

**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, 2011**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**LACEY TOWNSHIP BOARD OF EDUCATION**

**LANOKA HARBOR, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Prepared by**

**Lacey Township Board of Education  
Finance Department**



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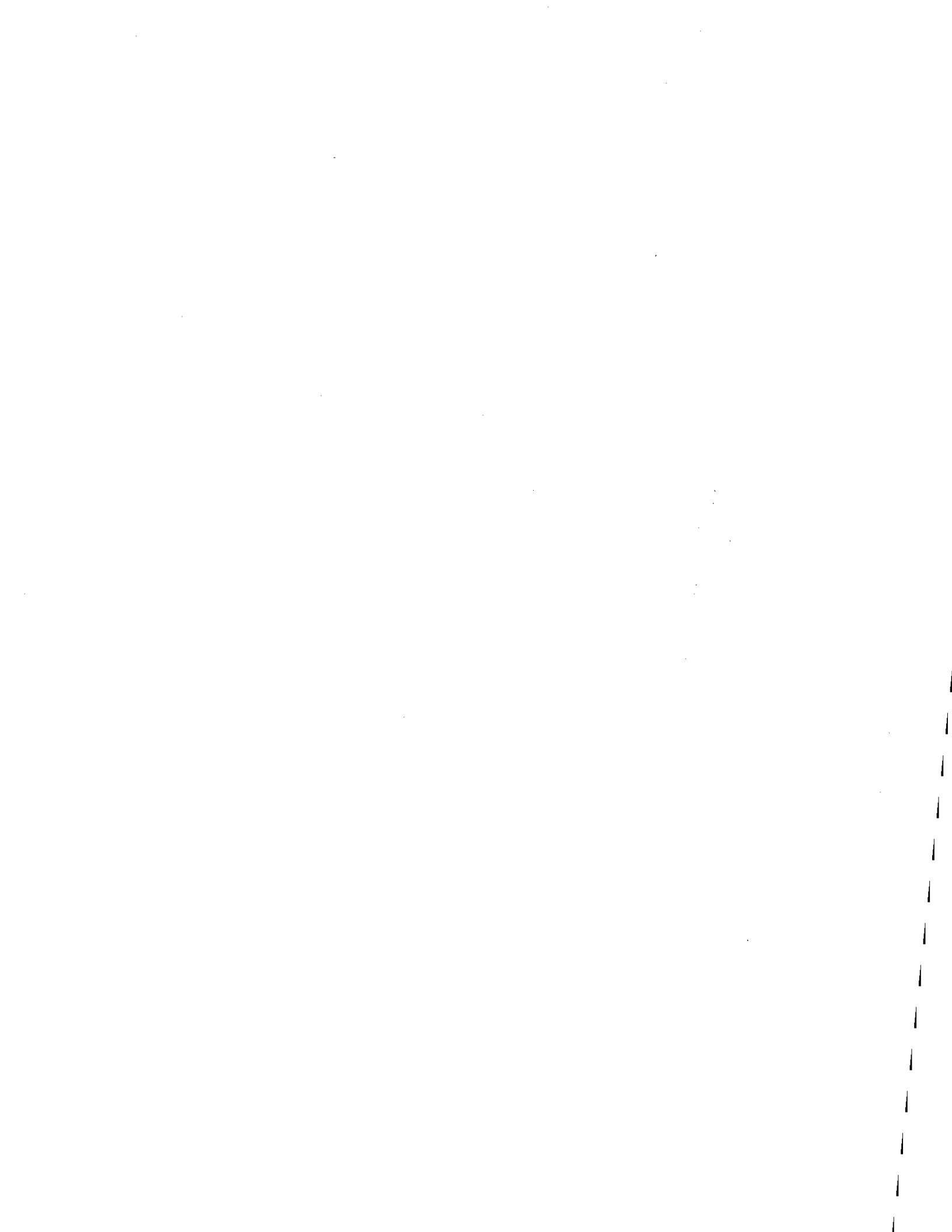
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**INTRODUCTORY SECTION**



**LACEY TOWNSHIP BOARD OF EDUCATION**  
**200 WESTERN BLVD**  
**LANOKA HARBOR NJ 08734-1538**  
*(609) 971-2000, Opt. 0 FAX# (609) 693-9638*

**JACK MARTENAK**  
*President*

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

**ERIC J. SCHUBIGER**  
*Vice President*

October 7, 2011

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, 2011, 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 2010-2011 fiscal year with an average daily enrollment of 4,783 students, which is 64 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

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

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

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

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

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

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund and the Special Revenue Fund and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the Financial Section.

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

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

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

8. DEBT ADMINISTRATION: At June 30, 2011, the District's outstanding debt issues included \$47,840,000 of general obligation bonds. In June 1989, the District issued \$8,492,000 in bonds to complete various renovations. In November 1996 the District issued \$16,790,000 in bonds to construct a new 7/8 grade school, the proceeds of which we placed in the District's Capital Projects Fund. In April 2001 the District issued general obligation bonds in the amount of \$24,722,000. The proceeds of this bond issue were placed in the District's Capital Projects Fund for use to provide funds for renovations, replacement and additions to the Lacey Township High School, and elementary schools. In February 2005, the Board of Education had a partial refinancing of the 1996 Series Bonds. The Board issued \$10,095,000 of general obligation refunding bonds Series 2005 to retire \$11,290,000 of the Series 1996 Bonds. The refunding resulted in a net economic gain to the District of \$1,195,000, which will be recognized over the life of the reissue. In February 2006, the Board of Education had a partial refinancing of the 2001 Series Bonds. The Board issued \$24,625,000 of general obligation refunding bonds Series 2006 to retire \$23,370,000 of the Series 2001 Bonds. The refunding resulted in a net income gain to the district of \$976,896, which will be recognized over the life of the reissue. In May 2009, the District issued \$19,806,000 in Series 2009 Bonds for solar panels on all schools, window replacement at Forked River and Lanoka Harbor Elementary Schools, roof replacement at Lanoka Harbor Elementary School and boiler replacements at Forked River Elementary. The proceeds of this bond were placed in the District's Capital Projects Fund.

9. CASH MANAGEMENT: The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

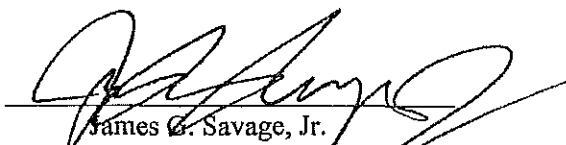
10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

11. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman & Frenia, P.C. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, as amended by the Single Audit Act of 1996, and the related OMB Circular A-133 and State Treasury Circular Letter 04-04. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

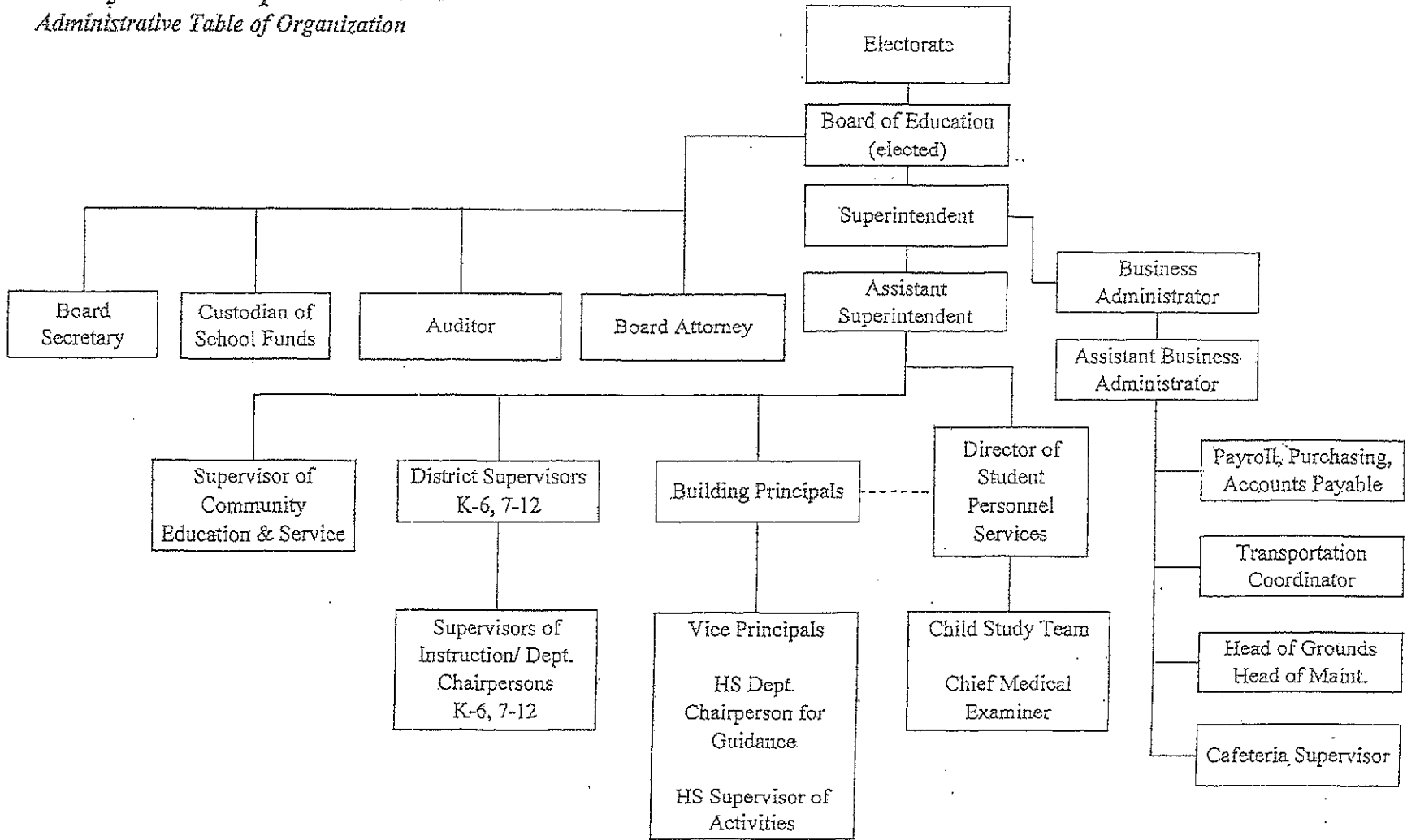
12. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Lacey Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of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

Respectfully submitted,

  
Richard P. Starodub  
Superintendent

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

*Lacey Township School District*  
*Administrative Table of Organization*







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

**ROSTER OF OFFICIALS**  
**JUNE 30, 2011**

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

**OTHER OFFICIALS**

Richard P. Starodub, Superintendent

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

Sharon Sulecki, Treasurer of School Moneys

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

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

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

**AUDIT FIRM**

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

**ATTORNEY**

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

**OFFICIAL DEPOSITORY**

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

**FINANCIAL SECTION**





Certified Public Accountants & Consultants

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Lacey Township School District, County of Ocean, State of New Jersey, as of and for the year ended June 30, 2011, which collectively comprise the District's financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Lacey Township School District, County of Ocean, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 07, 2011, on our consideration of the Lacey Township School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 10 through 13 and 47 through 60 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

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### TOMS RIVER OFFICE

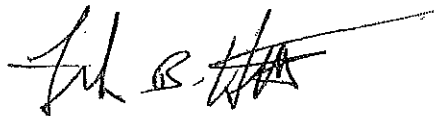
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operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Toms River, New Jersey  
October 07, 2011

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Management's Discussion and Analysis





**LACEY TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the year ended June 30, 2011**

**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, 2011. Please read it in conjunction with the letter of transmittal, beginning on page 1, and the financial statements, which begin on page 14.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

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

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

### District-Wide Financial Analysis

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

	<b>2011</b>		
	Governmental Activities	Business-Type Activities	Total
Current & Other Assets	\$11,500,048	187,803	11,687,851
Capital Assets, net	<u>54,398,844</u>	<u>61,227</u>	<u>54,460,071</u>
Total Assets	<u>65,898,892</u>	<u>249,030</u>	<u>66,147,922</u>
Long-Term Liabilities Outstanding	48,539,200		48,539,200
Other Liabilities	<u>4,371,013</u>	<u>66</u>	<u>4,371,079</u>
Total Liabilities	<u>52,910,213</u>	<u>66</u>	<u>52,910,279</u>

**2011**

	Governmental Activities	Business-Type Activities	Total
Net Assets:			
Investment in Capital Assets, net	6,220,655		6,220,655
Restricted	6,985,935		6,985,935
Unrestricted	(217,911)	248,964	31,053
Total Net Assets	<u>\$12,988,679</u>	<u>248,964</u>	<u>13,237,643</u>

**2010**

	Governmental Activities	Business-Type Activities	Total
Current & Other Assets	\$ 10,792,961	182,906	10,975,867
Capital Assets, net	<u>55,729,043</u>	<u>1,939</u>	<u>55,730,982</u>
Total Assets	<u>66,522,004</u>	<u>184,845</u>	<u>66,706,849</u>
Long-Term Liabilities Outstanding	51,372,505		51,372,505
Other Liabilities	<u>4,265,535</u>	<u>40,016</u>	<u>4,305,551</u>
Total Liabilities	<u>55,638,040</u>	<u>40,016</u>	<u>55,678,056</u>
Net Assets:			
Investment in Capital Assets, net	4,972,940		4,972,940
Restricted	8,595,375		8,595,375
Unrestricted	(2,684,351)	144,829	(2,539,522)
Total Net Assets	<u>\$10,883,964</u>	<u>144,829</u>	<u>11,028,793</u>

**General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget is comprised solely of the June 30, 2010 encumbrances, which 'roll-over' into the subsequent year's budget (2010-2011) and are added to the original budget appropriations.

Throughout the year, as necessary, budget transfers are effectuated between budget accounts to realign the 2010-2011 budget.

**Capital Assets**

At June 30, 2011 the District had capital assets of \$54,460,071, a decrease of \$1,270,911 due primarily to 2010-2011 Depreciation Expense. This capital asset amount is comprised of: Buildings - \$82,371,462, machinery and equipment - \$9,519,793, construction in progress - \$11,457,440, site improvements - \$163,472. These capital assets are shown net of accumulated depreciation of \$49,052,096.

### **Contacting the District's Financial Management**

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

**BASIC FINANCIAL STATEMENTS**



A. District-Wide Financial Statements





**LACEY TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

(With Comparative Totals for June 30, 2010)

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 2011	JUNE 30, 2010
<b>ASSETS</b>				
Cash & Cash Equivalents	\$5,224,319	139,175	5,363,494	9,178,384
Receivables - State	308,808	1,093	309,901	245,957
Receivables - Federal	1,468,244	24,952	1,493,196	183,073
Receivables - Other Governments	70,422		70,422	
Other Receivable	3,280,669	2,445	3,283,114	4,425
Inventory		20,138	20,138	22,486
Unamortized Loss on Early Retirement of Debt	944,907		944,907	1,106,113
Unamortized Bond Issue Costs	202,679		202,679	235,429
Capital Assets, Net (Note 4)	54,398,844	61,227	54,460,071	55,730,982
<b>Total Assets</b>	<b>65,898,892</b>	<b>249,030</b>	<b>66,147,922</b>	<b>66,706,849</b>
<b>LIABILITIES</b>				
Accounts Payable	34,350	66	34,416	64,482
Accrued Interest	611,469		611,469	1,095,973
Other Payable				(2,864)
Unamortized Bond Premium	177,107		177,107	248,574
Deferred Revenue	176,439		176,439	128,933
Noncurrent Liabilities (Note 5):				
Due Within One Year	3,371,648		3,371,648	2,770,453
Due Beyond One Year	48,539,200		48,539,200	51,372,505
<b>Total Liabilities</b>	<b>52,910,213</b>	<b>66</b>	<b>52,910,279</b>	<b>55,678,056</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	6,220,655		6,220,655	4,972,940
Restricted For:				
Capital Projects	6,985,935		6,985,935	8,595,375
Other Purposes	3,155,738		3,155,738	2,062,461
Unrestricted	(3,373,649)	248,964	(3,124,685)	(4,601,983)
<b>Total Net Assets</b>	<b>\$12,988,679</b>	<b>248,964</b>	<b>13,237,643</b>	<b>11,028,793</b>

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, 2011  
(With Comparative Totals for June 30, 2010)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS				
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)		
						JUNE 30, 2011	JUNE 30, 2010	
Governmental Activities:								
Instruction:								
Regular	\$21,415,354		2,034,801	(19,380,553)		(19,380,553)	(21,731,188)	
Special Education	5,735,472			(5,735,472)		(5,735,472)	(5,799,390)	
Other Special Instruction	1,363,751			(1,363,751)		(1,363,751)	(1,455,353)	
Support Services & Undistributed Costs:								
Instruction	1,406,711			(1,406,711)		(1,406,711)	(1,545,010)	
Attendance & Social Work Services	228,199			(228,199)		(228,199)	(225,678)	
Health Services	580,154			(580,154)		(580,154)	(599,143)	
Other Support Services	4,636,630		691,276	(3,945,354)		(3,945,354)	(4,196,517)	
Educational Media Services/School Library	539,690			(539,690)		(539,690)	(651,038)	
Instructional Staff Training	14,870			(14,870)		(14,870)	(54,235)	
General Administrative Services	1,106,604			(1,106,604)		(1,106,604)	(1,255,437)	
School Administrative Services	1,371,073			(1,371,073)		(1,371,073)	(1,438,819)	
Central Services	498,371			(498,371)		(498,371)	(515,023)	
Allowed Maintenance for School Facilities	1,535,052			(1,535,052)		(1,535,052)	(1,566,900)	
Other Operation & Maintenance of Plant	3,179,920			(3,179,920)		(3,179,920)	(3,324,220)	
Care & Upkeep of Grounds	412,967			(412,967)		(412,967)	(417,522)	
Security	182,619			(182,619)		(182,619)	(226,954)	
Pupil Transportation	2,468,123			(2,468,123)		(2,468,123)	(2,448,582)	
Unallocated Employee Benefits	13,262,203			(13,262,203)		(13,262,203)	(12,376,717)	
On Behalf - Non-Budgeted Expenditures	3,865,599		3,865,599					
Unallocated Amortization of Bond Costs	193,956			(193,956)		(193,956)	(193,956)	
Unallocated Depreciation	1,966,667			(1,966,667)		(1,966,667)	(1,924,170)	
Unallocated Loss on Capital Assets	192,463			(192,463)		(192,463)	198,049	
Unallocated Compensated Absence Expense	345,804			(345,804)		(345,804)	643,141	
Interest Expense	1,930,094			(1,930,094)		(1,930,094)	(1,872,412)	

