260	141,052	204,208
Textbooks	-	793	793	793	-	-	733	733	715	18
Miscellaneous Expenses	-	6,409	6,409	3,365	3,044	-	4,574	4,574	1,265	3,309
Total Instruction	1,187,000	321,747	1,508,747	1,279,200	229,547	1,172,300	304,867	1,477,167	1,178,541	298,626
Support Services:										
Salaries of Secretarial & Clerical Assistants	13,000	2,342	15,342	15,342	-	13,000	9,762	22,762	20,274	2,488
Purchased Professional - Educational Services	29,300	365,358	394,658	394,658	-	30,000	363,566	393,566	392,546	1,020
Other Purchased Professional Services	-	-	-	-	-	-	261	261	261	-
Purchased Technical Services	75,000	(39,395)	35,605	34,755	850	75,000	(1,981)	73,019	55,369	17,650
Employee Benefits	50,000	19,538	69,538	69,538	-	50,000	19,409	69,409	69,409	-
Travel	-	12,952	12,952	8,935	4,017	-	9,241	9,241	9,151	90
Supplies & Materials	-	91,590	91,590	91,590	-	-	96,951	96,951	59,806	37,145
Miscellaneous Expenditures	-	-	-	-	-	-	100	100	100	-
Total Support Services	167,300	452,385	619,685	614,818	4,867	168,000	497,309	665,309	606,916	58,393
Capital Outlay										
Instructional Equipment	-	6,745	6,745	5,620	1,125	-	23,121	23,121	21,815	1,306
Total Capital Outlay	-	6,745	6,745	5,620	1,125	-	23,121	23,121	21,815	1,306
Total Expenditures	1,354,300	780,877	2,135,177	1,899,638	235,539	1,340,300	825,297	2,165,597	1,807,272	358,325
Total Outflows	1,354,300	780,877	2,135,177	1,899,638	235,539	1,340,300	825,297	2,165,597	1,807,272	358,325
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**LACEY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**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	\$ 68,091,136	\$ 1,899,638
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	-	90,697
Current Year	-	(114,460)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,050,351	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(2,070,947)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 68,070,540	\$ 1,875,875
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 69,545,258	\$ 1,899,638
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	-	90,697
Current Year	-	(114,460)
Total Expenditures as Reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds (B-2)	\$ 69,545,258	\$ 1,875,875

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**LACEY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	I.D.E.A. - PART B BASIC REGULAR PROGRAM		IDEA - PART B PRESCHOOL PROGRAM		NO CHILD LEFT BEHIND	
					TITLE I	TITLE IIA
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-
Federal Sources	1,051,184	34,563	489,728	168,372		
Total Revenues	\$ 1,051,184	\$ 34,563	\$ 489,728	\$ 168,372		
Expenditures:						
Instruction:						
Salaries of Teachers	\$ -	\$ -	\$ 385,076	\$ 30,078		
Other Salaries for Instruction	-	-	-	-		
Purchased Professional Services	115,788	-	-	-		
Tuition	513,000	-	-	-		
General Supplies	37,240	-	28,157	108,149		
Textbooks	-	-	-	-		
Miscellaneous Expense	-	-	-	-		
Total Instruction	666,028	-	413,233	138,227		
Support Services:						
Other Support Services - Students - Special:						
Salaries of Secretarial & Clerical Assistants	14,947	-	-	395		
Purchased Professional Services	360,095	34,563	-	-		
Other Purchased Professional Services	-	-	-	-		
Purchased Technical Services	-	-	12,223	22,532		
Employee Benefits	983	-	62,535	6,020		
Travel	6,000	-	1,737	1,198		
General Supplies	3,131	-	-	-		
Miscellaneous Expenses	-	-	-	-		
Total Support Services	385,156	34,563	76,495	30,145		
Capital Outlay						
Instructional Equipment	-	-	-	-		
Total Capital Outlay	-	-	-	-		
Total Expenditures	\$ 1,051,184	\$ 34,563	\$ 489,728	\$ 168,372		

**LACEY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	NONPUBLIC TECHNOLOGY	NONPUBLIC TEXTBOOKS
Revenues:		
Local Sources	\$ -	\$ -
State Sources	293	793
Federal Sources	-	-
	<hr/>	<hr/>
Total Revenues	<u>\$ 293</u>	<u>\$ 793</u>
Expenditures:		
Instruction:		
Salaries of Teachers	\$ -	\$ -
Other Salaries for Instruction	-	-
Purchased Professional Services	-	-
Tuition	-	-
General Supplies	293	-
Textbooks	-	793
Miscellaneous Expense	-	-
	<hr/>	<hr/>
Total Instruction	<u>293</u>	<u>793</u>
Support Services:		
Other Support Services - Students - Special:		
Salaries of Secretarial & Clerical Assistants	-	-
Purchased Professional Services	-	-
Other Purchased Professional Services	-	-
Purchased Technical Services	-	-
Employee Benefits	-	-
Travel	-	-
General Supplies	-	-
Miscellaneous Expenses	-	-
	<hr/>	<hr/>
Total Support Services	<u>-</u>	<u>-</u>
Capital Outlay		
Instructional Equipment	-	-
	<hr/>	<hr/>
Total Capital Outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 293</u>	<u>\$ 793</u>

**LACEY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	VARIOUS LOCAL GRANTS	2013	2012
Revenues:			
Local Sources	\$ 154,705	\$ 154,705	\$ 132,673
State Sources	-	1,086	715
Federal Sources	-	1,743,847	1,673,884
	<hr/>		
Total Revenues	\$ 154,705	\$ 1,899,638	\$ 1,807,272
	<hr/> <hr/>		
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 8,853	\$ 424,007	\$ 388,032
Other Salaries for Instruction	-	-	-
Purchased Professional Services	2,854	118,642	122,924
Tuition	-	513,000	524,553
General Supplies	45,554	219,393	141,052
Textbooks	-	793	715
Miscellaneous Expense	3,365	3,365	1,265
	<hr/>		
Total Instruction	60,626	1,279,200	1,178,541
	<hr/>		
Support Services:			
Other Support Services - Students - Special:			
Salaries of Secretarial & Clerical Assistants	-	15,342	20,274
Purchased Professional Services	-	394,658	392,546
Other Purchased Professional Services	-	-	261
Purchased Technical Services	-	34,755	55,369
Employee Benefits	-	69,538	69,409
Travel	-	8,935	9,151
General Supplies	88,459	91,590	59,806
Miscellaneous Expenses	-	-	100
	<hr/>		
Total Support Services	88,459	614,818	606,916
	<hr/>		
Capital Outlay			
Instructional Equipment	5,620	5,620	21,815
	<hr/>		
Total Capital Outlay	5,620	5,620	21,815
	<hr/>		
Total Expenditures	\$ 154,705	\$ 1,899,638	\$ 1,807,272
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F. Capital Projects Fund

