

**PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 18, 2026**

**NEW ISSUE – Book-Entry Only**

**See “RATING” herein**

*In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants described herein, interest on the Bonds (as herein defined) (i) is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. See "TAX EXEMPTION" herein.*

**\$28,873,000**  
**SCHOOL BONDS, SERIES 2026**  
**THE BOARD OF EDUCATION OF THE**  
**TOWNSHIP OF LACEY**  
**IN THE COUNTY OF OCEAN, NEW JERSEY**  
**(New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended)**

**CALLABLE**

**Dated: Date of Delivery**

**Due: March 15, as shown on inside cover**

The \$28,873,000 aggregate principal amount of School Bonds, Series 2026 (the "Bonds") of The Board of Education of the Township of Lacey in the County of Ocean, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) are valid and legally binding general obligations of the Board, and unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable real property within the School District for the payment of the Bonds and the interest thereon without limitation as to rate or amount. Payment of the principal of and interest on the Bonds is also secured under the provisions of the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended.

The Bonds will be issued as fully registered bonds in book-entry only form (without certificates) in the form of one certificate for the aggregate principal amount of the Bonds maturing in each year and when issued will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"). Individual purchases may be made in the principal amount of \$1,000 each or any integral multiple thereof with a minimum purchase of \$5,000 required, through book-entries made on the books and records of DTC and its participants. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds shall bear interest from their date of delivery, which interest shall be payable semi-annually on the fifteenth day of March and September in each year, commencing March 15, 2027 until maturity or prior redemption. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each immediately preceding March 1 and September 1 (the "Record Dates" for the payment of interest on the Bonds).

The Bonds are subject to redemption prior to their stated maturities as set forth herein. See "DESCRIPTION OF THE BONDS – Redemption" herein.

The Bonds are offered when, as and if issued and delivered to the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Board, and certain other conditions described herein. Certain legal matters will be passed upon for the Board by Padula Law Group, LLC, Shrewsbury, New Jersey General Counsel to the Board. Acacia Financial Group, Inc., Mount Laurel, New Jersey, served as Municipal Advisor in connection with the issuance of the Bonds. Delivery of the Bonds in definitive form to DTC in Jersey City, New Jersey, is anticipated to occur on or about March 18, 2026.

**ELECTRONIC SUBMISSIONS FOR THE BONDS, IN ACCORDANCE WITH THE FULL NOTICE OF SALE, MUST BE MADE VIA PARITY PRIOR TO 11:15 A.M. EASTERN STANDARD TIME ON FEBRUARY 25, 2026. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE FULL NOTICE OF SALE POSTED AT [WWW.MCELWEEQUINN.COM](http://WWW.MCELWEEQUINN.COM).**

This is a Preliminary Official Statement, complete with the exception of the specific information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission. The Board has authorized distribution of this Preliminary Official Statement to prospective purchasers and others. In accordance with Rule 15c2-12, this Preliminary Official Statement is deemed final. Upon the sale of the Bonds described herein, the Board will deliver a final Official Statement within the earlier of seven (7) business days following such sale or to accompany the purchaser's confirmations requesting payment for the Bonds.

**\$28,873,000**  
**THE BOARD OF EDUCATION OF THE**  
**TOWNSHIP OF LACEY**  
**IN THE COUNTY OF OCEAN, NEW JERSEY**  
**SCHOOL BONDS, SERIES 2026**

**(New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended)**  
**CALLABLE**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,**  
**YIELDS AND CUSIP NUMBERS**

<u>Maturity</u> <u>(March 15)</u>	<u>Principal</u> <u>Amounts*</u>	<u>Interest</u> <u>Rates</u>	<u>Yields</u>	<u>CUSIP</u> <u>Numbers**</u>
2028	\$1,533,000			505472__
2029	900,000			505472__
2030	965,000			505472__
2031	1,220,000			505472__
2032	1,270,000			505472__
2033	1,320,000			505472__
2034	1,370,000			505472__
2035	1,425,000			505472__
2036	1,485,000			505472__
2037	1,545,000			505472__
2038	1,610,000			505472__
2039	1,680,000			505472__
2040	1,750,000			505472__
2041	1,800,000			505472__
2042	1,800,000			505472__
2043	1,800,000			505472__
2044	1,800,000			505472__
2045	1,800,000			505472__
2046	1,800,000			505472__

\* Preliminary, subject to change in accordance with the Notice of Sale.

\*\* A registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Board does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**THE BOARD OF EDUCATION OF THE  
TOWNSHIP OF LACEY  
IN THE COUNTY OF OCEAN, NEW JERSEY**

**BOARD MEMBERS**

President – Kimberly Klaus  
Vice President – Steven P. Gouin

Salvatore Armato  
Daniel Bell  
Dr. Megan Forney  
Brandon Hurley  
Kerry Opitz

**ACTING SUPERINTENDENT**

William W. Zylinski

**INTERIM BUSINESS ADMINISTRATOR/BOARD SECRETARY**

Constance L. Stewart

**BOARD ATTORNEY**

Padula Law Group, LLC  
Shrewsbury, New Jersey

**BOARD AUDITOR**

Jump, Perry and Company, LLP  
Toms River, New Jersey

**MUNICIPAL ADVISOR**

Acacia Financial Group, Inc.  
Mount Laurel, New Jersey

**BOND COUNSEL**

Wilentz, Goldman & Spitzer, P.A.  
Woodbridge, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Board to give any information or to make any representations with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The information contained herein has been provided by the Board, DTC and other sources deemed reliable by the Board; however, such information is not guaranteed as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Board, as to information from sources other than itself. The Board has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

This Official Statement is not to be construed as a contract or agreement among the Board, the Underwriter and the owners of any of the Bonds. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to the Constitution of the State of New Jersey, laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents or laws are qualified in their entirety by reference to the particular source, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Board during normal business hours.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

In order to facilitate the distribution of the Bonds, the Underwriter may engage in transactions intended to stabilize the price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

## TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION.....	1
DESCRIPTION OF THE BONDS .....	1
BOOK-ENTRY ONLY SYSTEM.....	4
THE SCHOOL DISTRICT AND THE BOARD .....	6
THE STATE'S ROLE IN PUBLIC EDUCATION .....	6
STRUCTURE OF SCHOOL DISTRICTS IN NEW JERSEY .....	7
SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT.....	8
SUMMARY OF STATE AID TO SCHOOL DISTRICTS.....	11
SUMMARY OF FEDERAL AID TO SCHOOL DISTRICTS.....	13
MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES.....	13
FINANCIAL STATEMENTS .....	17
MUNICIPAL ADVISOR .....	17
LITIGATION .....	18
TAX EXEMPTION .....	18
RISK TO HOLDERS OF BONDS .....	19
RECENT HEALTHCARE DEVELOPMENTS .....	21
APPROVAL OF LEGAL PROCEEDINGS .....	21
PREPARATION OF OFFICIAL STATEMENT .....	22
RATING.....	22
UNDERWRITING .....	22
SECONDARY MARKET DISCLOSURE.....	23
ADDITIONAL INFORMATION .....	23
CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT.....	23
MISCELLANEOUS.....	23
APPENDIX A	
Certain Economic and Demographic Information Relating to the School District and the Township of Lacey, in the County of Ocean, State of New Jersey .....	A-1
APPENDIX B	
Financial Statements of The Board of Education of the Township of Lacey in the County of Ocean, New Jersey.....	B-1
APPENDIX C	
Form of Bond Counsel's Approving Legal Opinion .....	C-1
APPENDIX D	
Form of Continuing Disclosure Certificate .....	D-1

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## OFFICIAL STATEMENT

OF

### THE BOARD OF EDUCATION OF THE TOWNSHIP OF LACEY IN THE COUNTY OF OCEAN, NEW JERSEY

\$28,873,000

SCHOOL BONDS, SERIES 2026

(NEW JERSEY SCHOOL BOND RESERVE ACT, 1980 N.J. Laws c. 72, as amended)

CALLABLE

### INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by The Board of Education of the Township of Lacey in the County of Ocean, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) in connection with the offering, sale and issuance of its \$28,873,000 aggregate principal amount of School Bonds, Series 2026 (the "Bonds"). This Official Statement has been executed by and on behalf of the Board by the Business Administrator/Board Secretary and its distribution and use in connection with the offering and sale of the Bonds have been authorized by the Board.

This Official Statement contains specific information relating to the Bonds including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the Board from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and, but only to the extent specifically provided herein, certain projections into the immediate future, and is not necessarily indicative of future or continuing trends in the financial position of the Board.

### DESCRIPTION OF THE BONDS

The following is a summary of certain provisions of the Bonds. Reference is made to the Bonds themselves for the complete text thereof, and the discussion herein is qualified in its entirety by such reference.

#### Terms and Interest Payment Dates

The Bonds shall be dated their date of delivery and shall mature on March 15 in each of the years and in the amounts set forth on the inside cover page hereof. The Bonds shall bear interest from their date of delivery which interest shall be payable semi-annually on the fifteenth day of March and September (each an "Interest Payment Date"), commencing on March 15, 2027, in each of the years and at the interest rates set forth on the inside cover page hereof until maturity or prior redemption by check mailed by the Board or a duly appointed paying agent to the registered owners of the Bonds as of each March 1 and September 1 immediately preceding the respective Interest Payment Date (the "Record Dates"). So long as The Depository Trust Company, Brooklyn, New York ("DTC"), or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Board or a designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC participants, which will in turn remit such payments to the beneficial owners of the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds will be issued in fully registered book-entry only form, without certificates. One certificate shall be issued for the aggregate principal amount of the Bonds maturing in each year, and when

issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the Bonds (the "Securities Depository"). The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the principal amount of \$1,000 each, or any integral multiple thereof with a minimum purchase of \$5,000 required, through book-entries made on the books and records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interests in the Bonds, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased. See "BOOK-ENTRY ONLY SYSTEM" herein.

## **Redemption**

The Bonds of this issue maturing prior to March 15, 2037 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after March 15, 2037 are redeemable at the option of the Board in whole or in part on any date on or after March 15, 2036 upon notice as required herein at one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

## **Notice of Redemption**

Notice of redemption ("Notice of Redemption") shall be given by mailing such notice at least thirty (30) days but not more than sixty (60) days before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Board or a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Board determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be selected by the Board; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.

## **Security for the Bonds**

The Bonds are valid and legally binding general obligations of the Board, and the Board has irrevocably pledged its full faith and credit for the payment of the principal of and interest on the Bonds. Unless paid from other sources, the principal of and interest on the Bonds are payable from *ad valorem* taxes levied upon all the taxable real property within the School District without limitation as to rate or amount. The Bonds are additionally secured by the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended.

## **School Bond Reserve Act (1980 N.J. Laws c. 72)**

All school bonds are secured by the School Bond Reserve (the "School Bond Reserve") established in the Fund for the Support of Free Public Schools of the State of New Jersey (the "Fund") in accordance with the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003 (the "Act")). The 2003 amendments to the Act provide that the Fund will be divided into two (2) School Bond Reserve accounts. All bonds issued prior to July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to one and one-half percent (1.5%) of the aggregate issued and outstanding bonded indebtedness of counties,

municipalities or school districts for school purposes (the "Old School Bond Reserve Account") and all bonds, including the Bonds, issued on or after July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to one percent (1%) of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes (the "New School Bond Reserve Account"), provided such amounts do not exceed the moneys available in the Fund. If a municipality, county or school district is unable to make payment of principal of or interest on any of its bonds issued for school purposes, the trustees of the Fund will purchase such bonds at par value and will pay to the bondholders the interest due or to become due within the limits of funds available in the applicable School Bond Reserve account in accordance with the provisions of the Act.

The Act provides that the School Bond Reserve shall be composed entirely of direct obligations of the United States government or obligations guaranteed by the full faith and credit of the United States government. Securities representing at least one-third of the minimal market value to be held in the School Bond Reserve shall be due to mature within one year of issuance or purchase. Beginning with the fiscal year ending on June 30, 2003 and continuing on each June 30 thereafter, the State Treasurer shall calculate the amount necessary to fully fund the Old School Bond Reserve Account and the New School Bond Reserve Account as required pursuant to the Act. To the extent moneys are insufficient to maintain each account in the School Bond Reserve at the required levels, the State agrees that the Treasurer of the State of New Jersey (the "State") shall, no later than September 15 of the fiscal year following the June 30 calculation date, pay to the trustees for deposit in the School Bond Reserve such amounts as may be necessary to maintain the Old School Bond Reserve Account and the New School Bond Reserve Account at the levels required by the Act. No moneys may be borrowed from the Fund to provide liquidity to the State unless the Old School Bond Reserve Account and the New School Bond Reserve Account each are at the levels certified as full funding on the most recent June 30 calculation date. The amount of the School Bond Reserve in each account is pledged as security for the prompt payment to holders of bonds benefited by such account of the principal of and the interest on such bonds in the event of the inability of the issuer to make such payments. In the event the amounts in either the Old School Bond Reserve Account or the New School Bond Reserve Account fall below the amount required to make payments on bonds, the amounts in both accounts are available to make payments for bonds secured by the School Bond Reserve.

The Act further provides that the amount of any payment of interest or purchase price of school bonds paid pursuant to the Act shall be deducted from the appropriation or apportionment of State aid, other than certain State aid which may be otherwise restricted pursuant to law, payable to the school district, county or municipality and shall not obligate the State to make, nor entitle the school district, county or municipality to receive, any additional appropriation or apportionment. Any amount so deducted shall be applied by the State Treasurer to satisfy the obligation of the school district, county or municipality arising as a result of the payment of interest or purchase price of bonds pursuant to the Act.

### **Authorization and Purpose**

The Bonds have been authorized and are issued pursuant to (i) Title 18A, Chapter 24 of the New Jersey Statutes, Chapter 271 of the Laws of 1967, as amended and supplemented, (ii) a proposal adopted by the Board pursuant to a resolution adopted on July 17, 2025 and approved by the affirmative vote of a majority of the legal voters present and voting at the annual School District election held on November 4, 2025 and (iii) a resolution duly adopted by the Board on January 15, 2026 (the "Resolution").

The proceeds of the Bonds will be used to finance various capital improvements in and for the School District (the "Project") and to pay the costs of issuance associated with the issuance of the Bonds. The State has awarded the School District aid for the Project in the amount of forty percent (40%) of the eligible costs of such Project. As such, the State has agreed to pay forty percent (40%) of the annual debt service on the eligible costs financed by the Bonds each year.

## **BOOK-ENTRY ONLY SYSTEM\***

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, and other payments on the Bonds to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Board. Accordingly, the Board does not make any representations concerning these matters.

DTC will act as Securities Depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds, as set forth on the inside cover hereof, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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\* Source: The Depository Trust Company

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Notices of Redemption shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds, unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Direct and Indirect Participant and not of DTC, nor its nominee, Paying Agent or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as Securities Depository with respect to the Bonds at any time by giving reasonable notice to the Board or Paying Agent. Under such circumstances, in the event that a successor Securities Depository is not obtained, Bond certificates are required to be printed and delivered.

The Paying Agent, upon direction of the Board, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository). In that event, Bond certificates will be printed and delivered.

**The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.**

#### **Discontinuance of Book-Entry Only System**

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions apply: (i) the Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Board or its paying agent; (ii) the transfer of any Bonds may be registered on the books maintained by the registrar for such purposes only upon the surrender thereof to the Board or its paying agent together with the duly executed assignment in form satisfactory to the Board or its paying agent; and (iii) for every exchange or registration of transfer of Bonds, the Board or its paying

agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds. Interest on the Bonds will be payable by check or draft mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the Record Dates.

### **THE SCHOOL DISTRICT AND THE BOARD**

The Board is a seven (7) member board with members elected for staggered three (3) year terms. The Superintendent of Schools is the chief administrative officer of the School District. The Business Administrator/Board Secretary is the chief financial officer of the School District and oversees the board's business functions. The Business Administrator/Board Secretary reports to the Superintendent of Schools.

The School District is a Type II school district serving the Township of Lacey, in the County of Ocean, State of New Jersey (the "Township") and provides a full range of educational services appropriate to pre-kindergarten ("Pre-K") through grade twelve (12), including regular and special education programs for the Township. The School District operates four (4) elementary schools, one (1) middle school and one (1) high school. See "APPENDIX A – Certain Economic and Demographic Information Relating to the School District and the Township of Lacey, in the County of Ocean, State of New Jersey."

### **THE STATE'S ROLE IN PUBLIC EDUCATION**

The Constitution of the State of New Jersey provides that the State shall provide for the maintenance and support of a thorough and efficient ("T&E") system of free public schools for the instruction of all children between the ages of 5 and 18 years. Case law has expanded the responsibility to include children between the ages of 3 and 21.

The responsibilities of the State with respect to the general supervision and control of public education have been delegated to the New Jersey Department of Education (the "Department"), which is a part of the executive branch of the State government and was created by the State Legislature. The Department is governed and guided by the policies set forth by the New Jersey State Board of Education (the "State Board"). The State Board is responsible for the general supervision and control of public education and is obligated to formulate plans and to make recommendations for the unified, continuous and efficient development of public education of all people of all ages within the State. To fulfill these responsibilities, the State Board has the power, *inter alia*, to adopt rules and regulations that have the effect of law and that are binding upon school districts, to acquire land and other property.

The Commissioner of Education (the "Commissioner") is the chief executive and administrative officer of the Department. The Commissioner is appointed by the Governor of the State with the advice and consent of the State Senate, and serves at the pleasure of the Governor during the Governor's term of office. The Commissioner is Secretary and Chief Executive Officer of the State Board and is responsible for the supervision of all school districts in the State and is obligated to enforce the rules and regulations of the State Board. The Commissioner has the authority to recommend the withholding of State financial aid and the Commissioner's consent is required for authorization to sell school bonds that exceed the debt limit of the municipality in which the school district is located and may also set the amount to be raised by taxation for a board of education if a school budget has not been approved by a board of school estimate or by the voters.

An Executive County Superintendent of Schools (the "County Superintendent") is appointed for each county in the State by the Governor, upon the recommendation of the Commissioner with the advice and consent of the State Senate. The County Superintendent is the local representative of the Commissioner. The County Superintendent is responsible for the daily supervision of the school districts in the county and is charged with the enforcement of rules pertaining to the certification of teachers, pupil registers and financial reports and the review of budgets. Under the Uniform Shared Services and Consolidation Act, P.L. 2007, c. 63, effective April 3, 2007, the role of the County Superintendent was changed to create the post of the Executive County Superintendent with expanded powers for the operation and management of school districts to, among other things, promote administrative and operational efficiencies, eliminate non-operating school districts and recommend a school district consolidation plan to

eliminate districts through the establishment or enlargement of regional school districts, subject to voter approval.