LACEY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(With Comparative Totals for June 30, 2010)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
						JUNE 30, 2011	JUNE 30, 2010
Total Governmental Activities	68,432,346		6,591,676	(61,840,670)		(61,840,670)	(62,977,074)
Business-Type Activities:							
Food Service	1,507,930	952,145	570,901		15,116	15,116	29,487
Community Education	164,517	252,592	944		89,019	89,019	(15,400)
Total Business-Type Activities	1,672,447	1,204,737	571,845		104,135	104,135	14,087
Total Primary Government	\$70,104,793	1,204,737	7,163,521	(61,840,670)	104,135	(61,736,535)	(62,962,987)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				38,379,406		38,379,406	37,029,824
Taxes Levied for Debt Service				1,651,730		1,651,730	2,788,058
Local Aid				76,592		76,592	119,105
Federal & State Aid Not Restricted				22,272,674		22,272,674	22,524,172
Tuition Received				71,270		71,270	22,585
Solar Renewable Energy Credits				1,067,829		1,067,829	
Miscellaneous Income				287,396		287,396	72,980
Interest Earnings - Capital Projects				67,021		67,021	158,454
Amortized Premium Realization				71,467		71,467	71,467
Total General Revenues, Special Items, Extraordinary Items & Transfers				63,945,385		63,945,385	62,786,645
Change In Net Assets				2,104,715	104,135	2,208,850	(176,342)
Net Assets - Beginning				10,883,964	144,829	11,028,793	11,205,135
Net Assets - Ending				\$12,988,679	248,964	13,237,643	11,028,793

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



## B. Fund Financial Statements



## Governmental Funds





**LACEY TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2011  
(With Comparative Totals for June 30, 2010)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2011	JUNE 30, 2010
<b>Assets:</b>						
Cash & Cash Equivalents			9,150,935		9,150,935	9,059,556
Tax Levy Receivable	2,898,293			300,000	3,198,293	
Interfund Receivable	212,872		65,000	2,230,000	2,507,872	3,724
Intergovernmental Accounts Receivable:						
State	308,808				308,808	243,629
Federal	11,712	1,456,532			1,468,244	148,234
Other	70,422				70,422	
<b>Total Assets</b>	<b>\$3,502,107</b>	<b>1,456,532</b>	<b>9,215,935</b>	<b>2,530,000</b>	<b>16,704,574</b>	<b>9,455,143</b>
<b>Liabilities &amp; Fund Balances:</b>						
<b>Liabilities:</b>						
Cash Overdraft	\$247,629	1,148,988		2,529,999	3,926,616	
Accounts Payable	33,741	600			34,341	24,466
Intergovernmental Accounts Payable -						
State		9			9	
Interfund Payable	65,000	130,496	2,230,000		2,425,496	860
Deferred Revenue		176,439			176,439	128,933
<b>Total Liabilities</b>	<b>346,370</b>	<b>1,456,532</b>	<b>2,230,000</b>	<b>2,529,999</b>	<b>6,562,901</b>	<b>154,259</b>
<b>Fund Balances:</b>						
<b>Restricted for:</b>						
Excess Surplus	241,356				241,356	
Excess Surplus - Designated for Subsequent Year's Expenditures						1,078,999
Capital Projects Fund			3,700,770		3,700,770	8,193,016
Debt Service Fund				1	1	
<b>Committed to:</b>						
Other Purposes	1,713,622				1,713,622	
<b>Assigned to:</b>						
Other Purposes	759		5,165		5,924	1,385,821
Designated for Subsequent Year's Expenditures	1,200,000		3,280,000		4,480,000	
<b>Unassigned:</b>						
General Fund						(1,356,952)
<b>Total Fund Balances</b>	<b>3,155,737</b>		<b>6,985,935</b>	<b>1</b>	<b>10,141,673</b>	<b>9,300,884</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$3,502,107</b>	<b>1,456,532</b>	<b>9,215,935</b>	<b>2,530,000</b>		

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$103,128,661 and the accumulated depreciation is \$48,729,817.

54,398,844    55,729,043  
(611,469)    (1,095,973)

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.

970,479    1,092,968

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 5).

(51,910,848)    (54,142,958)

Net assets of Governmental Activities

\$12,988,679    10,883,964

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, 2011  
(With Comparative Totals for June 30, 2010)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2011	JUNE 30, 2010
<b>Revenues:</b>						
Local Tax Levy	\$38,379,406			1,651,730	40,031,136	39,817,882
Tuition Charges	71,270				71,270	22,585
Interest on Investments	67,021				67,021	158,454
Solar Renewable Energy Credits	1,067,829				1,067,829	
Miscellaneous	287,396				287,396	72,980
<b>Total Local Sources</b>	<b>39,872,922</b>			<b>1,651,730</b>	<b>41,524,652</b>	<b>40,071,901</b>
Local Sources		76,592			76,592	119,105
State Sources	24,012,313	788	944,625	1,183,869	26,141,595	22,958,117
Federal Sources	24,462	2,698,293			2,722,755	5,266,038
<b>Total Revenues</b>	<b>63,909,697</b>	<b>2,775,673</b>	<b>944,625</b>	<b>2,835,599</b>	<b>70,465,594</b>	<b>68,415,161</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Regular Instruction	19,380,553	2,034,801			21,415,354	23,301,900
Special Education Instruction	5,735,472				5,735,472	5,799,390
Other Special Instruction	1,363,751				1,363,751	1,455,353
<b>Support Services &amp; Undistributed Costs:</b>						
Instruction	1,406,711				1,406,711	1,545,010
Attendance & Social Work Services	228,199				228,199	225,678
Health Services	580,154				580,154	599,143
Other Support Services	3,945,354	691,276			4,636,630	4,480,466
Educational Media Services/ School Library	539,690				539,690	651,038
Instructional Staff Training	14,870				14,870	54,235
General Administrative Services	1,106,604				1,106,604	1,255,437
School Administrative Services	1,371,073				1,371,073	1,438,819
Central Services	498,371				498,371	515,023
Allowed Maintenance for School Facilities	1,535,052				1,535,052	1,566,900
Other Operation & Maintenance of Plant	3,179,920				3,179,920	3,324,220
Care & Upkeep of Grounds	412,967				412,967	417,522
Security	182,619				182,619	226,954
Pupil Transportation	2,468,123				2,468,123	2,448,582
Unallocated Employee Benefits	13,262,203				13,262,203	12,376,717
Nonbudgeted Expenditures	3,865,599				3,865,599	3,845,322
<b>Debt Service:</b>						
Principal				2,651,000	2,651,000	2,245,000
Interest & Other Charges				2,414,598	2,414,598	1,340,425
Capital Outlay	628,079	49,596	324,065		1,001,740	10,735,063
<b>Total Expenditures</b>	<b>61,705,364</b>	<b>2,775,673</b>	<b>324,065</b>	<b>5,065,598</b>	<b>69,870,700</b>	<b>79,848,197</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>2,204,333</b>		<b>620,560</b>	<b>(2,229,999)</b>	<b>594,894</b>	<b>(11,433,036)</b>
<b>Other Financing Sources/(Uses):</b>						
<b>Operating Transfer In:</b>						
Capital Projects				2,230,000	2,230,000	
Capital Lease Proceeds (Nonbudgeted)	245,895				245,895	243,051
<b>Operating Transfer Out:</b>						
Debt Service			(2,230,000)		(2,230,000)	
<b>Total Other Financing Sources (Uses)</b>	<b>245,895</b>		<b>(2,230,000)</b>	<b>2,230,000</b>	<b>245,895</b>	<b>243,051</b>
<b>Net Change in Fund Balances</b>	<b>2,450,228</b>		<b>(1,609,440)</b>	<b>1</b>	<b>840,789</b>	<b>(11,189,985)</b>
Fund Balance - July 1	705,509		8,595,375		9,300,884	20,490,869
<b>Fund Balance - June 30</b>	<b>\$3,155,737</b>	<b>-</b>	<b>6,985,935</b>	<b>1</b>	<b>10,141,673</b>	<b>9,300,884</b>

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, 2011**

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$840,789
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:		
Depreciation Expense	(\$1,966,667)	
Adjustment to Capital Assets	(192,463)	
Capital Outlays	828,931	(1,330,199)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		
		2,651,000
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		
		172,809
Loss on the early extinguishments of debt, cost of issuance on refunding, and original issue premiums are recorded when incurred in the governmental funds but are deferred and recognized in the statement of activities over the life of the refunding:		
Amortization of Loss on Refunding	(161,206)	
Amortization of Cost of Issuance	(32,750)	
Amortization of Original Issue Premiums	71,467	(122,489)
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets:		
Capital Lease Proceeds	(245,895)	(245,895)
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	1,095,973	
Current Year	(611,469)	484,504
Repayment of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		
Prior Year	3,386,855	
Current Year	(3,732,659)	(345,804)
Change in Net Assets of Governmental Activities		\$2,104,715

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



## Proprietary Funds



**LACEY TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2011  
 (With Comparative Totals for June 30, 2010)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	JUNE 30, 2011	JUNE 30, 2010
<b>ASSETS</b>				
Current Assets:				
Cash & Cash Equivalents		148,421	148,421	118,828
Accounts Receivable:				
State	\$1,093		1,093	2,328
Federal	24,952		24,952	34,839
Other	2,445		2,445	4,425
Inventories	\$20,138		20,138	22,486
<b>Total Current Assets</b>	<b>48,628</b>	<b>148,421</b>	<b>197,049</b>	<b>182,906</b>
Noncurrent Assets:				
Furniture, Machinery & Equipment	353,454	30,052	383,506	323,402
Less: Accumulated Depreciation	(322,279)		(322,279)	(321,463)
<b>Total Noncurrent Assets</b>	<b>31,175</b>	<b>30,052</b>	<b>61,227</b>	<b>1,939</b>
<b>Total Assets</b>	<b>79,803</b>	<b>178,473</b>	<b>258,276</b>	<b>184,845</b>
<b>LIABILITIES</b>				
Cash Overdraft	9,246		9,246	
Accounts Payable		66	66	40,016
<b>Total Liabilities</b>	<b>9,246</b>	<b>66</b>	<b>9,312</b>	<b>40,016</b>
<b>NET ASSETS</b>				
Investment in Capital Assets, Net	31,175	30,052	61,227	1,939
Unrestricted Net Assets	39,382	148,355	187,737	142,890
<b>Total Net Assets</b>	<b>\$70,557</b>	<b>178,407</b>	<b>248,964</b>	<b>144,829</b>

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

**LACEY TOWNSHIP SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(With Comparative Totals for June 30, 2010)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	JUNE 30, 2011	JUNE 30, 2010
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$912,583		912,583	962,912
Daily Sales - Nonreimbursable Programs	39,562		39,562	26,918
Program Revenues		233,604	233,604	219,587
Trip Income		18,988	18,988	68,269
<b>Total Operating Revenues</b>	<b>952,145</b>	<b>252,592</b>	<b>1,204,737</b>	<b>1,277,686</b>
Operating Expenses:				
Salaries	654,672	137,421	792,093	913,465
Advertising				930
Other Purchased Services		8,837	8,837	28,703
Tickets		8,650	8,650	11,304
Supplies & Materials	4,377	8,396	12,773	78,488
Depreciation Expense	817		817	817
Cost of Sales	839,366		839,366	765,650
Miscellaneous	8,698	1,213	9,911	8,054
<b>Total Operating Expenses</b>	<b>1,507,930</b>	<b>164,517</b>	<b>1,672,447</b>	<b>1,807,411</b>
<b>Operating Income/(Loss)</b>	<b>(555,785)</b>	<b>88,075</b>	<b>(467,710)</b>	<b>(529,725)</b>
Nonoperating Revenues (Expenses):				
Interest Income	747	708	1,455	2,775
Miscellaneous	1,492	236	1,728	6,228
State Sources:				
State School Lunch Program	18,258		18,258	23,654
School Breakfast Program				2,540
Federal Sources:				
National School Lunch Program	407,757		407,757	366,419
School Breakfast Program	35,181		35,181	22,913
Special Milk Program	5,255		5,255	4,456
Food Distribution Program	102,211		102,211	114,827
<b>Total Nonoperating Revenues/ (Expenses)</b>	<b>570,901</b>	<b>944</b>	<b>571,845</b>	<b>543,812</b>
<b>Income/(Loss) Before Contributions &amp; Transfers</b>	<b>15,116</b>	<b>89,019</b>	<b>104,135</b>	<b>14,087</b>
Change in Net Assets	15,116	89,019	104,135	14,087
Total Net Assets - Beginning	55,441	89,388	144,829	130,742
<b>Total Net Assets - Ending</b>	<b>\$70,557</b>	<b>178,407</b>	<b>248,964</b>	<b>144,829</b>

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, 2011  
 (With Comparative Totals for June 30, 2010)**

	BUSINESS-TYPE ACTIVITIES -		TOTALS	
	ENTERPRISE FUNDS		(MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	JUNE 30, 2011	JUNE 30, 2010
Cash Flows From Operating Activities:				
Receipts from Customers	\$954,125	252,592	1,206,717	1,273,261
Payments to Employees	(654,672)	(137,421)	(792,093)	(913,465)
Payments to Suppliers	(787,898)	(27,030)	(814,928)	(734,499)
Net Cash Provided/(Used) by Operating Activities	(488,445)	88,141	(400,304)	(374,703)
Cash Flows From Noncapital Financing Activities:				
Interest Income	747	708	1,455	2,775
Miscellaneous	1,491	236	1,727	6,228
Cash Received from Federal Reimbursements	458,080		458,080	358,949
Cash Received from State Reimbursements	19,493		19,493	23,866
Net Cash Provided/(Used) by Noncapital Financing Activities	479,811	944	480,755	391,818
Cash Flows From Capital Activities:				
Purchase of Fixed Assets	(30,052)	(30,052)	(60,104)	
Net Cash Provided/(Used) by Capital Activities	(30,052)	(30,052)	(60,104)	
Net Increase/(Decrease) in Cash & Cash Equivalents	(38,686)	59,033	20,347	17,115
Balances - Beginning of Year	29,440	89,388	118,828	101,713
Balances - End of Year	(\$9,246)	148,421	139,175	118,828

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

Operating Income/(Loss)	(\$555,785)	88,075	(467,710)	(529,725)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:				
Food Distribution Program	102,211		102,211	114,827
Depreciation Expense	817		817	817
Decrease/(Increase) in Interfund Receivable				
Decrease/(Increase) in Other Receivables	1,980		1,980	(4,425)
Decrease/(Increase) in Inventory	2,348		2,348	3,787
(Decrease)/Increase in Interfund Payable		66	66	
(Decrease)/Increase in Accounts Payable	(40,016)		(40,016)	40,016
Total Adjustments	67,340	66	67,406	155,022
Net Cash Provided/(Used) by Operating Activities	(\$488,445)	88,141	(400,304)	(374,703)

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



## Fiduciary Funds



**LACEY TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2011  
(With Comparative Totals for June 30, 2010)**

	PRIVATE PURPOSE		AGENCY		TOTALS	
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY FUND	PAYROLL FUND	(MEMORANDUM ONLY) JUNE 30, 2011      JUNE 30, 2010	
<b>ASSETS</b>						
Cash & Cash Equivalents		180,884	166,575	410,507	757,966	754,791
Restricted Cash	\$10,191				10,191	10,220
Interfunds Receivable				21,750	21,750	56,439
<b>Total Assets</b>	<b>10,191</b>	<b>180,884</b>	<b>166,575</b>	<b>432,257</b>	<b>789,907</b>	<b>821,450</b>
<b>LIABILITIES</b>						
Payroll Deductions & Withholdings				349,881	349,881	418,587
Payable to Student Groups			166,575		166,575	162,102
Interfunds Payable		21,750		82,376	104,126	59,303
<b>Total Liabilities</b>		<b>21,750</b>	<b>166,575</b>	<b>432,257</b>	<b>620,582</b>	<b>639,992</b>
<b>NET ASSETS</b>						
Reserve For:						
Held in Trust for:						
Unemployment Claims & Other Purposes		159,134			159,134	171,238
Scholarships	10,191				10,191	10,220
<b>Total Net Assets</b>	<b>\$10,191</b>	<b>159,134</b>	<b>-</b>	<b>-</b>	<b>169,325</b>	<b>181,458</b>

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

**LACEY TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(With Comparative Totals for June 30, 2010)**

	PRIVATE PURPOSE		TOTALS	
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	(MEMORANDUM ONLY) JUNE 30, 2011	JUNE 30, 2010
<b>ADDITIONS</b>				
Contributions:				
Plan Member		61,538	61,538	65,006
Total Contributions		61,538	61,538	65,006
Investment Earnings:				
Interest	\$371	1,261	1,632	2,108
Net Investment Earnings	371	1,261	1,632	2,108
Total Additions	371	62,799	63,170	67,114
<b>DEDUCTIONS</b>				
Scholarship Awards	400		400	400
Quarterly Contribution Reports				
Unemployment Claims		74,903	74,903	91,458
Total Deductions	400	74,903	75,303	91,858
Change in Net Assets	(29)	(12,104)	(12,133)	(24,744)
Net Assets-Beginning of the Year	10,220	171,238	181,458	206,202
Net Assets - End of the Year	\$10,191	159,134	169,325	181,458

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, 2011**





**LACEY TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**Note 1. Summary of Significant Accounting Policies**

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

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

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

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2011 and for the year then ended with comparative totals as of and for the year ended June 30, 2010 (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, 2011 of 4,783 students.