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**LACEY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2013
			PRIOR YEARS	CURRENT YEAR	
Installation of Solar Panels & Various Elementary School Renovations	4/28/2009	\$ 20,750,625	\$ 17,054,048	\$ 2,750,000	\$ 946,577
Total		\$ 20,750,625	\$ 17,054,048	\$ 2,750,000	\$ 946,577

**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, 2013**

Expenditures & Other Financing Uses:	
Project Balances Cancelled:	
Debt Service Fund	<u>\$ 2,750,000</u>
 Total Expenditures	 <u>2,750,000</u>
 Excess/(Deficiency) of Revenues Over/(Under) Expenditures	 (2,750,000)
Fund Balance - Beginning	<u>3,696,577</u>
 Fund Balance - Ending	 <u><u>\$ 946,577</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, 2013**

	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	11,544,048		11,544,048	11,546,000
Project Balances Cancelled:				
Debt Service Fund	5,510,000	2,750,000	8,260,000	8,260,000
Total Expenditures	17,054,048	2,750,000	19,804,048	19,806,000
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$3,696,577	(2,750,000)	946,577	-

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

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G. Proprietary Funds

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Enterprise Funds

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**LACEY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		2013	2012
	FOOD	COMMUNITY		
	SERVICE	EDUCATION		
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 13,852	\$ 229,665	\$ 243,517	\$ 244,414
Accounts Receivable:				
State	1,009	-	1,009	625
Federal	33,125	-	33,125	17,484
Other	3,786	-	3,786	-
Inventories	17,691	-	17,691	15,329
Total Current Assets	69,463	229,665	299,128	277,852
Noncurrent Assets:				
Furniture, Machinery & Equipment	416,942	24,558	441,500	373,919
Less: Accumulated Depreciation	(346,944)	(12,279)	(359,223)	(326,827)
Total Noncurrent Assets	69,998	12,279	82,277	47,092
Total Assets	139,461	241,944	381,405	324,944
LIABILITIES				
Accounts Payable	22,528	968	23,496	441
Total Liabilities	22,528	968	23,496	441
NET POSITION				
Investment in Capital Assets, Net	69,998	12,279	82,277	47,092
Unrestricted Net Position	46,935	228,697	275,632	277,411
Total Net Position	\$ 116,933	\$ 240,976	\$ 357,909	\$ 324,503

**LACEY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		2013	2012
	FOOD SERVICE	COMMUNITY EDUCATION		
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 797,808	\$ -	\$ 797,808	\$ 857,041
Daily Sales - Nonreimbursable Programs	23,574	-	23,574	30,365
Program Revenues	-	201,372	201,372	203,286
Trip Income	-	10,125	10,125	17,938
Total Operating Revenues	821,382	211,497	1,032,879	1,108,630
Operating Expenses:				
Salaries	605,787	161,719	767,506	749,692
Other Purchased Services	-	-	-	99
Supplies & Materials	1,853	9,562	11,415	27,503
Depreciation Expense	4,549	4,911	9,460	4,548
Cost of Sales	854,459	-	854,459	848,131
Miscellaneous	5,033	3,749	8,782	31,907
Total Operating Expenses	1,471,681	179,941	1,651,622	1,661,880
Operating Income/(Loss)	(650,299)	31,556	(618,743)	(553,250)
Nonoperating Revenues (Expenses):				
Miscellaneous	6,067	-	6,067	9,491
Adjustment to Fixed Assets	(205)	(11,359)	(11,564)	-
State Sources:				
State School Lunch Program	17,364	-	17,364	18,416
Federal Sources:				
National School Lunch Program	465,683	-	465,683	446,891
National School Performance Based Program	17,786	-	17,786	-
School Breakfast Program	45,800	-	45,800	42,474
Special Milk Program	3,611	-	3,611	5,342
Food Distribution Program	107,402	-	107,402	106,175
Total Nonoperating Revenues/(Expenses)	663,508	(11,359)	652,149	628,789
Change in Net Position	13,209	20,197	33,406	75,539
Total Net Position - Beginning	103,724	220,779	324,503	248,964
Total Net Position - Ending	\$ 116,933	\$ 240,976	\$ 357,909	\$ 324,503

**LACEY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		2013	2012
	FOOD SERVICE	COMMUNITY EDUCATION		
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 817,596	\$ 211,497	\$ 1,029,093	\$ 1,111,075
Payments to Employees	(605,787)	(161,719)	(767,506)	(749,692)
Payments to Suppliers	(734,146)	(12,415)	(746,561)	(796,281)
Net Cash Provided/(Used) by Operating Activities	(522,337)	37,363	(484,974)	(434,898)
Cash Flows From Noncapital Financing Activities:				
Miscellaneous	6,067	-	6,067	9,491
Cash Received from Federal Reimbursements	517,239	-	517,239	502,175
Cash Received from State Reimbursements	16,980	-	16,980	18,884
Net Cash Provided/(Used) by Noncapital Financing Activities	540,286	-	540,286	530,550
Cash Flows From Capital Activities:				
Purchase of Fixed Assets	(56,209)	-	(56,209)	9,587
Net Cash Provided/(Used) by Capital Activities	(56,209)	-	(56,209)	9,587
Net Increase/(Decrease) in Cash & Cash Equivalents				
Balances - Beginning of Year	(38,260)	37,363	(897)	105,239
Balances - End of Year	52,112	192,302	244,414	139,175
	\$ 13,852	\$ 229,665	\$ 243,517	\$ 244,414

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

Operating Income/(Loss)	\$ (650,299)	\$ 31,556	\$ (618,743)	\$ (553,250)
Adjustments to Reconcile Operating Income/ (Loss) to Net Cash Provided/(Used) by Operating Activities:				
Food Distribution Program	107,402	-	107,402	106,175
Depreciation Expense	4,549	4,911	9,460	4,548
Decrease/(Increase) in Other Receivables	(3,786)	-	(3,786)	2,445
Decrease/(Increase) in Inventory	(2,362)	-	(2,362)	4,809
(Decrease)/Increase in Interfund Payable	-	-	-	6
(Decrease)/Increase in Accounts Payable	22,159	896	23,055	369
Total Adjustments	127,962	5,807	133,769	118,352
Net Cash Provided/(Used) by Operating Activities	\$ (522,337)	\$ 37,363	\$ (484,974)	\$ (434,898)

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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LACEY TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