## **STRUCTURE OF SCHOOL DISTRICTS IN NEW JERSEY**

### **Categories of School Districts**

State school districts are characterized by the manner in which the board of education or the governing body takes office. School districts are principally classified in the following categories:

(1) Type I, in which the mayor or chief executive officer ("CEO") of a municipality appoints the members of a board of education and a board of school estimate. The board of school estimate consists of two (2) members of the board of education, two (2) members of the governing body of the municipality and the mayor or CEO of the municipality comprising the school district, and approves all fiscal matters;

(2) Type II, in which the registered voters within a school district elect the members of a board of education and either (a) the registered voters also vote upon all fiscal matters with the exception set forth in the new Budget Election Law (as hereinafter defined in "School Budgetary Process"), or (b) a board of school estimate, consisting of two (2) members of the governing body of and the CEO of each municipality within the school district and the president of and one member of the board of education, and approves all fiscal matters;

(3) Regional and consolidated school districts comprising the territorial boundaries of more than one municipality in which the registered voters within the school district elect members of the board of education and vote upon all fiscal matters with certain exceptions. Regional school districts may be "All Purpose Regional School Districts" or "Limited Purpose Regional School Districts";

(4) State-operated school districts created by the State Board, pursuant to State law, when a local board of education cannot or will not correct severe educational deficiencies;

(5) County vocational school districts have boards of education consisting of the County Superintendent and four (4) members unless it is a county of the first class, which adopted an ordinance, in which case it can have a board consisting of seven (7) appointed members which the board of county commissioners of the county appoints. Such vocational school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school district, two (2) members appointed by the board of county commissioners and a fifth member being the county executive or the director of the board of county commissioners of the county, which approves all fiscal matters; and

(6) County special services school districts have boards of education consisting of the County Superintendent and six (6) persons appointed by the board of county commissioners of the county. Such special services school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school, two (2) members appointed by the board of county commissioners and a fifth member being the commissioner-director of the board of county commissioners, which approves all fiscal matters.

There is a procedure whereby a Type I school district or a Type II school district may change from one type to the other after an approving public referendum. Such a public referendum must be held whenever directed by the municipal governing body or board of education in a Type I district, or the board of education in a Type II district, or when petitioned for by fifteen percent (15%) of the voters of any school district. The School District is a Type II school district with a board of school estimate.

### **School Budgetary Process (N.J.S.A. 18A:22-1 et seq.)**

In a Type I school district and a Type II school district with a board of school estimate, a separate body from the school district, known as the board of school estimate, examines the budget requests and

fixes the appropriation amounts for the next year's operating budget at or after a public hearing. This board, whose composition is fixed by statute, certifies the budget to the municipal governing body or board of education. If the board of education disagrees with the certified budget of the board of school estimate, then it can appeal to the Commissioner to request changes.

In a Type II school district, a budget is no longer required to be submitted to the voters for approval if the budget is at or below the two percent (2%) property tax levy cap as provided in the Tax Levy Cap Law (as hereinafter defined).

The Budget Election Law, P.L. 2011, c. 202, effective January 17, 2012 (the "Budget Election Law") establishes procedures that allow the date of the annual school election of a Type II school district, without a board of school estimate, to be moved from April to the first Tuesday after the first Monday in November, to be held simultaneously with the general election. Such change in the annual school election date must be authorized by resolution of either the board of education or the governing body of the municipality, or by an affirmative vote of a majority of the voters whenever a petition, signed by at least fifteen percent (15%) of the legally qualified voters, is filed with the board of education. Once the annual school election is moved to November, such election may not be changed back to an April annual school election for four (4) years.

The Board conducts its annual election in November.

## **SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT**

### **Levy and Collection of Taxes**

School districts in the State do not levy or collect taxes to pay those budgeted amounts which are not provided by the State. The municipality within which a school district is situated levies or collects the required taxes and must remit them in full to the school district.

### **Budgets and Appropriations**

School districts in the State must operate in accordance with the requirements of the New Jersey Department of Education. Each school district must adopt an annual budget in such detail and upon forms as prescribed by the Commissioner, to which must be attached an itemized statement showing revenues, including State and Federal aid, and expenditures. The Commissioner must approve a budget prior to its final adoption and has the power to increase or decrease individual line items in a budget. Any amendments to a school district's budget must be approved by the board of education or the board of school estimate, as the case may be. Every budget submitted must provide no less than the minimum permissible amount deemed necessary under State law to provide for a thorough and efficient education as mandated by the State Constitution. The Commissioner may not approve any budget unless the Commissioner is satisfied that the school district has adequately implemented within the budget the Core Curriculum Content Standards (as defined herein) required by State law. If necessary, the Commissioner is authorized to order changes in the local school district's budget. The Commissioner will also ensure that other provisions of law are met including the limitations on taxes and spending explained below.

### **Tax and Spending Limitations**

The Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., P.L. 1975, c. 212 (as amended and partially repealed), first limited the amount of funds that could be raised by a local school district. It limited the annual increase of any school district's net current expense budget. The budgetary limitations were known as a "CAP" on expenditures. The "CAP" was intended to control the growth in local property taxes. Subsequently there have been numerous legislative changes as to how the spending limitations would be applied.

The Quality Education Act of 1990, N.J.S.A. 18A:7D-1 et seq., P.L. 1990, c. 52 (the "QEA") (now repealed), also limited the annual increase in the school district's current expense and capital outlay budgets by a statutory formula linked to the annual percentage increase in per capita income. The QEA

was amended and revised by chapter 62 of the Laws of New Jersey of 1991, and further amended by chapter 7 of the Laws of New Jersey of 1993.

The Comprehensive Educational Improvement and Financing Act of 1996, N.J.S.A. 18A:7F-1 et seq., P.L. 1996, c. 138 (the "CEIFA"), as amended by P.L. 2004, c. 732, effective July 1, 2004, also limited the annual increase in a school district's net budget by a spending growth limitation. The CEIFA limited the amount school districts can increase their annual current expense and capital outlay budgets (the "Spending Growth Limitations"). Generally, budgets could increase either by two and one-half percent (2.5%) or the consumer price index, whichever is greater. Amendments to the CEIFA decreased the budget cap to two and one-half percent (2.5%) from three percent (3%). Budgets could also increase because of certain adjustments for enrollment increases, certain capital outlay expenditures, pupil transportation costs, and special education costs that exceeded \$40,000 per pupil. Waivers were available from the Commissioner based on increasing enrollments and other fairly narrow grounds and increases higher than the cap could be approved by a vote of sixty percent (60%) at the annual school election.

P.L. 2007, c. 62, effective April 3, 2007, provided additional limitations on school district spending by limiting the amount a school district could raise for school district purposes through the property tax levy by four percent (4%) over the prior budget year's tax levy. P.L. 2007, c. 62 provided for adjustments to the cap for increases in enrollment, reductions in State aid and increased health care costs and for certain other extraordinary cost increases that required approval by the Commissioner. The bill granted discretion to the Commissioner to grant other waivers from the cap for increases in special education costs, capital outlay, and tuition charges. The Commissioner also had the ability to grant extraordinary waivers to the tax levy cap for certain other cost increases beginning in fiscal year 2009 through 2012.

P.L. 2007, c. 62 was deemed to supersede the prior limitations on the amount school districts could increase their annual current expense and capital outlay budgets created by CEIFA (as amended by P.L. 2004, c. 73, effective July 1, 2004). However, chapter 62 was in effect only through fiscal year 2012. Without an extension of chapter 62 by the legislature, the Spending Growth Limitations on the general fund and capital outlay budget would be in effect.

Debt service was not limited either by the Spending Growth Limitations or the four percent (4%) cap on the tax levy increase imposed by chapter 62.

The previous legislation was amended by P.L. 2010, c. 44, effective July 13, 2010 and became applicable to the next local budget year following enactment. This law limits the school district tax levy for the general fund budget to increases of two percent (2%) over the prior budget year with exceptions only for enrollment increases, increases for certain normal and accrued liability for pension contributions in excess of two percent (2%), certain healthcare increases, and amounts approved by a simple majority of voters voting at a special election (the "Tax Levy Cap Law"). Additionally, also becoming effective in the 2011-2012 fiscal year, a school district that has not been granted approval to exceed the tax levy cap by a separate proposal can bank the unused tax levy for use in any of the next three (3) succeeding budget years. A school district can request a use of "banked cap" only after it has fully exhausted all eligible statute spending authority in the budget year. The process for obtaining waivers from the Commissioner for additional increases over the tax levy cap or Spending Growth Limitations was eliminated under chapter 44. Notwithstanding the foregoing, under P.L. 2018, c. 67, effective July 24, 2018, which increases State school aid to underfunded school districts and decreases state school aid to overfunded school districts, during the 2018-2019 through 2024-2025 fiscal years, SDA Districts, which are certain urban districts formerly referred to as Abbott Districts referred to herein under "SUMMARY OF STATE AID TO SCHOOL DISTRICTS", are permitted increases in the tax levy over the two percent (2%) limit to raise a general fund tax levy to an amount that does not exceed its local share of the adequacy budget.

The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund. There are no restrictions on a local school district's ability to raise funds for debt service, and nothing would limit the obligation of a school district to levy *ad valorem* taxes upon all taxable real property within the school district to pay debt service on its bonds or notes with one exception. School districts are subject to GAAP accounting, and under GAAP interest on obligations maturing within one (1) year must be treated as operating expenses. Accordingly, under the Department of Education's Chart of Accounts,

interest on notes is raised in the General Fund of a school district and therefore is counted within its two percent (2%) tax levy cap on spending.

### **Issuance of Debt**

Among the provisions for the issuance of school debt are the following requirements: (i) bonds must mature in serial installments within the statutory period of usefulness of the projects being financed but not exceeding forty (40) years, (ii) debt must be authorized by a resolution of a board of education (and approved by a board of school estimate in a Type I school district and a Type II school district with a board of school estimate), and (iii) there must be filed with the State by each municipality comprising a school district a Supplemental Debt Statement and a school debt statement setting forth the amount of bonds and notes authorized but unissued and outstanding for such school district.

### **Annual Audit (N.J.S.A. 18A:23-1 et seq.)**

Every board of education is required to provide an annual audit of the school district's accounts and financial transactions. The audit must be performed by a licensed public school accountant no later than five (5) months after the end of the school fiscal year or by the date extended by statute or by the State of New Jersey Department of Education. The audit, in conformity with statutory requirements, must be filed with the board of education and the Commissioner. Additionally, the audit must be summarized and discussed at a regular public meeting of the local board of education within thirty (30) days following receipt of the annual audit by such board of education.

### **Temporary Financing (N.J.S.A. 18A:24-3)**

Temporary notes may be issued in anticipation of the issuance of permanent bonds for a capital improvement or capital project. Such temporary notes may not exceed in the aggregate the amount of bonds authorized for such improvement or project. A school district's temporary notes may be issued for one (1) year periods, with the final maturity not exceeding five (5) years from the date of original issuance; provided, however, that no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which said notes are issued, is paid and retired subsequent to such third anniversary date from funds other than the proceeds of obligations. School districts must include in each annual budget the amount of interest due and payable in each fiscal year on all outstanding temporary notes.

### **Capital Lease Financing**

School districts are permitted to enter into lease purchase agreements for the acquisition of equipment or for the improvement of school buildings. Generally, lease purchase agreements cannot exceed five (5) years except for certain energy-saving equipment which may be financed for up to fifteen (15) years if paid from energy savings. Lease purchase agreements for a term of five (5) years or less must be approved by the Commissioner. The Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (the "EFCFA"), repealed the authorization to enter into facilities leases in excess of five (5) years. The payment of rent on an equipment lease and on a five (5) year and under facilities lease purchase is treated as a current expense and within the cap on the school district's budget. Under the CEIFA, financed purchase payments on leases in excess of five (5) years issued under prior law are treated as debt service payments and, therefore, will receive debt service aid if the school district is entitled and are outside the school district's tax levy cap.

### **Financing Under County School Construction Financing Law**

Recently enacted P.L. 2023, c. 311, approved January 16, 2024, as amended by P.L. 2024, c. 79, approved September 12, 2024, provides a means by which a county and a county improvement authority can assist a local school district with financing and construction of a school capital project without the school district authorizing and issuing school bonds. Under the newly enacted legislation, a school district can lease a school property to a county improvement authority, which would issue its bonds for the financing and construction of a school project. The county improvement authority would then lease the school

property to the county and the county would further lease it back to the school district. The school district would be obligated to cover the cost of principal and interest on the authority bonds through its lease payments to the county, and the county would pass through the payments to the authority through its lease to the authority for the payment of the bonds. The leases would remain valid and binding and in effect until the bonds are fully paid off. When the leases expire, the school property will be fully vested in the school district. The lease payments would be outside the caps on spending and raising taxes for both the school district and the county. The obligation would not be limited by the school district's legal borrowing limit as the school district is not issuing school bonds. The law requires the annual school district lease payments to be included in each school budget over the life of the bonds. The county improvement authority bonds would receive debt service aid otherwise available to the school district project as if the school district had authorized and issued school bonds. The program requires the cooperation of the county, the county improvement authority and the school district. Under the county improvement authorities law, the county or municipality could agree to guaranty the authority bonds as well if the credit support would help reduce financing costs. The program could help school districts that otherwise have difficulty getting voter approval to be able to obtain financing at a reduced cost, as (i) the State would still pay a share of the debt service due on the improvement authority bonds for which the project is entitled under the Educational Facilities Construction and Financing Act and (ii) if guaranteed, the improvement authority bonds could benefit from the credit enhancement provided by a county or municipality.

### **Debt Limitation (N.J.S.A. 18A:24-19)**

Except as provided below, no additional debt shall be authorized if the principal amount, when added to the net debt previously authorized, exceeds a statutory percentage of the average equalized valuation of taxable property in a school district. As a grades pre-kindergarten (Pre-K) through twelve (12) school district, the School District can borrow up to four percent (4%) of the average equalized valuation of taxable property in the School District. The School District has not exceeded its four percent (4%) debt limit. See "APPENDIX A – Certain Economic and Demographic Information Relating to the School District and the Township of Lacey, in the County of Ocean, State of New Jersey."

### **Exceptions to Debt Limitation**

A Type II school district (other than a regional district) may also utilize its constituent municipality's remaining statutory borrowing power (i.e. the excess of three and one-half percent (3.5%) of the average equalized valuation of taxable property within the constituent municipality over the constituent municipality's net debt). A school district may also authorize debt in excess of this limit with the consent of the Commissioner and the Local Finance Board.

### **Energy Saving Obligations**

Under P.L. 2009, c. 4, approved January 21, 2009 and effective sixty (60) days thereafter, school districts may issue "energy savings obligations" without voter approval to fund certain improvements that result in reduced energy use, facilities for production of renewable energy or water conservation improvements provided that the amount of the savings will cover the cost of the improvements.

## **SUMMARY OF STATE AID TO SCHOOL DISTRICTS**

In 1973, the Supreme Court of the State of New Jersey (the "Court") ruled in *Robinson v. Cahill* that the method then used to finance public education principally through property taxation was unconstitutional. Pursuant to the Court's ruling, the Legislature enacted the Public School Education Act of 1975, N.J.S.A. 18A:7A-1 *et seq.*, P.L. 1975, c. 212 (the "Public School Education Act") (as amended and partially repealed), which required funding of the State's school aid through the New Jersey Gross Income Tax Act, P.L. 1976, c. 47, as amended and supplemented, enacted for the purpose of providing property tax relief.

On June 5, 1990, the Court ruled in *Abbott v. Burke* that the school aid formula enacted under the Public School Education Act was unconstitutional as applied. The Court found that poorer urban school districts (previously called "Abbott Districts", now referred to as "SDA Districts") were significantly

disadvantaged under that school funding formula because school revenues were derived primarily from property taxes. The Court found that wealthy school districts were able to spend more, yet tax less for educational purposes.

Since that time there has been much litigation and many cases affecting the State's responsibilities to fund public education and many legislative attempts to distribute State aid in accordance with the court cases and the constitutional requirement. The cases addressed not only current operating fund aid but also addressed the requirement to provide facilities aid as well. The legislation has included QEA, CEIFA and EFCFA. For many years aid has simply been determined in the State Budget, which itself is an act of the legislature, based upon amounts provided in prior years. The school funding formula, provided in the School Funding Reform Act of 2008, P.L. 2007, c. 260, effective January 1, 2008, attempts to remove the special status given to certain school districts known as Abbott Districts after the school funding cases and instead has funding follow students with certain needs and provides aid in a way that takes into account the ability of the local school district to raise local funds to support the budget in amounts deemed adequate to provide for a thorough and efficient education as required by the State constitution. This legislation was challenged in the Court, and the Court held that the State's then current plan for school aid was a "constitutionally adequate scheme." However, the State continued to underfund certain school districts and to overfund other school districts in its budgets based on the statutory scheme. Since 2019 and in accordance with the enactment of P.L. 2018, c. 67, effective July 24, 2018, the State has increased funding for underfunded school districts and decreased funding for overfunded school districts and will continue to do so as set forth therein. It has also provided cap relief for overfunded school districts to enable them to pick up more of the local share.

Notwithstanding over thirty-five (35) years of litigation, the State provides State aid to school districts of the State in amounts provided in the State budget each year. These now include equalization aid, special education categorical aid, transportation aid, preschool education aid, instructional supplement aid, supplemental core curriculum standards aid, distance learning network aid, bilingual aid, security aid, adjustment aid and other aid determined in the discretion of the Commissioner.

State law requires that the State will provide aid for the construction of school facilities in an amount equal to the greater of the district aid percentage or forty percent (40%) times the eligible costs determined by the Commissioner either in the form of a grant or debt service aid as determined under the EFCFA. The amount of aid to which a school district is entitled is established prior to the authorization of the project. Grant funding is provided by the State upfront and debt service aid must be appropriated annually by the State.

The State has reduced debt service aid by fifteen percent (15%) annually since fiscal year 2011. As a result of the debt service aid reduction for those fiscal years, school districts received eighty-five percent (85%) of the debt service aid that they would have otherwise received. In addition, school districts which received grants under the EFCFA, which grants were financed through the New Jersey Economic Development Authority (the "EDA"), were assessed an amount in each fiscal year budget since 2011 representing fifteen percent (15%) of the school district's proportionate share of the principal and interest payments on the outstanding EDA bonds issued to fund such grants.

Pursuant to P.L. 2018, c. 67, effective July 24, 2018, the School Funding Reform Act has been modified to adjust the distribution of State aid to school districts in the State ("SFRA Modification Law"). In particular, the SFRA Modification Law revises the School Funding Reform Act so that, after calculating the amount of State aid available per pupil, State aid will be distributed to each school district based on student enrollment. The SFRA Modification Law also eliminates the application of the State aid growth limit and adjustment aid, but includes a transition period for school districts that will receive less State aid. Under the SFRA Modification Law, most school districts that will receive reduced State aid resulting from the revised funding formula will be provided a seven (7) year transition period during which funding will be reduced. For those school districts where State aid will increase under the SFRA Modification Law, the transition period to increase funding will be one (1) year.

## SUMMARY OF FEDERAL AID TO SCHOOL DISTRICTS

Federal funds are available for certain programs approved by the Federal government with allocation decided by the State, which assigns a proportion to each local school district. The Every Student Succeeds Act of 2015, enacted December 10, 2015, is a Federal assistance program for which a school district qualifies to receive aid. A remedial enrichment program for children of low income families is available under Chapter 1 Aid. Such Federal aid is generally received in the form of block grants. Aid is also provided under the Individuals with Disabilities Education Act although never in the amounts Federal law required.

## MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

### Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"), governs the issuance of bonds and notes to finance certain municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects financed and that bonds be retired in serial installments. A five percent (5%) cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Township are general full faith and credit obligations.