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

## LACEY TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2011

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

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

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

#### B. District-Wide and Fund Financial Statements

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

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

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

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

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

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

## LACEY TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2011

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

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

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

#### D. Fund Accounting

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

#### Governmental Funds

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

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

LACEY TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011

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

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

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

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

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

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

**Proprietary Fund**

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

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

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

**LACEY TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011**

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

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

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

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

**Fiduciary Fund**

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

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

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

**E. Basis of Accounting**

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

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

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued):**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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

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

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

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

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

**F. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. 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.

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, 2011**

**Note 1. Summary of Significant Accounting Policies (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.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary) "revenues" from C-3 the budgetary comparison schedules	\$63,563,772	\$2,981,777
Difference – Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		(206,104)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	2,262,409	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(1,916,484)</u>	<u>                    </u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$63,909,697</u>	<u>\$2,775,673</u>

**LACEY TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011**

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) "total outflows"		
from the budgetary comparison schedule	\$61,705,364	\$2,981,777
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	_____	(206,104)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$61,705,364</u>	<u>\$2,775,673</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, Cash Equivalents and Investments**

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.18A:20-37* provides a list of permissible investments that may be purchased by New Jersey school districts.



**LACEY TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011**

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

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, 2011, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2007-2008 and 2008-2009 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, 2011.

**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.

**LACEY TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011**

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

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

**M. Accrued Salaries and Wages**

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2011 for such salaries.

**N. Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event is accrued as the employees earn the rights to the benefits.

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

**O. Deferred Revenue**

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

**P. Long-term Obligations**

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

**LACEY TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011**

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

**Q. Fund Equity**

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

In addition, \$6,980,770 of capital project fund unreserved fund balance has been designated for the additions and renovations to school facilities in future years.

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

**R. Subsequent Events**

The District has evaluated subsequent events occurring after June 30, 2011 through October 07, 2011, which is the date the financial statements were available to be issued.

**Note 2. Cash and Cash Equivalents and Investments**

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2011, and reported at fair value are as follows:

<b>Type</b>	<b>Carrying Value</b>
<b>Deposits:</b>	
Demand Deposits	<u>\$6,131,651</u>
Total Deposits	<u>\$6,131,651</u>
<b>Reconciliation to Statements of Net Assets:</b>	
Governmental Activities	\$5,224,319
Business-Type Activities	139,175
Fiduciary Funds	<u>768,157</u>
Total Cash and Cash Equivalents	<u>\$6,131,651</u>

**Custodial Credit Risk** – Deposits in financial institutions, \$7,369,288 at June 30, 2011. Of the bank balance \$250,000 fully insured by the FDIC (Federal Depository Insurance Corporation) and \$7,119,288 was secured by a collateral pool held by the bank, but not in the District's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 3 of these financial statements.

**LACEY TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011**

**Note 2. Cash and Cash Equivalents and Investments (continued):**

**Investment Interest Rate Risk** – The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at June 30, 2011, are provided in the above schedule.

**Investment Credit Risk** – The District has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the District or bonds or other obligations of the local unit or units within which the District is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the District;
- Local Governments investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

**Concentration of Investment Credit Risk** – The District places no limit on the amount it may invest in any one issuer.

**Note 3. Governmental Unit Deposit Protection Act (GUDPA)**

The District has deposited cash in 2011 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.

LACEY TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011

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

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 days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

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

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

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

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

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

**LACEY TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011**

**Note 4. Fixed Assets**

The following schedule is a summarization of the general fixed assets recorded at historical cost by source for the fiscal year ended June 30, 2011:

	June 30, 2010	Additions	Deletions	Adjustment	June 30, 2011
Land	\$ 163,472			\$ -	\$ 163,472
Construction in Progress	11,133,375	\$ 324,065			11,457,440
Buildings	82,371,463				82,371,462
Machinery & Equipment	9,280,377	312,403	\$(456,493)		9,136,287
Subtotal	102,948,686	636,468	(456,493)		103,128,661
Accumulated Depreciation	(47,219,643)	(1,966,667)	456,493		(48,729,817)
Total	<u>\$ 55,729,043</u>	<u>\$ (1,330,199)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$54,398,844</u>

The following schedule is a summarization of the proprietary fund fixed assets recorded at historical cost by source for the fiscal year ended June 30, 2011:

	June 30, 2010	Additions	Adjustment	June 30, 2011
Machinery & Equipment	\$323,402	\$60,104	\$ -	\$383,506
Less: Accumulated Depreciation	(321,463)	(816)	_____	(322,279)
Net Fixed Assets	<u>\$ 1,939</u>	<u>\$59,288</u>	<u>\$ -</u>	<u>\$ 61,227</u>

**Note 5. Noncurrent Liabilities**

During the fiscal year ended June 30, 2011 the following changes occurred in liabilities reported in the long-term debt:

	Balance 6/30/10	Accrued/ Increases	Retired/ Decreases	Balance 6/30/11	Due Within One Year
Bonds Payable	\$50,491,000		\$2,651,000	\$47,840,000	\$3,280,000
Capital Leases	265,103	\$245,895	172,809	338,189	91,648
Compensated Absences Payable	3,386,855	345,804	_____	3,732,659	_____
Total	<u>\$54,142,958</u>	<u>\$591,699</u>	<u>\$2,823,809</u>	<u>\$51,910,848</u>	<u>\$3,371,648</u>

**LACEY TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011**

**Note 5. Noncurrent Liabilities (continued):**

**A. Bonds Payable**

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

**Serial Bonds Payable**

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

<b>Fiscal Years Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 3,280,000	\$ 1,832,788	\$ 5,112,788
2013	1,310,000	1,698,138	3,008,138
2014	4,815,000	1,619,550	6,434,550
2015	2,755,000	1,517,600	4,272,600
2016	2,745,000	1,415,900	4,160,900
2017-2021	14,670,000	5,490,663	20,160,663
2022-2026	14,965,000	2,505,463	17,470,463
2027-2030	<u>3,300,000</u>	<u>361,750</u>	<u>3,661,750</u>
<b>Total</b>	<b><u>\$47,840,000</u></b>	<b><u>\$16,441,852</u></b>	<b><u>\$64,281,852</u></b>

**B. Bonds Authorized but not Issued**

As of June 30, 2011, the District had no authorized but not issued bonds.

**Note 6. Pension Plans**

**Plan Descriptions** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

**LACEY TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011**

**Note 6. Pension Plans (continued):**

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established in January 1955, under the provisions of *N.J.S.A.18A:66* to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established in January 1955 under the provisions of *N.J.S.A.43:15A* to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Vesting and Benefit Provisions** - The vesting and benefit provisions of PERS are set by *N.J.S.A.43:15A* and *43.3B* and *N.J.S.A.18A:66* for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Significant Legislation** - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be



**LACEY TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011**

**Note 6. Pension Plans (continued):**

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

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

**Contribution Requirements** – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

**Three-Year Trend Information for PERS**

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/11	\$876,722	100%	\$ -0-
6/30/10	668,516	100%	-0-
6/30/09	593,103	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
6/30/11	\$1,878,030	100%	\$ -0-
6/30/10	1,765,635	100%	-0-
6/30/09	1,694,117	100%	-0-

LACEY TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 6. Pension Plans (continued):**

During the year ended June 30, 2011 the State of New Jersey contributed \$1,878,030 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District \$1,987,569 for the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**Note 7. Post-Retirement Benefits**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

**Note 8. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

LACEY TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 8. Risk Management (continued):**

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$61,538	\$1,261	\$74,903	\$159,134
2009-2010	65,006	1,944	91,458	171,238
2008-2009	42,572	2,428	50,235	195,746

**Note 9. Contingent Liabilities**

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2011 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

**Note 10. Economic Dependency**

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

**LACEY TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011**

**Note 11. Interfund Receivables and Payables**

The following interfund balances remained on the balance sheet at June 30, 2011:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 212,871	\$ 65,000
Special Revenue Fund		130,495
Capital Projects Fund	65,000	2,230,000
Debt Service Fund	2,230,000	
Trust & Agency Fund – Unemployment		21,750
Trust & Agency Fund – Payroll	<u>21,750</u>	<u>82,376</u>
 Total	 <u>\$2,529,621</u>	 <u>\$2,529,621</u>

**Note 12. GASB #54 Fund Balance Disclosure**

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

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

**General Fund** – Of the \$3,155,738 General Fund fund balance at June 30, 2011, \$1,713,622 has been committed for other purposes; \$1,200,000 has been assigned to be designated for subsequent year's expenditures; \$760 has been assigned for other purposes; \$241,356 is restricted for excess surplus; and \$0- is unassigned.

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

LACEY TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 12. GASB #54 Fund Balance Disclosure (continued):**

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

**Capital Projects Fund** – of the \$6,985,935 Capital Projects Fund fund balance at June 30, 2011, \$3,280,000 has been assigned to be designated for subsequent year's expenditures; \$5,165 has been assigned for other purposes; and \$3,700,770 is unassigned.

**Debt Service Fund** – of the \$1 Debt Service Fund fund balance at June 30, 2011, \$1 is unassigned.

**Note 13. Deferred Compensation**

The District offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

Equitable	Met Life
Lincoln Investments	The Legend Group

**Note 14. Compensated Absences**

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown

**LACEY TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2011**

**Note 14. Compensated Absences (continued):**

separately from the long-term liability balance of compensated absences. The amount at June 30, 2011 is \$3,732,659.

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, 2011 no liability existed for compensated absences in the proprietary fund types.

**Note 15. Calculation of Excess Surplus**

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District had excess fund balance at June 30, 2011 of \$241,356.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**





### C. Budgetary Comparison Schedules



**LACEY TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

ACCOUNT NUMBER	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
<b>Revenues:</b>											
Local Tax Levy	10-1210	\$33,379,406		38,379,406	38,379,406		37,029,824		37,029,824	37,029,824	
Tuition	10-1320				71,270	71,270				22,585	22,585
Interest on Investments	10-1510				67,021	67,021				158,454	158,454
Solar Renewable Energy Credits	10-199X				1,067,829	1,067,829					
Miscellaneous Revenues	10-1990	681,207		681,207	287,396	(393,811)	200,000		200,000	72,980	(127,020)
<b>Total Local Sources</b>		<b>39,060,613</b>		<b>39,060,613</b>	<b>39,872,922</b>	<b>812,309</b>	<b>37,229,824</b>		<b>37,229,824</b>	<b>37,283,843</b>	<b>54,019</b>
<b>State Sources:</b>											
Extraordinary Aid	10-3131				172,582	172,582				138,802	138,802
Categorical Special Education Aid	10-3132	1,590,138		1,590,138	2,352,617	762,479	2,405,683		2,405,683	2,405,683	
Equalization Aid	10-3176	17,965,107		17,965,107	17,202,628	(762,479)	18,758,952	(3,403,738)	15,355,214	14,813,398	(541,816)
Categorical Security Aid	10-3177						442,257		442,257	287,467	(154,790)
Categorical Transportation Aid	10-3121						1,136,931		1,136,931	739,005	(397,926)
Non-Public Transportation Aid	10-3198				1,914	1,914				1,691	1,691
TPAF Wage Freeze Grant	10-3XXX				71,048	71,048					
<b>Nonbudgeted:</b>											
On-Behalf TPAF Pension Contribution	10-3901				1,878,030	1,878,030				1,765,635	1,765,635
Reimbursed TPAF Social Security Contribution	10-3902				1,987,569	1,987,569				2,079,687	2,079,687
<b>Total State Sources</b>		<b>19,555,245</b>		<b>19,555,245</b>	<b>23,666,388</b>	<b>4,111,143</b>	<b>22,743,823</b>	<b>(3,403,738)</b>	<b>19,340,085</b>	<b>22,231,368</b>	<b>2,891,283</b>
<b>Federal Sources:</b>											
Medicaid Reimbursement	10-4200	55,880		55,880	12,750	(43,130)	44,613		44,613	5,686	(38,927)
Education State Grant, Recovery Act	16-4520							3,276,885	3,276,885	3,276,885	
Government Services Grant, Recovery Act	17-4521							126,853	126,853	126,853	
Education Jobs Fund Program	18-4522		12,783	12,783	11,712	(1,071)					
<b>Total Federal Sources</b>		<b>55,880</b>	<b>12,783</b>	<b>68,663</b>	<b>24,462</b>	<b>(44,201)</b>	<b>44,613</b>	<b>3,403,738</b>	<b>3,448,351</b>	<b>3,409,424</b>	<b>(38,927)</b>
<b>Total Revenues</b>		<b>58,671,738</b>	<b>12,783</b>	<b>58,684,521</b>	<b>63,563,772</b>	<b>4,879,251</b>	<b>60,018,260</b>		<b>60,018,260</b>	<b>62,924,635</b>	<b>2,906,375</b>

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LACEY TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	ACCOUNT NUMBER	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Expenditures:												
Current Expense:												
Instruction - Regular Programs:												
Salaries of Teachers:												
	Preschool/Kindergarten	11-110-100-101	556,477		556,477	520,343	36,134	514,634	3,868	518,502	518,502	
	Grades 1 - 5	11-120-100-101	7,353,668	(188,892)	7,164,776	6,955,806	208,970	7,762,340	(281,354)	7,480,986	7,476,879	4,107
	Grades 6 - 8	11-130-100-101	4,089,350	86,634	4,175,984	3,883,709	292,275	4,317,342	(17,013)	4,300,329	4,298,568	1,761
	Grades 9 - 12	11-140-100-101	6,810,354	3,319	6,813,673	6,641,280	172,393	7,122,435	(112,287)	7,010,148	7,010,147	1
Regular Programs - Undistributed Instruction:												
48	Other Salaries for Instruction	11-190-100-106	217,604		217,604	208,847	8,757	214,193	68,852	283,045	283,044	1
	Purchased Professional - Educational Services	11-190-100-320	26,956	2,755	29,711	24,082	5,629	28,140	10,083	38,223	27,081	11,142
	Other Purchased Services	11-190-100-500	489,213	(6,227)	482,986	465,164	17,822	575,183	(17,006)	558,177	534,280	23,897
	General Supplies	11-190-100-610	691,588	460,698	1,152,286	591,635	560,651	992,004	(122,951)	869,053	806,099	62,954
	Textbooks	11-190-100-640	34,000	194,762	228,762	47,940	180,822	637,893	98,518	736,411	730,433	5,978
	Other Objects	11-190-100-800	57,300	2,845	60,145	41,747	18,398	57,600	1,739	59,339	46,155	13,184
Total Regular Programs			20,326,510	555,894	20,882,404	19,380,553	1,501,851	22,221,764	(367,551)	21,854,213	21,731,188	123,025
Special Education:												
Learning and/or Language Disabilities:												
	Salaries of Teachers	11-204-100-101	812,685		812,685	791,594	21,091	771,882	99,097	870,979	870,979	
	Other Salaries for Instruction	11-204-100-106	204,907	3,728	208,635	204,450	4,185	144,330	9,663	153,993	153,992	1
	Other Purchased Services	11-204-100-500	1,000	(597)	403	403						
	General Supplies	11-204-100-610	8,100	850	8,950	8,590	360	8,963	(1,699)	7,264	7,264	
	Textbooks	11-204-100-640	4,000	(1,641)	2,359	2,358	1	6,568	(4,465)	2,103	2,102	1
	Other	11-204-100-800	2,465	(1,115)	1,350	265	1,085	2,115	(1,428)	687	562	125
Total Learning and/or Language Disabilities			1,033,157	1,225	1,034,382	1,007,660	26,722	933,858	101,168	1,035,026	1,034,899	127
Behavioral Disabilities:												
	Salaries of Teachers	11-209-100-101	364,822		364,822	346,450	18,372	328,610	23,014	351,624	351,623	1
	Other Salaries for Instruction	11-209-100-106	81,818		81,818	75,956	5,862	70,633	11,089	81,722	81,721	1
	General Supplies	11-209-100-610	4,500	446	4,946	4,617	329	5,100	(1,361)	3,739	3,739	
	Textbooks	11-209-100-640	1,000	(1,000)				960	(960)			
	Other	11-209-100-800	3,000	1,845	4,845	4,845		3,250	1,600	4,850	4,847	3

LACEY TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

ACCOUNT NUMBER	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Total Behavioral Disabilities	455,140	1,291	456,431	431,868	24,563	408,553	33,382	441,935	441,930	5
Multiple Disabilities:										
Salaries of Teachers	372,120		372,120	357,504	14,616	341,614	14,342	355,956	355,955	1
Other Salaries for Instruction	201,332		201,332	200,125	1,207	260,740	(39,542)	221,198	219,606	1,592
General Supplies	8,000	69	8,069	6,678	1,391	9,996	(261)	9,735	9,545	190
Textbooks	650	(500)	150		150	650	(500)	150	117	33
Other	890	350	1,240	336	904	890	82	972	948	24
Total Multiple Disabilities	582,992	(81)	582,911	564,643	18,268	613,890	(25,879)	588,011	586,171	1,840
Resource Room:										
Salaries of Teachers	3,037,728	(42,997)	2,994,731	2,917,708	77,023	2,897,333	(42,456)	2,854,877	2,848,617	6,260
Other Salaries for Instruction	226,028		226,028	195,156	30,872	208,564		208,564	206,455	2,109
Other Purchased Services	1,000	(600)	400	368	32	3,000	(2,278)	722	721	1
General Supplies	13,100	500	13,600	10,299	3,301	14,637	(2,900)	11,737	11,737	
Textbooks	5,000	(1,441)	3,559	3,558	1	5,975	(2,717)	3,258	3,258	
Other Objects	1,050		1,050	690	360	1,050	(990)	60	60	
Total Resource Room	3,283,906	(44,538)	3,239,368	3,127,779	111,589	3,130,559	(51,341)	3,079,218	3,070,848	8,370
Special Education - Autism:										
Salaries of Teachers	104,146		104,146	104,146		99,530		99,530	98,968	562
Other Salaries for Instruction	261,147		261,147	244,134	17,013	275,294	7,240	282,534	282,533	1
Other Purchased Services	1,000	(1,000)								
General Supplies	1,000	1,133	2,133	2,036	97	835	255	1,090	554	536
Textbooks						255	(255)			
Other Objects	600		600	20	580	300	(285)	15	15	
Total Autism	367,893	133	368,026	350,336	17,690	376,214	6,955	383,169	382,070	1,099
Special Education - Preschool Disabilities - Full-Time:										
Salaries of Teachers	156,050		156,050	148,151	7,899	144,076	8,059	152,135	152,135	
Other Salaries for Instruction	107,895		107,895	103,237	4,658	101,127	27,895	129,022	129,021	1
General Supplies	1,675		1,675	1,649	26	4,032	(1,941)	2,091	2,091	
Other Objects	350		350	149	201	350	(125)	225	225	