	<u>PRIVATE PURPOSE</u>		<u>AGENCY FUND</u>		2013	2012
	<u>SCHOLARSHIP</u> FUND	<u>UNEMPLOYMENT</u> COMPENSATION INSURANCE	<u>STUDENT</u> ACTIVITY	<u>PAYROLL</u> FUND		
ASSETS						
Cash & Cash Equivalents	\$ -	\$ 91,254	\$ 148,713	\$ 1,204,684	\$ 1,444,651	\$ 366,773
Restricted Cash	10,109	-	-	-	10,109	10,549
Interfunds Receivable	-	4,941	-	-	4,941	-
Total Assets	10,109	96,195	148,713	1,204,684	1,459,701	377,322
LIABILITIES						
Payroll Deductions & Withholdings	-	-	-	1,117,004	1,117,004	118,882
Due to Student Groups	-	-	148,713	-	148,713	139,704
Interfunds Payable	-	-	-	87,680	87,680	-
Total Liabilities	-	-	148,713	1,204,684	1,353,397	258,586
NET POSITION						
Reserve For:						
Held in Trust for:						
Unemployment Claims & Other Purposes	-	96,195	-	-	96,195	108,187
Scholarships	10,109	-	-	-	10,109	10,549
Total Net Position	\$ 10,109	\$ 96,195	\$ -	\$ -	\$ 106,304	\$ 118,736

**LACEY TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	PRIVATE PURPOSE		2013	2012
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST		
ADDITIONS				
Contributions:				
Plan Member	\$ -	\$ 96,989	\$ 96,989	\$ 64,479
Total Contributions	-	96,989	96,989	64,479
Investment Earnings:				
Interest	360	184	544	810
Net Investment Earnings	360	184	544	810
Total Additions	360	97,173	97,533	65,289
DEDUCTIONS				
Scholarship	800	-	800	-
Unemployment Claims	-	109,165	109,165	115,878
Total Deductions	800	109,165	109,965	115,878
Change in Net Position	(440)	(11,992)	(12,432)	(50,589)
Net Position - Beginning of the Year	10,549	108,187	118,736	169,325
Net Position - End of the Year	\$ 10,109	\$ 96,195	\$ 106,304	\$ 118,736

**LACEY TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

ASSETS	BALANCE JULY 1, 2012	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2013
Elementary School	\$ 1,509	\$ 1,295	\$ 1,065	\$ 1,739
Middle School	11,714	15,498	13,935	13,277
High School	126,481	365,981	358,765	133,697
Total Assets	139,704	382,774	373,765	148,713
LIABILITIES				
Payable to Student Groups	\$ 139,704	\$ 382,774	\$ 373,765	\$ 148,713
Total Liabilities	\$ 139,704	\$ 382,774	\$ 373,765	\$ 148,713

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

ASSETS	BALANCE JULY 1, 2012	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2013
Cash & Cash Equivalents	\$ 236,403	\$ 56,028,181	\$ 55,059,900	\$ 1,204,684
Total Assets	\$ 236,403	\$ 56,028,181	\$ 55,059,900	\$ 1,204,684
LIABILITIES				
Payroll Deductions & Withholdings	\$ 118,882	\$ 56,028,181	\$ 55,030,059	\$ 1,117,004
Interfunds Payable	117,521		29,841	87,680
Total Liabilities	\$ 236,403	\$ 56,028,181	\$ 55,059,900	\$ 1,204,684

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I. Long-Term Debt

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**LACEY TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2013**

PURPOSE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2012	ISSUED	RETIRED	BALANCE JUNE 30, 2013
			DATE	AMOUNT					
Refunding of 1996 Bond Issuance	1/25/2005	\$11,755,000				\$ 2,270,000	\$ -	\$ 2,270,000	\$ -
Refunding of 2001 Bond Issuance	2/22/2006	24,625,000	04/01/14	1,810,000	4.000%	23,690,000	-	310,000	23,380,000
			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%	18,600,000	-	750,000	17,850,000
			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>\$ 44,560,000</u>	<u>\$ -</u>	<u>\$ 3,330,000</u>	<u>\$ 41,230,000</u>

**LACEY TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SERIES	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2012	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2013
School Buses	243,051	\$ 99,175	\$ -	\$ 48,520	\$ 50,655
School Buses	245,895	147,366	-	47,092	100,274
Total		<u>\$ 246,541</u>	<u>\$ -</u>	<u>\$ 95,612</u>	<u>\$ 150,929</u>

**LACEY TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				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	\$ 1,103,479	\$ -	\$ 1,103,479	\$ 1,103,479	\$ -	\$ 628,680	\$ -	\$ 628,680	\$ 628,680	\$ -
State Sources:										
Debt Service Aid Type II	1,174,659	-	1,174,659	1,174,659	-	1,204,108	-	1,204,108	1,204,108	-
Total Revenues	2,278,138	-	2,278,138	2,278,138	-	1,832,788	-	1,832,788	1,832,788	-
Expenditures:										
Regular Debt Service:										
Interest	1,698,138	-	1,698,138	1,698,137	1	1,832,788	-	1,832,788	1,832,788	-
Redemption of Principal	3,330,000	-	3,330,000	3,330,000	-	3,280,000	-	3,280,000	3,280,000	-
Total Regular Debt Service	5,028,138	-	5,028,138	5,028,137	1	5,112,788	-	5,112,788	5,112,788	-
Total Expenditures	5,028,138	-	5,028,138	5,028,137	1	5,112,788	-	5,112,788	5,112,788	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(2,750,000)	-	(2,750,000)	(2,749,999)	(1)	(3,280,000)	-	(3,280,000)	(3,280,000)	-
Other Financing Sources:										
Operating Transfers In:										
Capital Projects Fund	2,750,000	-	2,750,000	2,750,000	-	3,280,000		3,280,000	3,280,000	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources	-	-	-	1	(1)	-	-	-	-	-
Fund Balance, July 1	1	-	1	1		1	-	1	1	
Fund Balance, June 30	\$ 1	\$ -	\$ 1	\$ 2	\$ (1)	\$ 1	\$ -	\$ 1	\$ 1	\$ -