The authorized bonded indebtedness of the Township is limited by statute, subject to certain exceptions noted below, to an amount equal to three and one-half percent (3.5%) of its average equalized valuation basis. The average for the last three (3) years of the equalized value of all taxable real property and improvements and certain Class II railroad property within the Township as annually determined by the New Jersey Board of Taxation is set forth in APPENDIX A.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

A municipality may exceed its debt limit with the approval of the Local Finance Board, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, a municipality may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the municipality or substantially reduce the ability of the municipality to meet its obligations or to provide essential public improvements and services, or makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the municipality to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

A municipality may sell "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the bond ordinance, as it may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued for periods not exceeding one (1) year. Generally, bond anticipation notes may not be outstanding for longer than ten (10) years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus four (4) months in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

### Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the State local finance system is the annual modified accrual basis budget. Every local unit must adopt an annual operating budget in the form required by the Division of Local Government

Services, New Jersey Department of Community Affairs (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget cannot be finally adopted until it has been certified by the Director of the Division (the "Director"), or in the case of a local unit's examination of its own budget, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law, N.J.S.A. 40A:4-1 et seq. (the "Local Budget Law") requires each local unit to appropriate sufficient funds for the payment of current debt service, and the Director or, in the case of local examination, the local unit, may review the adequacy of such appropriations.

Tax anticipation notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year in which they were issued.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the budgetary review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The annual modified accrual basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations. N.J.S.A. 40A:4-22. If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

A provision in the Local Budget Law, N.J.S.A. 40A:4-26, provides that: "[n]o miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues, except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with a municipality's calendar fiscal year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the local unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body. However, with minor exceptions, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director must be obtained.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of

sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

Budget transfers provide a degree of flexibility and afford a control mechanism. Pursuant to N.J.S.A. 40A:4-58, transfers between appropriation accounts are prohibited until the last two (2) months of the year. Appropriation reserves may be transferred during the first three (3) months of the year, to the previous year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a 2/3 vote of the full membership of the governing body. Although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Certain types of appropriations are excluded from the provisions permitting transfers. Generally, transfers cannot be made from the down payment account, interest or debt redemption charges or the capital improvement fund or for contingent expenses.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities, in addition to the general taxing power upon taxable property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six (6) years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

### **Fiscal Year Adjustment Law (1991 N.J. Laws c. 75)**

Chapter 75 of the Laws of New Jersey of 1991, requires certain municipalities and permits all other municipalities to adopt the State fiscal year in place of the existing calendar fiscal year. Municipalities that change fiscal years must adopt a six (6) month transition budget for January 1 through June 30. Since expenditures would be expected to exceed revenues primarily because State aid for the calendar year would not be received by the municipality until after the end of the transition year budget, the act authorizes the issuance of Fiscal Year Adjustment Bonds to fund the one time deficit for the six (6) month transition budget. The law provides that the deficit in the six (6) month transition budget may be funded initially with bond anticipation notes based on the estimated deficit in the six (6) month transition budget. Notes issued in anticipation of Fiscal Year Adjustment Bonds, including renewals, can only be issued for up to one (1) year unless the Local Finance Board permits the municipality to renew them for a longer period of time. The Local Finance Board must confirm the actual deficit experienced by the municipality. The municipality then may issue Fiscal Year Adjustment Bonds to finance the deficit on a permanent basis. The purpose of the act is to assist municipalities that are heavily dependent on State aid and that have had to issue tax anticipation notes to fund operating cash flow deficits each year. While the law does not authorize counties to change their fiscal years, it does provide that counties with cash flow deficits may issue Fiscal Year Adjustment Bonds as well.

### **State Supervision**

State law authorizes State officials to supervise fiscal administration in any municipality which is in default on its obligations; which experiences severe tax collection problems for two (2) successive years; which has a deficit greater than four percent (4%) of its tax levy for two (2) successive years; which has failed to make payments due and owing to the State, county, school district or special district for two (2)

consecutive years; which has an appropriation in its annual budget for the liquidation of debt which exceeds twenty-five percent (25%) of its total operating appropriations (except dedicated revenue appropriations) for the previous budget year; or which has been subject to a judicial determination of gross failure to comply with the Local Bond Law, the Local Budget Law, or the Local Fiscal Affairs Law, N.J.S.A. 40A:5-1 et seq., which substantially jeopardizes its fiscal integrity. State officials are authorized to continue such supervision for as long as any of the conditions exist and until the municipality operates for a fiscal year without incurring a cash deficit.

### **Appropriations “Cap”**

The New Jersey “Cap Law” (the “Cap Law”) (N.J.S.A. 40A:4-45.1 et seq.) places limits on municipal tax levies and expenditures. The Cap Law provides that a local unit shall limit any increase in its budget to two and one-half percent (2.5%) or the Cost-Of-Living Adjustment (as defined in the Cap Law), whichever is less, of the previous year’s final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than two and one-half percent (2.5%), a local unit may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the local unit for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than three and one-half percent (3.5%) over the previous year’s final appropriations. In addition, N.J.S.A. 40A:4-45.15a restored “cap” banking to the Local Budget Law. Municipalities are permitted to appropriate available “cap bank” in either of the next two (2) succeeding years’ final appropriations. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the “cap”.

Additionally, P.L. 2010, c. 44, effective July 13, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of two percent (2%), certain increases in health care over two percent (2%), and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above two percent (2%) not otherwise permitted under the law by an affirmative vote of fifty percent (50%).

The Division has advised that counties and municipalities must comply with both the budget “cap” and the tax levy limitation. Neither the tax levy limitation nor the Cap Law, however, limits the obligation of the county or municipality to levy *ad valorem* taxes upon all taxable property within its boundaries to pay debt service on its bonds and notes.

### **Tax Assessment and Collection Procedure**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income (where appropriate). Current assessments are the result of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. However, a divergence of the assessment ratio to true value is typically due to changes in market value over time.

Upon the filing of certified adopted budgets by the local unit, the local school district and the county, the tax rate is struck by the county Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provisions for the assessment of property, the levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in the State for various special services rendered to the properties located within the special districts.

Generally, tax bills are mailed annually in June of the current fiscal year. The taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The August and November tax bills are determined as the full tax levied for municipal, county and school purposes for the current municipal fiscal year, less the amount charged for the February and May installments for municipal, county and school purposes in the current fiscal year. The amounts due for the February and May installments are determined by the municipal governing body as either one-quarter or one-half of the full tax levied for municipal, county and school purposes for the preceding fiscal year.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) per annum on the first \$1,500.00 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500.00. Pursuant to 1991 N.J. Laws c. 75, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent (6%) of the amount of the delinquency. These penalties and interest rates are the highest permitted under State statutes. Delinquent taxes open for one (1) year or more are annually included in a tax sale in accordance with State statutes.

### **Tax Appeals**

State statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the county Board of Taxation on or before April 1 of the current year for review. The county Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the county Board of Taxation, appeal may be made to the Tax Court of the State of New Jersey (the "State Tax Court") for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

### **Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)**

This law regulates the nonbudgetary financial activities of local governments. The chief financial officer of every local unit must file annually with the Director a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division's "Requirements of Audit," includes recommendations for improvement of the local unit's financial procedures. The audit report must be filed with the Director. A synopsis of the report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the local unit's receipt of the audit report.

## **FINANCIAL STATEMENTS**

The audited financial statements of the Board as of and for the year ended June 30, 2025 together with the notes to the financial statements have been provided by Jump, Perry and Company, LLP, Toms River, New Jersey (the "Auditor") and are presented in APPENDIX B to this Official Statement (the "Financial Statements"). See "APPENDIX B – Financial Statements of The Board of Education of the Township of Lacey in the County of Ocean, New Jersey."

## **MUNICIPAL ADVISOR**

Acacia Financial Group, Inc., Mount Laurel, New Jersey, has served as Municipal Advisor to the Board in connection with the issuance of the Bonds (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## LITIGATION

To the best of the knowledge, information and belief of the Board Attorney, Padula Law Group, LLC, Shrewsbury, New Jersey (the "Board Attorney"), and without independent inquiry or investigation and based upon the representation of the Board's Business Administrator/Board Secretary, there is no litigation of any nature now pending or threatened against the Board, restraining or enjoining the issuance or the delivery of the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds, or contesting the corporate existence or the boundaries of the Board or the School District or the title of any of the present officers. To the best of the knowledge, information and belief of the Board Attorney, and without independent inquiry or investigation and based upon the representation of the Board's Business Administrator/Board Secretary, no litigation is presently pending or threatened that, in the opinion of the Board Attorney, would have a materially adverse impact on the financial condition of the Board if adversely decided. A certificate to such effect will be executed by the Board Attorney and delivered to the Underwriter (as hereinafter defined) of the Bonds at the closing.

## TAX EXEMPTION

### Federal Income Tax Treatment

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Bonds in order for the interest thereon to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause such interest to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Bonds. The Board has covenanted to comply with the provisions of the Code applicable to the Bonds, and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Board with the requirements of the Code described above, interest on the Bonds is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Code and is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax.

### Premium Bonds

[The Bonds [maturing on March 15 in the years 20\_\_ through 20\_\_, inclusive (collectively, the "Premium Bonds")], have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the [Premium] Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a [Premium] Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a [Premium] Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such [Premium] Bonds and not as interest.]

### Discount Bonds

[Bond Counsel is also of the opinion that the difference between the stated principal amount of the Bonds maturing on March 15 in the years 20\_\_ through 20\_\_, inclusive (collectively, the "Discount Bonds") and their respective initial public offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the [Discount] Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is excluded from gross income for Federal income tax purposes to the same extent as interest on the Bonds. In the case of any holder of the [Discount] Bonds, the amount of such original issue discount which is treated as having accrued with respect to the [Discount] Bonds is added to the cost basis

of the holder in determining, for Federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity). Holders of the [Discount] Bonds should consult their tax advisors for an explanation of the original issue discount rules.]

### **Additional Federal Income Tax Consequences Relating to Bonds**

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional Federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **State Taxation**

Bond Counsel is also of the opinion that interest on the Bonds, and any gain on the sale of the Bonds, are not includable in gross income under the existing New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Bonds. See “APPENDIX C – Form of Approving Legal Opinion” for the complete text of the proposed form of Bond Counsel's approving legal opinion.

### **Prospective Tax Law Changes**

Federal, state or local legislation, administrative pronouncements or court decisions may affect the Federal and State tax-exempt status of interest on the Bonds and the State tax-exempt status of interest on the Bonds, gain from the sale or other disposition of the Bonds, the market value of the Bonds or the marketability of the Bonds. The effect of any legislation, administrative pronouncements or court decisions cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding such matters.

### **Other Tax Consequences**

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, State, local or foreign tax consequences of ownership of the Bonds. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance of the Bonds and assumes no obligation to update its opinion after such date of issuance to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest on the Bonds paid or to be paid as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See APPENDIX C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Bonds.

**PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO ALL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF HOLDING THE BONDS.**

### **RISK TO HOLDERS OF BONDS**

It is understood that the rights of the holders of the Bonds, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

## **Municipal Bankruptcy**

**THE BOARD HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE OR THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE BOARD EXPECTS TO UTILIZE THE BENEFITS OF ITS PROVISIONS, OR THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE BONDS, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.**

The undertakings of the Board should be considered with reference to 11 U.S.C. §101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed, and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a political subdivision must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may be avoided pursuant to certain preferential transfer provisions set forth in such act.

Reference should also be made to N.J.S.A. 52:27-40 et seq. which provides that a political subdivision, including the Board, has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

## **Cyber Security**

The School District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the School District may be the subject of cyber threats, including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the School District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. The School District has never had a material cyber breach or a cyber breach that resulted in a financial loss. No assurance can be given that the School District's current efforts to manage cyber threats and security will, in all cases, be successful. The School District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances. To mitigate these risks to the greatest extent possible, the School District has implemented multi-factor authentication for all staff with access to sensitive information. Furthermore, the School District leverages network segmentation to harden security. All workstations and servers are outfitted with Endpoint Detection and Response (EDR) with 24/7 Managed Detection and Response (MDR). In addition to the various processes in place to safeguard against cyber security attacks, the School District also maintains a comprehensive insurance policy which includes privacy liability, cyber incident response, data breach, network security, internet media and network extortion coverages.

The School District relies on other entities and service providers in the course of operating the School District, including its accountants, attorneys, the trustee, and banks, as well as vendors with respect to outsourced critical digital network operations and functions. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the School District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

## **Climate Change**

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The School District cannot predict the timing, extent, or severity of climate change and its impact on its operations and finances. The School District maintains a comprehensive insurance policy and maintains adequate reserves that could be used in the event of extreme weather.

## **RECENT HEALTHCARE DEVELOPMENTS**

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$5,336,574 in federal aid to address the effects of the COVID-19 pandemic.

## **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds are subject to the approval of Bond Counsel to the Board, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as APPENDIX C. Certain legal matters will be passed upon for the Board by its Board Attorney.

## **PREPARATION OF OFFICIAL STATEMENT**

The Board hereby states that the descriptions and statements herein, including the Financial Statements, are true and correct in all material respects, and it will confirm same to the Underwriter by a certificate signed by the Board President and Business Administrator/Board Secretary. See "CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT" herein.

Bond Counsel has participated in the preparation and review of this Official Statement but has not participated in the collection of financial, statistical or demographic information contained in this Official Statement nor verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

The Municipal Advisor has participated in the preparation and review of this Official Statement but has not verified the accuracy, completeness or fairness thereof, and, accordingly, takes no responsibility and expresses no opinion with respect thereto. Certain information set forth herein has been obtained from the Board and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized.

The Auditor takes responsibility for the Financial Statements to the extent specified in the Independent Auditor's Report appearing in APPENDIX B hereto.

The Board Attorney has not participated in the preparation of the information contained in this Official Statement, nor has the Board Attorney verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the caption entitled "LITIGATION" and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

All other information has been obtained from sources which the Board considers to be reliable, but it makes no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

## **RATING**

Moody's Investors Service, Inc. (the "Rating Agency"), has assigned an underlying rating of "A3" to the Bonds based upon the creditworthiness of the School District. The Rating Agency has also assigned an "A1" enhanced credit rating based upon the additional security provided by the New Jersey School Bond Reserve Act.

The rating reflects only the view of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Board forwarded to the Rating Agency certain information and materials concerning the Bonds and the School District. There can be no assurance that the rating will be maintained for any given period of time or that the rating will not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Bonds.

## **UNDERWRITING**

The Bonds are being purchased from the Board by \_\_\_\_\_ (the "Underwriter"), at a price of \$\_\_\_\_\_. The Underwriter is obligated to purchase all of the Bonds if any Bonds are so purchased.

The Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at yields higher than the public offering yields set forth on the

inside cover page, and such public offering yields may be changed, from time to time, by the Underwriter without prior notice.

### **SECONDARY MARKET DISCLOSURE**

The Board has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Board by no later than each January 31 after the end of each fiscal year, commencing with the fiscal year ending June 30, 2025 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report will be filed by the Board with the Municipal Securities Rulemaking Board (the "MSRB") or any other entity designated by the MSRB. The notices of material events will be filed by the Board with the MSRB through its Electronic Municipal Market Access ("EMMA") system and with any other entity designated by the MSRB, as applicable. The nature of the information to be contained in the Annual Report or the notices of material events is set forth in "APPENDIX D – Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "SEC Rule").

The School District has entered into prior undertakings to provide continuing disclosure for certain outstanding debt issues. Acacia Financial Group, Inc. serves as dissemination agent for the School District.

### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the Interim Business Administrator/Board Secretary, Constance L. Stewart, (609) 978-5700, ext. 1032 or to Charles Anthony Solimine, Esq., Wilentz, Goldman & Spitzer, P.A., Bond Counsel to the Board, (732) 855-6430.

### **CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT**

At the time of the original delivery of the Bonds, the Board will deliver a certificate of one or more of its authorized officials to the effect that he/she has examined this Official Statement (including the Appendices) and the financial and other data concerning the School District contained herein and that, to the best of his knowledge and belief, (i) this Official Statement, both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading and (ii) between the date of this Official Statement and the date of delivery of the Bonds, there has been no material adverse change in the affairs (financial or otherwise), financial condition or results or operations of the Board except as set forth in or contemplated by this Official Statement.

### **MISCELLANEOUS**

This Official Statement is not to be construed as a contract or agreement among the Board, the Underwriter and the holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs (financial or otherwise) of the Board since the date hereof.

The Board has authorized the preparation of this final Official Statement containing pertinent information relative to the Bonds, and this Official Statement is deemed to be the final Official Statement as required by Rule 15c2-12, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented. By awarding the Bonds to the Underwriter, the Board agrees that, within the earlier of seven (7) business days following the date of such award or to accompany the purchasers' confirmations requesting payment for the Bonds, it shall provide without cost to the Underwriter, for distribution purposes, copies of this final Official Statement. The underwriter agrees that (i) it shall accept such designation, and (ii) it shall assure the distribution of the final Official Statement.

**THE BOARD OF EDUCATION OF THE TOWNSHIP OF  
LACEY IN THE COUNTY OF OCEAN, NEW JERSEY**

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**CONSTANCE L. STEWART,  
Interim Business Administrator/Board Secretary**

**DATED: \_\_\_\_\_, 2026**

**APPENDIX A**

**Certain Economic and Demographic Information Relating to the  
School District and the Township of Lacey,  
in the County of Ocean, State of New Jersey**

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**CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING  
TO THE SCHOOL DISTRICT AND THE TOWNSHIP OF LACEY,  
IN THE COUNTY OF OCEAN, STATE OF NEW JERSEY**

**Summary**

The public school system in the Township of Lacey, in the County of Ocean, State of New Jersey (the “Township”), is operated by the Board of Education of the Township of Lacey in the County of Ocean, State of New Jersey (the “Board” when referring to the governing body and the “School District” when referring to the territorial boundaries governed thereby), as a Type II school district. The School District is coterminous with the Township.

The School District provides a full range of educational services appropriate to grades kindergarten through twelve, including regular and special education programs, The School District is serviced by six (6) schools known as Lacey Township High School, the Lacey Township Middle School, the Mill Pond Elementary School, the Lanoka Harbor Elementary School, the Forked River Elementary School and the Cedar Creek Elementary School. The Lacey Township High School accommodates grades nine through twelve, the Lacey Township Middle School accommodates grades seven and eight and the Mill Pond Elementary School accommodates grades five and six. The Lanoka Harbor Elementary, the Forked River Elementary and the Cedar Creek Elementary Schools each respectively accommodate grades kindergarten through four (4) and a special education handicapped program for Pre-K students.

Some of the Township’s high school students attend Ocean County Vocational-Technical School. A small portion of the Township’s student population attends private schools outside of the Township.

The Board functions independently through a seven (7) member board, elected by the School District’s voters to staggered three-year terms. The Board appoints a Superintendent and a Business Administrator/Board Secretary who are responsible for budgeting, planning and operational functions of the School District.

**School District Enrollment<sup>1</sup>**

<b>Fiscal Year Ending <u>June 30</u></b>	<b>Total School District <u>Enrollment</u></b>
2025	3,619
2024	3,709
2023	3,768
2022	3,957
2021	3,991

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<sup>1</sup> Source: The Board of Education of the Township of Lacey

## Staff<sup>2</sup>

The Superintendent is the chief administrative officer of the School District. The Business Administrator/Board Secretary oversees the business functions of the Board and reports through the Superintendent to the Board. As of June 30, 2025, the School District employed the following full-time staff:

<b>Description</b>	<b>Total</b>
<u>Instruction:</u>	
+ Regular	226
Special Education	64
Other Instruction	46
<u>Support Services:</u>	
Student & Instruction Related Services	192
School Administrative Services	65
General & Business Administrative Services	15
Plant Operations & Maintenance	52
Pupil Transportation	<u>39</u>
<b>Total:</b>	<b>699</b>

## Labor Relations<sup>3</sup>

Teachers, paraprofessionals, custodians, facilities workers and transportation staff members are represented by the Lacey Township Education Association (the “LTEA”). Paraprofessionals, custodians, facilities workers and transportation staff members are represented by the LTEA with respect to their contract negotiations and are considered non-certificated employees. The Board’s contract with the teachers of the LTEA expired on June 30, 2025. Child Study Team members are represented by the Lacey Township Child Study Team Association (LTCSTA). The CBA had a one year contract extension which expired June 30, 2025.