LACEY TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

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ACCOUNT NUMBER	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Total Preschool Disabilities - Full-Time	265,970		265,970	253,186	12,784	249,585	33,888	283,473	283,472	1	
Total Special Education	5,989,058	(41,970)	5,947,088	5,735,472	211,616	5,712,659	98,173	5,810,832	5,799,390	11,442	
Bilingual Educational - Instruction:											
Salaries of Teachers	11-240-100-101	90,246	25,400	115,646	115,642	4	80,692	33,263	113,955	113,954	1
General Supplies	11-240-100-610	1,400		1,400		1,400	1,400	(41)	1,359	259	1,100
Total Bilingual Education - Instruction		91,646	25,400	117,046	115,642	1,404	82,092	33,222	115,314	114,213	1,101
School Sponsored Cocurricular Activities:											
Salaries	11-401-100-100	336,278	24,060	360,338	352,240	8,098	372,564	2,200	374,764	347,760	27,004
Other Purchased Services	11-401-100-500							1,750	1,750	1,500	250
Supplies and Materials	11-401-100-600	16,717	(2,547)	14,170	8,130	6,040	18,530	(3,000)	15,530	9,325	6,205
Other Objects	11-401-100-800	1,900		1,900	822	1,078	2,640	150	2,790	705	2,085
Total School Sponsored Cocurricular Activities		354,895	21,513	376,408	361,192	15,216	393,734	1,100	394,834	359,290	35,544
School Sponsored Athletics - Instruction:											
Salaries	11-402-100-100	726,641	(4,100)	722,541	701,731	20,810	792,005	39,000	831,005	794,351	36,654
Purchased Services	11-402-100-500	66,126	6,376	72,502	68,025	4,477	61,476	2,187	63,663	56,722	6,941
Supplies and Materials	11-402-100-600	100,404	4,892	105,296	96,286	9,010	111,543	(2,390)	109,153	107,814	1,339
Other Objects	11-402-100-800	23,370	1,844	25,214	20,875	4,339	25,965	2,879	28,844	22,963	5,881
Total School Sponsored Athletics Instruction		916,541	9,012	925,553	886,917	38,636	990,989	41,676	1,032,665	981,850	50,815
Total Instruction		27,678,650	569,849	28,248,499	26,479,776	1,768,723	29,401,238	(193,380)	29,207,858	28,985,931	221,927
Undistributed Expenditures:											
Instruction :											
Tuition to Other LEAs Within the State - Regular	11-000-100-561	80,000	(62,700)	17,300	17,283	17	60,000	(4,854)	55,146	55,146	
Tuition to Other LEAs Within the State - Special	11-000-100-562	130,000	13,721	143,721	143,718	3	60,000	75,086	135,086	135,085	1

LACEY TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

ACCOUNT NUMBER	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2010				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	(376)	17,624	14,500	3,124	18,000	(3,000)	15,000	15,000	
Tuition to CSSD & Regional Day School	11-000-100-565	200,000	(118,242)	81,758	71,488	10,270	200,000	(60,258)	139,742	139,742	
Tuition to Private School for the Handicapped - State	11-000-100-566	501,000	492,722	993,722	991,752	1,970	1,020,000	150,885	1,170,885	1,164,787	6,098
Tuition - State Facilities	11-000-100-568	167,970		167,970	167,970		35,250		35,250	35,250	
<b>Total Undistributed Expenditures - Instruction</b>		<b>1,096,970</b>	<b>325,125</b>	<b>1,422,095</b>	<b>1,406,711</b>	<b>15,384</b>	<b>1,393,250</b>	<b>157,859</b>	<b>1,551,109</b>	<b>1,545,010</b>	<b>6,099</b>
Attendance & Social Work Services:											
Salaries	11-000-211-100	210,806	17,393	228,199	228,199		218,788	6,891	225,679	225,678	1
<b>Total Attendance &amp; Social Work Services</b>		<b>210,806</b>	<b>17,393</b>	<b>228,199</b>	<b>228,199</b>		<b>218,788</b>	<b>6,891</b>	<b>225,679</b>	<b>225,678</b>	<b>1</b>
Health Services:											
Salaries	11-000-213-100	526,557	(1,393)	525,164	507,171	17,993	497,512	37,276	534,788	534,787	1
Purchased Professional & Technical Services	11-000-213-300	43,397		43,397	41,897	1,500	43,397	(5,582)	37,815	36,710	1,105
Other Purchased Services	11-000-213-500	20,000	(8,000)	12,000	8,606	3,394	20,000	(13,234)	6,766	6,643	123
Supplies and Materials	11-000-213-600	26,500	2,984	29,484	22,480	7,004	25,900	(3,227)	22,673	21,003	1,670
<b>Total Health Services</b>		<b>616,454</b>	<b>(6,409)</b>	<b>610,045</b>	<b>580,154</b>	<b>29,891</b>	<b>586,809</b>	<b>15,233</b>	<b>602,042</b>	<b>599,143</b>	<b>2,899</b>
Other Support Services - Students - Related Services:											
Salaries	11-000-216-100	459,146	(42,004)	417,142	400,420	16,722	385,728	46,157	431,885	425,479	6,406
Purchased Professional - Educational Services	11-000-216-320	15,000	4,876	19,876	18,268	1,608	15,000	3,492	18,492	16,892	1,600
Supplies and Materials	11-000-216-600	2,160	81	2,241	1,554	687	2,400	109	2,509	2,108	401
<b>Total Other Support Services - Students - Related Services</b>		<b>476,306</b>	<b>(37,047)</b>	<b>439,259</b>	<b>420,242</b>	<b>19,017</b>	<b>403,128</b>	<b>49,758</b>	<b>452,886</b>	<b>444,479</b>	<b>8,407</b>
Other Support Services - Students - Extra Services:											
Salaries	11-000-217-100	141,938	(19,365)	122,573	121,522	1,051	141,862	579	142,441	142,370	71
<b>Total Other Support Services - Students - Extra Services</b>		<b>141,938</b>	<b>(19,365)</b>	<b>122,573</b>	<b>121,522</b>	<b>1,051</b>	<b>141,862</b>	<b>579</b>	<b>142,441</b>	<b>142,370</b>	<b>71</b>

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LACEY TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	ACCOUNT NUMBER	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Other Support Services - Students - Regular:											
Salaries of Other Professional Staff											
	11-000-218-104	1,030,750	570	1,031,320	967,200	64,120	1,006,456	80,203	1,086,659	1,086,659	
Salaries of Secretarial & Clerical Assistants											
	11-000-218-105	147,578	(2,775)	144,803	142,105	2,698	151,147	5,711	156,858	156,857	1
Purchased Professional - Educational Services											
	11-000-218-320	40,000	110,994	150,994	150,994		40,000	25,142	65,142	63,904	1,238
Supplies and Materials											
	11-000-218-600	11,100	2,000	13,100	12,811	289	11,100		11,100	11,041	59
Total Other Support Services - Regular		1,229,428	110,789	1,340,217	1,273,110	67,107	1,208,703	111,056	1,319,759	1,318,461	1,298
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff											
	11-000-219-104	881,668	(51,987)	829,681	801,551	28,130	827,545	30,775	858,320	858,319	1
Salaries of Secretarial & Clerical Assistants											
	11-000-219-105	76,496		76,496	71,180	5,316	72,344		72,344	71,180	1,164
Purchased Professional - Educational Services											
	11-000-219-320	180,134	17,000	197,134	191,403	5,731	260,134	(60,151)	199,983	199,726	257
Total Other Support Services - Students - Special Services		1,138,298	(34,987)	1,103,311	1,064,134	39,177	1,160,023	(29,376)	1,130,647	1,129,225	1,422
Improvement of Instruction Services/Other Support Services - Instruction Staff:											
Salaries of Supervisors of Instruction											
	11-000-221-102	765,336	107,342	872,678	813,861	58,817	717,653		717,653	714,131	3,522
Salaries of Other Professional Staff											
	11-000-221-104						180,895		180,895	177,832	3,063
Salaries of Secretarial & Clerical Assistants											
	11-000-221-105	204,051	3,709	207,760	178,737	29,023	194,825	2,249	197,074	197,074	
Purchased Professional - Educational Services											
	11-000-221-320	58,500		58,500	57,187	1,313	58,500		58,500	54,366	4,134
Supplies and Materials											
	11-000-221-600	29,610	(11,957)	17,653	16,561	1,092	32,900	(11,305)	21,595	18,579	3,016
Total Improvement of Instruction Services/Other Support Services - Instructional Staff		1,057,497	99,094	1,156,591	1,066,346	90,245	1,184,773	(9,056)	1,175,717	1,161,982	13,735

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**LACEY TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

	ACCOUNT NUMBER	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
<b>Educational Media Services/School Library:</b>											
Salaries	11-000-222-100	502,702	21,053	523,755	500,025	23,730	618,602	(6,891)	611,711	610,393	1,318
Purchased Professional & Technical Services	11-000-222-300	6,912	(183)	6,729	6,728	1	8,349	(559)	7,790	4,713	3,077
Supplies and Materials	11-000-222-600	33,000	1,121	34,121	32,937	1,184	37,000	696	37,696	35,932	1,764
<b>Total Educational Media Services/School Library</b>		<b>542,614</b>	<b>21,991</b>	<b>564,605</b>	<b>539,690</b>	<b>24,915</b>	<b>663,951</b>	<b>(6,754)</b>	<b>657,197</b>	<b>651,038</b>	<b>6,159</b>
<b>Support Services Instructional Staff Training Services:</b>											
Other Purchased Services	11-000-223-500	18,560	3,310	21,870	14,870	7,000	90,400	(4,377)	86,023	54,235	31,788
<b>Total Support Services Instructional Staff Training Services</b>		<b>18,560</b>	<b>3,310</b>	<b>21,870</b>	<b>14,870</b>	<b>7,000</b>	<b>90,400</b>	<b>(4,377)</b>	<b>86,023</b>	<b>54,235</b>	<b>31,788</b>
<b>Support Services General Administration:</b>											
Salaries	11-000-230-100	558,938	162,206	721,144	633,252	87,892	546,951	105,045	651,996	651,995	1
Salaries of Attorneys	11-000-230-108	10,000		10,000	10,000		10,000		10,000	9,583	417
Legal Services	11-000-230-331	140,000	104,900	244,900	244,200	700	140,000	101,000	241,000	240,761	239
Audit Fees	11-000-230-332	22,000	1,475	23,475	23,475		22,000		22,000	18,000	4,000
Other Purchased Professional Services	11-000-230-339	37,000	(13,475)	23,525	23,013	512	38,000		38,000	36,726	1,274
Communications/Telephone	11-000-230-530	145,000	(44,527)	100,473	99,844	629	165,000	(31,325)	133,675	104,434	29,241
Other Purchased Services	11-000-230-590	34,300	(15,276)	19,024	18,184	840	127,300	1,000	128,300	128,281	19
General Supplies	11-000-230-610	31,500	2,530	34,030	23,079	10,951	35,000	4	35,004	23,325	11,679
Miscellaneous Expenditures	11-000-230-890	16,300	(11,500)	4,800	4,437	363	17,000		17,000	7,065	9,935
BOE Membership Dues & Fees	11-000-230-895	36,000	(2,000)	34,000	27,120	6,880	38,000		38,000	35,267	2,733
<b>Total Support Services General Administration</b>		<b>1,031,038</b>	<b>184,333</b>	<b>1,215,371</b>	<b>1,106,604</b>	<b>108,767</b>	<b>1,139,251</b>	<b>175,724</b>	<b>1,314,975</b>	<b>1,255,437</b>	<b>59,538</b>
<b>Support Services School Administration:</b>											
Salaries of Principals & Assistant Principals	11-000-240-103	1,005,740	(4,457)	1,001,283	969,504	31,779	953,306	8,134	961,440	961,440	
Salaries of Secretarial & Clerical Assistants	11-000-240-105	365,863	18,288	384,151	348,650	35,501	359,531		359,531	358,531	1,000
Supplies and Materials	11-000-240-600	54,450	2,729	57,179	52,919	4,260	107,016	19,411	126,427	118,848	7,579
<b>Total Support Services School Administration</b>		<b>1,426,053</b>	<b>16,560</b>	<b>1,442,613</b>	<b>1,371,073</b>	<b>71,540</b>	<b>1,419,853</b>	<b>27,545</b>	<b>1,447,398</b>	<b>1,438,819</b>	<b>8,579</b>

**LACEY TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

	ACCOUNT NUMBER	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
<b>Central Services:</b>											
Salaries	11-000-251-100	496,532		496,532	474,732	21,800	482,526	11,087	493,613	493,613	
Purchased Professional Services	11-000-251-330	18,000		18,000	10,168	7,832	18,000		18,000	9,939	8,061
General Supplies	11-000-251-600	16,380		16,380	11,434	4,946	18,200		18,200	9,467	8,733
Miscellaneous Expenditures	11-000-251-890	3,000		3,000	2,037	963	3,000		3,000	2,004	996
<b>Total Central Services</b>		<b>533,912</b>		<b>533,912</b>	<b>498,371</b>	<b>35,541</b>	<b>521,726</b>	<b>11,087</b>	<b>532,813</b>	<b>515,023</b>	<b>17,790</b>
<b>Required Maintenance for School Facilities:</b>											
Salaries	11-000-261-100	1,279,485	(33,226)	1,246,259	1,217,102	29,157	1,343,263	(49,453)	1,293,810	1,281,531	12,279
Cleaning, Repair & Maintenance Services	11-000-261-420	212,404	74,236	286,640	200,495	86,145	212,304	11,331	223,635	157,773	65,862
General Supplies	11-000-261-610	137,210	44,119	181,329	117,455	63,874	136,965	11,673	148,638	127,596	21,042
<b>Total Required Maintenance for School Facilities</b>		<b>1,629,099</b>	<b>85,129</b>	<b>1,714,228</b>	<b>1,535,052</b>	<b>179,176</b>	<b>1,692,532</b>	<b>(26,449)</b>	<b>1,666,083</b>	<b>1,566,900</b>	<b>99,183</b>
<b>Operation &amp; Maintenance of Plant Services:</b>											
Salaries	11-000-262-100	1,300,649	41,785	1,342,434	1,310,233	32,201	1,362,967	4,782	1,367,749	1,367,748	1
Purchased Professional & Technical Services	11-000-262-300	7,000	1,300	8,300	4,600	3,700	7,000		7,000	4,350	2,650
Cleaning, Repair & Maintenance Services	11-000-262-420	35,000	(2,900)	32,100	9,409	22,691	37,000		37,000	11,990	25,010
Other Purchased Property Services	11-000-262-490	80,000	(6,900)	73,100	72,467	633	82,000		82,000	65,492	16,508
Insurance	11-000-262-520	550,000	9,065	559,065	559,065		440,000	(30,000)	410,000	406,042	3,958
General Supplies	11-000-262-610	130,000	56,587	186,587	118,484	68,103	133,650		133,650	128,034	5,616
Energy (Natural Gas)	11-000-262-621	600,000	(255,510)	344,490	331,103	13,387	633,000	(55,000)	578,000	385,464	192,536
Energy (Electricity)	11-000-262-622	907,000	(131,877)	775,123	774,559	564	1,259,000	(179,015)	1,079,985	955,100	124,885
<b>Total Operation &amp; Maintenance of Plant Services</b>		<b>3,609,649</b>	<b>(288,450)</b>	<b>3,321,199</b>	<b>3,179,920</b>	<b>141,279</b>	<b>3,954,617</b>	<b>(259,233)</b>	<b>3,695,384</b>	<b>3,324,220</b>	<b>371,164</b>
<b>Care &amp; Upkeep of Grounds:</b>											
Salaries	11-000-263-100	337,727		337,727	327,796	9,931	329,339	6,593	335,932	335,932	
General Supplies	11-000-263-610	70,000	40,071	110,071	85,171	24,900	70,000	13,100	83,100	81,590	1,510
<b>Total Care &amp; Upkeep of Grounds</b>		<b>407,727</b>	<b>40,071</b>	<b>447,798</b>	<b>412,967</b>	<b>34,831</b>	<b>399,339</b>	<b>19,693</b>	<b>419,032</b>	<b>417,522</b>	<b>1,510</b>
<b>Security:</b>											
Salaries	11-000-266-100	242,155	(24,169)	217,986	182,619	35,367	237,653	73,181	310,834	226,954	83,880
<b>Total Security</b>		<b>242,155</b>	<b>(24,169)</b>	<b>217,986</b>	<b>182,619</b>	<b>35,367</b>	<b>237,653</b>	<b>73,181</b>	<b>310,834</b>	<b>226,954</b>	<b>83,880</b>

LACEY TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	ACCOUNT NUMBER	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2010				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	60,374		60,374	60,374		57,576		57,576	9,728	47,848
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	990,908	4,276	995,184	995,184		1,017,079	10,614	1,027,693	1,027,693	
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	383,500	(9,902)	373,598	312,516	61,082	387,993	19,964	407,957	407,956	1
Cleaning, Repair & Maintenance Services	11-000-270-420	12,000	2,106	14,106	10,294	3,812	12,000		12,000	10,484	1,516
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512		1,200	1,200	1,200			1,250	1,250	1,250	
Contracted Services (Between Home & School) - Joint Agreements	11-000-270-513	80,500	(60,000)	20,500	5,400	15,100	78,000		78,000	77,848	152
Contracted Services (Special Education Students) - ESC's & CTSA's	11-000-270-518	600,000		600,000	582,932	17,068	580,000		580,000	460,617	119,383
Aid in Lieu of Payments	11-000-270-503	12,000	(2,106)	9,894	8,653	1,241	5,000	5,610	10,610	10,608	2
Miscellaneous Purchased Services - Transportation	11-000-270-593	140,000	(21,845)	118,155	117,705	450	140,000	(25,610)	114,390	72,259	42,131
General Supplies	11-000-270-610	7,200	12,111	19,311	1,960	17,351	8,080		8,080	6,790	1,290
Transportation Supplies	11-000-270-615	400,000	(9,000)	391,000	357,378	33,622	400,000		400,000	348,679	51,321
Other Objects	11-000-270-800	16,800	(220)	16,580	14,527	2,053	16,750		16,750	14,670	2,080
<b>Total Student Transportation Services</b>		<b>2,703,282</b>	<b>(83,380)</b>	<b>2,619,902</b>	<b>2,468,123</b>	<b>151,779</b>	<b>2,702,478</b>	<b>11,828</b>	<b>2,714,306</b>	<b>2,448,582</b>	<b>265,724</b>
Unallocated Benefits - Employee Benefits:											
Social Security	11-xxx-xxx-220	980,000	(55,022)	924,978	850,850	74,128	980,000	(20,299)	959,701	949,971	9,730
Other Retirement Contributions	11-xxx-xxx-241	700,000	176,722	876,722	876,722		680,000	(11,000)	669,000	668,516	484
Worker's Compensation	11-xxx-xxx-260	730,000	(125,000)	605,000	600,723	4,277	780,000	(148,000)	632,000	621,733	10,267
Health Benefits	11-xxx-xxx-270	10,990,000	(216,799)	10,773,201	10,754,288	18,913	9,790,000	509,683	10,299,683	9,967,368	332,315
Tuition Reimbursement	11-xxx-xxx-280	90,950	10,174	101,124	100,069	1,055	94,005	1,353	95,358	89,509	5,849
Other Employee Benefits	11-xxx-xxx-290	88,500	(6,066)	82,434	79,551	2,883	90,000	350	90,350	79,620	10,730
<b>Total Unallocated Benefits - Employee Benefits</b>		<b>13,579,450</b>	<b>(215,991)</b>	<b>13,363,459</b>	<b>13,262,203</b>	<b>101,256</b>	<b>12,414,005</b>	<b>332,087</b>	<b>12,746,092</b>	<b>12,376,717</b>	<b>369,375</b>