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STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities									
Invested in Capital Assets, Net									
of Related Debt	\$ 11,311,352	\$ 8,058,176	\$ 6,220,655	\$ 4,972,940	\$ (6,037,951)	\$ 12,406,334	\$ 14,462,541	\$ 13,115,794	\$ 16,559,630
Restricted	2,697,936	6,922,653	10,141,673	10,657,836	21,428,794	2,205,352	968,901	1,223,357	2,072,903
Unrestricted	(4,128,614)	(3,306,663)	(3,373,649)	(4,746,812)	(4,316,450)	(2,672,187)	(1,674,402)	(571,752)	(4,518,101)
Total Governmental Activities									
Net Position	<u>\$ 9,880,674</u>	<u>\$ 11,674,166</u>	<u>\$ 12,988,679</u>	<u>\$ 10,883,964</u>	<u>\$ 11,074,393</u>	<u>\$ 11,939,499</u>	<u>\$ 13,757,040</u>	<u>\$ 13,767,399</u>	<u>\$ 14,114,432</u>
Business-Type Activities									
Invested in Capital Assets, Net									
of Related Debt	\$ 82,277	\$ 47,092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	275,632	277,411	248,964	144,829	130,742	183,443	138,320	158,346	147,997
Total Business-Type Activities									
Net Position	<u>\$ 357,909</u>	<u>\$ 324,503</u>	<u>\$ 248,964</u>	<u>\$ 144,829</u>	<u>\$ 130,742</u>	<u>\$ 183,443</u>	<u>\$ 138,320</u>	<u>\$ 158,346</u>	<u>\$ 147,997</u>
District-Wide									
Invested in Capital Assets, Net									
of Related Debt	\$ 11,393,629	\$ 8,105,268	\$ 6,220,655	\$ 4,972,940	\$ (6,037,951)	\$ 12,406,334	\$ 14,462,541	\$ 13,115,794	\$ 16,559,630
Restricted	2,697,936	6,922,653	10,141,673	10,657,836	21,428,794	2,205,352	968,901	1,223,357	2,072,903
Unrestricted	(3,852,982)	(3,029,252)	(3,124,685)	(4,601,983)	(4,185,708)	(2,488,744)	(1,536,082)	(413,406)	(4,370,104)
Total District Net Position	<u>\$ 10,238,583</u>	<u>\$ 11,998,669</u>	<u>\$ 13,237,643</u>	<u>\$ 11,028,793</u>	<u>\$ 11,205,135</u>	<u>\$ 12,122,942</u>	<u>\$ 13,895,360</u>	<u>\$ 13,925,745</u>	<u>\$ 14,262,429</u>

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

	FISCAL YEAR ENDING JUNE 30,								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses:									
Governmental Activities									
Instruction:									
Regular	\$ 22,199,001	\$ 22,709,081	\$ 23,301,900	\$ 22,775,378	\$ 21,069,758	\$ 19,952,651	\$ 19,933,030	\$ 19,512,581	\$ 19,041,211
Special Education	6,320,828	6,088,388	5,799,390	5,442,477	5,196,187	4,727,849	4,495,758	4,110,585	3,469,490
Other Special Education	1,420,127	1,403,269	1,455,353	1,408,180	1,343,013	1,223,343	1,188,432	1,152,704	1,048,671
Support Services:									
Tuition	1,899,808	1,988,740	1,545,010	1,285,374	1,260,773	1,062,343	1,111,777	818,791	834,416
Student & Instruction Related Services	6,360,879	6,036,326	6,010,560	5,660,586	5,391,509	5,377,453	5,650,442	5,390,229	4,973,248
General Administrative Services	998,769	1,112,901	1,255,437	1,235,349	1,120,088	1,183,579	1,162,361	1,152,797	1,058,798
School Administrative Services	1,451,965	1,407,849	1,438,819	1,424,257	1,455,554	1,417,815	1,438,888	1,462,312	1,320,312
Central Services	528,064	517,263	515,023	504,963	452,327	431,576	416,955	400,468	-
Plant Operations & Maintenance	5,669,269	5,616,086	5,535,596	5,630,773	5,454,230	5,285,057	5,069,342	4,872,729	4,443,051
Pupil Transportation	2,825,083	2,771,058	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	-	-	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	21,166,209	18,192,869	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	1,666,562	1,797,008	1,872,412	1,641,437	1,479,852	1,639,666	1,116,628	1,923,762	2,137,320
Unallocated Amortization	110,535	193,957	193,956	193,956	193,957	193,957	182,486	-	-
Unallocated Revaluation Loss	(672,290)	833,756	(198,049)	160,079	2,036,435	-	-	-	-
Loss on Disposal of Undepreciated Capital Assets	59,763	-	-	-	-	-	-	-	-
Unallocated Depreciation	2,041,518	1,954,712	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	74,046,090	72,623,263	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	1,471,681	1,483,028	1,503,050	1,494,472	1,499,835	1,479,695	1,434,492	1,386,793	1,554,994
Community Education	179,941	178,852	304,361	313,667	301,437	349,394	327,171	328,311	-
Total Business-Type Activities Expense	1,651,622	1,661,880	1,807,411	1,808,139	1,801,272	1,829,089	1,761,663	1,715,104	1,554,994
Total District Expenses	\$ 75,697,712	\$ 74,285,143	\$ 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 POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Program Revenues:									
Governmental Activities:									
Operating Grants & Contributions	\$ 8,835,923	\$ 6,718,495	\$ 6,591,676	\$ 5,699,983	\$ 5,772,404	\$ 7,296,842	\$ 6,683,240	\$ 4,825,977	\$ 5,214,683
Total Governmental Activities Program Revenues	8,835,923	6,718,495	6,591,676	5,699,983	5,772,404	7,296,842	6,683,240	4,825,977	5,214,683
Business-Type Activities:									
Charges for Services:									
Food Service	821,382	887,406	952,145	989,830	996,209	1,018,195	1,077,385	1,060,929	1,028,622
Community Education	211,497	221,224	252,592	287,856	242,168	321,296	322,074	314,211	313,054
Operating Grants & Contributions	652,149	628,789	571,845	543,812	467,061	456,904	409,604	396,872	362,817
Total Business Type Activities Program Revenues	1,685,028	1,737,419	1,776,582	1,821,498	1,705,438	1,796,395	1,809,063	1,772,012	1,704,493
Total District Program Revenues	\$ 10,520,951	\$ 8,455,914	\$ 8,368,258	\$ 7,521,481	\$ 7,477,842	\$ 9,093,237	\$ 8,492,303	\$ 6,597,989	\$ 6,919,176
Net (Expense)/Revenue:									
Governmental Activities	\$(65,210,167)	\$(65,904,768)	\$(62,085,381)	\$(61,741,105)	\$(63,418,421)	\$(56,641,130)	\$(53,418,238)	\$(53,178,888)	\$(49,064,380)
Business-Type Activities	33,406	75,539	(30,829)	13,359	(95,834)	(32,694)	47,400	56,908	149,499
Total District-Wide Net Expense	\$(65,176,761)	\$(65,829,229)	\$(62,116,210)	\$(61,727,746)	\$(63,514,255)	\$(56,673,824)	\$(53,370,838)	\$(53,121,980)	\$(48,914,881)