School District and school level administrators and administrative staff are not part of the LTEA, but rather are part of the Lacey Township Administrators and Supervisors Association (the “LTASA”). The current CBA covers the school years from 2023-2024 through 2027-2028 and expires June 30, 2028.

The current contract with the Acting Superintendent expired June 30, 2025. In addition to the Superintendent, the Board also negotiates individual contracts with certificated employees, including the Business Administrator/Board Secretary, Assistant Superintendent for Curriculum & Instruction and the Assistant Business Administrator/Board Secretary and with other non-certificated employees who are not members of any collective bargaining unit.

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<sup>2</sup> Source: The Board of Education of the Township of Lacey

<sup>3</sup> Source: Business Administrator/Board Secretary; Board Records.

**GENERAL FUND  
REVENUES AND EXPENDITURES FOR THE  
FISCAL YEARS 2023-2024 AND 2024-2025 AND GENERAL FUND BUDGETED  
REVENUES AND APPROPRIATIONS FOR THE FISCAL YEAR 2025-2026<sup>4</sup>**

	<b>(Actual) Fiscal Year <u>2023/24</u></b>	<b>(Revised)<sup>5</sup> Fiscal Year <u>2024/25</u></b>	<b>(Budget) Fiscal Year <u>2025/26</u></b>
<b><u>REVENUES</u></b>			
<b><u>Local Sources:</u></b>			
Local Tax Levy	\$53,192,929	\$58,459,029	\$64,987,619
Total Tuition	259,946	35,680	35,680
Transportation Fees from Individuals	20,301	0	0
Unrestricted Miscellaneous Revenues	1,162,095	1,118,250	288,275
Interest Earned	0	2,525	0
Other Restricted Miscellaneous Revenues	0	0	400,000
Subtotal – Revenues from Local Sources	<u>\$54,635,271</u>	<u>\$59,615,484</u>	<u>\$65,711,574</u>
<b><u>State Sources:</u></b>			
Categorical Transportation Aid	228,519	228,519	1,882,735
Extraordinary Aid	981,183	754,637	803,502
Categorical Special Education Aid	2,504,516	2,504,516	5,109,113
Equalization Aid	7,254,061	4,048,159	0
Categorical Security Aid	483,794	483,794	709,038
Other State Aids	600,387	1,472,656	226,526
State Reimbursement <sup>6</sup>	0	0	0
Subtotal – Revenues from State Sources	<u>\$12,052,460</u>	<u>\$9,492,281</u>	<u>\$8,730,914</u>
<b><u>Revenues from Federal Sources:</u></b>			
Medicaid Reimbursement	62,860	60,268	12,015
Subtotal – Revenues from Federal Sources	<u>62,860</u>	<u>60,268</u>	<u>12,015</u>
<b><u>Revenues from Other Sources:</u></b>			
Budgeted Fund Balance Operating Budget	0	2,150,715	0
WD From Cap Reserve	0	0	0
WD From Cap Reserve (Exc. Cost)	0	0	0
Withdrawal From Maint. Reserve	0	0	0
Adjustment for Prior Year Encumbrances	0	585,677	0
Actual Revenues (Over)/Under Expenditures	4,551,079	0	0
<b>TOTAL REVENUES:</b>	<b><u>\$71,301,670</u></b>	<b><u>\$71,904,425</u></b>	<b><u>\$74,454,503</u></b>
<b><u>EXPENDITURES</u></b>			
Total General Current Expenses	69,171,020	71,099,784	74,293,151
Capital Outlay	2,130,650	804,641	161,352
<b>TOTAL EXPENDITURES:</b>	<b><u>\$71,301,670</u></b>	<b><u>\$71,904,425</u></b>	<b><u>\$74,454,503</u></b>

<sup>4</sup> Source: The Board of Education of the Township of Lacey Budget for the fiscal year ended June 30, 2026; Business Administrator/Board Secretary; Board Records

<sup>5</sup> Unaudited and sources from the June 30, 2026 Budget

<sup>6</sup> Securing Our Children's Future Bond Act

**GOVERNMENTAL FUND REVENUES BY SOURCE  
LAST FIVE FISCAL YEARS<sup>7</sup>**

<b>Fiscal Year Ended June 30</b>	<b>Local Tax Levy</b>	<b>Other Local Revenue</b>	<b>State Revenue</b>	<b>Federal Revenue</b>	<b>Total</b>
2025	\$58,459,029	\$1,156,455	\$9,492,281	\$60,268	\$71,318,748
2024	53,192,929	1,315,490	11,106,372	56,072	65,670,863
2023	51,985,356	558,679	15,059,880	52,805	67,656,720
2022	50,966,035	488,822	18,241,445	55,254	69,751,556
2021	49,672,583	805,500	19,820,245	50,899	70,349,227

**School District Debt Limit and Borrowing Margin<sup>8</sup>**

The debt limitation of the School District is established pursuant to N.J.S.A. 18A:24-19. The School District is permitted to incur debt up to four percent (4%) of the average equalized valuation of taxable property in the School District before requiring an extension of credit from the Township and the Local Finance Board. The total equalized valuation of real property, including improvements, in the Township for the last three (3) years and the School District’s available borrowing margin as of June 30, 2025 are summarized below:

<b>Year</b>	<b>Amount</b>
2024	\$6,217,818,786
2023	5,694,850,504
2022	5,152,074,026

Average for the Three (3) Year Period .....	\$5,688,247,786
School District Borrowing Margin (4.0% of \$5,688,247,786) .....	\$2227,529,911
Net Bonded School Debt as of June 30, 2025 .....	<u>\$5,255,000</u>
Available School District Borrowing Margin.....	\$222,274,911

**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
AS OF June 30, 2025**

Net Direct Debt of School District as of June 30, 2025.....	\$5,255,000
Net Overlapping Debt of School District:	
Township of Lacey 12/31/2024 (100%) .....	\$24,550,175
County of Ocean as of 12/31/24– Lacey Share <sup>9</sup> (3.63%).....	\$20,019,568
Total Direct and Overlapping Bonded Debt as of June 30, 2025 .....	\$49,824,743

<sup>7</sup> Source: The Board of Education of the Township of Lacey User Friendly Budgets

<sup>8</sup> Source: School District Records; Township of Lacey 2024 Annual Debt Statement; County of Ocean 2024 Annual Debt Statement

<sup>9</sup> Source: 2024 Abstract of Ratables

## Long-Term Obligations

The chart below represents the long-term obligations (principal and interest) of the school district as of June 30, 2025.

<b>Fiscal Year Ending 30-Jun</b>	<b>Outstanding Principal</b>	<b>Outstanding Interest</b>	<b>Outstanding Debt Service</b>
<b>2026</b>	2,125,000	224,850	2,349,850
<b>2027</b>	660,000	125,200	785,200
<b>2028</b>	760,000	98,800	858,800
<b>2029</b>	855,000	68,400	923,400
<b>2030</b>	855,000	34,200	889,200
<b>Total:</b>	\$5,255,000	\$551,450	\$5,806,450

**GENERAL INFORMATION OF THE TOWNSHIP OF LACEY,  
IN THE COUNTY OF OCEAN, STATE OF NEW JERSEY**

**GENERAL AND HISTORICAL INFORMATION**

The area which is now known as the Township of Lacey, in the County of Ocean (the “Township”), State of New Jersey, was settled during the period preceding the American Revolutionary War. In 1871 an act of the General Assembly of the State of New Jersey formally established the Township. The Township received its name in honor of General John Lacey.

The Township is 84 square miles in area and is located in the central-southern portion of the State and is south of the New York-Northern New Jersey metropolitan area and east of the Greater Philadelphia Area. The Township is located in the central portion of the County of Ocean (the “County”), and is situated approximately 80 miles south of New York City, 70 miles south of the City of Newark, 40 miles north of Atlantic City, 50 miles east of the City of Trenton and 60 miles east of Philadelphia.

The Township is traversed by the Garden State Parkway and lies south of Interstate 195 and to the north of Atlantic City Expressway. The Township is bordered by the Township of Berkeley to the north, the Township of Manchester to the northwest, the Township of Woodland to the west, the Township of Barnegat to the southwest, the Township of Ocean to the south and the Barnegat Bay to the east.

The eastern border of the Township is Barnegat Bay and the Cedar Creek and the Oyster Creek run through the borders of the Township.

The Township is essentially residential in character. A portion of the Township is subject to the Pinelands Protection Act, the purpose of which is to limit the impact of development on the Pineland’s ecosystem which contains a vast reservoir of potable ground water.

The Township includes the areas of Lanoka Harbor, Forked River and Bamber Lakes. Commercial development in the Township consists of a combination of retail sales and service establishments.

**GOVERNMENT AND MUNICIPAL SERVICES**

**Form of Government**

The Township operates under the Township Form of Government as provided by N.J.S.A. 40A:63-1 et seq., as amended and supplemented. The Township is governed by a five-member Township Committee, whose members are elected at large for three-year staggered terms by the legally registered voters in the Township. The Committee annually appoints a Mayor from its membership. The Mayor and Committeepersons comprise the legislative body which formulates policy, appropriates funds and adopts ordinances and resolutions for the conduct of the Township business.

## **Principal Township Departments**

The township presently employs one hundred seventy-five (175) full-time employees and five (5) part-time employees.

The Township Clerk and Chief Financial Officer are appointed positions and these individual serve under the Mayor and the Township Committee and also as liaison between the public and the governing body. The Township Clerk handles all official minutes, ordinances, resolutions and legal advertising and is in charge of voter registration and local elections operations. The Chief Financial Officer oversees the Finance Department which handles all of the financial matters of the Township.

The Public Works Department consists of thirty-six (36) employees. This department is responsible for the maintenance and repair of all municipal roadways, parks and public buildings.

## **Volunteer Emergency Groups**

The Township is serviced by five (5) volunteer emergency groups. The Lacey EMS and the Lanoka Harbor First Aid Squad serve as rescue squads and the Forked River Fire Department, the Lanoka Harbor Fire Department and the Bamber Lakes Fire Department serve as fire departments.

## **Public Safety**

The Township's public safety needs are satisfied by the Township's Police Department. The Police Department presently employs forty (40) full-time police officers, twenty-four (24) part-time police officers and fifteen (15) civilians.

## **UTILITIES**

Gas and Electric services are provided to Township residents by the New Jersey Natural Gas Company and GPU, respectively. Verizon provides telephone service to the Township. A portion of the Township is served by a public water supply system provided by the Lacey Township Municipal Utilities Authority, while the remaining Township inhabitants rely on individual private wells. A portion of the Township is served by a public sewerage system also provided by the Lacey Township Municipal Utilities Authority; however, the remaining inhabitants of the Township rely on individual septic systems.

## **TRANSPORTATION**

The Township is located along or near major transportation corridors to the south of the New York-Northern New Jersey metropolitan area and to the east of the Greater Philadelphia Area. The Township is traversed by the Garden State Parkway and lies to the south of Interstate 195 and to the north of the Atlantic City Expressway. The Garden State Parkway proceeds north to the New York-Northern New Jersey metropolitan area and south to Atlantic City and Cape May. Interstate 195 proceeds westerly to Interstate 95 which is a major beltway serving the eastern seaboard of the United States. The Atlantic City Expressway connects Atlantic City with the Greater Philadelphia Area. State Highway Route 9 also traverses the Township and serves as a major roadway between Toms River and Manahawkin. The Township is also served by a variety of county and local roadways.

**Population Trends<sup>10</sup>**

<u>Year</u>	<u>Township of Lacey</u>	<u>County of Ocean</u>	<u>State of New Jersey</u>
2024	30,041	666,434	9,500,851
2023	29,714	659,157	9,290,841
2022	29,632	655,735	9,260,817
2021	29,273	648,998	9,267,961
2020	28,655	637,229	9,288,994

**Pension Plans and Costs**

Municipal employees who are eligible for pension coverage are enrolled in either the Public Employee’s Retirement System or the Police and Fireman’s Retirement System. These retirement systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by State law.

**STATEMENT OF STATUTORY NET DEBT  
FOR THE TOWNSHIP OF LACEY<sup>11</sup>  
As of December 31, 2024**

**Outstanding Debt**

General Purpose:

Serial Bonds, Notes and Loans (Issued and Authorized) \$24,620,634

School:

Serial Bonds \$8,200,000

Total Gross Debt: \$32,820,634

Less – Statutory Deductions: 8,270,459

Total Net Debt: \$24,550,175

**Debt Limit**

Average Equalized Valuation (2022, 2023, 2024)	\$5,688,247,786
Permitted Township Debt Limitation (3.5% of average equalized valuation)	\$193,833,673
Less: Net Debt of the Township	\$24,550,175
Remaining Borrowing Power	169,283,498
Percentage of Net Debt to Average Equalized Valuation	0.432%
Gross Debt Per Capita <sup>[1]</sup>	\$1,145
Net Debt Per Capita	\$856

<sup>10</sup> Source: United States Census Bureau Population Estimates as of 2024

<sup>11</sup> Source: Township of Lacey 2024 Annual Debt Statement.

<sup>[1]</sup> Based on the U.S. Census 2020 population of 28,655

**RATIO OF SCHOOL NET DEBT TO ASSESSED VALUE AND  
NET DEBT PER CAPITA LAST FIVE FISCAL YEARS<sup>12</sup>**

<b>Fiscal Year Ended June 30</b>	<b>Population<sup>13</sup></b>	<b>Assessed Valuation</b>	<b>Net Bonded School Debt</b>	<b>Ratio of Net School Debt to Assessed Value</b>	<b>Net Bonded School Debt Per Capita</b>
2025	30,041	\$4,063,819,500	\$5,255,000	0.13%	\$175
2024	30,041	4,029,146,600	8,200,000	0.20	\$272
2023	29,714	4,007,466,300	11,100,000	0.28	\$374
2022	29,632	3,981,007,600	14,050,000	0.35	\$474
2021	29,273	3,948,705,270	16,945,000	0.43	\$578

**Assessed Valuation of Real Property by Classification<sup>14</sup> (in dollars)**

	<b>Vacant Land</b>	<b>Farm Land<sup>15</sup></b>	<b>Residential</b>	<b>Apartment</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Total Real Property</b>
<b>2025</b>	\$65,733,700	\$3,131,100	\$3,515,991,100	\$4,759,000	\$305,670,400	\$168,534,200	\$4,063,819,500
<b>2024</b>	68,751,200	3,131,100	3,475,707,300	4,759,000	308,263,800	168,534,200	4,029,146,600
<b>2023</b>	74,035,800	3,129,500	3,441,495,500	4,759,000	315,512,300	168,534,200	4,007,466,300
<b>2022</b>	72,111,600	3,518,800	3,414,325,000	4,759,000	317,759,000	168,534,200	3,981,007,600
<b>2021</b>	79,172,200	3,518,800	3,371,533,900	4,759,000	321,187,170	168,534,200	3,948,705,270

**Ratio of Assessed Valuation to Estimated Full Cash Value<sup>16</sup>**

<b>Year</b>	<b>Net Assessed Valuation Taxable</b>	<b>Estimated Full Cash Valuations</b>	<b>Percentage of Net Assessed to Estimated Full Cash Valuations</b>
2025	\$4,063,819,500	\$6,760,637,997	60.11%
2024	4,029,146,600	6,217,818,827	64.80
2023	4,007,466,300	5,694,850,504	70.37
2022	3,981,007,600	5,152,074,026	77.27
2021	3,948,705,270	4,403,105,787	89.68

<sup>12</sup> Source: The Board of Education of the Township of Lacey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2025

<sup>13</sup> Source: State of New Jersey, Department of Workforce and Labor Development, Estimates of Resident Population by Municipality. 2020 U.S. Census; all others are estimated

<sup>14</sup> Source: County of Ocean Abstract of Ratables 2025

<sup>15</sup> Qualified and Regular Farm Land.

<sup>16</sup> Source: State of New Jersey, Department of Treasury, Division of Taxation, Table of Equalized Valuations.

**Composition of Tax Rate<sup>17</sup>**  
(Per \$100 of assessed valuation)

<u>Year</u>	<u>Lacey School</u>	<u>Township</u>	<u>County</u>	<u>Total Tax Rate</u>
2025	\$1.650	\$0.564	\$0.521	\$2.735
2024	1.519	0.534	0.481	2.534
2023	1.398	0.507	0.464	2.369
2022	1.382	0.458	0.423	2.263
2021	1.369	0.444	0.412	2.225

**Major Taxpayers<sup>18</sup>**

The ten largest taxpayers as of June 30, 2025 are listed in the Following table:

<u>Taxpayer</u>	<u>Assessed Valuations</u>	<u>Percent of Total Assessed Valuations</u>
1. Oyster Creek Environmental Project	\$111,486,700	2.74%
2. First Energy Service Company	33,133,100	0.82%
3. Agree Forked River NJ LLC	24,525,400	0.60%
4. G&I XI NJ Grocery Portfolio LLC	20,656,100	0.51%
5. Wal-Mart Real Estate Business Trust	13,200,000	0.32%
6. Forked River Residences, LLC	8,521,500	0.21%
7. Giombetti, David M. & Dawn M.	7,029,600	0.17%
8. Wawa Inc.	5,071,500	0.12%
9. Cav-Burt LLC	4,954,000	0.12%
10. Georgetown Village Inc.	4,899,500	0.12%
Total	\$233,477,400	5.75%

**Property Tax Levies and Collections<sup>19</sup>**

<u>Year Ended December 31</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percentage Tax Levy Collected</u>
2024	\$102,817,852	\$102,217,917	99.42%
2023	95,391,718	94,682,930	99.25%
2022	90,493,043	89,966,699	99.41%
2021	88,316,968	87,801,504	99.41%
2020	84,798,245	84,241,105	99.34%

<sup>17</sup> Source: Abstract of Ratables - Property Taxes

<sup>18</sup> Source: Municipal Tax Assessor; 2025 ACFR

<sup>19</sup> Source: The Township of Lacey Annual Financial Report for the fiscal year ended December 31, 2024

## Employment and Unemployment Data<sup>20</sup>

The following represents average employment figures from 2019-2024 for the Township, County and State.

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b>Township of Lacey</b>				
2024	15,612	14,930	682	4.4%
2023	15,588	14,923	665	4.3
2022	15,338	14,713	625	4.1
2021	14,979	13,929	1,050	7.0
2020	14,625	13,236	1,389	9.5
<b>County of Ocean</b>				
2024	293,284	280,025	13,259	4.5%
2023	292,457	279,888	12,569	4.3
2022	287,161	275,556	11,605	4.0
2021	279,507	260,912	18,595	6.7
2020	274,842	248,481	23,361	9.6
<b>State of New Jersey</b>				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3
2022	4,756,002	4,572,879	183,123	3.9
2021	4,654,243	4,342,075	312,168	6.7
2020	4,643,700	4,204,301	439,399	9.5

## Delinquent Taxes and Tax Title Liens<sup>21</sup>

<b><u>Year</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Taxes</u></b>	<b><u>Total Delinquent</u></b>	<b><u>Percent of Tax Levy</u></b>
2024	\$673,655	\$497,384	\$1,171,039	1.14%
2023	601,504	512,683	1,114,187	1.17%
2022	532,626	410,988	943,613	1.04%
2021	504,198	367,923	872,121	0.99%
2020	452,620	397,888	850,508	1.00%

<sup>20</sup> Source: State of New Jersey, Department of Labor, Labor Research and Analysis, Labor Market and Demographic Research, Bureau of Labor Force Statistics (Year End 2024).