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LACEY TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

ACCOUNT NUMBER	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Nonbudgeted:											
On-Behalf TPAF Pension Contribution				1,878,030	(1,878,030)				1,765,635	(1,765,635)	
Reimbursed TPAF Social Security Contribution				1,987,569	(1,987,569)				2,079,687	(2,079,687)	
Total Undistributed Expenditures	31,691,236	193,997	31,885,233	34,597,509	(2,712,276)	31,533,141	657,276	32,190,417	34,687,117	(2,496,700)	
Total Expenditures - Current Expense	59,369,886	763,846	60,133,732	61,077,285	(943,553)	60,934,379	463,896	61,398,275	63,673,048	(2,274,773)	
Capital Outlay:											
Equipment:											
Regular Programs - Instruction:											
Grades 1 - 5	12-120-100-730	88,749	88,749	88,749		146,475		146,475	146,436	39	
Grades 9 - 12	12-140-100-730						5,384	5,384	5,384		
Support Services - Students -											
Regular	12-000-210-730						2,500	2,500	2,500		
Central Services	12-000-251-730	10,491	10,491	10,491		10,491		10,491	10,491		
Required Maintenance for											
School Facilities	12-000-261-730					21,000	(21,000)				
Care & Upkeep of Grounds	12-000-263-730		15,599	15,599	3,099	12,500	24,085	24,085	20,728	3,357	
Undistributed Expenditures - Student Transportation:											
Noninstructional Equipment	12-000-270-732	150,500	216,800	367,300	148,734	218,566	136,500	(1,100)	135,400	135,345	55
Total Equipment		249,740	232,399	482,139	251,073	231,066	314,466	9,869	324,335	320,884	3,451
Facilities Acquisition & Construction Services:											
Construction Services	12-000-400-450										
Other Objects	12-000-400-800	131,111		131,111	131,111						
Total Facilities Acquisition & Construction Services		131,111		131,111	131,111						
Assets Acquired Under Capital Leases (Nonbudgeted)											
				245,895	(245,895)						
Total Capital Outlay		380,851	232,399	613,250	628,079	(14,829)	314,466	9,869	324,335	320,884	3,451
Total Expenditures		59,750,737	996,245	60,746,982	61,705,364	(958,382)	61,248,845	473,765	61,722,610	63,993,932	(2,271,322)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,078,999)	(983,462)	(2,062,461)	1,858,408	3,920,869	(1,230,585)	(473,765)	(1,704,350)	(1,069,297)	635,053
Other Financing Sources/(Uses):											
Operating Transfers In:											
Capital Lease Proceeds (Nonbudgeted)				245,895	245,895						

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**LACEY TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

	JUNE 30, 2011				POSITIVE/ (NEGATIVE)	JUNE 30, 2010				POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(1,078,999)	(983,462)	(2,062,461)	2,104,303	4,166,764	(1,230,585)	(473,765)	(1,704,350)	(1,069,297)	635,053
Fund Balances, July 1	2,967,918		2,967,918	2,967,918		4,037,215		4,037,215	4,037,215	
Fund Balances, June 30	\$1,888,919	(983,462)	905,457	5,072,221	4,166,764	2,806,630	(473,765)	2,332,865	2,967,918	635,053

**RECAPITULATION OF FUND BALANCE**

Restricted Fund Balance:	
Excess Surplus	\$241,356
Committed Fund Balance:	
Year-end Encumbrances	1,713,622
Assigned Fund Balance:	
Year-end Encumbrances	514,904
Designated for Subsequent Year's Expenditures	1,200,000
Unassigned Fund Balance	<u>1,402,339</u>
Subtotal	5,072,221
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	<u>(1,916,484)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$3,155,738</u>

**LACEY TOWNSHIP SCHOOL DISTRICT  
AMERICAN RECOVERY AND REINVESTMENTS ACT  
BUDGET AND ACTUAL -  
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

	ACCOUNT NUMBER	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Revenues:</b>											
<b>Federal Sources:</b>											
Education State Grant, Recovery	16-4520	\$ -						3,276,885	3,276,885	3,276,885	
Government Services Grant, Recovery Act	17-4521							126,853	126,853	126,853	
<b>Total Federal Sources</b>								<b>3,403,738</b>	<b>3,403,738</b>	<b>3,403,738</b>	
<b>Total Revenues</b>								<b>3,403,738</b>	<b>3,403,738</b>	<b>3,403,738</b>	
<b>Expenditures:</b>											
<b>Current Expense:</b>											
<b>Instruction - Regular Programs:</b>											
<b>Salaries of Teachers:</b>											
Preschool/Kindergarten	16-110-100-101							49,452	49,452	49,452	
Grades 1 - 5	16-120-100-101							653,478	653,478	653,478	
Grades 6 - 8	16-130-100-101							379,201	379,201	379,201	
Grades 9 - 12	16-140-100-101							2,194,754	2,194,754	2,194,754	
<b>Total Instruction - Regular Programs</b>								<b>3,276,885</b>	<b>3,276,885</b>	<b>3,276,885</b>	
<b>Instruction - Regular Programs:</b>											
<b>Salaries of Teachers:</b>											
Grades 9 - 12	17-140-100-101							126,853	126,853	126,853	
<b>Total Instruction - Regular Programs</b>								<b>126,853</b>	<b>126,853</b>	<b>126,853</b>	
<b>Total Expenditures - Current Expense</b>								<b>3,403,738</b>	<b>3,403,738</b>	<b>3,403,738</b>	
<b>Total Expenditures</b>								<b>3,403,738</b>	<b>3,403,738</b>	<b>3,403,738</b>	
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>		<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	ACCOUNT NUMBER	JUNE 30, 2011			VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
<b>Revenues:</b>						
<b>Federal Sources:</b>						
Education Jobs Fund Program	18-4522		12,783	12,783	11,712	(1,071)
Total Federal Sources			12,783	12,783	11,712	(1,071)
Total Revenues			12,783	12,783	11,712	(1,071)
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Grades 1 - 5	18-120-100-101		2,440	2,440	2,440	
Grades 6 - 8	18-130-100-101		2,440	2,440	2,440	
Grades 9 - 12	18-140-100-101		2,440	2,440	2,440	
Total Instruction - Regular Programs			7,320	7,320	7,320	
<b>Required Maintenance for School Facilities:</b>						
Salaries	18-000-261-100		4,392	4,392	4,392	
Total Required Maintenance for School Facilities			4,392	4,392	4,392	
<b>Unallocated Benefits Employee Benefits:</b>						
Other Employee Benefits	18-000-291-290		1,071	1,071		1,071
Total Unallocated Benefits - Employee Benefits			1,071	1,071		1,071
Total Expenditures - Current Expense			12,783	12,783	11,712	1,071
Total Expenditures			12,783	12,783	11,712	1,071
Excess/(Deficiency) of Revenues Over/(Under) Expenditures			\$ -	-	-	-

**LACEY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2010				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>REVENUES</b>										
Local Sources		71,220	71,220	71,220				112,760	112,760	112,760
State Sources		844	844	844						
Federal Sources	\$1,226,700	1,683,013	2,909,713	2,909,713		1,463,135	490,402	1,953,537	1,953,537	
<b>Total - Revenues</b>	<b>1,226,700</b>	<b>1,755,077</b>	<b>2,981,777</b>	<b>2,981,777</b>		<b>1,463,135</b>	<b>603,162</b>	<b>2,066,297</b>	<b>2,066,297</b>	
<b>EXPENDITURES</b>										
<b>Instruction:</b>										
Salaries of Teachers	300,000	335,725	635,725	635,725		300,000	233,579	533,579	533,579	
Other Salaries for Instruction		108,426	108,426	108,426						
Purchased Professional Services	527,900	(361,935)	165,965	165,965		563,896	(44,116)	519,780	519,780	
Tuition	300,000	629,362	929,362	929,362		390,000	52,225	442,225	442,225	
Travel							200	200	200	
General Supplies	30,000	364,950	394,950	394,950		47,080	115,445	162,525	162,525	
Textbooks		844	844	844						
Miscellaneous Expenses		5,633	5,633	5,633		1,270	1,711	2,981	2,981	
<b>Total Instruction</b>	<b>1,157,900</b>	<b>1,083,005</b>	<b>2,240,905</b>	<b>2,240,905</b>		<b>1,302,246</b>	<b>359,044</b>	<b>1,661,290</b>	<b>1,661,290</b>	
<b>Support Services:</b>										
Salaries of Other Professional Staff							650	650	650	
Salaries of Secretarial & Clerical Assistants	12,000	8,441	20,441	20,441		12,700	37,326	50,026	50,026	
Purchased Professional - Educational Services	32,800	350,585	383,385	383,385		42,500	10,143	52,643	52,643	
Other Purchased Professional Services		839	839	839						
Purchased Technical Services		78,952	78,952	78,952		61,239	12,733	73,972	73,972	
Employee Benefits	24,000	150,472	174,472	174,472		30,000	44,614	74,614	74,614	
Travel		14,014	14,014	14,014		7,650	5,792	13,442	13,442	
Supplies & Materials		19,173	19,173	19,173		6,800	11,732	18,532	18,532	
Miscellaneous Expenditures							70	70	70	
<b>Total Support Services</b>	<b>68,800</b>	<b>622,476</b>	<b>691,276</b>	<b>691,276</b>		<b>160,889</b>	<b>123,060</b>	<b>283,949</b>	<b>283,949</b>	
<b>Capital Outlay</b>										
Instructional Equipment		49,596	49,596	49,596			121,058	121,058	121,058	
<b>Total Capital Outlay</b>		<b>49,596</b>	<b>49,596</b>	<b>49,596</b>			<b>121,058</b>	<b>121,058</b>	<b>121,058</b>	
<b>Total Expenditures</b>	<b>1,226,700</b>	<b>1,755,077</b>	<b>2,981,777</b>	<b>2,981,777</b>		<b>1,463,135</b>	<b>603,162</b>	<b>2,066,297</b>	<b>2,066,297</b>	
<b>Total Outflows</b>	<b>1,226,700</b>	<b>1,755,077</b>	<b>2,981,777</b>	<b>2,981,777</b>		<b>1,463,135</b>	<b>603,162</b>	<b>2,066,297</b>	<b>2,066,297</b>	
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures &amp; Other Financing Sources/(Uses)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

09



**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**



**LACEY TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**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	\$63,563,772	2,981,777
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		127,670
Current Year		(333,774)
 State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	 2,262,409	
 State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	 (1,916,484)	
 Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	 <u>\$63,909,697</u>	 <u>2,775,673</u>
 Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$61,705,364	2,981,777
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		127,670
Current Year		(333,774)
 Total Expenditures as Reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds (B-2)	 <u>\$61,705,364</u>	 <u>2,775,673</u>



**OTHER SUPPLEMENTARY INFORMATION**



D. School Based Budget Schedules

Not Applicable





E. Special Revenue Fund



**LACEY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(With Comparative Totals for June 30, 2010)**

	I.D.E.A. - PART B BASIC REGULAR PROGRAM	IDEA - PART B PRESCHOOL PROGRAM	I.D.E.A. - PART B BASIC REGULAR PROGRAM - ARRA	IDEA - PART B PRESCHOOL PROGRAM - ARRA	NO CHILD LEFT BEHIND TITLE I
<b>Revenues:</b>					
Local Sources					
State Sources					
Federal Sources	\$1,045,404	34,509	896,075	31,801	516,683
<b>Total Revenues</b>	<b>\$1,045,404</b>	<b>34,509</b>	<b>896,075</b>	<b>31,801</b>	<b>516,683</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of Teachers			112,105		315,571
Other Salaries for Instruction			108,426		
Purchased Professional Services	\$109,840	34,509	16,500		
Tuition	523,269		378,725	27,368	
Travel					
General Supplies	25,063		138,648	3,076	82,490
Textbooks					
Miscellaneous Expense	350				
<b>Total Instruction</b>	<b>658,522</b>	<b>34,509</b>	<b>754,404</b>	<b>30,444</b>	<b>398,061</b>
<b>Support Services:</b>					
<b>Other Support Services - Students - Special:</b>					
Salaries of Other Professional Staff					
Salaries of Secretarial & Clerical Assistants	12,359				
Purchased Professional Services	369,000		14,385		
Other Purchased Professional Services					
Purchased Technical Services					61,752
Employee Benefits	918		90,548		55,322
Travel	1,605		4,064		808
General Supplies	3,000		6,264	1,357	740
Miscellaneous Expenses					
<b>Total Support Services</b>	<b>386,882</b>		<b>115,261</b>	<b>1,357</b>	<b>118,622</b>
<b>Capital Outlay</b>					
Instructional Equipment			26,410		
<b>Total Capital Outlay</b>			<b>26,410</b>		
<b>Total Expenditures</b>	<b>\$1,045,404</b>	<b>34,509</b>	<b>896,075</b>	<b>31,801</b>	<b>516,683</b>

**LACEY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(With Comparative Totals for June 30, 2010)**

	NO CHILD LEFT BEHIND			
	TITLE I ARRA	TITLE I SIA - ARRA	TITLE IIA	TITLE IID
<b>Revenues:</b>				
Local Sources				
State Sources				
Federal Sources	\$163,164	987	174,143	3,002
<b>Total Revenues</b>	<b>\$163,164</b>	<b>987</b>	<b>174,143</b>	<b>3,002</b>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Salaries of Teachers	\$76,375		\$120,588	875
Other Salaries for Instruction				
Purchased Professional Services				
Tuition				
Travel				
General Supplies	68,421	987	10,516	596
Textbooks				
Miscellaneous Expense				
<b>Total Instruction</b>	<b>144,796</b>	<b>987</b>	<b>131,104</b>	<b>1,471</b>
<b>Support Services:</b>				
<b>Other Support Services - Students - Special:</b>				
Salaries of Other Professional Staff				
Salaries of Secretarial & Clerical Assistants			7,215	
Purchased Professional Services				
Other Purchased Professional Services				
Purchased Technical Services			13,700	1,000
Employee Benefits	12,156		15,087	31
Travel			7,037	500
General Supplies	6,212			
Miscellaneous Expenses				
<b>Total Support Services</b>	<b>18,368</b>		<b>43,039</b>	<b>1,531</b>
<b>Capital Outlay</b>				
Instructional Equipment				
<b>Total Capital Outlay</b>				
<b>Total Expenditures</b>	<b>\$163,164</b>	<b>987</b>	<b>174,143</b>	<b>3,002</b>

**LACEY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(With Comparative Totals for June 30, 2010)**

	<u>NO CHILD LEFT BEHIND</u>		NONPUBLIC TEXTBOOKS	CARL D. PERKINS GRANT SECONDARY
	TITLE III	TITLE IV		
<b>Revenues:</b>				
Local Sources				
State Sources			844	
Federal Sources	\$10,722	2,908		30,315
<b>Total Revenues</b>	<b>\$10,722</b>	<b>2,908</b>	<b>844</b>	<b>30,315</b>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Salaries of Teachers	\$4,500	2,858		
Other Salaries for Instruction				
Purchased Professional Services				2,262
Tuition				
Travel				
General Supplies	4,739	19		23,120
Textbooks			844	
Miscellaneous Expense	200	31		
<b>Total Instruction</b>	<b>9,439</b>	<b>2,908</b>	<b>844</b>	<b>25,382</b>
<b>Support Services:</b>				
<b>Other Support Services - Students - Special:</b>				
Salaries of Other Professional Staff				
Salaries of Secretarial & Clerical Assistants				867
Purchased Professional Services				
Other Purchased Professional Services	839			
Purchased Technical Services				2,500
Employee Benefits	344			66
Travel				
General Supplies	100			1,500
Miscellaneous Expenses				
<b>Total Support Services</b>	<b>1,283</b>			<b>4,933</b>
<b>Capital Outlay</b>				
Instructional Equipment				
<b>Total Capital Outlay</b>				
<b>Total Expenditures</b>	<b>\$10,722</b>	<b>2,908</b>	<b>844</b>	<b>30,315</b>

**LACEY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(With Comparative Totals for June 30, 2010)**

	VARIOUS LOCAL GRANTS	2011	2010
<b>Revenues:</b>			
Local Sources	\$71,220	71,220	112,760
State Sources		844	
Federal Sources		2,909,713	1,953,537
Total Revenues	\$71,220	2,981,777	2,066,297
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$2,853	635,725	533,579
Other Salaries for Instruction		108,426	
Purchased Professional Services	2,854	165,965	519,780
Tuition		929,362	442,225
Travel			200
General Supplies	37,275	394,950	162,525
Textbooks		844	
Miscellaneous Expense	5,052	5,633	2,981
Total Instruction	48,034	2,240,905	1,661,290
<b>Support Services:</b>			
<b>Other Support Services - Students - Special:</b>			
Salaries of Other Professional Staff			650
Salaries of Secretarial & Clerical Assistants		20,441	50,026
Purchased Professional Services		383,385	52,643
Other Purchased Professional Services		839	
Purchased Technical Services		78,952	73,972
Employee Benefits		174,472	74,614
Travel		14,014	13,442
General Supplies		19,173	18,532
Miscellaneous Expenses			70
Total Support Services		691,276	283,949
<b>Capital Outlay</b>			
Instructional Equipment	23,186	49,596	121,058
Total Capital Outlay	23,186	49,596	121,058
Total Expenditures	\$71,220	2,981,777	2,066,297