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

	FISCAL YEAR ENDING JUNE 30,								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Revenues & Other Changes in Net Position									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$ 40,090,630	\$ 39,413,121	\$ 38,379,406	\$ 37,029,824	\$ 35,639,904	\$ 36,892,463	\$ 34,814,214	\$ 32,247,654	\$ 30,687,719
Taxes Levied for Debt Service	1,103,479	628,680	1,651,730	2,788,058	2,800,396	2,756,498	2,143,562	2,563,729	2,664,524
Unrestricted Grants & Contributions	21,160,059	22,879,861	22,349,266	22,643,277	22,121,965	19,959,416	19,676,342	19,837,944	18,989,491
Tuition	97,251	153,068	71,270	22,585	17,484	55,754	193,321	103,891	144,659
Solar Renewable Energy Credits	689,549	1,284,028	1,067,829	-	-	-	-	-	-
Investment Earnings	11,875	26,905	67,021	158,454	112,589	147,900	201,967	-	222,575
Miscellaneous Income	235,787	133,125	287,396	72,980	89,773	242,944	143,499	262,616	155,831
Amortization of Bond Premium	28,045	71,467	71,467	71,467	71,467	71,467	71,468	70,412	-
Transfers	-	-	-	-	(50,000)	(50,000)	-	-	(454,000)
Total Governmental Activities	63,416,675	64,590,255	63,945,385	62,786,645	60,803,578	60,076,442	57,244,373	55,086,246	52,410,799
Business-Type Activities:									
Investment Earnings	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	50,000	50,000	-	-	454,000
Total Business-Type Activities	-	-	-	-	50,000	50,000	-	-	454,000
Total District-Wide	\$ 63,416,675	\$ 64,590,255	\$ 63,945,385	\$ 62,786,645	\$ 60,853,578	\$ 60,126,442	\$ 57,244,373	\$ 55,086,246	\$ 52,864,799
Change in Net Position:									
Governmental Activities	\$ (1,793,492)	\$ (1,314,513)	\$ 1,860,004	\$ 1,045,540	\$ (2,614,843)	\$ 3,435,312	\$ 3,826,135	\$ 1,907,358	\$ 3,346,419
Business-Type Activities	33,406	75,539	(30,829)	13,359	(45,834)	17,306	47,400	56,908	603,499
Total District	\$ (1,760,086)	\$ (1,238,974)	\$ 1,829,175	\$ 1,058,899	\$ (2,660,677)	\$ 3,452,618	\$ 3,873,535	\$ 1,964,266	\$ 3,949,918

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

	FISCAL YEAR ENDING JUNE 30,								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund:									
Restricted	\$ 327,493	\$ 568,849	\$ 983,462	\$ 473,765	\$ 177,982	\$ 133,986	\$ 811,667	\$ 1,384,338	\$ 1,038,091
Committed	945,747	1,046,367	-	-	-	-	-	-	-
Assigned	478,117	1,610,859	-	-	-	-	-	-	-
Unassigned	-	-	(277,953)	1,371,659	2,210,291	1,253,729	(55,923)	86,443	463,289
Total General Fund	\$ 1,751,357	\$ 3,226,075	\$ 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
Restricted, Reported in:									
Special Revenue Fund	-	-	-	-	-	(8,268)	(2,201)	(6,270)	(8,268)
Capital Projects Fund	946,577	3,696,577	3,700,770	8,193,016	18,390,954	-	93,225	118,449	189,451
Debt Service Fund	2	1	1	-	-	-	-	28,240	236,049
Total All Other Governmental Funds	\$ 946,579	\$ 3,696,578	\$ 6,985,936	\$ 8,595,375	\$ 18,645,445	\$ (8,268)	\$ 119,264	\$ 769,088	\$ 1,167,051

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

	FISCAL YEAR ENDING JUNE 30,								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues:									
Tax Levy	\$ 41,194,109	\$ 40,041,801	\$ 40,031,136	\$ 39,817,882	\$ 38,440,300	\$ 39,648,961	\$ 36,957,776	\$ 34,811,383	\$ 33,352,243
Tuition Charges	97,251	153,068	71,270	22,585	17,484	55,754	193,321	103,891	144,659
Interest Earnings	11,875	26,905	67,021	158,454	112,589	147,900	201,967	-	89,797
Solar Renewable Energy Credits	689,549	1,284,028	1,067,829	-	-	-	-	-	-
Miscellaneous	235,787	242,060	363,988	192,085	163,457	257,071	143,499	262,616	155,831
State Sources	28,235,179	26,818,605	26,141,595	22,958,117	26,098,631	25,609,112	24,704,285	23,021,550	22,480,433
Federal Sources	1,760,803	2,670,816	2,722,755	5,266,038	1,722,054	1,647,146	1,655,297	1,642,371	1,723,742
Total Revenue	72,224,553	71,237,283	70,465,594	68,415,161	66,554,515	67,365,944	63,856,145	59,841,811	57,946,705
Expenditures:									
Instruction:									
Regular Instruction	22,199,001	22,709,081	21,415,354	23,301,900	22,775,378	21,069,758	19,952,651	19,933,030	19,512,581
Special Education Instruction	6,320,828	6,088,388	5,735,472	5,799,390	5,442,477	5,196,187	4,727,849	4,495,758	4,110,585
Other Special Instruction	1,420,127	1,403,269	1,363,751	1,455,353	1,408,180	1,343,013	1,223,343	1,188,432	1,152,704
Support Services:									
Instruction	1,899,808	1,988,740	1,406,711	1,545,010	1,285,374	1,260,773	1,062,343	1,111,777	818,791
Attendance & Social Work Services	246,381	240,966	228,199	225,678	207,893	193,604	181,577	187,792	178,929
Health Services	642,853	614,344	580,154	599,143	573,725	536,471	532,282	536,247	509,337
Other Support Services	4,930,852	4,694,870	4,636,630	4,480,466	4,185,419	4,066,316	4,013,246	4,234,232	4,048,733
Educational Media Services/School Library	467,127	445,656	539,690	651,038	632,666	560,456	610,631	644,636	621,653
Instructional Staff Training	73,666	40,490	14,870	54,235	60,883	34,662	39,717	47,535	31,577
General Administrative Services	998,769	1,112,901	1,106,604	1,255,437	1,235,349	1,120,088	1,183,579	1,162,361	1,152,796
School Administrative Services	1,451,965	1,407,849	1,371,073	1,438,819	1,424,257	1,455,554	1,417,815	1,438,888	1,462,312
Central Services	528,064	517,263	498,371	515,023	504,963	452,327	431,576	416,955	400,468
Allowed Maintenance for School Facilities	1,818,911	1,867,513	1,535,052	1,566,900	318,700	264,220	189,266	233,958	363,428
Other Operation & Maintenance of Plant	3,850,358	3,748,573	3,775,506	3,968,696	5,312,073	5,190,010	5,095,791	4,835,384	4,509,301
Pupil Transportation	2,825,083	2,771,058	2,468,123	2,448,582	2,491,549	2,427,506	2,233,460	2,027,159	1,980,035
Business & Other Support Services	-	-	-	-	-	-	-	-	6,986
Unallocated Employee Benefits	20,395,173	13,656,604	13,262,203	12,376,717	11,396,320	12,472,167	12,182,168	11,300,027	10,315,726
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
Debt Service:									
Principal	3,330,000	3,280,000	2,651,000	2,245,000	2,185,000	1,905,000	1,917,000	1,795,000	1,380,000
Interest & Other Charges	1,698,137	1,832,788	2,414,598	1,340,425	1,412,400	1,491,675	1,656,562	1,239,714	1,870,021
Capital Outlay	1,352,167	1,345,989	1,001,740	10,735,063	1,649,024	807,115	420,884	1,300,917	2,122,098