<sup>21</sup> Source: Audited Financial Statements of the Township of Lacey for the year ended December 31, 2024.

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**APPENDIX B**

**Financial Statements of The Board of Education of the  
Township of Lacey  
in the County of Ocean, New Jersey**

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SCHOOL DISTRICT  
OF  
LACEY TOWNSHIP  
OF OCEAN COUNTY

Lacey Township School District  
Lanoka Harbor, New Jersey

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
Fiscal Year Ended June 30, 2025

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ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

OF

Lacey Township School District  
of Ocean County

Lanoka Harbor, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

Lacey Township Board of Education  
Finance Department

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# OUTLINE FOR ANNUAL COMPREHENSIVE FINANCIAL REPORT

	Page
<b>INTRODUCTORY SECTION</b>	
Letter of Introduction	1-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b>	10-12
<b>Required Supplementary Information - Part I</b>	
<b>Management's Discussion and Analysis</b>	14-22
<b>Basic Financial Statements</b>	
A. District Wide Financial Statements	
A-1 Statement of Net Position	24
A-2 Statement of Activities	25
B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	26
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	27
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	28
Proprietary Funds	
B-4 Statement of Net Position	29
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	30
B-6 Statement of Cash Flows	31
Fiduciary Funds	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	32-71

## OUTLINE FOR ANNUAL COMPREHENSIVE FINANCIAL REPORT

### Required Supplementary Information - Part II

C.	Budgetary Comparison Schedules	
	C-1 Budgetary Comparison Schedule - General Fund	73-77
	C-1a Combining Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget and Actual	N/A
	C-1b Community Development Block Grant - Budget and Actual	N/A
	C-2 Budgetary Comparison Schedule - Special Revenue Fund	78

### Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	79
-----	-------------------------------	----

### Required Supplementary Information - Part III

L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
	L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	81
	L-2 Schedule of District Contributions - PERS	82
	L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	83
M.	Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
	M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	84

### Notes to the Required Supplementary Information - Part III

85

### Other Supplementary Information

D.	School Based Budget Schedules	
	D-1 Combining Balance Sheet	N/A
	D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
	D-3 Blended Resource Fund - Schedule of Blended Expenditures Budget and Actual	N/A
E.	Special Revenue Fund	
	E-1 Combining Schedules of Program Revenues and Expenditures - Budgetary Basis	89-90
	E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	91

## OUTLINE FOR ANNUAL COMPREHENSIVE FINANCIAL REPORT

F.	Capital Projects Fund	
	F-1 Summary Schedule of Project Expenditures	93
	F-2 Summary Schedule of Revenue, Expenditures and Changes in Fund Balance - Budgetary Basis	94
	F-2(a-b) Schedule(s) of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis	95-96
G.	Proprietary Funds	
	Enterprise Fund	
	G-1 Combining Schedule of Net Position	N/A
	G-2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
	G-3 Combining Schedule of Cash Flows	N/A
H.	Fiduciary Funds	
	H-1 Combining Statement of Fiduciary Net Position	N/A
	H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	N/A
I.	Long-Term Debt	
	I-1 Schedule of Serial Bonds	100
	I-2 Schedule of Obligations Under Financed Purchases	101
	I-3 Debt Service Fund Budgetary Comparison Schedule	102
	I-4 Schedule of Obligations Subscription-Based Information Technology Arrangements	103
	<b>STATISTICAL SECTION (Unaudited)</b>	
	<b>Introduction to the Statistical Section</b>	
	Financial Trends	
	J-1 Net Position by Component	106
	J-2 Changes in Net Position	107-108
	J-3 Fund Balances - Governmental Funds	109
	J-4 Changes in Fund Balances - Governmental Funds	110
	J-5 General Fund - Other Local Revenue by Source	111
	Revenue Capacity	
	J-6 Assessed Value and Estimated Actual Value of Taxable Property	112
	J-7 Direct and Overlapping Property Tax Rates	113
	J-8 Principal Property Taxpayers	114
	J-9 Property Tax Levies and Collections	115

## OUTLINE FOR ANNUAL COMPREHENSIVE FINANCIAL REPORT

Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	116
J-11 Ratios of General Bonded Debt Outstanding	117
J-12 Direct and Overlapping Governmental Activities Debt	118
J-13 Legal Debt Margin Information	119
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	120
J-15 Principal Employers	121
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	122
J-17 Operating Statistics	123
J-18 School Building Information	124
J-19 Schedule of Required Maintenance Expenditures by School Facility	125
J-20 Insurance Schedule	126-127

### SINGLE AUDIT SECTION

K-1 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	129-130
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular Letter 15-08	131-133
K-3 Schedule of Expenditures of Federal Awards, Schedule A	134
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	135
K-5 Notes to the Schedules of Awards and Financial Assistance	136-137
K-6 Schedule of Findings and Questioned Costs - Section I - Summary of Auditor's Results - Section II - Financial Statements Findings - Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs	138-140
K-7 Summary Schedule of Prior Year Audit Findings	141

## INTRODUCTORY SECTION

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# LACEY TOWNSHIP SCHOOL DISTRICT

*A Tradition Of Pride · A Tradition Of Excellence*

**SHARON ORMSBEE**

BUSINESS ADMINISTRATOR/BOARD SECRETARY

December 5, 2025

Honorable President and  
Members of the Board of Education  
Lacey Township Board of Education  
County of Ocean, New Jersey

Dear Board Members:

It is with pleasure that we submit the annual comprehensive financial report of the Lacey Township Board of Education for the fiscal year ended June 30, 2025. 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 annual comprehensive 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 auditors 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 and Title 2 U.S. Code of Federal Regulations (DFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". 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 recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Lacey Township Board of Education 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 comprehensive full range of educational services appropriate to grade levels Pre-K through 12. These include regular, as well as special education for handicapped youngsters. The District completed the 2023-2024 fiscal year with an average daily enrollment of 3,826 students, which is 58 students higher than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last five years.

Enrollment

2020-2021	3,991	-0.02%
2021-2022	3,957	-0.85%
2022-2023	3,768	-4.78%
2023-2024	3,923	4.11%
2024-2025	3,934	0.02%

2) ECONOMIC CONDITION AND OUTLOOK: A substantial portion of Lacey Township is still available for development. Pinelands Legislation passed in 1979 has limited residential construction west of the Garden State Parkway. However, east of the Garden State Parkway, new residential communities have been built in the past few years. In addition, municipal officials are doing all they can to increase the number of rateable properties in town which will serve to lower the tax rate for residents. In all, Lacey 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.

Unfortunately, the School Funding Reform Act (S-2) continues to have a negative impact not only on the District, but on the municipality as well. The School Funding Reform Act (S-2) reduced the District's state aid \$586,536 for the 2018-2019 school year, \$623,156 for the 2019-2020 school year, \$1,310,170 for the 2020-2021 school year, \$1,345,629 for the 2021-2022 school year, \$3,251,565 for the 2022-2023 school year, \$3,968,990 for the 2023-2024 school year and \$3,205,902 for the 2024-2025 school year. The total reductions to the District are over \$14 million which have resulted in significant reductions in programs and staff. Although the District did not lose any additional state aid in the 2025-2026 school year, the District was not fully funded per the formula. Therefore the District continues to suffer financially and look for additional revenue sources as well as find additional efficiencies.

3) MAJOR INITIATIVES: The District has focused on a facility referendum for the past year. The District went out in March 2025 asking the taxpayers to approve a \$92M referendum for various projects. The three question referendum was unsuccessful. The District restructured the referendum and put out one question to the taxpayers for a \$29M referendum for roofs and HVAC. This one question referendum passed on November 4, 2025. The District continues to take on energy savings initiatives to help our students, staff and community. This will also aid in reducing expenses of the District.

The capital projects listed below are in various stages of completion:

- HVAC Replacements at the Middle School

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, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital project 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2025.

6) ACCOUNTING SYSTEMS AND REPORTS: The District's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the 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, 2005, the District's outstanding debt issues included \$5,255,000 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 were 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 Series 1996 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 the schools, window replacement at Forked River and Lanoka Harbor Elementary Schools, roof replacement at Lanoka Harbor Elementary School and boiler replacement at Forked River Elementary. The proceeds of this bond were placed in the District's Capital Projects Fund.

In January 2016, the Board of Education had a refinancing of the Series 2006 bonds. The Board issued \$16,090,000 of general obligation refunding bonds Series 2016 to retire \$17,770,000 of the Series 2006 bonds. The refunding resulted in a net present value income gain to the district of \$1,875,749, which will be recognized over the life of the reissue. In August 2016, the Board of Education had a partial refinancing of the Series 2006 bonds. The Board issued \$11,595,000 of general obligation refunding bonds Series 2016A to retire \$12,020,000 of the Series 2009 bonds. The refunding resulted in a net present value income gain to the district of \$548,918, which will be recognized over the life of the reissue.

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 funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

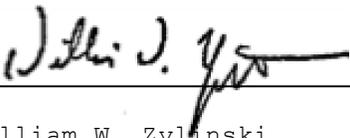
Honorable President and  
Members of the Board of Education  
Lacey Township Board of Education  
December 5, 2025  
Page 5

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, cyber and fidelity bonds.

11) OTHER INFORMATION: Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Jump, Perry and Company, L.L.P., 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 1996, and the related Uniform Guidance and State Treasury Circular Letter 15-08. The auditor's reports on the basic financial statements and combining and individual fund statements and schedules are 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) ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Lacey Township 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 fiscal operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

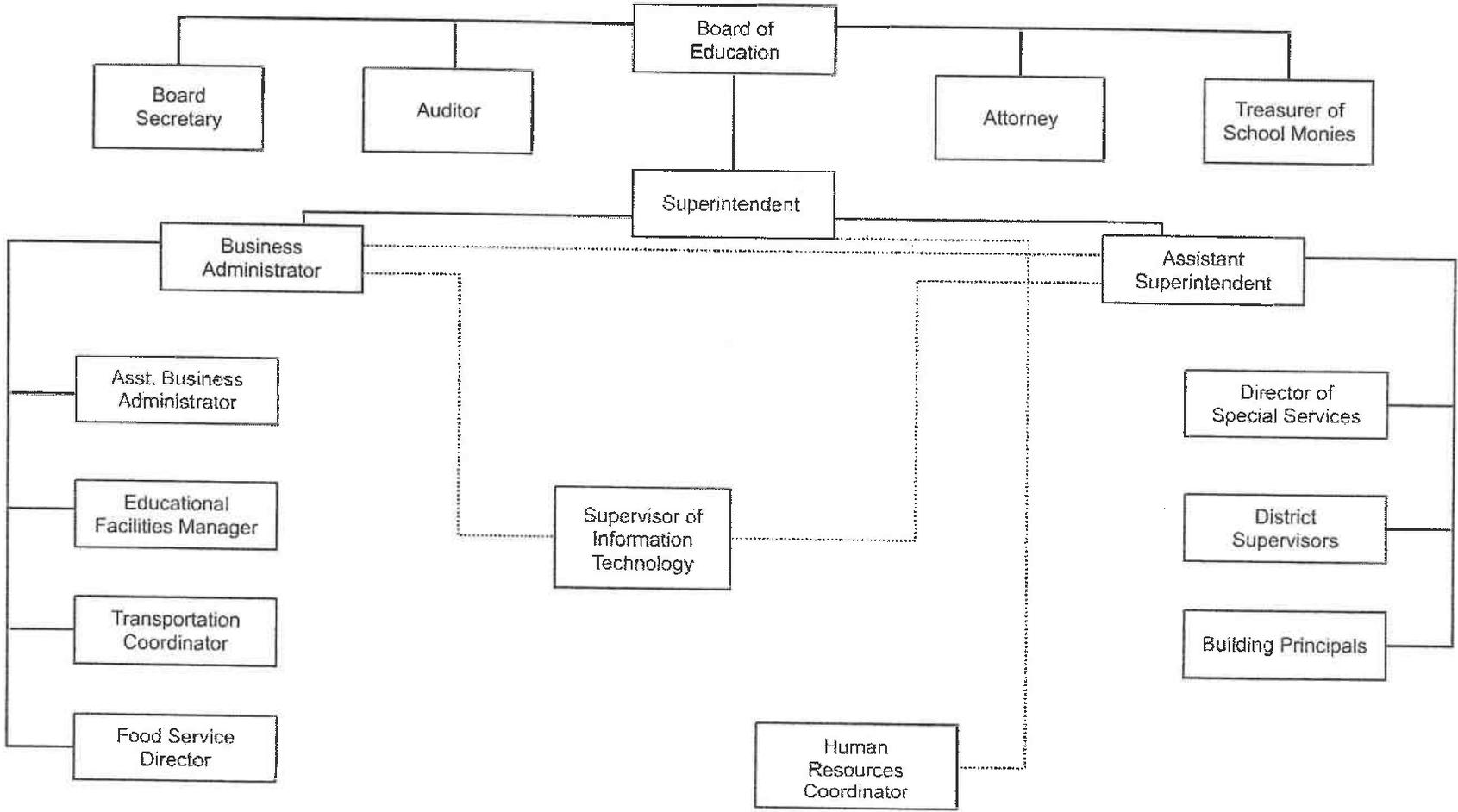
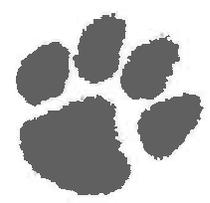
Respectfully submitted,

  
\_\_\_\_\_  
William W. Zylinski  
Acting Superintendent of Schools

  
\_\_\_\_\_  
Sharon Ormsbee  
Business Administrator/  
Board Secretary

**POLICY 1110**  
Organizational Chart

**Lacey Township School District**



Revised  
First Read: 04/15/19  
Second Read: 05/20/19  
Approved: 05/20/19

Lacey Township School District  
Lanoka Harbor, New Jersey

Roster of Officials  
June 30, 2025

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Kim Klaus, President	2026
Jack Conaty, Vice President	2025
Linda A. Walker	2025
Harold "Skip" Peters	2027
Dan Bell	2026
Cheryl Armato	2025
Salvatore Armato	2027

Other Officials

William Zylinski, Acting Superintendent of Schools

Sharon Ormsbee, School Business Administrator/Board Secretary

Daniel Rath, Asst. School Business Administrator/Asst.Board Secretary

Lacey Township School District  
Consultants and Advisors

Audit Firm

Jump, Perry and Company, L.L.P.  
12 Lexington Avenue  
Toms River, New Jersey 08753

Attorney

Cleary, Giacobbe, Alfieri, Jacobs, LLC  
955 Route 34, Suite 200  
Matawan, NJ 07747

Official Depository

Ocean First  
975 Hooper Avenue  
Toms River, New Jersey 08754

FINANCIAL SECTION



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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

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 Lacey Township Board of Education in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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 Lacey Township Board of Education in the County of Ocean, State of New Jersey as of June 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lacey Township Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lacey Township Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lacey Township Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lacey Township Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions the schedules related to accounting, and reporting for post employment benefits other than pension. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the Lacey Township Board of Education's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

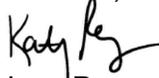
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025 on our consideration of Lacey Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Lacey Township Board of Education internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lacey Township Board of Education's internal control over financial reporting and compliance.

Respectfully Submitted,

Jump, Perry and Company L.L.P.  
Toms River, New Jersey



Kathryn Perry, Partner  
Licensed Public School Accountant  
No. CS 20CS00226400

December 5, 2025

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Lacey Township School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025  
Unaudited

The discussion and analysis of Lacey Township School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

**Financial Highlights**

Key financial highlights for June 30, 2025 are as follows:

Net position totaled \$26,436,647, which represents a 12.02 percent increase from June 30, 2024.

General revenues accounted for \$73,450,617 in revenue or 83 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$14,803,020 or 17 percent of total revenues of \$88,253,637.

Total assets decreased by \$1,859,256 as current assets decreased by \$2,530,314 and capital assets, net increased by \$671,058.

The School Board had \$85,417,687 in expenses; only \$14,803,020 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$73,450,617 were adequate to provide for these programs.

Among major funds, the General Fund had \$75,067,388 in revenues and \$75,465,096 in expenditures and transfers. The General Fund's balance decreased \$397,708 over June 30, 2024. The General Fund's fund balance is \$5,479,820 inclusive of all reserves of \$4,295,939 and includes \$- designated for subsequent year's expenditures.

**Using this Annual Comprehensive Financial Report (ACFR)**

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Lacey Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School Board's most significant funds with all other non-major funds presented in total in one column. In the case of Lacey Township School District, the General Fund is by far the most significant.

## **Reporting the School Board as a Whole**

### **Statement of Net Position and the Statement of Activities**

The Statement of Net Position and Statement of Activities provide information about the activities of the entire School District and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position is important because it informs the reader that, for the School District as a whole, the financial position of the School District has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the School Board is divided into two kinds of activities:

**Governmental Activities** - All of the School Board's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

**Business-Type Activities** - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service is reported as business activities.

## **Reporting the School Board's Most Significant Funds**

### **Fund Financial Statement**

The Analysis of the School Board's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

### **Governmental Funds**

The School Board's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

### **Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as business-type activities.

## The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for June 30, 2025 and 2024.

Table 1

Net Position as of June 30, 2025 and June 30, 2024

	<b>June 30, 2025</b>			<b>June 30, 2024</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>						
Current and other assets	\$ 9,770,498	\$ 326,393	\$ 10,096,891	\$ 12,200,449	\$ 426,756	\$ 12,627,205
Capital assets, net	<u>39,390,134</u>	<u>203,090</u>	<u>39,593,224</u>	<u>38,713,338</u>	<u>208,828</u>	<u>38,922,166</u>
Total assets	<u>49,160,632</u>	<u>529,483</u>	<u>49,690,115</u>	<u>50,913,787</u>	<u>635,584</u>	<u>51,549,371</u>
Deferred outflow of resources	<u>3,335,984</u>	<u>-</u>	<u>3,335,984</u>	<u>3,055,787</u>	<u>-</u>	<u>3,055,787</u>
<b>Liabilities:</b>						
Current liabilities	2,784,309	4,030	2,788,339	3,223,563	6,827	3,230,390
Long-term liabilities outstanding	<u>22,105,522</u>	<u>-</u>	<u>22,105,522</u>	<u>25,306,800</u>	<u>-</u>	<u>25,306,800</u>
Total liabilities	<u>24,889,831</u>	<u>4,030</u>	<u>24,893,861</u>	<u>28,530,363</u>	<u>6,827</u>	<u>28,537,190</u>
Deferred inflow of resources	<u>1,695,591</u>	<u>-</u>	<u>1,695,591</u>	<u>2,467,271</u>	<u>-</u>	<u>2,467,271</u>
<b>Net position:</b>						
Net investment in capital assets	33,429,912	203,090	33,633,002	29,370,606	208,828	29,579,434
Restricted	5,639,412	-	5,639,412	6,213,120	-	6,213,120
Unrestricted	<u>(13,158,130)</u>	<u>322,363</u>	<u>(12,835,767)</u>	<u>(12,611,786)</u>	<u>419,929</u>	<u>(12,191,857)</u>
Total Net Position	<u>\$ 25,911,194</u>	<u>\$ 525,453</u>	<u>\$ 26,436,647</u>	<u>\$ 22,971,940</u>	<u>\$ 628,757</u>	<u>\$ 23,600,697</u>

The unrestricted net position is a negative balance due to the unfunded liabilities for compensated absences and PERS pension. The District expects to be able to fund these liabilities as they come due yearly.