F. Capital Projects Fund





**LACEY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2011
			PRIOR YEARS	CURRENT YEAR	
Installation of Solar Panels & Various Elementary School Renovations	4/28/2009	\$20,750,625	11,210,625	2,554,065	6,985,935
Total		\$20,750,625	11,210,625	2,554,065	6,985,935

**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, 2011**

Revenues & Other Financing Sources:	
Bond Proceeds & Transfers	
NJ Clean Energy Rebate	<u>\$944,625</u>
Total Revenues	<u>944,625</u>
Expenditures & Other Financing Uses:	
Construction Services	324,065
Project Balances Cancelled:	
Debt Service Fund	<u>2,230,000</u>
Total Expenditures	<u>2,554,065</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,609,440)
Fund Balance - Beginning	<u>8,595,375</u>
Fund Balance - Ending	<u><u>\$6,985,935</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, 2011**

	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	
<b>Total Revenues</b>	<b>19,806,000</b>	<b>944,625</b>	<b>20,750,625</b>	<b>19,806,000</b>
Expenditures & Other Financing Uses:				
Construction Services	11,210,625	324,065	11,534,690	17,576,000
Project Balances Cancelled:				
Debt Service Fund		2,230,000	2,230,000	2,230,000
<b>Total Expenditures</b>	<b>11,210,625</b>	<b>2,554,065</b>	<b>13,764,690</b>	<b>19,806,000</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$8,595,375	(1,609,440)	6,985,935	-

**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	69.5%
Original Target Completion Date	June 2010
Revised Target Completion Date	September 2011



## G. Proprietary Funds



## Enterprise Funds





**LACEY TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF NET ASSETS  
JUNE 30, 2011  
(With Comparative Totals for June 30, 2010)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		2011	2010
	FOOD SERVICE	COMMUNITY EDUCATION		
<b>ASSETS</b>				
Current Assets:				
Cash & Cash Equivalents		148,421	148,421	118,828
Accounts Receivable:				
State	\$1,093		1,093	2,328
Federal	24,952		24,952	34,839
Other	2,445		2,445	4,425
Inventories	20,138		20,138	22,486
<b>Total Current Assets</b>	<b>48,628</b>	<b>148,421</b>	<b>197,049</b>	<b>182,906</b>
Noncurrent Assets:				
Furniture, Machinery & Equipment	353,454	30,052	383,506	323,402
Less: Accumulated Depreciation	(322,279)		(322,279)	(321,463)
<b>Total Noncurrent Assets</b>	<b>31,175</b>	<b>30,052</b>	<b>61,227</b>	<b>1,939</b>
<b>Total Assets</b>	<b>79,803</b>	<b>178,473</b>	<b>258,276</b>	<b>184,845</b>
<b>LIABILITIES</b>				
Cash Overdraft	9,246		9,246	
Accounts Payable		66	66	40,016
<b>Total Liabilities</b>	<b>9,246</b>	<b>66</b>	<b>9,312</b>	<b>40,016</b>
<b>NET ASSETS</b>				
Investment in Capital Assets, Net	31,175	30,052	61,227	1,939
Unrestricted Net Assets	39,382	148,355	187,737	142,890
<b>Total Net Assets</b>	<b>\$70,557</b>	<b>178,407</b>	<b>248,964</b>	<b>144,829</b>

**LACEY TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(With Comparative Totals for June 30, 2010)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		2011	2010
	FOOD SERVICE	COMMUNITY EDUCATION		
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$912,583		912,583	962,912
Daily Sales - Nonreimbursable Programs	39,562		39,562	26,918
Program Revenues		233,604	233,604	219,587
Trip Income		18,988	18,988	68,269
<b>Total Operating Revenues</b>	<b>952,145</b>	<b>252,592</b>	<b>1,204,737</b>	<b>1,277,686</b>
Operating Expenses:				
Salaries	654,672	137,421	792,093	913,465
Advertising				930
Other Purchased Services		8,837	8,837	28,703
Tickets		8,650	8,650	11,304
Supplies & Materials	4,377	8,396	12,773	78,488
Depreciation Expense	817		817	817
Cost of Sales	839,366		839,366	765,650
Miscellaneous	8,698	1,213	9,911	8,054
<b>Total Operating Expenses</b>	<b>1,507,930</b>	<b>164,517</b>	<b>1,672,447</b>	<b>1,807,411</b>
<b>Operating Income/(Loss)</b>	<b>(555,785)</b>	<b>88,075</b>	<b>(467,710)</b>	<b>(529,725)</b>
Nonoperating Revenues (Expenses):				
Interest Income	747	708	1,455	2,775
Miscellaneous	1,492	236	1,728	6,228
State Sources:				
State School Lunch Program	18,258		18,258	23,654
School Breakfast Program				2,540
Federal Sources:				
National School Lunch Program	407,757		407,757	366,419
School Breakfast Program	35,181		35,181	22,913
Special Milk Program	5,255		5,255	4,456
Food Distribution Program	102,211		102,211	114,827
<b>Total Nonoperating Revenues/(Expenses)</b>	<b>570,901</b>	<b>944</b>	<b>571,845</b>	<b>543,812</b>
<b>Income/(Loss) Before Contributions &amp; Transfers</b>	<b>15,116</b>	<b>89,019</b>	<b>104,135</b>	<b>14,087</b>
Contributions & Transfers:				
Transfer to Cover Deficit				
<b>Total Contributions &amp; Transfers</b>				
Change in Net Assets	15,116	89,019	104,135	14,087
Total Net Assets - Beginning	55,441	89,388	144,829	130,742
<b>Total Net Assets - Ending</b>	<b>\$70,557</b>	<b>178,407</b>	<b>248,964</b>	<b>144,829</b>

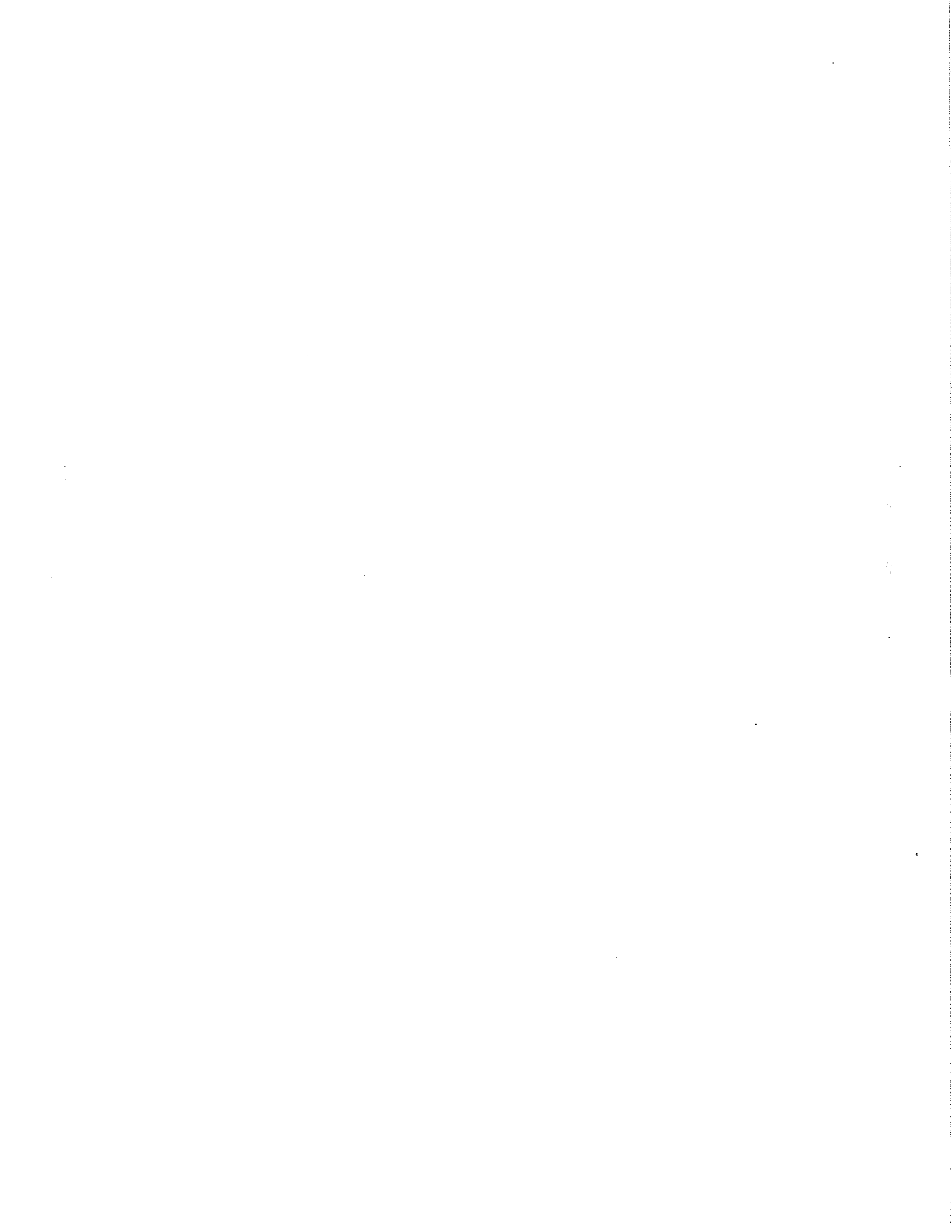
**LACEY TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(With Comparative Totals for June 30, 2010)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		2011	2010
	FOOD SERVICE	COMMUNITY EDUCATION		
<b>Cash Flows From Operating Activities:</b>				
Receipts from Customers	\$954,125	252,592	1,206,717	1,273,261
Payments to Employees	(654,672)	(137,421)	(792,093)	(913,465)
Payments to Suppliers	(787,898)	(27,030)	(814,928)	(734,499)
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>(488,445)</b>	<b>88,141</b>	<b>(400,304)</b>	<b>(374,703)</b>
<b>Cash Flows From Noncapital Financing Activities:</b>				
Interest Income	747	708	1,455	2,775
Miscellaneous	1,491	236	1,727	6,228
Cash Received from Federal Reimbursements	458,080		458,080	358,949
Cash Received from State Reimbursements	19,493		19,493	23,866
<b>Net Cash Provided/(Used) by Noncapital Financing Activities</b>	<b>479,811</b>	<b>944</b>	<b>480,755</b>	<b>391,818</b>
<b>Cash Flows From Capital Activities:</b>				
Purchase of Fixed Assets	(30,052)	(30,052)	(60,104)	
<b>Net Cash Provided/(Used) by Capital Activities</b>	<b>(30,052)</b>	<b>(30,052)</b>	<b>(60,104)</b>	
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>				
Balances - Beginning of Year	(38,686)	59,033	20,347	17,115
Balances - End of Year	29,440	89,388	118,828	101,713
	(\$9,246)	148,421	139,175	118,828
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>				
Operating Income/(Loss)	(\$555,785)	88,075	(467,710)	(529,725)
Adjustments to Reconcile Operating Income/ (Loss) to Net Cash Provided/(Used) by Operating Activities:				
Food Distribution Program	102,211		102,211	114,827
Depreciation Expense	817		817	817
Decrease/(Increase) in Interfund Receivable				
Decrease/(Increase) in Other Receivables	1,980		1,980	(4,425)
Decrease/(Increase) in Inventory	2,348		2,348	3,787
(Decrease)/Increase in Interfund Payable		66	66	
(Decrease)/Increase in Accounts Payable	(40,016)		(40,016)	40,016
<b>Total Adjustments</b>	<b>67,340</b>	<b>66</b>	<b>67,406</b>	<b>155,022</b>
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>(488,445)</b>	<b>88,141</b>	<b>(400,304)</b>	<b>(374,703)</b>



Internal Service Fund

Not Applicable



## H. Fiduciary Funds





**LACEY TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2011  
(With Comparative Totals for June 30, 2010)**

	PRIVATE PURPOSE		AGENCY FUND		2011	2010
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION INSURANCE	STUDENT ACTIVITY	PAYROLL FUND		
<b>ASSETS</b>						
Cash & Cash Equivalents		180,884	166,575	410,507	757,966	754,791
Restricted Cash	\$10,191				10,191	10,220
Interfunds Receivable				21,750	21,750	56,439
<b>Total Assets</b>	<b>10,191</b>	<b>180,884</b>	<b>166,575</b>	<b>432,257</b>	<b>789,907</b>	<b>821,450</b>
<b>LIABILITIES</b>						
Payroll Deductions & Withholdings				349,881	349,881	418,587
Due to Student Groups			166,575		166,575	162,102
Interfunds Payable		21,750		82,376	104,126	59,303
<b>Total Liabilities</b>		<b>21,750</b>	<b>166,575</b>	<b>432,257</b>	<b>620,582</b>	<b>639,992</b>
<b>NET ASSETS</b>						
Reserve For:						
Held in Trust for:						
Unemployment Claims & Other Purposes		159,134			159,134	171,238
Scholarships	10,191				10,191	10,220
<b>Total Net Assets</b>	<b>\$10,191</b>	<b>159,134</b>	<b>-</b>	<b>-</b>	<b>169,325</b>	<b>181,458</b>

**LACEY TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(With Comparative Totals for June 30, 2010)**

	PRIVATE PURPOSE		2011	2010
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST		
<b>ADDITIONS</b>				
Contributions:				
Scholarship Plan Member		61,538	61,538	65,006
Total Contributions		61,538	61,538	65,006
Investment Earnings:				
Interest	\$371	1,261	1,632	2,108
Net Investment Earnings	371	1,261	1,632	2,108
Total Additions	371	62,799	63,170	67,114
<b>DEDUCTIONS</b>				
Scholarship	400		400	400
Unemployment Claims		74,903	74,903	91,458
Total Deductions	400	74,903	75,303	91,858
Change in Net Assets	(29)	(12,104)	(12,133)	(24,744)
Net Assets - Beginning of the Year	10,220	171,238	181,458	206,202
Net Assets - End of the Year	\$10,191	159,134	169,325	181,458

**LACEY TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BALANCE JULY 1, 2010	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2011
Elementary School	\$3,000	2,884	3,563	2,321
Middle School	13,329	37,144	32,459	18,014
High School	145,773	297,939	297,472	146,240
Total All Schools	<u>\$162,102</u>	<u>337,967</u>	<u>333,494</u>	<u>166,575</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

	BALANCE JULY 1, 2010	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2011
<b>ASSETS</b>				
Cash & Cash Equivalents	\$365,012	52,989,048	52,943,553	410,507
Interfunds Receivable	56,439	21,750	56,439	21,750
Total Assets	<u>\$421,451</u>	<u>53,010,798</u>	<u>52,999,992</u>	<u>432,257</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$418,587	52,928,422	52,997,128	349,881
Interfunds Payable	2,864	82,376	2,864	82,376
Total Liabilities	<u>\$421,451</u>	<u>53,010,798</u>	<u>52,999,992</u>	<u>432,257</u>



## I. Long-Term Debt



**LACEY TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
JUNE 30, 2011**

PURPOSE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2010	ISSUED	RETIRED	BALANCE JUNE 30, 2011
			DATE	AMOUNT					
Refunding of 1996 Bond Issuance	1/25/2005	\$11,755,000	11/01/11	\$2,100,000	5.000%	\$6,385,000		2,015,000	4,370,000
			11/01/12	250,000	3.250%				
			11/01/12	2,020,000	4.000%				
Refunding of 2001 Bond Issuance	2/22/2006	24,625,000	04/01/12	305,000	3.750%	24,300,000		305,000	23,995,000
			04/01/13	310,000	3.750%				
			04/01/14	1,810,000	4.000%				
			04/01/15	1,905,000	4.000%				
			04/01/16	1,895,000	4.000%				
			04/01/17	1,885,000	4.000%				
			04/01/18	1,770,000	4.000%				
			04/01/19	1,760,000	4.125%				
			04/01/20	1,845,000	4.250%				
			04/01/21	1,835,000	4.250%				
			04/01/22	1,820,000	4.250%				
			04/01/23	1,810,000	4.500%				
			04/01/24	1,700,000	4.500%				
			04/01/25	1,690,000	4.500%				
			04/01/26	1,655,000	4.500%				
Installation of Solar Panels and Various Elementary School Renovations	4/28/2009	19,806,000	1/15/12	875,000	3.000%	19,806,000		331,000	19,475,000
			1/15/13	750,000	3.000%				
			1/15/14	985,000	3.000%				
			1/15/15	850,000	3.000%				
			1/15/16	850,000	3.250%				
			1/15/17	850,000	3.250%				
			1/15/18	1,125,000	3.250%				
			1/15/19	1,170,000	3.250%				
			1/15/20	1,165,000	3.250%				
			1/15/21	1,265,000	3.250%				
			1/15/22	1,315,000	3.500%				
			1/15/23	1,370,000	3.500%				
			1/15/24	1,425,000	3.750%				
			1/15/25	1,480,000	3.875%				
			1/15/26	700,000	4.000%				
1/15/27	700,000	4.000%							
1/15/28	800,000	4.125%							
1/15/29	900,000	4.250%							
1/15/30	900,000	4.250%							
Total						<u>\$50,491,000</u>		<u>2,651,000</u>	<u>47,840,000</u>

**LACEY TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SERIES	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2010	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2011
Computer Equipment	347,854	\$74,936		74,936	
School Buses	243,051	190,167		44,517	145,650
School Buses	245,895		245,895	53,356	192,539
Total		\$265,103	245,895	172,809	338,189