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

	FISCAL YEAR ENDING JUNE 30,								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Expenditures	76,449,270	74,456,303	69,870,700	79,848,197	68,199,651	66,900,947	63,873,998	61,148,071	59,074,207
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(4,224,717)	(3,219,020)	594,894	(11,433,036)	(1,645,136)	464,997	(17,853)	(1,306,260)	(1,127,502)
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	2,750,000	3,280,000	2,230,000	-	-	-	-	-	17,635
Transfers Out	(2,750,000)	(3,280,000)	(2,230,000)	-	(50,000)	(50,000)	-	-	(471,635)
Total Other Financing Sources/(Uses)	-	-	245,895	243,051	19,756,000	408,030	-	193,260	150,486
Net Change in Fund Balances	\$ (4,224,717)	\$ (3,219,020)	\$ 840,789	\$ (11,189,985)	\$ 18,110,864	\$ 873,027	\$ (17,853)	\$ (1,113,000)	\$ (977,016)
Debt Service as a Percentage of Noncapital Expenditures	6.7%	7.0%	7.4%	5.2%	5.4%	5.1%	5.6%	5.1%	5.7%

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
2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,082	\$ 81,082
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

Source: District Records

**LACEY TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30, 14	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
2013	\$ 117,660,700	\$ 3,577,090,600	\$ 4,662,100	\$ 965,800	\$ 337,470,300	\$ 222,691,800	\$ 5,172,700	\$ 4,265,714,000	\$ 7,009,567	\$ 4,272,723,567	1.033	\$ 3,957,650,065
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	4,308,342,163	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	4,305,705,719	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	4,282,635,224	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	1,765,329,567	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	1,740,243,226	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	1,714,366,920	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	1,714,366,920	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	1,682,115,707	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	1,655,094,300	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	1,630,292,713	1.877	2,186,043,916

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	
2013	1.033	1.033	0.252	0.303	0.035	0.011	0.601
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

Source: Abstract of Ratables/Municipal Tax Assessor

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

TAXPAYER	2013			2004		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Exelon (Amergen Energy) Co	\$ 145,444,700	1	340.000%	\$ 59,020,500	1	354.500%
JCP & L	49,433,800	2	115.700%	22,827,800	2	137.100%
PR Lacey LLC	35,890,600	3	84.000%			
Wal-Mart RE Business Trust	21,926,300	4	51.300%			
Piedmont Associates	21,200,000	5	49.600%			
Toll Land XI, LP	18,889,000	6	44.200%			
Forked River Residences, LLC	9,571,800	7	22.400%			
NJ Bell/Verizon	8,114,151	8	19.000%	7,065,900	4	42.400%
Forked River Power, LLC	7,554,000	9	17.700%			
Taxpayer #1	5,525,800	10	12.900%	3,478,700	6	20.900%
Taxpayer #2				2,488,600	7	14.900%
Geriatric & Medical Services				4,727,600	5	28.400%
Taxpayer #3				1,946,300	10	11.700%
Sunrise Pointe, L.P.				1,992,900	9	12.000%
Friedmont Associates				7,055,987	3	42.400%
Partners Limited, LLC				2,238,600	8	13.400%
Total	\$ 323,550,151		756.800%	\$ 112,842,887		677.700%

Source: Municipal Tax Assessor

EXHIBIT J-9

**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		PERCENTAGE OF LEVY	COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT			
2013	\$ 41,194,109	\$ 38,353,214		93.10%	N/A
2012	40,041,801	36,757,377		91.80%	\$ 3,284,424
2011	40,031,136	36,832,843		92.01%	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%	-

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

EXHIBIT J-10

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

FISCAL YEAR ENDED JUNE 20,	<u>GOVERNMENTAL ACTIVITIES</u>			PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL DISTRICT		
2013	\$ 41,230,000	\$ 150,929	\$ 41,380,929	N/A	N/A
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	-	40,392,000	4.69%	1,544

**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				
2013	\$ 41,230,000	\$ -		\$ 41,230,000	N/A	N/A
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

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2013**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Lacey Township	\$ 14,706,132	100.00%	\$ 14,706,132
County of Ocean General Obligation Debt	\$ 418,744,357	4.10%	<u>17,168,519</u>
Subtotal, Overlapping Debt			31,874,651
Lacey Township School District Direct Debt			<u>41,230,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 73,104,651</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**

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$ 163,706,273	\$ 170,216,059	\$ 174,910,000	\$ 174,064,000	\$ 163,084,000	\$ 144,487,000	\$ 122,895,000	\$ 108,328,000	\$ 97,114,000	\$ 88,577,000
Total Net Debt Applicable to Limit	41,230,000	44,560,000	47,840,000	50,491,000	52,736,000	35,115,000	37,020,000	36,022,000	37,817,000	40,392,000
Legal Debt Margin	<u>\$ 122,476,273</u>	<u>\$ 125,656,059</u>	<u>\$ 127,070,000</u>	<u>\$ 123,573,000</u>	<u>\$ 110,348,000</u>	<u>\$ 109,372,000</u>	<u>\$ 85,875,000</u>	<u>\$ 72,306,000</u>	<u>\$ 59,297,000</u>	<u>\$ 48,185,000</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	25.19%	26.18%	27.35%	29.01%	32.34%	24.30%	30.12%	33.25%	38.94%	45.60%