The School Board's combined net position was \$26,436,647 on June 30, 2025. This is a change of 12.02% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2025 and 2024.

Table 2

Changes in Net Position

	June 30, 2025			June 30, 2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 361,198	\$ 624,295	\$ 985,493	\$ 370,040	\$ 618,450	\$ 988,490
Operating and capital grants and contributions	12,893,822	923,705	13,817,527	13,445,134	863,643	14,308,777
General revenues:						
Property taxes	61,201,002	-	61,201,002	56,020,915	-	56,020,915
Federal and state aid	10,962,488	-	10,962,488	13,596,224	-	13,596,224
Interest	500,046	-	500,046	465,990	-	465,990
Miscellaneous	787,081	-	787,081	976,351	-	976,351
Total revenues	<u>86,705,637</u>	<u>1,548,000</u>	<u>88,253,637</u>	<u>84,874,654</u>	<u>1,482,093</u>	<u>86,356,747</u>
<b>Expenses</b>						
Instructional services	36,907,440	-	36,907,440	37,071,558	-	37,071,558
Support services	46,929,506	1,651,304	48,580,810	41,669,989	1,606,329	43,276,318
Interest on long-term liabilities	(70,563)	-	(70,563)	47,864	-	47,864
Total expenses	<u>83,766,383</u>	<u>1,651,304</u>	<u>85,417,687</u>	<u>78,789,411</u>	<u>1,606,329</u>	<u>80,395,740</u>
Change in net position	2,939,254	(103,304)	2,835,950	6,085,243	(124,236)	5,961,007
Net position - beginning	22,971,940	628,757	23,600,697	16,962,809	752,993	17,715,802
Prior period adjustment	-	-	-	(76,112)	-	(76,112)
Net position - beginning, restated	<u>22,971,940</u>	<u>628,757</u>	<u>23,600,697</u>	<u>16,886,697</u>	<u>752,993</u>	<u>17,639,690</u>
Net position (deficit) - ending	<u>\$ 25,911,194</u>	<u>\$ 525,453</u>	<u>\$ 26,436,647</u>	<u>\$ 22,971,940</u>	<u>\$ 628,757</u>	<u>\$ 23,600,697</u>

The tax levy increase was due to increased costs in salaries and benefits, utilities and the debt service.

**Expenses for Fiscal Year June 30, 2025**

**Business-Type Activities**

Revenues for the District's business-type activities (food service program) were comprised of charges for services.

Total Enterprise Fund expenses exceeded revenues by \$103,304.

Charges for services represent \$624,295 of revenue. This represents the amount paid by patrons for daily food service.

Federal and state reimbursements for meals, payments for free and reduced lunches and donated commodities was \$923,705.

## Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

### Governmental Activities

	2025		2024	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 36,907,440	\$ 32,342,372	\$ 37,071,558	\$ 32,037,102
Support Services:				
Pupils and Instructional Staff	20,329,455	11,775,223	18,700,483	9,984,673
General Administration, School Administration, Business Operation and Maintenance of Facilities	23,281,547	23,145,827	19,054,546	18,989,638
Pupil Transportation	3,318,504	3,318,504	3,914,960	3,914,960
Interest and Fiscal Charges	<u>(70,563)</u>	<u>(70,563)</u>	<u>47,864</u>	<u>47,864</u>
Total Expenses	<u>\$ 83,766,383</u>	<u>\$ 70,511,363</u>	<u>\$ 78,789,411</u>	<u>\$ 64,974,237</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, to school curricular and athletic activities and field trips as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the District.

## The School Board's Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Township of Lacey, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2025, it reported a combined fund balance of \$6,134,554, which is an decrease of \$2,285,400. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2025.

<u>Revenue</u>	<u>2025 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2024</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 62,998,021	72.66 %	\$ 4,128,372	7.01 %
State Sources	20,524,459	23.67	(80,751)	(0.39)
Federal Sources	<u>3,183,157</u>	<u>3.67</u>	<u>(2,216,638)</u>	<u>(41.05)</u>
Total	<u>\$ 86,705,637</u>	<u>100.00 %</u>	<u>\$ 1,830,983</u>	<u>2.16 %</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2025.

<u>Expenditures</u>	<u>2025 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2024</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 34,269,899	38.52 %	\$ (601,877)	(1.73)%
Undistributed Expenditures	49,770,375	55.93	1,319,133	2.72
Capital Outlay	1,648,063	1.85	32,492	2.01
Debt Service:				
Principal	2,945,000	3.31	45,000	1.55
Interest	<u>357,700</u>	<u>0.40</u>	<u>(131,150)</u>	<u>(26.83)</u>
Total	<u>\$ 88,991,037</u>	<u>100.01 %</u>	<u>\$ 663,598</u>	<u>0.75 %</u>

## General Fund Budgeting Highlights

The School Board's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in Section C of the ACFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The General Fund finished the fiscal year approximately \$165,729 below what had been budgeted in terms of actual expenditures. General Fund revenues were approximately about \$168,805 more than projected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are as follows:

Capital Reserve	4,294,056
Maintenance Reserve	1,883
Unemployment Claims	86,102
Excess Surplus - Current Year	602,638

These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District.

Expenditures decreased due to cost containment measures which included participating in various cooperatives and jointures. These agreements decrease the prices offered to the District on various goods and services that are provided, including supplies and energy.

Revenues were primarily impacted by an increase in tuition revenue from other LEA's, stabilization aid, and extraordinary aid compared to budget amounts.

Calculated excesses, if any, will be carried forward into the beginning fund balance from the 2024-2025 fiscal year and will be used to reduce the local tax levy for the 2026-2027 fiscal year. Additionally, efforts were made to reduce out of district placements by increasing services offered to students within our schools.

## Capital Assets and Debt Administration

*Capital Assets.* At the end of the fiscal year June 30, 2025, the School Board had \$39,593,224 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2025 and June 30, 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 163,472	\$ 163,472	\$ -	\$ -	\$ 163,472	\$ 163,472
Construction in Progress	1,152,000	1,152,000	-	-	1,152,000	1,152,000
Building and Improvements	28,469,408	27,201,277	-	-	28,469,408	27,201,277
Machinery and Equipment	9,605,254	10,196,589	203,090	208,828	9,808,344	10,405,417
<b>Total</b>	<b>\$ 39,390,134</b>	<b>\$ 38,713,338</b>	<b>\$ 203,090</b>	<b>\$ 208,828</b>	<b>\$ 39,593,224</b>	<b>\$ 38,922,166</b>

During the current fiscal year, \$3,690,850 and \$33,781 of capital assets were capitalized as additions to governmental activities and business-type activities, respectively. Increases in capital assets were offset by depreciation expense for the year.

*Debt Administration.* The District's long-term liabilities are as follows for the governmental and business-type activities :

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Bonds Payable (net)	\$ 5,255,000	\$ 8,200,000
Leases Payable	844,480	526,118
Accrued Interest Payable	87,796	125,300
Subscription Liability	-	32,906
Pension Liability-PERS	12,796,028	13,316,531
Compensated Absences payable	3,122,218	3,105,945
<b>Total long-term liabilities</b>	<b>\$ 22,105,522</b>	<b>\$ 25,306,800</b>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

## Economic Factors and Next Year's Budget

For the 2024-2025 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 27% of the School Board's revenue is from federal, state and other aid (restricted and not restricted), while 73% of total revenue is from local sources.

The \$13,158,130 in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would owe this value to debtors.

The 2024-2025 budget was adopted in June 2024 based in part on the state education aid the School Board anticipated receiving. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Township of Lacey for increased aid.

The School Board anticipates a slight increase in enrollment for the 2025-2026 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

### **Contacting the School Board's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Lacey Township School District, 200 Western Boulevard, Lacey, NJ, 08734.

## BASIC FINANCIAL STATEMENTS

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2025**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,083,095	\$ 231,295	\$ 3,314,390
Cash-reserve accounts-restricted	4,045,917	-	4,045,917
Receivables - other	107,159	-	107,159
Receivables - state	1,021,212	6,124	1,027,336
Receivables - federal	661,480	55,953	717,433
Inventory	-	33,021	33,021
Right to Use, net	851,635	-	851,635
Capital assets, non-depreciable	1,315,472	-	1,315,472
Capital assets, depreciable, net	38,074,662	203,090	38,277,752
Total assets	<u>49,160,632</u>	<u>529,483</u>	<u>49,690,115</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - PERS	3,301,053	-	3,301,053
Deferred charge on refunding	34,931	-	34,931
Total deferred outflows of resources	<u>3,335,984</u>	<u>-</u>	<u>3,335,984</u>
<b>LIABILITIES</b>			
Accounts payable	677,640	2,036	679,676
Other liabilities	876,870	-	876,870
Unearned revenue	1,229,799	1,994	1,231,793
Noncurrent liabilities:			
Due within one year	2,724,038	-	2,724,038
Due beyond one year	19,381,484	-	19,381,484
Total liabilities	<u>24,889,831</u>	<u>4,030</u>	<u>24,893,861</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - PERS	1,036,079	-	1,036,079
Deferred premium on refunding	659,512	-	659,512
Total deferred inflows of resources	<u>1,695,591</u>	<u>-</u>	<u>1,695,591</u>
<b>NET POSITION</b>			
Net Investment in capital assets	33,429,912	203,090	33,633,002
Restricted for:			
Capital projects	4,578,668	-	4,578,668
Unemployment compensation	86,102	-	86,102
Scholarships	19,232	-	19,232
Student activities	350,890	-	350,890
Other purposes	604,520	-	604,520
Unrestricted	(13,158,130)	322,363	(12,835,767)
Total net position	<u>\$ 25,911,194</u>	<u>\$ 525,453</u>	<u>\$ 26,436,647</u>

LACEY TOWNSHIP SCHOOL DISTRICT  
 Statement of Activities  
 For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Current:							
Regular instruction	\$ 24,306,372	\$ -	\$ 3,446,018	\$ -	\$ (20,860,354)	\$ -	\$ (20,860,354)
Special education instruction	11,181,491	-	1,119,050	-	(10,062,441)	-	(10,062,441)
Other special instruction	1,419,577	-	-	-	(1,419,577)	-	(1,419,577)
Support services and undistributed costs:							
Instruction	4,759,538	-	1,845,308	-	(2,914,230)	-	(2,914,230)
Attendance and social work	178,653	-	-	-	(178,653)	-	(178,653)
Health services	1,068,181	-	25,006	-	(1,043,175)	-	(1,043,175)
Other support services	7,949,482	361,198	1,335,756	-	(6,252,528)	-	(6,252,528)
Improvement of instruction	1,302,033	-	67,493	-	(1,234,540)	-	(1,234,540)
Educational media services	118,205	-	-	-	(118,205)	-	(118,205)
Instruction staff training	33,892	-	-	-	(33,892)	-	(33,892)
General administrative services	1,079,098	-	-	-	(1,079,098)	-	(1,079,098)
School administrative services	1,863,066	-	-	-	(1,863,066)	-	(1,863,066)
School central services	546,653	-	-	-	(546,653)	-	(546,653)
School admin info technology	768,363	-	-	-	(768,363)	-	(768,363)
Allowed maintenance for school facilities	305,985	-	-	-	(305,985)	-	(305,985)
Other operation & maintenance of plant	2,991,344	-	135,720	-	(2,855,624)	-	(2,855,624)
Care & upkeep of grounds	347,018	-	-	-	(347,018)	-	(347,018)
Security	400,174	-	-	-	(400,174)	-	(400,174)
Student transportation services	3,318,504	-	-	-	(3,318,504)	-	(3,318,504)
Unallocated employee benefits	14,979,846	-	-	-	(14,979,846)	-	(14,979,846)
Non-budgeted expenses	4,919,471	-	4,919,471	-	-	-	-
Interest expense	(70,563)	-	-	-	70,563	-	70,563
Total governmental activities	<u>83,766,383</u>	<u>361,198</u>	<u>12,893,822</u>	<u>-</u>	<u>(70,511,363)</u>	<u>-</u>	<u>(70,511,363)</u>
<b>Business-type activities:</b>							
Food Service	1,651,304	624,295	923,705	-	-	(103,304)	(103,304)
Child Care	-	-	-	-	-	-	-
Total business-type activities	<u>1,651,304</u>	<u>624,295</u>	<u>923,705</u>	<u>-</u>	<u>-</u>	<u>(103,304)</u>	<u>(103,304)</u>
Total primary government	<u>\$ 85,417,687</u>	<u>\$ 985,493</u>	<u>\$ 13,817,527</u>	<u>\$ -</u>	<u>\$ (70,511,363)</u>	<u>\$ (103,304)</u>	<u>\$ (70,614,667)</u>

<b>General revenues:</b>				
Property taxes:				
Levied for general purposes	\$ 58,459,029	\$ -	\$ 58,459,029	
Levied for debt service	2,741,973	-	2,741,973	
Federal and state aid not restricted	10,962,488	-	10,962,488	
Interest - restricted	500,046	-	500,046	
Miscellaneous income	787,081	-	787,081	
Total general revenues	<u>73,450,617</u>	<u>-</u>	<u>73,450,617</u>	
<b>Change in net position</b>		2,939,254	(103,304)	2,835,950
<b>Net position, July 1</b>		22,971,940	628,757	23,600,697
<b>Net position, June 30</b>	<u>\$ 25,911,194</u>	<u>\$ 525,453</u>	<u>\$</u>	<u>\$ 26,436,647</u>

LACEY TOWNSHIP SCHOOL DISTRICT  
 Balance Sheet  
 Governmental Funds  
 June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,595,480	\$ 1,191,245	\$ 296,370	\$ -	\$ 3,083,095
Receivables from state	953,257	67,955	-	-	1,021,212
Receivables from federal	-	661,480	-	-	661,480
Receivables from other governments	1,800	-	-	-	1,800
Other receivables	96,020	9,339	-	-	105,359
Restricted cash and cash equivalents	4,045,917	-	-	-	4,045,917
Total assets	<u>\$ 6,692,474</u>	<u>\$ 1,930,019</u>	<u>\$ 296,370</u>	<u>\$ -</u>	<u>\$ 8,918,863</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 335,784	\$ 330,098	\$ 11,758	\$ -	\$ 677,640
Payroll deductions and withholdings payable	876,870	-	-	-	876,870
Unearned revenue	-	1,229,799	-	-	1,229,799
Total liabilities	<u>1,212,654</u>	<u>1,559,897</u>	<u>11,758</u>	<u>-</u>	<u>2,784,309</u>
Fund Balances:					
Restricted for:					
Capital reserve account	4,294,056	-	-	-	4,294,056
Maintenance reserve account	1,883	-	-	-	1,883
Emergency reserve account	-	-	-	-	-
Tuition reserve account	-	-	-	-	-
Unemployment compensation	86,102	-	-	-	86,102
Scholarships	-	19,232	-	-	19,232
Student activities	-	350,890	-	-	350,890
Excess surplus - current year	602,638	-	-	-	602,638
Excess surplus -- designated for subsequent year's expenditures	-	-	-	-	-
Special revenue fund	-	-	-	-	-
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	284,612	-	284,612
Committed to:					
Assigned to:					
Other purposes	183,325	-	-	-	183,325
Designated by the BOE for subsequent year's expenditures	-	-	-	-	-
Unassigned to:					
General fund	311,817	-	-	-	311,817
Total fund balances	<u>5,479,820</u>	<u>370,122</u>	<u>284,612</u>	<u>-</u>	<u>6,134,554</u>
Total liabilities and fund balances	<u>\$ 6,692,474</u>	<u>\$ 1,930,019</u>	<u>\$ 296,370</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost	39,390,134
Right to use Asset, net	851,635
Deferred outflows related to PERS pension plan	3,301,053
Deferred inflows related to the PERS plan	(1,036,079)
Bond issuance costs are being amortized over the life of the related bonds. The amortization is not recorded in the funds.	34,931
Bond premium is being amortized over the life of the related bonds. The amortization is not recorded in the funds.	(659,512)
Long-term liabilities, including bonds payable and leases subscriptions but not including current portion of compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 12).	<u>(22,105,522)</u>
Net position of governmental activities	<u>\$ 25,911,194</u>

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 58,459,029	\$ -	\$ -	\$ 2,741,973	\$ 61,201,002
Tuition charges	101,636	-	-	-	101,636
Interest income	491,009	-	-	-	491,009
Interest earned on unemployment-restricted	9,037	-	-	-	9,037
Miscellaneous	685,445	509,892	-	-	1,195,337
Total - Local sources	59,746,156	509,892	-	2,741,973	62,998,021
State sources	15,280,443	4,683,289	-	560,727	20,524,459
Federal sources	40,789	3,142,368	-	-	3,183,157
Other financing sources	-	-	-	-	-
Total revenues	<u>75,067,388</u>	<u>8,335,549</u>	<u>-</u>	<u>3,302,700</u>	<u>86,705,637</u>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	18,327,122	3,446,018	-	-	21,773,140
Special education instruction	9,973,033	1,119,050	-	-	11,092,083
Other special instruction	1,404,676	-	-	-	1,404,676
Undistributed - current:					
Instruction	2,660,906	1,845,308	-	-	4,506,214
Attendance and social work	178,653	-	-	-	178,653
Health services	1,043,175	25,006	-	-	1,068,181
Other support services	5,121,011	2,828,471	-	-	7,949,482
Improvement of instruction	1,234,540	67,493	-	-	1,302,033
Educational media services	118,205	-	-	-	118,205
Instruction staff training	33,892	-	-	-	33,892
General administrative services	1,079,098	-	-	-	1,079,098
School administrative services	1,757,385	-	-	-	1,757,385
School central services	546,653	-	-	-	546,653
School admin info technology	768,363	-	-	-	768,363
Required maintenance for school facilities	305,985	-	-	-	305,985
Other operation & maintenance of plant	4,485,091	-	-	-	4,485,091
Care & upkeep of grounds	347,018	-	-	-	347,018
Security	400,174	-	-	-	400,174
Student transportation services	3,318,504	-	-	-	3,318,504
Unallocated employee benefits	16,161,467	-	-	-	16,161,467
Non-budgeted expenditures	5,443,977	-	-	-	5,443,977
Debt service:					
Principal	-	-	-	2,945,000	2,945,000
Interest and other charges	-	-	-	357,700	357,700
Capital outlay	756,168	135,720	756,175	-	1,648,063
Total expenditures	<u>75,465,096</u>	<u>9,467,066</u>	<u>756,175</u>	<u>3,302,700</u>	<u>88,991,037</u>
Excess (Deficiency) of revenues over expenditures	<u>(397,708)</u>	<u>(1,131,517)</u>	<u>(756,175)</u>	<u>-</u>	<u>(2,285,400)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer for Preschool	(1,131,900)	1,131,900	-	-	-
Total other financing sources and uses	<u>(1,131,900)</u>	<u>1,131,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,529,608)	383	(756,175)	-	(2,285,400)
Fund balance—July 1	7,009,428	369,739	1,040,787	-	8,419,954
Fund balance—June 30	<u>\$ 5,479,820</u>	<u>\$ 370,122</u>	<u>\$ 284,612</u>	<u>\$ -</u>	<u>\$ 6,134,554</u>

**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 Year Ended June 30, 2025**

**Total net change in fund balances - governmental funds (from B-2) \$ (2,285,400)**

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.

	\$	(2,980,273)	
Depreciation expense		(2,980,273)	
Capital outlays		<u>3,657,069</u>	676,796

In the statement of activities, only the loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed.