**LACEY TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2008				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	\$1,651,730		1,651,730	1,651,730		2,788,058		2,788,058	2,788,058	
State Sources:										
Debt Service Aid Type II	1,183,869		1,183,869	1,183,869		797,367		797,367	797,367	
<b>Total Revenues</b>	<b>2,835,599</b>		<b>2,835,599</b>	<b>2,835,599</b>		<b>3,585,425</b>		<b>3,585,425</b>	<b>3,585,425</b>	
Expenditures:										
Regular Debt Service:										
Interest	2,414,599		2,414,599	2,414,598	1	1,340,425		1,340,425	1,340,425	
Redemption of Principal	2,651,000		2,651,000	2,651,000		2,245,000		2,245,000	2,245,000	
<b>Total Regular Debt Service</b>	<b>5,065,599</b>		<b>5,065,599</b>	<b>5,065,598</b>	<b>1</b>	<b>3,585,425</b>		<b>3,585,425</b>	<b>3,585,425</b>	
<b>Total Expenditures</b>	<b>5,065,599</b>		<b>5,065,599</b>	<b>5,065,598</b>	<b>1</b>	<b>3,585,425</b>		<b>3,585,425</b>	<b>3,585,425</b>	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(2,230,000)		(2,230,000)	(2,229,999)	(1)					
Other Financing Sources:										
Operating Transfers In:										
Capital Projects Fund	2,230,000		2,230,000	2,230,000						
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources					1	(1)				
Fund Balance, July 1										
<b>Fund Balance, June 30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**STATISTICAL SECTION (Unaudited)**



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

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

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

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

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

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

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

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



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

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

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

	FISCAL YEAR ENDING JUNE 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues:</b>								
Tax Levy	\$40,031,136	39,817,882	38,440,300	39,648,961	36,957,776	34,811,383	33,352,243	30,809,167
Tuition Charges	71,270	22,585	17,484	55,754	193,321	103,891	144,659	127,735
Interest Earnings	67,021	158,454	112,589	147,900	201,967	158,454	89,797	8,401
Solar Renewable Energy Credits	1,067,829							
Miscellaneous	363,988	192,085	163,457	257,071	143,499	262,616	155,831	97,883
State Sources	26,141,595	22,958,117	26,098,631	25,609,112	24,704,285	23,021,550	22,480,433	21,735,699
Federal Sources	2,722,755	5,266,038	1,722,054	1,647,146	1,655,297	1,642,371	1,723,742	1,677,674
<b>Total Revenue</b>	<b>70,465,594</b>	<b>68,415,161</b>	<b>66,554,515</b>	<b>67,365,944</b>	<b>63,856,145</b>	<b>60,000,265</b>	<b>57,946,705</b>	<b>54,456,559</b>
<b>Expenditures:</b>								
<b>Instruction:</b>								
Regular Instruction	21,415,354	23,301,900	22,775,378	21,069,758	19,952,651	19,933,030	19,512,581	19,041,211
Special Education Instruction	5,735,472	5,799,390	5,442,477	5,196,187	4,727,849	4,495,758	4,110,585	3,469,490
Other Special Instruction	1,363,751	1,455,353	1,408,180	1,343,013	1,223,343	1,188,432	1,152,704	1,048,671
<b>Support Services:</b>								
Instruction	1,406,711	1,545,010	1,285,374	1,260,773	1,062,343	1,111,777	818,791	834,416
Attendance & Social Work Services	228,199	225,678	207,893	193,604	181,577	187,792	178,929	171,249
Health Services	580,154	599,143	573,725	536,471	532,282	536,247	509,337	489,461
Other Support Services	4,636,630	4,480,466	4,185,419	4,066,316	4,013,246	4,234,232	4,048,733	3,634,219
Educational Media Services/School Library	539,690	651,038	632,666	560,456	610,631	644,636	621,653	648,239
Instructional Staff Training	14,870	54,235	60,883	34,662	39,717	47,535	31,577	30,080
General Administrative Services	1,106,604	1,255,437	1,235,349	1,120,088	1,183,579	1,162,361	1,152,796	1,058,798
School Administrative Services	1,371,073	1,438,819	1,424,257	1,455,554	1,417,815	1,438,888	1,462,312	1,320,312
Central Services	498,371	515,023	504,963	452,327	431,576	416,955	400,468	
Allowed Maintenance for School Facilities	1,535,052	1,566,900	318,700	264,220	189,266	233,958	363,428	244,936
Other Operation & Maintenance of Plant	3,775,506	3,968,696	5,312,073	5,190,010	5,095,791	4,835,384	4,509,301	4,198,115
Pupil Transportation	2,468,123	2,448,582	2,491,549	2,427,506	2,233,460	2,027,159	1,980,035	1,692,815
Business & Other Support Services							6,986	371,960
Unallocated Employee Benefits	13,262,203	12,376,717	11,396,320	12,472,167	12,182,168	11,300,027	10,315,726	9,074,072
Nonbudgeted Expenditures	3,865,599	3,845,322	3,698,021	5,054,045	4,802,258	3,018,269	2,526,146	2,329,389
<b>Debt Service:</b>								
Principal	2,651,000	2,245,000	2,185,000	1,905,000	1,917,000	1,795,000	1,380,000	1,480,000
Interest & Other Charges	2,414,598	1,340,425	1,412,400	1,491,675	1,656,562	1,239,714	1,870,021	2,146,497
Capital Outlay	1,001,740	10,735,063	1,649,024	807,115	420,884	1,300,917	2,122,098	4,967,379

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

	FISCAL YEAR ENDING JUNE 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Total Expenditures	69,870,700	79,848,197	68,199,651	66,900,947	63,873,998	61,148,071	59,074,207	58,251,309
Excess (Deficiency) of Revenues Over/(Under) Expenditures	594,894	(11,433,036)	(1,645,136)	464,997	(17,853)	(1,147,806)	(1,127,502)	(3,794,750)
Other Financing Sources/(Uses):								
Proceeds from Bond Issuance			19,806,000					
Proceeds from Capital Leases	245,895	243,051		458,030		193,260	604,486	
Transfers in	2,230,000						17,635	8,401
Transfers Out	(2,230,000)		(50,000)	(50,000)			(471,635)	(8,401)
Total Other Financing Sources/(Uses)	245,895	243,051	19,756,000	408,030		193,260	150,486	
Net Change in Fund Balances	<u>\$840,789</u>	<u>(11,189,985)</u>	<u>18,110,864</u>	<u>873,027</u>	<u>(17,853)</u>	<u>(954,546)</u>	<u>(977,016)</u>	<u>(3,794,750)</u>
Debt Service as a Percentage of Noncapital Expenditures	7.4%	5.2%	5.4%	5.1%	5.6%	5.1%	5.7%	6.8%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

FISCAL YEAR ENDING JUNE 30,	TELEPHONE COMMISSIONS	SALE OF EQUIPMENT	JOINT TRANSPORTATION	USE OF FACILITIES	PRIOR YEAR REFUNDS	STUDENT FINES/LOST TEXTBOOKS	MISCELLANEOUS	TOTAL
2011		2,847	20,749	12,610	17,184	6,953	227,053	287,396
2010		3,325	7,964	16,309	7,388	4,873	33,121	72,980
2009		9	3,571	20,446	4,554	4,446	56,747	89,773
2008		2,457	3,651	45,443	237	6,680	67,310	125,778
2007		186	1,906	13,438	4,269	6,122	515	26,436
2006		499	3,176	24,419	433	3,934	204,742	237,203
2005				21,613	7,071	4,420	122,727	155,831
2004				12,873	6,227	4,023	74,760	97,883
2003				8,500		2,250	209,195	219,945
2002	\$112			2,600	2,196	1,106	62,047	68,061
Total	\$112	9,323	41,017	178,251	49,559	44,807	1,058,217	1,381,286

Source: District Records

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2011	\$126,311,200	3,614,292,600	3,097,300	945,100	340,414,600	223,441,800	5,172,700	4,313,675,300	7,969,581	4,321,644,881	0.926	4,250,453,976
2010	145,748,200	3,608,130,300	3,742,800	946,100	303,242,600	223,661,100	5,172,700	4,290,643,800	8,008,576	4,298,652,376	0.926	4,445,884,025
2009	38,150,700	1,522,697,000	1,485,700	914,300	135,219,600	66,638,700	2,143,500	1,767,249,500	1,919,933	1,769,169,433	2.173	4,421,896,274
2008	42,485,300	1,503,942,000	1,526,600	914,900	126,610,300	65,983,700	1,719,300	1,743,182,100	2,938,874	1,746,120,974	2.271	4,186,989,695
2007	43,873,700	1,480,007,500	1,604,500	848,500	124,644,200	65,312,100	1,295,000	1,717,585,500	3,218,580	1,720,804,080	2.271	4,186,989,695
2006	43,873,700	1,480,007,500	1,604,500	848,500	124,644,200	65,312,100	1,295,000	1,717,585,500	3,218,580	1,720,804,080	2.147	3,622,409,394
2005	46,132,800	1,448,942,600	1,943,100	849,900	123,632,100	64,705,600	N/A	1,686,206,100	4,090,393	1,690,296,493	2.059	3,027,080,546
2004	48,773,100	1,420,574,700	1,845,300	851,100	123,172,800	64,704,800	N/A	1,659,921,800	4,827,500	1,664,749,300	2.003	2,567,648,005
2003	50,326,800	1,397,698,700	1,331,600	765,100	121,271,700	64,704,800	N/A	1,636,098,700	5,805,987	1,641,904,687	1.877	2,186,043,916
2002	57,391,200	1,365,888,500	1,331,600	765,200	117,582,300	64,698,500	N/A	1,607,657,300	6,219,586	1,613,876,886	1.675	1,927,344,578

Revaluation in 2010

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

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	TOTAL DIRECT	TOWNSHIP OF LACEY	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
2011	0.926	0.926	0.207	0.278	0.034	0.012	0.531
2010	0.926	0.926	0.166	0.264	0.031	0.012	0.473
2009	2.173	2.173	0.348	0.635	0.075	0.030	3.261
2008	2.271	2.271	0.299	0.613	0.073	0.029	3.285
2007	2.271	2.271	0.299	0.613	0.073	0.029	3.285
2006	2.147	2.147	0.265	0.621	0.064	0.026	3.123
2005	2.059	2.059	0.233	0.602	0.061	0.021	2.976
2004	2.003	2.003	0.203	0.583	0.060	0.019	2.868
2003	1.877	1.877	0.194	0.571	0.058	0.016	2.716
2002	1.675	1.675	0.174	0.561	0.055	0.014	2.479

Source: Abstract of Ratables/Municipal Tax Assessor

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

TAXPAYER	2011			2002		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Exelon (Amergen Energy) Co	\$145,292,200	1	3.370%	\$59,020,500	1	3.710%
PR Lacey LLC	50,085,800	2	1.160%	22,827,800	2	1.440%
JCP & L	35,745,600	3	0.830%			
Toll Land XI, LP	24,291,500	4	0.560%			
Wal-Mart RE Business Trust	21,926,300	5	0.510%			
Piedmont Associates	21,200,000	6	0.490%	7,065,900	4	0.440%
NJ Bell/Verizon	9,969,581	7	0.230%	7,469,586	3	0.470%
Forked River Residences, LLC	9,571,800	8	0.220%			
Forked River Power, LLC	7,554,000	9	0.180%			
Taxpayer #1	6,734,100	10	0.160%	2,468,300	6	0.160%
Taxpayer #2				2,424,800	7	0.150%
Geriatric & Medical Services				4,727,600	5	0.300%
Taxpayer #3				2,134,000	8	0.130%
Sunrise Pointe, L.P.				1,992,200	9	0.130%
Taxpayer #4				1,946,300	10	0.120%
<b>Total</b>	<b>\$332,370,881</b>		<b>7.710%</b>	<b>112,076,986</b>		<b>7.050%</b>

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2011	\$40,031,136	36,832,843	92.00%	3,198,293
2010	39,817,882	39,817,882	100.00%	N/A
2009	38,440,300	32,500,316	84.55%	5,939,984
2008	39,648,961	39,648,961	100.00%	N/A
2007	36,957,776	36,957,776	100.00%	N/A
2006	34,811,383	34,811,383	100.00%	N/A
2005	33,352,243	33,352,243	100.00%	N/A
2004	30,809,167	30,809,167	100.00%	N/A
2003	27,041,861	27,041,861	100.00%	N/A
2002	24,103,253	24,103,253	100.00%	N/A

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

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

FISCAL YEAR ENDED JUNE 20,	<u>GOVERNMENTAL ACTIVITIES</u>			PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL DISTRICT		
2011	\$47,840,000	338,189	48,178,189	N/A	N/A
2010	50,491,000	265,103	50,756,103	N/A	N/A
2009	52,736,000	243,150	52,979,150	N/A	1,994
2008	35,115,000	443,319	35,558,319	N/A	1,348
2007	37,030,000	219,788	37,249,788	3.81%	1,417
2006	38,937,000	370,685	39,307,685	4.18%	1,499
2005	37,817,000	400,999	38,217,999	4.31%	1,462
2004	40,392,000	N/A	40,392,000	4.69%	1,544
2003	41,992,000	N/A	41,992,000	4.94%	1,599
2002	43,302,000	N/A	43,302,000	5.19%	1,655



**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			
2011	\$47,840,000		47,840,000	1.11%	N/A
2010	50,491,000		50,491,000	1.18%	N/A
2009	52,736,000		52,736,000	2.98%	1,985
2008	35,115,000		35,115,000	2.01%	1,331
2007	37,020,000		37,020,000	2.15%	1,408
2006	38,937,000		38,937,000	2.26%	1,485
2005	37,817,000		37,817,000	2.24%	1,446
2004	40,392,000		40,392,000	2.43%	1,544
2003	41,992,000		41,992,000	2.56%	1,599
2002	43,302,000		43,302,000	2.68%	1,655

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2011**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Lacey Township	\$14,449,463	100.000%	\$14,449,463
County of Ocean General Obligation Debt	427,048,645	4.000%	<u>17,081,946</u>
Subtotal, Overlapping Debt			31,531,409
Lacey Township School District Direct Debt			<u>47,840,000</u>
Total Direct & Overlapping Debt			<u><u>\$79,371,409</u></u>

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

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

	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt Limit	\$174,910	174,064	163,084	144,487	122,895	108,328	97,114	88,577	76,764	69,171
Total Net Debt Applicable to Limit	47,840	50,491	52,736	35,115	37,020	36,022	37,817	40,392	41,772	43,302
Legal Debt Margin	\$127,070	123,573	110,348	109,372	85,875	72,306	59,297	48,185	34,992	25,869
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	27.35%	29.01%	32.34%	24.30%	30.12%	33.25%	38.94%	45.60%	54.42%	62.60%

**Legal Debt Margin Calculation for Fiscal Year 2011**

Equalized Valuation Basis	
2010	4,250,453,976
2009	4,445,884,025
2008	<u>4,421,896,274</u>
	<u>\$13,118,234,275</u>
Average Equalized Valuation of Taxable Property	\$4,372,744,758
Debt Limit (4 % of Average Equalization Value)	174,909,790
Net Bonded School Debt	<u>47,840,000</u>
Legal Debt Margin	<u>\$127,069,790</u>

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

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

YEAR	POPULATION (a)	PER CAPITA	UNEMPLOYMENT RATE (d)
		PERSONAL INCOME (c)	
2011	N/A	N/A	N/A
2010	N/A	N/A	10.50%
2009	26,566	N/A	10.10%
2008	26,381	N/A	6.30%
2007	26,289	37,228	5.40%
2006	26,216	35,856	4.20%
2005	26,147	33,910	4.90%
2004	26,153	32,964	4.60%
2003	26,254	32,350	5.10%
2002	26,165	31,889	5.90%

## Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Per Capita provided by the NJ Dept of Labor and Workforce Development

<sup>c</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

NOT AVAILABLE

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

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

Source: District Personnel Records

LACEY TOWNSHIP SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADA) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2011	4,783	\$63,803,362	13,340	1.48%	357	11:1	13:1	11:1	4,672	4,335	-0.01%	92.80%
2010	4,773	65,527,709	13,729	7.49%	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	-3.12%	94.30%
2008	4,909	62,697,157	12,772	5.54%	378	13:1	14:1	13:1	4,890	4,544	N/A	92.90%
2007	4,948	59,879,552	12,102	4.46%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2006	4,904	56,812,440	11,585	7.43%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005	4,980	53,702,090	10,784	9.40%	419	11:1	12:1	11:1	4,980	4,658	-1.16%	93.54%
2004	5,038	49,657,433	9,857	8.32%	416	13:1	14:1	12:1	5,038	4,686	0.01%	93.01%
2003	5,038	45,841,981	9,099	N/A	406	13:1	15:1	12:1	5,038	4,695	1.77%	93.20%
2002	4,950	N/A	N/A	N/A	417	15:1	16:1	13:1	4,950	4,620	2.50%	93.33%

Sources: District records

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

DISTRICT BUILDINGS	2011	2010	2009	2008	2007	2006	2005
<b>Elementary Schools:</b>							
<b>Forked River Elementary (1959):</b>							
Square Feet	45800	45800	45800	45,800	45,800	45,800	45,800
Capacity (Students)	675	675	675	675	675	675	675
Enrollment	549	528	501	538	575	562	568
<b>Lanoka Harbor Elementary (1969):</b>							
Square Feet	51630	51630	51630	51,630	51,630	51,630	51,630
Capacity (Students)	750	750	750	750	750	750	750
Enrollment (a)	589	607	606	632	676	659	681
<b>Cedar Creek Elementary (1990):</b>							
Square Feet	64420	64420	64420	64,420	64,420	64,420	64,420
Capacity (Students)	700	700	700	700	700	700	700
Enrollment	613	613	647	609	628	591	590
<b>Mill Pond Elementary (1980):</b>							
Square Feet	100250	100250	100250	100,250	100,250	100,250	100,250
Capacity (Students)	975	975	975	975	975	975	975
Enrollment	730	758	772	772	771	809	835
<b>Lacey Twp Middle School (2000) :</b>							
Square Feet	105335	105335	105335	105,335	105,335	105,335	105,335
Capacity (Students)	900	900	900	900	900	900	900
Enrollment	777	763	756	775	803	831	811
<b>Lacey Twp High School (1981):</b>							
Square Feet	276175	276175	276175	276,175	276,175	276,175	276,175
Capacity (Students)	1600	1600	1600	1,600	1,600	1,600	1,600
Enrollment	1453	1,504	1,507	1,583	1,563	1,559	1,494
<b>Other Buidlings:</b>							
<b>Board Office (1989):</b>							
Square Feet	5000	5000	5000	5,000	5,000	5,000	5,000
<b>Grounds Dept (1995) (b):</b>							
Square Feet	8960	8960	8960	8,960	8,960	8,960	8,960
<b>Number of Schools at June 30, 2011:</b>							
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
2011	\$365,774	222,803	303,717	184,507	226,243	232,008	1,535,052
2010	365,855	264,228	312,107	187,114	219,024	218,572	1,566,900
2009	81,672	57,229	53,750	35,265	37,389	43,634	308,939
2008	78,189	42,726	40,572	38,463	31,565	32,243	263,758
2007	75,798	25,628	27,824	16,951	13,360	27,692	187,253
2006	72,726	48,223	32,922	22,987	29,440	27,659	233,957
2005	91,770	58,635	62,049	49,624	53,240	48,110	363,428
2004	71,439	55,031	34,146	24,788	33,463	26,069	244,936
2003	56,526	39,729	38,583	24,208	25,120	17,889	202,055
2002	92,963	40,704	30,381	42,225	32,392	32,390	271,055
Total School Facilities	\$1,352,712	854,936	936,051	626,132	701,236	706,266	5,177,333