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized Valuation Basis
	2012 \$ 3,957,650,065
	2011 4,069,866,421
	2010 <u>4,250,453,976</u>
	<u>\$ 12,277,970,462</u>
Average Equalized Valuation of Taxable Property	\$ 4,092,656,821
Debt Limit (4 % of Average Equalization Value)	163,706,273
Net Bonded School Debt	<u>41,230,000</u>
Legal Debt Margin	<u>\$ 122,476,273</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	
		PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2013	N/A	N/A	N/A
2012	27,825	N/A	10.20%
2011	27,781	40,724	10.10%
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%

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	2013	2012	2011	2010	2009	2008	2007
Instruction:							
Regular	283	285	290	325	323	319	327
Special Education	128	123	119	114	104	125	112
Other Instruction	4	5	5	6	4	2	4
Support Services:							
Student & Instruction Related Services	82	77	80	85	82	82	80
School Administrative Services	17	18	17	17	19	19	21
General & Business Administrative Services	11	13	17	17	17	16	14
Plant Operations & Maintenance	113	110	101	69	69	67	68
Pupil Transportation	41	37	45	43	45	42	43
Total	679	668	674	676	663	672	669

Source: District Personnel Records

LACEY TOWNSHIP SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

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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				
2013	4,651	\$ 70,068,966	15,065	4.53%	N/A	N/A	N/A	N/A	4,524	4,201	-1.74%	92.86%
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	#DIV/0!	416	13:1	14:1	12:1	5,038	4,686	#DIV/0!	93.01%

Sources: District records

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

DISTRICT BUILDINGS	2013	2012	2011	2010	2009	2008	2007	2006
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	540	545	549	528	501	538	575	562
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)	593	579	589	607	606	632	676	659
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	599	619	613	613	647	609	628	591
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	679	707	730	758	772	772	771	809
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	707	738	777	763	756	775	803	831
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	1,460	1,453	1,504	1,507	1,583	1,563	1,559
Other Buidlings:								
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, 2013:								
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
2013	\$ 604,141	\$ 231,075	\$ 328,916	\$ 202,064	\$ 209,615	\$ 243,100	\$ 1,818,911
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

Total School Facilities	\$ 2,127,950	\$ 1,213,791	\$ 1,441,123	\$ 979,070	\$ 1,013,389	\$ 1,078,692	\$ 7,854,015
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* 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, 2013**

	COVERAGE	DEDUCTIBLE
School Package Policy (1):		
Building & Contents (All Locations)	\$161,276,480	5,000
Equipment Breakdown	100,000,000	5,000
Computers - EDP Blanket	2,000,000	1,000
General Liability	16,000,000	
General Automobile Liability	16,000,000	
Employee Benefit Liability	16,000,000	
Crime - Employee Dishonesty	100,000	
School Leaders Errors & Omissions	16,000,000	
Workers' Compensation:		
Employers Liability	2,000,000	
Auto Physical Damage	4,022,514	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

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EXHIBIT K-1

INDEPENDENT AUDITOR'S 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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lacey Township School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Lacey Township School District's basic financial statements, and have issued our report thereon dated November 18, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lacey Township School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lacey Township School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lacey Township School District's internal control.

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

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

Compliance and Other Matters

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


Purpose of this Report

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

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 ALLISON, P.C.

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

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

Toms River, New Jersey
November 18, 2013



EXHIBIT K-2

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY 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

Report on Compliance for Each Major Federal and State Program

We have audited Lacey Township School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lacey Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*; the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 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 on compliance for each major federal or state program. However, our audit does not provide a legal determination of Lacey Township School District's compliance with those requirements.

Opinion on Each Major Federal or State Program

In our opinion, Lacey Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04.

Report on Internal Control Over Compliance

Management of Lacey Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lacey Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04, 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 Lacey Township School District'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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

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 ALLISON, P.C.

A handwritten signature in black ink, appearing to read "F. B. Holman, III". The signature is stylized with a large initial "F" and a long horizontal stroke at the end.

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

Toms River, New Jersey
November 18, 2013

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LACEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2012	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2013	UNEARNED REVENUE AT JUNE 30, 2013	DUE TO GRANTOR JUNE 30, 2013
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:										
Enterprise Fund:										
Food Distribution Program	10.565	\$ 107,402	7/1/12-6/30/13	\$ -	\$ -	\$ 107,402	\$ (107,402)	\$ -	\$ -	\$ -
National School Lunch Program	10.555	465,683	7/1/12-6/30/13	-	-	438,156	(465,683)	(27,527)	-	-
National School Lunch Program	10.555	446,891	7/1/11-6/30/12	(15,319)	-	15,319	-	-	-	-
National Performance Based Lunch	10.555	17,786	7/1/12-6/30/13	-	-	16,467	(17,786)	(1,319)	-	-
National School Breakfast Program	10.553	45,800	7/1/12-6/30/13	-	-	41,743	(45,800)	(4,057)	-	-
National School Breakfast Program	10.553	42,474	7/1/11-6/30/12	(1,993)	-	1,993	-	-	-	-
School Milk Program	10.556	3,611	7/1/12-6/30/13	-	-	3,388	(3,611)	(223)	-	-
School Milk Program	10.556	5,342	7/1/11-6/30/12	(173)	-	173	-	-	-	-
Total Enterprise Fund				(17,485)	-	624,641	(640,282)	(33,126)	-	-
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:										
General Fund:										
Medical Assistance Program (SEMI)	93.778	4,444	9/1/12-8/31/13	-	-	4,444	(4,444)	-	-	-
Ed Jobs Fund Program	84.410	772,928	9/1/11-8/31/12	(168,289)	-	202,635	(36,275)	(1,929)	-	-
Total General Fund				(168,289)	-	207,079	(40,719)	(1,929)	-	-
Special Revenue Fund:										
I.D.E.A. Part B Preschool	84.173	34,563	9/1/12-8/31/13	-	-	4,887	(34,563)	(29,676)	-	-
I.D.E.A. Part B Preschool	84.173	34,491	9/1/11-8/31/12	-	-	-	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027	1,070,699	9/1/12-8/31/13	-	(112,804)	1,090,818	(1,051,184)	(73,170)	-	-
I.D.E.A. Part B, Basic Regular	84.027	1,064,848	9/1/11-8/31/12	(112,804)	112,804	-	-	-	-	-
Perkins Grant - Secondary	84.038	-	9/1/12-8/31/13	-	(15,631)	14,260	-	(1,371)	-	-
Perkins Grant - Secondary	84.038	27,677	9/1/11-8/31/12	(15,631)	15,631	-	-	-	-	-
N.C.L.B. Title I	84.010	424,974	9/1/12-8/31/13	-	(218,648)	493,271	(489,728)	(215,105)	-	-
N.C.L.B. Title I	84.010	499,500	9/1/11-8/31/12	(218,648)	218,648	-	-	-	-	-
N.C.L.B. Title II - Part A	84.186A	133,186	9/1/12-8/31/13	-	(39,089)	146,238	(168,372)	(61,223)	-	-
N.C.L.B. Title II - Part A	84.186A	149,741	9/1/11-8/31/12	(39,089)	39,089	-	-	-	-	-
N.C.L.B. Title II - Part D	84.186D	3,002	9/1/10-8/31/11	(1,324)	-	-	-	(1,324)	-	-
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				(388,911)	-	1,749,474	(1,743,847)	(383,284)	-	-
Total Federal Financial Assistance				\$ (574,685)	\$ -	\$ 2,581,194	\$ (2,424,848)	\$ (418,339)	\$ -	\$ -

LACEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE)	DUE TO STATE	MEMO	
				JUNE 30, 2012	CASH RECEIVED		AT JUNE 30, 2013	AT JUNE 30, 2013	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:										
General Fund:										
Equalization Aid	13-495-034-5120-078	\$ 17,692,202	7/1/12-6/30/13	\$ -	\$ 17,692,202	\$ (17,692,202)	\$ -	\$ -	\$ 1,739,820	\$ 17,692,202
Special Education Aid	13-495-034-5120-089	2,473,933	7/1/12-6/30/13	-	2,473,933	(2,473,933)	-	-	243,282	2,473,933
Categorical Security Aid	13-495-034-5120-084	470,686	7/1/12-6/30/13	-	470,686	(470,686)	-	-	46,286	470,686
Adjustment Aid	13-495-034-5120-085	79,895	7/1/12-6/30/13	-	79,895	(79,895)	-	-	7,857	79,895
Categorical Transportation Aid	13-495-034-5120-014	342,986	7/1/12-6/30/13	-	342,986	(342,986)	-	-	33,729	342,986
Extraordinary Aid	13-495-034-5120-473	227,231	7/1/12-6/30/13	-	-	(227,231)	(227,231)	-	-	227,231
Extraordinary Aid	12-495-034-5120-473	273,803	7/1/11-6/30/12	(273,803)	273,803	-	-	-	-	-
Nonpublic Transportation Aid	13-495-034-5120-015	2,088	7/1/12-6/30/13	-	-	(2,088)	(2,088)	-	-	2,088
Nonpublic Transportation Aid	12-495-034-5120-015	2,436	7/1/11-6/30/12	(2,436)	2,436	-	-	-	-	-
On-Behalf TPAF Pension Contributions (Nonbudgeted)	13-100-034-5095-001	1,747,565	7/1/12-6/30/13	-	1,747,565	(1,747,565)	-	-	-	1,747,565
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	13-100-034-5095-001	1,976,055	7/1/12-6/30/13	-	1,976,055	(1,976,055)	-	-	-	1,976,055
TPAF Social Security Contributions	13-495-034-5095-002	2,067,389	7/1/12-6/30/13	-	1,966,222	(2,067,389)	(101,167)	-	-	2,067,389
TPAF Social Security Contributions	12-495-034-5095-002	2,043,401	7/1/11-6/30/12	(101,781)	101,781	-	-	-	-	-
Total General Fund				(378,020)	27,127,564	(27,080,030)	(330,486)	-	2,070,974	27,080,030
Special Revenue Fund:										
Nonpublic Aid:										
Technology	13-100-034-5120-070	293	7/1/12-6/30/13	-	293	(293)	-	-	-	-
Textbooks	13-100-034-5120-064	793	7/1/12-6/30/13	18	793	(793)	-	18	-	293
Textbooks	12-100-034-5120-064	733	7/1/11-6/30/12	9	-	-	-	9	-	-
Total Special Revenue Fund				27	1,086	(1,086)	-	27	-	293
Debt Service Fund:										
Debt Service Aid Type II	13-495-034-5120-125	1,174,659	7/1/12-6/30/13	-	1,174,659	(1,174,659)	-	-	-	1,174,659
Total Debt Service Fund				-	1,174,659	(1,174,659)	-	-	-	1,174,659
Enterprise Fund:										
National School Lunch Program (State Share)	13-100-010-3350-023	17,364	7/1/12-6/30/13	-	16,355	(17,364)	(1,009)	-	-	17,364
National School Lunch Program	12-100-010-3350-023	18,416	7/1/11-6/30/12	(625)	625	-	-	-	-	-
Total Enterprise Fund				(625)	16,980	(17,364)	(1,009)	-	-	17,364
Total State Financial Assistance				\$ (378,618)	\$ 28,320,289	\$ (28,273,139)	\$ (331,495)	\$ 27	\$ 2,070,974	\$ 28,272,346
Less: State Financial Assistance Not Subject to New Jersey OMB Circular 04-04:										
On-Behalf TPAF Pension Contributions (Nonbudgeted)	13-100-034-5095-001	1,747,565	7/1/12-6/30/13			1,747,565				
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	13-100-034-5095-001	1,976,055	7/1/12-6/30/13			1,976,055				
Total State Financial Assistance Subject to New Jersey OMB Circular 04-04						\$ (24,549,519)				

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1: General

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

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements.

Note 3: Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last 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 \$(20,596) for the general fund and \$(23,763) 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 Board's basic financial statements on a GAAP basis as presented as follows:

**LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 3: Relationship to Basic Financial Statements (continued)

	Federal	State	Total
General Fund	\$ 40,719	\$27,059,434	\$27,100,153
Special Revenue Fund	1,720,084	1,086	1,721,170
Debt Service Fund	-	1,174,659	1,174,659
Food Service Fund	640,282	17,364	657,646
Total Financial Assistance	<u>\$2,401,085</u>	<u>\$28,252,543</u>	<u>\$30,653,628</u>

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program 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, 2013. 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, 2013.

Note 6: Federal and State Loans Outstanding

The Lacey Township School District had no loan balances outstanding at June 30, 2013.

**LACEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013**

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	N.C.L.B. Title I
84.186A	N.C.L.B. Title II – Part A
84.027	I.D.E.A. Part B, Basic Regular
84.173	I.D.E.A. Part B Preschool

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, 2013**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$736,486
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	None Noted
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Noted
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04?	None Noted

Identification of major programs:

GMIS Number(s)	Name of State Program
13-495-034-5120-089	Categorical Special Education Aid
13-495-034-5120-078	Equalization Aid
13-495-034-5120-084	Categorical Security Aid
13-495-034-5120-085	Adjustment Aid
13-495-034-5120-014	Categorical Transportation Aid
13-495-034-5120-473	Extraordinary Aid

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, 2013**

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.

No Prior Year Findings