	\$	109,795	
Accumulated depreciation on capital assets sold or retired during the fiscal year ended June 30, 2025		109,795	
Cost basis of capital assets sold or retired during the fiscal year ended June 30, 2025		<u>(109,795)</u>	-

In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey 1,181,621

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 2,945,000

In the Statement of Activities, the amortization of bond premiums is recorded as interest expense . 425,691

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 326,689

Leases 920

Subscriptions

In the statement of activities, interest on noncurrent debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. 37,504

In the Statement of Activities, the principal payments on capital leases are recorded as a reduction in the long-term liability . In the governmental funds, the payments is an expenditure. (318,362)

In the Statement of Activities, the amortization of bond issuance costs is recorded as interest expense . In the governmental funds, the amortization is not recorded. (34,932)

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. (16,273)

**Change in net position of governmental activities \$ 2,939,254**

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2025**

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Food Service</b>	<b>Totals</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 231,295	\$ 231,295
Receivables from state	6,124	6,124
Receivables from federal	55,953	55,953
Inventories	33,021	33,021
Total current assets	326,393	326,393
Noncurrent assets:		
Furniture, machinery & equipment	634,100	634,100
Less accumulated depreciation	(431,010)	(431,010)
Total noncurrent assets	203,090	203,090
Total assets	\$ 529,483	\$ 529,483
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 2,036	\$ 2,036
Unearned revenue	1,994	1,994
Total current liabilities	4,030	4,030
<b>NET POSITION</b>		
Net investment in capital assets	203,090	203,090
Unrestricted	322,363	322,363
Total net position	525,453	525,453
Total liabilities and net position	\$ 529,483	\$ 529,483

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	<b>Business-type Activities - Enterprise Fund</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
Operating revenues:		
Local sources:		
Daily sales non-reimbursable programs	\$ 608,169	\$ 608,169
Special functions	15,367	15,367
Miscellaneous	759	759
Total operating revenues	624,295	624,295
Operating expenses:		
Salaries	707,855	707,855
Employee benefits	5,000	5,000
Other purchased services	865	865
Repairs and maintenance	34,982	34,982
Supplies and materials	10,656	10,656
Other objects	10,214	10,214
Depreciation	39,519	39,519
Cost of sales - reimbursable programs	610,117	610,117
Cost of sales - non-reimbursable programs	232,096	232,096
Total operating expenses	1,651,304	1,651,304
Operating income (loss)	(1,027,009)	(1,027,009)
Nonoperating revenues (expenses):		
State sources:		
State school breakfast program	3,937	3,937
State school lunch program	69,282	69,282
Summer-EBT Admin Cost Reimbursement	1,556	1,556
Federal sources:		
School breakfast program	181,872	181,872
National school lunch program	574,896	574,896
Summer-EBT Admin Cost Reimbursement	1,556	1,556
Food distribution program	76,857	76,857
Local Food for Schools	13,749	13,749
Total nonoperating revenues (expenses)	923,705	923,705
Income (loss) before contributions & transfers	(103,304)	(103,304)
Change in net position	(103,304)	(103,304)
Total net position –beginning	628,757	628,757
Total net position –ending	\$ 525,453	\$ 525,453

LACEY TOWNSHIP SCHOOL DISTRICT  
 Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds	
	Food Service	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and other funds	\$ 699,874	\$ 699,874
Payments to employees & benefits	(712,855)	(712,855)
Payments to suppliers	(924,618)	(924,618)
<b>Net cash provided by (used in) operating activities</b>	<u>(937,599)</u>	<u>(937,599)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State sources	85,227	85,227
Federal sources	741,130	741,130
<b>Net cash provided by (used in) non-capital financing activities</b>	<u>826,357</u>	<u>826,357</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(33,781)	(33,781)
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(33,781)</u>	<u>(33,781)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(145,023)	(145,023)
<b>Balances—beginning of year</b>	376,318	376,318
<b>Balances—end of year</b>	<u>\$ 231,295</u>	<u>\$ 231,295</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>		
Operating income (loss)	\$ (1,027,009)	\$ (1,027,009)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and net amortization	39,519	39,519
Federal commodities	76,857	76,857
(Increase) decrease in accounts receivable, net	3,555	3,555
(Increase) decrease in inventories	(27,724)	(27,724)
Increase (decrease) in accounts payable	2,036	2,036
Increase (decrease) in unearned revenue	(4,833)	(4,833)
<b>Total adjustments</b>	<u>89,410</u>	<u>89,410</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (937,599)</u>	<u>\$ (937,599)</u>

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

**1. Summary of Significant Accounting Policies**

The financial statements of the Board of Education ("Board") of the Lacey Township School District ("District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

**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 elected to three-year staggered terms. The purpose of the District is to educate students in grades K-12. The Lacey Township School District had an approximate enrollment of 3,909 students at June 30, 2025.

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

**B. Component Units**

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 the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The district-wide financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include elementary schools, junior and senior high schools located in Lacey Township. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**C. Basis of Presentation**

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. Items not meeting that definition of assets and liabilities have been classified as deferred outflows or deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Cont'd)

C. Basis of Presentation (Cont'd)

The School District has Bond Costs which have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 13.

District-Wide Statements: The district-wide financial statements (A-1 and A-2) include the Statement of Net Position and the Statement of Activities. These Statements include the financial activities of the overall District, except for fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the Statement of Activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the District's funds, including its fiduciary funds. Separate statements for each Fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education ("NJDOE") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in Governmental Accounting Standards. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

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

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

1. **Summary of Significant Accounting Policies (Cont'd)**

**C. Basis of Presentation (Cont'd)**

**General Fund (cont'd)**

As required by the NJDOE, the District includes budgeted capital outlay in this Fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Capital 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 all 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). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**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.

The District reports the following proprietary fund:

**Enterprise Fund** - The Enterprise Funds are utilized 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 (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered 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.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Cont'd)

C. Basis of Presentation (Cont'd)

Enterprise Fund (cont'd)

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

Depreciation of all capital 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:

Equipment	5-10 Years
-----------	------------

D. Basis of Accounting

Basis of Accounting determines when transactions are recorded in the financial records and reported on the financial statements.

**District-Wide, Proprietary, and Fiduciary Fund Financial Statements:** The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds are accounted for using the "economic resources" measurement focus and the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. The tax revenues are recognized in the year for which they are levied (see Note 1.). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements:** Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Available means collectible within the current period or soon thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

**1. Summary of Significant Accounting Policies (Cont'd)**

**E. Property Taxes**

Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable".

**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 not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue Fund as described later. 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:23A-16.2(f). All budget amendments/transfers must be approved by Board resolution. Budget amendments during the year ended June 30, 2025 were insignificant.

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

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

**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 District has received advances are reflected in the Balance Sheet as deferred revenues at fiscal year-end.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

1. **Summary of Significant Accounting Policies (Cont'd)**

**G. Encumbrances (cont'd)**

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. Statute 18A:20-37 provides a list of permissible investments that may be purchased by school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution.

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**

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

**J. Tuition Payable**

Tuition charges for the fiscal years 2024-2025 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Cont'd)

**K. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

**L. 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 District and that are due within one year. All interfund receivables and payables between the governmental and proprietary funds have been eliminated in the district-wide statements.

**M. Capital Assets**

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land Improvements	10-20
Bidding Improvements	10-50
Furniture and Equipment	5-20
Vehicles	5-10

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

**1. Summary of Significant Accounting Policies (Cont'd)**

**N. Accrued Salaries and Wages**

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2025, the amount earned by these employees but not disbursed was \$-.

**O. Compensated Absences**

District employees are granted varying amounts of vacation and sick leave in accordance with the District's employment contracts. Up to five vacation days per year can be accumulated into the next fiscal year. Sick leave benefits provide for ordinary sick pay and are reimbursable in accordance with the individual's employment contract. The liability for vested compensated absences of the governmental fund types is recorded as a non-current liability in the governmental fund. The balance at June 30, 2025 is \$3,122,218.

**P. Unearned Revenue**

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

**Q. Accrued Liabilities and Long-Term Obligations**

All Payables, Accrued Liabilities, and Long-Term Obligations are reported on the District-wide financial statements. In general, governmental fund payables are accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Bonds are recognized as a liability on the fund financial statements when due.

**R. Net Position**

Net Position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

**1. Summary of Significant Accounting Policies (Cont'd)**

**S. Fund Balance Reserves**

The fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1) Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.

2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

3) Committed - includes amounts that can be spent only for the specific purposes determined by a formal action of the District's highest level of decision-making authority.

4) Assigned - amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

5) Unassigned - includes all spendable amounts not contained in the other classifications.

**T. Revenues - Exchange and Nonexchange Transactions**

Revenue resulting from Exchange Transactions, in which each party gives and receives essentially equal value, is recorded on the actual accrual basis when the Exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District available means within sixty days of the fiscal year-end.

Nonexchange Transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange Transactions must also be available before it can be recognized.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

**1. Summary of Significant Accounting Policies (Cont'd)**

**T. Revenues - Exchange and Nonexchange Transactions (Cont'd)**

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

**U. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and intramural. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

**V. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**W. Allocation of Indirect Expenses**

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee Benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

**X. Management Estimates**

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

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

1. **Summary of Significant Accounting Policies (Cont'd)**

**Y. Financed Assets**

Intangible right-to-use financed assets are assets which the District finances for a term of more than one year. The value of financed purchases are determined by the net present value of the financed purchases at the District's incremental borrowing rate at the time of the financed purchase agreement, amortized over the term of the agreement.

**Z. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**AA. Financed Payable**

In the district-wide financial statements, financed payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of financed payments is reported as other financing sources.

**BB. GASB Pronouncements**

**Adopted Accounting Pronouncements**

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Management has determined the implementation of this Statement did not have a significant impact on the District's financial statements.

Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. Management has determined the implementation of this Statement did not have a significant impact on the District's financial statements.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Cont'd)

BB. GASB Pronouncements (Cont'd)

Recently Issued Accounting Pronouncements to be implemented in future years

Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model. The purposes of the improvements are to (a) enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and (b) address certain application issues identified through preagenda research conducted by the GASB. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

2. Cash, Cash Equivalents and Investments

Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-414 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the ACT, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2025, the School District's bank balance of \$8,393,034 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 8,143,034
Uninsured and Uncollateralized	<u>250,000</u>
	<u>\$ 8,393,034</u>

3. Investments

Pursuant to the Enabling Act, the funds of the District may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the District may approve.

As of June 30, 2025, the District had no investments on deposit.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

**4. Capital Reserve Account**

A Capital Reserve Account was established by the Lacey Township School District approved by the Board of Education. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a district may deposit funds at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April 2004 transfers must be in compliance with P.L. 2004, C.73 (S1701). Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

During the fiscal year ended June 30, 2025, the District had actual interest earnings of \$249,912

The activity of the Capital Reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance July 1, 2024	\$ 4,044,144
Add:	
Interest Earnings	<u>249,912</u>
Ending Balance, June 30, 2025	<u>\$ 4,294,056</u>

The June 30, 2025 LRFP balance of local support costs of uncompleted Capital Projects is \$24,150,000.

**5. Maintenance Reserve Account**

A maintenance Reserve Account was established by the Lacey Township School District by inclusion of \$200,000 for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Maintenance Reserve Account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

Lacey Township School District  
Notes to Financial Statements  
For the Year Ended June 30, 2025

**5. Maintenance Reserve Account (Cont'd)**

The balance in the Maintenance Reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2025.

The activity of the Maintenance Reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$	1,773
Add:		
Interest earnings		<u>110</u>
Ending Balance, June 30, 2025	\$	<u><u>1,883</u></u>

**6. Receivables**

Receivables at June 30, 2025, consisted of amounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	<u>Governmental Fund Financial Statements</u>	<u>District-Wide Financial Statements</u>
State Aid	\$ 1,021,212	\$ 1,027,336
Federal Aid	661,480	717,433
Other	<u>107,159</u>	<u>107,159</u>
Gross Receivables	1,789,851	1,851,928
Less: Allowance for Credit Losses	<u>-</u>	<u>-</u>
Total Receivables, Net	\$ <u><u>1,789,851</u></u>	\$ <u><u>1,851,928</u></u>

**7. Inventory**

Inventory in the Food Service Fund at June 30, 2025 consisted of the following:

Food	\$	3,229
Commodities		53
Supplies		<u>2,015</u>
	\$	<u><u>5,297</u></u>

Lacey Township School District  
Notes to Financial Statements  
For the Year Ended June 30, 2025

**8. Contingent liabilities**

**Grant Programs**

The school district participates in federal awards and state financial assistance grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

The Board is 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.

Lacey Township School District  
Notes to Financial Statements  
For the Year Ended June 30, 2025

**9. Capital Assets**

Capital assets consisted of the following at June 30, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 163,472	\$ -	\$ -	\$ 163,472
Construction in Progress	<u>1,152,000</u>	<u>-</u>	<u>-</u>	<u>1,152,000</u>
Total Capital Assets Not Being Depreciated	<u>1,315,472</u>	<u>-</u>	<u>-</u>	<u>1,315,472</u>
Capital Assets Being Depreciated				
Building and Building Improvements	88,382,476	2,668,921	-	91,051,397
Machinery and Equipment	<u>28,011,533</u>	<u>988,148</u>	<u>(109,795)</u>	<u>28,889,886</u>
Totals at Historical Cost	<u>116,394,009</u>	<u>3,657,069</u>	<u>(109,795)</u>	<u>119,941,283</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(61,181,199)	(1,400,790)	-	(62,581,989)
Machinery and Equipment	<u>(17,814,944)</u>	<u>(1,579,483)</u>	<u>109,795</u>	<u>(19,284,632)</u>
Total Accumulated Depreciation	<u>(78,996,143)</u>	<u>(2,980,273)</u>	<u>109,795</u>	<u>(81,866,621)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>37,397,866</u>	<u>676,796</u>	<u>-</u>	<u>38,074,662</u>
Capital Assets being Amortized:				
Financed Purchases	1,049,892	524,506	-	1,574,398
Subscriptions	<u>95,956</u>	<u>-</u>	<u>-</u>	<u>95,956</u>
Total Capital Assets Being Amortized	<u>1,145,848</u>	<u>524,506</u>	<u>-</u>	<u>1,670,354</u>
Less Accumulated Amortization:				
Financed Purchases	(524,946)	(197,817)	-	(722,763)
Subscriptions	<u>(63,970)</u>	<u>(31,986)</u>	<u>-</u>	<u>(95,956)</u>
Total Accumulated Amortization	<u>(588,916)</u>	<u>(229,803)</u>	<u>-</u>	<u>(818,719)</u>
Total Capital Assets Being Amortized, Net of Accumulated Amortization	<u>556,932</u>	<u>294,703</u>	<u>-</u>	<u>851,635</u>
Government Activity Capital Assets, Net	<u>\$ 39,270,270</u>	<u>\$ 971,499</u>	<u>\$ -</u>	<u>\$ 40,241,769</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	\$ 600,319	\$ 33,781	\$ -	\$ 634,100
Less Accumulated Depreciation	<u>(391,491)</u>	<u>(39,519)</u>	<u>-</u>	<u>(431,010)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 208,828</u>	<u>\$ (5,738)</u>	<u>\$ -</u>	<u>\$ 203,090</u>

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

**9. Capital Assets (Cont'd)**

Depreciation expense of governmental activities was charged to functions as follows:

Regular Instruction	\$ 2,533,232
Student and Instruction Related Services	89,408
School Administration Services	14,901
Other Special Instruction	253,324
Special Education Instruction	<u>89,408</u>
Total depreciation expense	<u>\$ 2,980,273</u>

**10. Financed Assets**

The District executed an agreement on April 30, 2021 to finance vehicles that requires annual payments of \$64,915. There are no variable payment components of the financed purchases. The financed liabilities are measured at an explicit discount rate of 1.178% and have a balance of \$64,159 at June 30, 2025. As a result of the financed purchases, the District has recorded right-of-use assets with a net book value of \$63,200 at June 30, 2025.

The District executed an agreement on July 1, 2023 to finance vehicles that requires annual payments of \$75,883. There are no variable payment components of the financed purchases. The financed liabilities are measured at an explicit discount rate of 4.22% and have a balance of \$338,859 at June 30, 2025. As a result of the financed purchases, the District has recorded right-of-use assets with a net book value of \$330,714 at June 30, 2025.

The District executed an agreement on August 1, 2024 to finance vehicles that requires annual payments of \$86,032. There are no variable payment components of the financed purchases. The financed liabilities are measured at an explicit discount rate of 4.66% and have a balance of \$441,462 at June 30, 2025. As a result of the financed purchases, the District has recorded right-of-use assets with a net book value of \$449,577 at June 30, 2025.

**11. Subscriptions**

The implementation of GASB No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, resulted in the recognition of a right-of-use asset of \$95,956 and a subscription liability of \$95,956. Amortization of the subscriptions are included in capital assets.

The District executed an agreement on February 16, 2023 for the use of educational software that requires variable payments over a three year period. The subscription liability is measured at an estimated incremental borrowing rate of 2.50% and has a balance of \$- at June 30, 2025. As a result of the subscription, the District has recorded a right-of-use asset with a net book value of \$- at June 30, 2025.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

**12. Non-current Liabilities**

During the fiscal year ended June 30, 2025, the following changes occurred in the non-current liabilities:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Increases/</u> <u>(Decreases)</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>				
Compensated				
Absences Payable	\$ 3,105,945	\$ 16,273	\$ 3,122,218	\$ 319,390
Bonds Payable	8,200,000	(2,945,000)	5,255,000	2,125,000
Finance Payable	526,118	318,362	844,480	191,852
Subscriptions Payable	32,906	(32,906)	-	-
Accrued Interest	125,300	(37,504)	87,796	87,796
Pension Liability-PERS	<u>13,316,531</u>	<u>(520,503)</u>	<u>12,796,028</u>	<u>-</u>
Total	<u>\$ 25,306,800</u>	<u>\$ (3,201,278)</u>	<u>\$ 22,105,522</u>	<u>\$ 2,724,038</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, capital leases, and the net pension liability are liquidated by the general fund.

**A. Bonds Payable**

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

Principal and interest due on serial bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,125,000	\$ 224,850	\$ 2,349,850
2027	660,000	125,200	785,200
2028	760,000	98,800	858,800
2029	855,000	68,400	923,400
2030	<u>855,000</u>	<u>34,200</u>	<u>889,200</u>
	<u>\$ 5,255,000</u>	<u>\$ 551,450</u>	<u>\$ 5,806,450</u>

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

**12. Non-current Liabilities (Cont'd)**

**B. Bonds Authorized But Not Issued**

As of June 30, 2025, the District had no authorized but not issued bonds.

**C. Financed Payable:**

The District had financed purchases outstanding as of June 30, 2025 as follows:

<u>Purpose</u>	<u>Commencement Date</u>	<u>Frequency of Payment</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Buses	04/30/2021	Monthly	08/15/2025	1.178%	\$ 64,159
Buses	07/01/2023	Monthly	02/15/2030	4.220%	\$ 338,859
Buses	08/01/2024	Monthly	09/15/2030	4.660%	\$ 441,462

Principal and interest due on financed purchases outstanding will be liquidated through the General Fund and are as follows:

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 191,852	\$ 34,978
2027	133,397	28,518
2028	139,357	22,558
2029	145,583	16,332
2030	152,089	9,826
2031	82,202	3,831
Total	<u>\$ 844,480</u>	<u>\$ 116,043</u>

**D. Subscription Payable:**

The District has subscriptions for use of educational software with an outstanding balance of \$- as of June 30, 2025.