\* 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

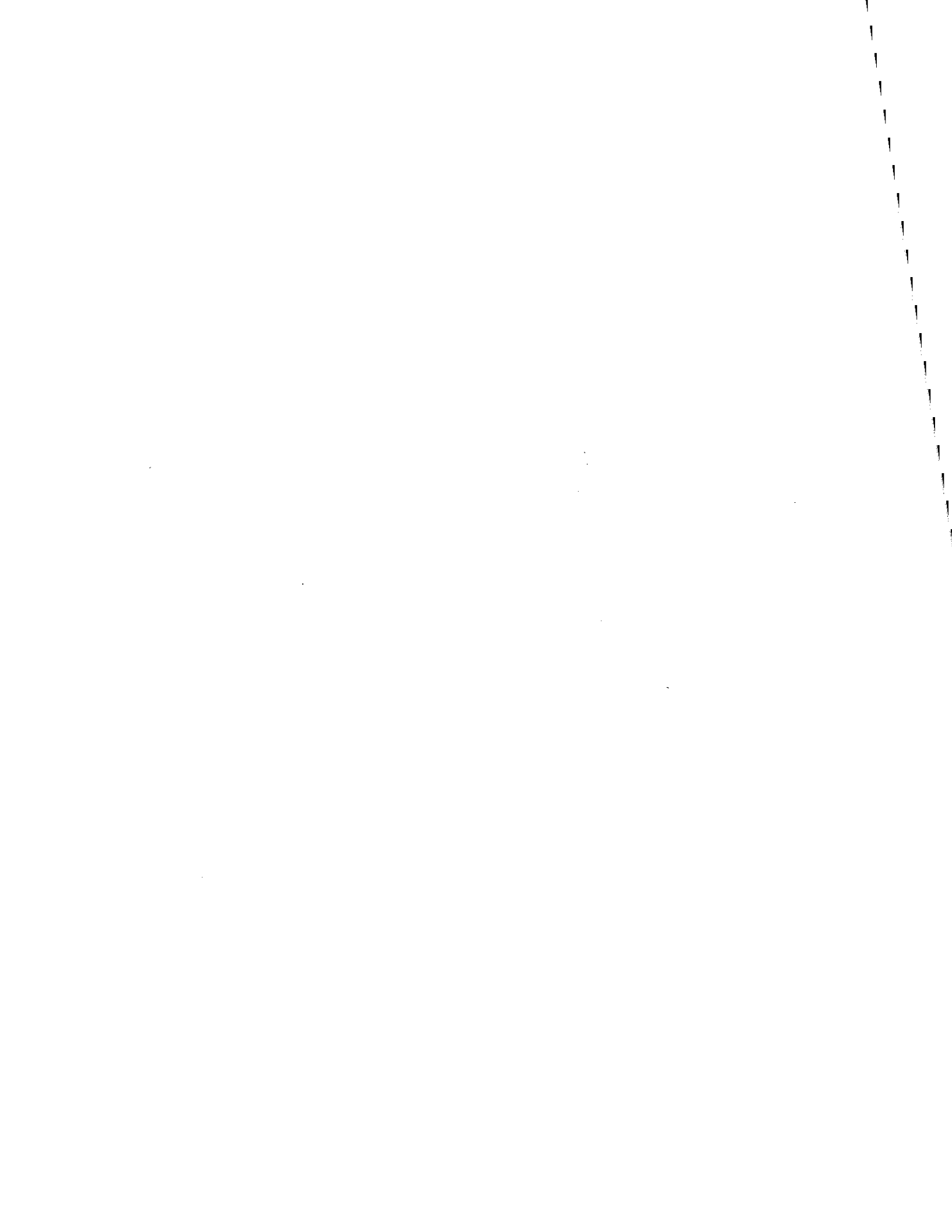
**LACEY TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2011**

	COVERAGE	DEDUCTIBLE
<b>School Package Policy (1):</b>		
Building & Contents (All Locations)	\$161,430,868	5,000
Equipment Breakdown	100,000,000	5,000
Computers - EDP Blanket	1,680,000	1,000
General Liability	16,000,000	
General Automobile Liability	16,000,000	
Employee Benefit Liability	16,000,000	
Crime - Employee Dishonesty	100,000	500
School Leaders Errors & Omissions	16,000,000	
Workers' Compensation:		
Employers Liability	2,000,000	
 Surety Bonds:		
Treasurer	320,108	1,000
Board Secretary	10,000	500
 Student Accident Insurance (2)	1,000,000	

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



**SINGLE AUDIT SECTION**





Certified Public Accountants & Consultants

EXHIBIT K-1

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the Board of Education of the Lacey Township School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated October 07, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying *Schedule of Findings and Questioned Costs* and separate *Independent Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* that we consider to be significant deficiencies in internal control over financial reporting as Finding No.'s: 2011-01 and 2011-02. 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.

## Compliance and Other Matters

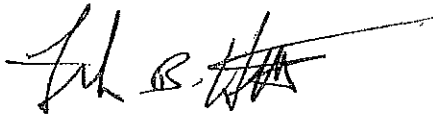
As part of obtaining reasonable assurance about whether the Lacey Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have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

We noted certain matters that we reported to management in a separate *Independent Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated October 07, 2011.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

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

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

Toms River, New Jersey  
October 07, 2011



Certified Public Accountants & Consultants

EXHIBIT K-2

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

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

**Compliance**

We have audited the compliance of the Lacey Township School District, in the County of Ocean, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have a direct and material effect on each of Lacey Township School District's major federal and state programs for the fiscal year ended June 30, 2011. The Lacey Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Lacey Township School District's management. Our responsibility is to express an opinion on the Lacey Township School District's compliance based on our audit.

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

In our opinion, the Board of Education of the Lacey Township School District, County of Ocean, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended June 30, 2011. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04.

## Internal Control Over Compliance

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

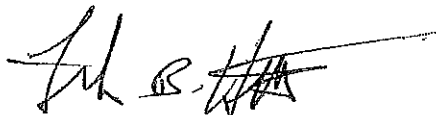
A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Toms River, New Jersey  
October 07, 2011

LACEY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2010	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2011	DUE TO GRANTOR JUNE 30, 2011
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>										
<b>Enterprise Fund:</b>										
Food Distribution Program	10.550	N/A	\$102,211	7/1/10-6/30/11			102,211	(102,211)		
National School Lunch Program	10.555	N/A	407,757	7/1/10-6/30/11			385,516	(407,757)	(22,241)	
National School Lunch Program	10.555	N/A	366,419	7/1/09-6/30/10	(\$31,477)		31,477			
National School Breakfast Program	10.553	N/A	35,181	7/1/10-6/30/11			32,761	(35,181)	(2,420)	
National School Breakfast Program	10.553	N/A	22,913	7/1/09-6/30/10	(2,992)		2,992			
School Milk Program	10.556	N/A	5,255	7/1/10-6/30/11			4,964	(5,255)	(291)	
School Milk Program	10.556	N/A	4,456	7/1/09-6/30/10	(370)		370			
Total Enterprise Fund					(34,839)		560,291	(550,404)	(24,952)	
<b>U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>										
<b>General Fund:</b>										
Medical Assistance Program (SEMI)	93.778	N/A	12,750	9/1/10-8/31/11			12,750	(12,750)		
Ed Jobs Fund Program	84.41	N/A	749,449	9/1/10-8/31/11				(11,712)	(11,712)	
Total General Fund							12,750	(24,462)	(11,712)	
<b>Special Revenue Fund:</b>										
I.D.E.A. Part B Preschool	84.173		32,882	9/1/10-8/31/11			27,475	(34,509)	(7,034)	
I.D.E.A. Part B, Basic Regular	84.027		1,062,370	9/1/10-8/31/11		(28,995)	759,164	(1,045,404)	(315,235)	
I.D.E.A. Part B, Basic Regular	84.027		1,049,588	9/1/09-8/31/10	(\$28,995)	28,995				
I.D.E.A. Part B, Basic ARRA	84.391		1,067,294	9/1/09-8/31/11	(\$96,098)		195,127	(896,075)	(797,046)	
I.D.E.A. Part B, Preschool ARRA	84.392		38,543	9/1/09-8/31/11	(\$5,415)			(31,801)	(37,216)	
Perkins Grant - Secondary	84.038		30,315	9/1/10-8/31/11		(1,371)	23,160	(30,315)	(8,526)	
Perkins Grant - Secondary	84.038		25,526	9/1/09-8/31/10	(\$1,371)	1,371				
N.C.L.B. Title I	84.010		531,984	9/1/10-8/31/11		(79,939)	155,852	(516,683)	(440,770)	
N.C.L.B. Title I	84.010		415,425	9/1/09-8/31/10	(79,939)	79,939				
N.C.L.B. Title I - ARRA	84.389		278,559	9/1/09-8/31/11	(24,494)		108,252	(163,164)	(79,406)	
N.C.L.B. Title I SIA - ARRA	84.389		14,163	9/1/09-8/31/11	(6,275)		6,901	(987)	(361)	
N.C.L.B. Title II - Part A	84.186A		242,788	9/1/10-8/31/11		(16,256)	97,747	(174,143)	(92,652)	
N.C.L.B. Title II - Part A	84.186A		213,010	9/1/09-8/31/10	(16,256)	16,256				
N.C.L.B. Title II - Part D	84.186D		3,002	9/1/10-8/31/11		(1,324)	1,975	(3,002)	(2,351)	
N.C.L.B. Title II - Part D	84.186D		6,397	9/1/09-8/31/10	(1,324)	1,324				
N.C.L.B. Title III	84.365A		10,983	9/1/10-8/31/11			3,730	(10,722)	(6,992)	
N.C.L.B. Title IV - Safe & Drug Free Schools & Communities	84.184		2,908	9/1/10-8/31/11		(1,415)	2,908	(2,908)	(1,415)	
N.C.L.B. Title IV - Safe & Drug Free Schools & Communities	84.184		14,202	9/1/09-8/31/10	(1,415)	1,415				
Total Special Revenue Fund					(261,582)		1,382,291	(2,909,713)	(1,789,004)	
Total Federal Financial Assistance					(\$296,421)	-	1,955,332	(3,484,579)	(1,825,668)	

LACEY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2011	DUE TO STATE AT JUNE 30, 2011	MEMO	
				JUNE 30, 2010	CASH RECEIVED				BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:										
General Fund:										
Equalization Aid	11-495-034-5120-078	\$17,202,628	7/1/10-6/30/11		17,202,628	(17,202,628)			1,685,931	17,202,628
Special Education Aid	11-495-034-5120-089	2,352,617	7/1/10-6/30/11		2,352,617	(2,352,617)			230,553	2,352,617
Extraordinary Aid	11-495-034-5120-473	172,582	7/1/10-6/30/11			(172,582)	(172,582)		172,582	172,582
Extraordinary Aid	10-495-034-5120-473	138,802	7/1/09-6/30/10	(\$138,802)	138,802					
Nonpublic Transportation Aid	11-495-034-5120-015	1,914	7/1/10-6/30/11			(1,914)	(1,914)		1,914	1,914
Nonpublic Transportation Aid	10-495-034-5120-015	1,691	7/1/09-6/30/10	(1,691)	1,691					
TPAF Wage Freeze Grant	11-495-034-5095-002	71,048	7/1/10-6/30/11		35,524	(71,048)	(35,524)		35,524	71,048
On-Behalf TPAF Pension Contribution	11-495-034-5095-006	1,878,030	7/1/10-6/30/11		1,878,030	(1,878,030)				1,878,030
TPAF Social Security Contributions	11-495-034-5095-002	1,987,569	7/1/10-6/30/11		1,888,781	(1,987,569)	(98,788)		98,788	1,987,569
TPAF Social Security Contributions	10-495-034-5095-002	2,003,904	7/1/09-6/30/10	(103,136)	103,136					
Total General Fund				(243,629)	23,601,209	(23,666,388)	(308,808)		2,225,292	23,666,388
Special Revenue Fund:										
Nonpublic Aid:										
Textbooks	11-100-034-5120-064	853	7/1/10-6/30/11		853	(844)		9		844
Total Special Revenue Fund					853	(844)		9		844
State Board of Public Utilities:										
Capital Projects Fund:										
Clean Energy Rebate Program	N/A	944,625	7/1/10-6/30/11		944,625	(944,625)				
Total Capital Projects Fund					944,625	(944,625)				
Debt Service Fund:										
Debt Service Aid Type II	11-495-034-5120-125	1,183,869	7/1/10-6/30/11		1,183,869	(1,183,869)				1,183,869
Total Debt Service Fund					1,183,869	(1,183,869)				1,183,869
Enterprise Fund:										
National School Lunch Program (State Share)										
National School Lunch Program (State Share)	11-100-010-3350-023	18,258	7/1/10-6/30/11		17,165	(18,258)	(1,093)			18,258
National School Lunch Program Breakfast Program	10-100-010-3350-023	23,654	7/1/09-6/30/10	(2,007)	2,007					
Breakfast Program	10-100-010-3350-021	2,540	7/1/09-6/30/10	(321)	321					
Total Enterprise Fund				(2,328)	19,493	(18,258)	(1,093)			18,258
Total State Financial Assistance				(\$245,957)	25,750,049	(25,813,984)	(309,901)	9	2,225,292	24,869,359



**LACEY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2011**

**1. General**

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

**2. Basis of Accounting**

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

**3. Relationship to Basic Financial Statements**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$345,925 for the general fund and \$(211,476) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as presented as follows:

**LACEY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2011**

**3. Relationship to Basic Financial Statements (continued):**

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ 24,462	\$24,012,313	\$24,036,775
Special Revenue Fund	2,698,293	788	2,699,081
Capital Projects Fund		944,625	944,625
Debt Service Fund		1,183,869	1,183,869
Food Service Fund	<u>550,404</u>	<u>18,258</u>	<u>568,662</u>
<b>Total Financial Assistance</b>	<b><u>\$3,273,159</u></b>	<b><u>\$26,159,853</u></b>	<b><u>\$29,433,012</u></b>

**4. Relationship to Federal and State Financial Reports**

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

**5. Other**

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. 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, 2011.

**6. Federal and State Loans Outstanding**

The Lacey Township School District had no loan balances outstanding at June 30, 2011.

**LACEY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2011**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to basic financial statements noted?	No

**Federal Awards**

Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	No

**Identification of major programs:**

CFDA Number(s)	Name of Federal Program or Cluster
84.389	No Child Left Behind – Title I, Recovery Act
84.186A	No Child Left Behind – Title I SIA, Recovery Act
84.391	I.D.E.A. Part B, Basic – Recovery Act
84.392	I.D.E.A. Part B, Preschool – Recovery Act

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  
For the Fiscal Year Ended June 30, 2011**

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

**State Awards**

Internal Control over major programs:

- |   |                    |
|---|--------------------|
| 1) Material weakness(es) identified?  | No                 |
| 2) Significant deficiencies identified that are not considered<br>To be material weaknesses?                      | None Reported      |
| Type of auditor’s report issued on compliance for major programs  | <u>Unqualified</u> |
| Any audit findings disclosed that are required to be reported in accordance<br>With NJ OMB Circular Letter 04-04? | No                 |

**Identification of major programs:**

GMIS Number(s)	Name of State Program
11-495-034-5120-078	Equalization Aid
11-495-034-5120-089	Categorical Special Education Aid
11-495-034-5120-125	Debt Service Aid

- |  |           |
|--|-----------|
| Dollar threshold used to distinguish between type A and type B programs: | \$718,079 |
| Auditee qualified as low-risk auditee?                                   | Yes       |

**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.

**Finding 2011-01:**

**Criteria or Specific Requirement:**

Accounting principles generally accepted in the United States of America requires the District to maintain complete, accrual basis general ledgers.

**LACEY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2011**

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

**Finding 2011-01 (continued):**

**Condition:**

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

**Context:**

The District did not record 12 out of the 16 audit adjusting journal entries at June 30, 2010 in the general fund and 13 out of 17 entries for the business-type activity funds as well as journal entries needed at June 30, 2011 to adjust from cash basis to accrual basis.

**Effect:**

This required adjusting journal entries in the general fund and each of the business-type activity funds.

**Cause:**

The District did not maintain timely records to allow for the revenues and expenditures to be recorded.

**Recommendation:**

That the District records these entries as the events occur and maintain complete, accrual-based general ledgers for all funds.

**Views of Responsible Officials and Planned Corrective Action:**

District will correct in Fiscal Year 2012.

**Finding 2011-02:**

**Criteria or Specific Requirement:**

Bank accounts should be properly reconciled to the District’s records each month.

**Condition:**

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

**LACEY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2011**

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

**Finding 2011-02 (continued):**

**Context:**

At June 30, 2011, the combined cash book balances of all governmental funds was overstated on the Treasurer’s reports \$199,428, the combined cash book balances of all business-type funds was understated \$280,524 and the combined cash book balances of the trust and agency funds was overstated \$77,149. Additionally, bank balance adjustments that were more than a year old were listed on the general account and payroll net account bank reconciliations.

**Effect:**

Revisions were needed to the Treasurer of School Monies Report and adjusting journal entries were needed in the general fund, Board Secretary's records were not in balance.

**Cause:**

This is caused by failing to locate discrepancies between bank statements and Board Secretary's records.

**Recommendation:**

That the District properly reconciles all bank balances to the District’s general ledger and that bank reconciliation adjustments are investigated and corrected in either the bank account or the District’s general ledger in a timely manner.

**Views of Responsible Officials and Planned Corrective Action:**

The District will correct in Fiscal Year 2012.

**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, 2011**

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

**Finding 2010-01:**

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

**Current Status:**

This condition has been corrected.