**13. Pension Plans**

**A. Public Employees' Retirement System (PERS)**

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's annual financial statements, which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2025, the School District reported a liability of \$12,796,028 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, to the measurement date of June 30, 2024. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The School District's proportion measured as of June 30, 2024, was .0941712150%, which was an increase of .0022339955% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized full accrual pension expense of \$1,407,255 in the government-wide financial statements consisting of employer contributions of \$1,281,421 and non-employer contributions of \$125,834. This pension expense was based on the pension plans June 30, 2024 measurement date. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 256,328	\$ 34,067
Changes of assumptions	15,897	145,589
Net difference between projected and actual earnings on pension plan investments	-	593,317
Changes in proportion and differences between District contributions and proportionate share of contributions	315,029	263,106
District contributions subsequent to the measurement date	<u>1,485,032</u>	<u>-</u>
Total	<u>\$ 2,072,286</u>	<u>\$ 1,036,079</u>

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

\$1,485,032 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2024-2025 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2026 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2025	\$	(486,954)
2026		376,790
2027		(216,776)
2028		(125,143)
2029		<u>3,256</u>
Total	\$	<u><u>(448,827)</u></u>

**Special Funding Situation** - Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of June 30, 2025. At June 30, 2025, the State's proportionate share of the employer pension expense and related revenue, associated with the District, calculated by the plan as of the June 30, 2024 measurement date was \$41,254.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2019	-	5.21
June 30, 2020	5.16	-
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	5.08	-
June 30, 2024	5.08	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2020	5.00	5.00
June 30, 2021	5.00	5.00
June 30, 2022	5.00	5.00
June 30, 2023	5.00	5.00

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years for the 2024, 2023, 2022, 2021, 2020, and 2019, respectively.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

**Actuarial Assumptions** - The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 6.55% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

13 Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00 %	8.63 %
Non-U.S. Developed Markets Equity	12.75 %	8.85 %
International Small Cap Equity	1.25 %	8.85 %
Emerging Markets Equity	5.50 %	10.65 %
Private Equity	13.00 %	12.40 %
Real Estate	8.00 %	10.95 %
Real Assets	3.00 %	8.20 %
High Yield	4.50 %	6.74 %
Private Credit	8.00 %	8.90 %
Investment Grade Credit	7.00 %	5.37 %
Cash Equivalents	2.00 %	3.57 %
U.S. Treasuries	4.00 %	3.57 %
Risk Mitigation Strategies	3.00 %	7.10 %

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	17,145,897	12,796,028	9,293,686

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/25</u>	<u>6/30/24</u>
Collective Deferred Outflows of Resources	1,079,580,780	1,080,204,730
Collective Deferred Inflows of Resources	1,611,322,898	1,780,216,457
Collective Net Pension Liability	13,702,423,985	14,606,489,066
School District's Portion	.0941712150%	.0919372195%

B. Teachers' Pension and Annuity (TPAF)

**Plan Description** - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

The vesting and benefit provisions are set by N.J.S.A 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service. 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.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Basis of Presentation** - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS, its participating employers or the State of New Jersey (the State) as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS, its participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18A:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the School District.

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2025 was \$128,012,767. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State proportionate share of the TPAF net pension liability attributable to the School District was .2590035215%, which was an increase of .0024445475% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the State of New Jersey recognized a pension expense in the amount of \$11,240,459 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2024 measurement date.

**Actuarial Assumptions** - The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75%-5.65%
	based on years of service
Investment Rate of Return	7.00%

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

Pre-retirement, post-retirement were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**Long-term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00 %	8.63 %
Non-U.S. Developed Markets Equity	12.75 %	8.85 %
International Small Cap Equity	1.25 %	8.85 %
Emerging Markets Equity	5.50 %	10.66 %
Private Equity	13.00 %	12.40 %
Real Estate	8.00 %	10.95 %
Real Assets	3.00 %	8.20 %
High Yield	4.50 %	6.74 %
Private Credit	8.00 %	8.90 %
Investment Grade Credit	7.00 %	5.37 %
Cash Equivalents	2.00 %	3.57 %
U.S. Treasuries	4.00 %	3.57 %
Risk Mitigation Strategies	3.00 %	7.10 %

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions to the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2024 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate (cont'd)**

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's proportionate share of the net pension liability	152,367,458	128,012,767	107,821,029

**Pension Plan Fiduciary Net Position** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Additional Information - The following is a summary of the collective balances of the local group

	<u>6/30/25</u>	<u>6/30/24</u>
Collective Deferred Outflows of Resources	1,178,433,819	2,502,380,838
Collective Deferred Inflows of Resources	10,615,423,132	14,830,205,473
Collective Net Pension Liability	49,492,072,325	51,109,962,824
School District's Portion	.2590035215%	.256558940%

Lacey Township School District  
Notes to Financial Statements  
For the Year Ended June 30, 2025

**13. Pension Plans (Cont'd)**

**C. Defined Contribution Retirement Plan (DCRP)**

The Defined Contribution Retirement Plan is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A.43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Retirement not later than the fifth business day after the date on which the employee is paid for that pay period.

The District's contributions to the DCRP for June 30, 2025 were \$385,114. There was no liability for unpaid contributions at June 30, 2025.

**14. Post-Retirement Benefits**

**General Information about the OPEB Plan**

**Plan description and benefits provided**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefits Local Education Retired Employees Plan. The State Health Benefits Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Lacey Township School District  
Notes to Financial Statements  
For the Year Ended June 30, 2025

**14. Post-Retirement Benefits (Cont'd)**

**General Information about the OPEB Plan (Cont'd)**

**Plan description and benefits provided (Cont'd)**

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

**Basis of Presentation**

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefits Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

**14. Post-Retirement Benefits (cont'd)**

**State Health Benefit State Retired Employees Plan**

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2024 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/pensions/financialreports.shtml>

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

14. Post-Retirement Benefits (cont'd)

Employees covered by benefit terms

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	153,556
Active plan members	<u>219,185</u>
Total	<u>372,741</u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.5%
Salary Increases through 2026	PERS 2.75%-6.55% PFRS 3.25%-16.25% TPAF 2.75%-5.65%
Discount Rate	3.93%
Healthcare Cost Trend Rates	4.5%-6.5%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

14. Post-Retirement Benefits (cont'd)

Changes in the Total OPEB Liability reported by the State of New Jersey

Balance at June 30, 2023	\$ 52,361,668,239
Changes for the year:	
Service cost	2,152,062,729
Interest on the total OPEB liability	1,963,557,443
Differences Between Expected and Actual Experience	158,934,425
Changes of assumptions	4,462,660,491
Gross benefit payments by the state	(1,499,600,607)
Contributions from the member	<u>51,347,810</u>
Net changes	<u>7,288,962,291</u>
Balance at June 30, 2024	<u>\$ 59,650,630,530</u>

**Discount rate**

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Sensitivity of the total OPEB liability to changes in the discount rate**

The following presents the June 30, 2024 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability of the State for School Retirees	\$69,863,663,542	\$59,650,630,530	\$51,437,232,141
Total OPEB Liability of the State Associated with the School District for School Retirees	\$245,294,402	\$209,435,987	\$180,598,390

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

**14 Post-Retirement Benefits (cont'd)**

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Sensitivity of the total OPEB liability to changes in the health care cost trend rates**

The following presents the June 30, 2023 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1%</u> <u>Decrease</u>	<u>Trend Rate</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability of the State for School Retirees	\$49,689,409,509	\$59,650,630,530	\$72,625,778,279
Total OPEB Liability of the State Associated with the School District for School Retirees	\$174,461,706	\$209,435,987	\$255,981,816

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

14. Post-Retirement Benefits (cont'd)

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2025, the board of education recognized OPEB expense of \$3,284,471 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Lacey Township School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,378,932,312	\$ 11,139,706,892
Changes of assumptions	10,004,978,073	11,662,607,882
Contributions made in fiscal year ending 2024 after June 30, 2023 measurement date	-	-
Total	<u>\$ 16,383,910,385</u>	<u>\$ 22,802,314,774</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	\$ (2,115,877,507)
2026	(1,774,175,666)
2027	(842,677,045)
2028	221,470,185
2029	(1,537,725,697)
Thereafter	<u>(369,418,659)</u>
Total	<u>\$ (6,418,404,389)</u>

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

**15. Deferred Compensation**

The Board offers its employees a choice of Deferred Compensation Plans created in accordance with Internal Revenue Code Section 403(b) and 457. The Plans, which are administered by the entities listed below, permit 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. The Plan administrators are as follows:

Lincoln Investment Planning	Equitable Advisors
The Legend Group	American Financial
New York Life Insurance Company	

**16. Risk Management**

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omission; 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 Annual Comprehensive Financial Report. See J-20.

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table below is a summary of the District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's trust fund for the current and the prior years.

<u>Fiscal Year</u> <u>Ended June 30.</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2025	\$ 9,037	\$ 50,000	\$ (306,108)	\$ 86,102
2024	10,726	95,188	(88,505)	333,173
2023	-	-	-	315,764

**17. Interfund Receivables and Payables**

New Jersey statute requires that interest earned on the investments in capital projects fund be credited to the general fund or debt service based on Board resolution.

No interfund balances remained on the balance sheet at June 30, 2025.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

**18. Compensated Absences**

The District accounts for compensated absences (e.g., sick leave) as directed by Governmental Accounting Standards. 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 varying amounts of sick leave in accordance with the District's personnel policy. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions. The liability for vested compensated absences of the governmental fund types is recorded as a non-current liability in the governmental activities fund (see footnote 12).

**19. Fund Balances**

General Fund - of the \$5,479,820 General Fund balance at June 30, 2025, \$183,325 of encumbrances is assigned to other purposes, \$4,294,056 is restricted for capital reserve, \$1,883 is restricted for maintenance reserve, \$- is restricted for emergency reserve, \$- is restricted for tuition reserve, \$86,102 is restricted for unemployment compensation, \$- is restricted for excess surplus for subsequent year expenditures, \$- has been classified as assigned fund balance designated for subsequent year expenditures, and \$311,817 is unassigned.

Special Revenue Fund - of the \$370,122 Special Revenue Fund balance at June 30, 2025, \$19,232 is restricted for scholarships and \$350,890 is restricted for student activities.

Capital Project Fund - of the \$284,612 Capital Project Fund balance at June 30, 2025.

**20. 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 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. There was \$602,638 calculated as excess surplus at June 30, 2025.

**21. Uncertain Tax Positions**

The school district had no unrecognized tax benefits at June 30, 2025. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2022.

Lacey Township School District

Notes to Financial Statements

For the Year Ended June 30, 2025

**22. Subsequent Events**

Management has evaluated subsequent events through December 5, 2025, the date the financial statements were available to be issued.

On November 4, 2025, the School District approved a bond referendum in the amount of \$28,900,000 to finance roofing and HVAC projects.

**23. Tax Abatement**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

**24. Economic Dependency**

The School 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 School District's programs and activities.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

LACEY TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended June 30, 2025

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 58,459,029	\$ -	\$ 58,459,029	\$ 58,459,029	\$ -
Interest earned on maintenance reserve	-	-	-	110	110
Interest earned on capital reserve funds	-	-	-	249,912	249,912
Interest earned on unemployment-restricted	2,525	-	2,525	9,037	6,512
Tuition - from individuals	15,000	-	15,000	14,450	(550)
Tuition - from other LEA's within the state	20,680	-	20,680	70,082	49,402
Tuition - from other Govt Sources within the state	-	-	-	17,104	17,104
Interest income	-	-	-	240,988	240,988
Miscellaneous	1,118,250	-	1,118,250	685,445	(432,805)
<b>Total - local sources</b>	<b>59,615,484</b>	<b>-</b>	<b>59,615,484</b>	<b>59,746,156</b>	<b>130,672</b>
State sources:					
Categorical Transportation aid	228,519	-	228,519	228,519	-
Special Education Categorical aid	2,504,516	-	2,504,516	2,504,516	-
Security aid	483,794	-	483,794	483,794	-
Equalization aid	4,048,159	-	4,048,159	4,048,159	-
Menstrual product reimbursement	-	274	-	274	-
Stabilization Aid	1,442,656	-	1,442,656	1,442,656	-
Extraordinary aid	754,637	68,658	823,295	823,295	-
Non-public transportation	30,000	(11,320)	18,680	18,680	-
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	4,407	4,407
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	3,284,471	3,284,471
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	11,240,459	11,240,459
TPAF social security (reimbursed - Non-budgeted)	-	-	-	2,155,099	2,155,099
<b>Total state sources</b>	<b>9,492,281</b>	<b>57,612</b>	<b>9,549,893</b>	<b>26,234,329</b>	<b>16,684,436</b>
Federal sources:					
Medicaid reimbursement	60,268	-	60,268	40,789	(19,479)
<b>Total federal sources</b>	<b>60,268</b>	<b>-</b>	<b>60,268</b>	<b>40,789</b>	<b>(19,479)</b>
<b>Total revenues</b>	<b>69,168,033</b>	<b>57,612</b>	<b>69,225,645</b>	<b>86,021,274</b>	<b>16,795,629</b>
<b>EXPENDITURES:</b>					
<b>Current Expenditures:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of teachers	\$ 757,444	\$ 104,776	\$ 862,220	\$ 861,777	\$ 443
Grades 1-5 - Salaries of teachers	6,206,047	183,789	6,389,836	6,389,836	-
Grades 6-8 - Salaries of teachers	3,644,441	265,080	3,909,521	3,909,521	-
Grades 9-12 - Salaries of teachers	6,210,381	(360,852)	5,849,529	5,849,528	1
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	65,000	14,783	79,783	79,783	-
Purchased professional-educational services	25,000	9,678	34,678	29,513	5,165
<b>Regular Programs - Undistributed Instruction</b>					
Other salaries for instruction	95,219	(73,190)	22,029	22,026	3
Purchased professional-educational services	317,058	(13,133)	303,925	299,003	4,922
Purchased technical services	213,300	(43,624)	169,676	169,545	131
Other purchased services (400-500 series)	248,390	(65,768)	182,622	172,529	10,093
General supplies	883,212	(342,945)	540,267	517,069	23,198
Textbooks	6,000	(3,600)	2,400	2,000	400
Other objects	55,750	(29,245)	26,505	24,992	1,513
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>18,727,242</b>	<b>(354,251)</b>	<b>18,372,991</b>	<b>18,327,122</b>	<b>45,869</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Behavioral Disabilities:</b>					
Salaries of Teachers	1,674,882	(264,589)	1,410,293	1,410,293	-
Other salaries for instruction	832,458	190,773	1,023,231	1,023,231	-
General supplies	17,000	(1,066)	15,934	15,762	172
Purchased Professional-Educational Services	-	250	250	250	-
<b>Total Behavioral Disabilities</b>	<b>2,524,340</b>	<b>(74,632)</b>	<b>2,449,708</b>	<b>2,449,536</b>	<b>172</b>
<b>Learning and/or Language Disabilities:</b>					
Salaries of teachers	356,930	69,378	426,308	426,308	-
Other salaries for instruction	176,627	(83,337)	93,290	93,289	1
General supplies	4,000	(728)	3,272	3,268	4
Other Objects	3,000	(3,000)	-	-	-
<b>Total Learning and/or Language Disabilities</b>	<b>540,557</b>	<b>(17,687)</b>	<b>522,870</b>	<b>522,865</b>	<b>5</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	272,215	121,011	393,226	393,226	-
Other salaries for instruction	323,457	149,793	473,250	473,249	1
Purchased Professional-Educational Services	-	193	193	193	-
General supplies	8,000	3,513	11,513	11,308	205
Other Objects	6,000	(6,000)	-	-	-
<b>Total Multiple Disabilities</b>	<b>609,672</b>	<b>268,510</b>	<b>878,182</b>	<b>877,976</b>	<b>206</b>

LACEY TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended June 30, 2025

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	\$ 3,154,260	\$ (199,649)	\$ 2,954,611	\$ 2,954,611	\$ -
Other Salaries for Instruction	219,794	373,602	593,396	593,396	-
Purchased Professional-Educational Services	-	270	270	270	-
Other purchased services (400-500 series)	250	-	250	-	250
General supplies	8,000	(2,526)	5,474	5,110	364
<b>Total Resource Room/Resource Center</b>	<b>3,382,304</b>	<b>171,697</b>	<b>3,554,001</b>	<b>3,553,387</b>	<b>614</b>
<b>Autism:</b>					
Salaries of Teachers	775,729	531	776,260	776,260	-
Other Salaries for Instruction	730,313	278,458	1,008,771	1,008,771	-
General Supplies	6,750	(362)	6,388	6,387	1
<b>Total Autism</b>	<b>1,512,792</b>	<b>278,627</b>	<b>1,791,419</b>	<b>1,791,418</b>	<b>1</b>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	453,240	(149,561)	303,679	303,679	-
Other Salaries for Instruction	484,621	(101,458)	383,163	383,163	-
General Supplies	-	1,255	1,255	1,254	1
<b>Total Preschool Disabilities - Full-Time</b>	<b>937,861</b>	<b>(249,764)</b>	<b>688,097</b>	<b>688,096</b>	<b>1</b>
<b>Home Instruction:</b>					
Salaries of Teachers	45,000	34,742	79,742	79,742	-
Purchased Professional-Educational Services	25,000	(9,100)	15,900	10,013	5,887
<b>Total Home Instruction</b>	<b>70,000</b>	<b>25,642</b>	<b>95,642</b>	<b>89,755</b>	<b>5,887</b>
<b>TOTAL SPECIAL EDUCATION- INSTRUCTION</b>	<b>9,577,526</b>	<b>402,393</b>	<b>9,979,919</b>	<b>9,973,033</b>	<b>6,881</b>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	141,180	(6,982)	134,198	134,198	-
<b>Total Bilingual Education - Instruction</b>	<b>141,180</b>	<b>(6,982)</b>	<b>134,198</b>	<b>134,198</b>	<b>-</b>
<b>School-Spon. Cocurricular Actvts. - Instruction</b>					
Salaries	339,870	7,796	347,666	347,442	224
Supplies and Materials	26,150	(14,855)	11,295	10,789	506
Other Objects	14,550	(2,574)	11,976	11,976	-
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	<b>380,570</b>	<b>(9,633)</b>	<b>370,937</b>	<b>370,207</b>	<b>730</b>
<b>School-Spon. Athletics - Instruction</b>					
Salaries	736,323	19,204	755,527	722,809	32,718
Purchased Services (300-500 series)	172,325	(32,766)	139,559	116,644	22,915
Supplies and Materials	59,650	(24,521)	35,129	32,589	2,540
Other Objects	37,200	(1,000)	36,200	28,229	7,971
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	<b>1,005,498</b>	<b>(39,083)</b>	<b>966,415</b>	<b>900,271</b>	<b>66,144</b>
<b>Before/After School Program - Instruction</b>					
Salaries of Teachers	10,000	(6,000)	4,000	-	4,000
<b>Total Before/After School Program - Instruction</b>	<b>10,000</b>	<b>(6,000)</b>	<b>4,000</b>	<b>-</b>	<b>4,000</b>
<b>Total Instruction</b>	<b>29,842,016</b>	<b>(13,556)</b>	<b>29,828,460</b>	<b>29,704,831</b>	<b>123,629</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to other LEAs within the state - Special	277,468	261,751	539,219	539,218	1
Tuition to other LEAs within the state - Regular	208,000	(205,947)	2,053	1,920	133
Tuition to Co. Voc. School Dist. - reg.	-	204,794	204,794	204,422	372
Tuition to Co.Spec. Serv. & Reg. Day schools	287,595	137,655	425,250	425,250	-
Tuition to Private Sch for Disbl w/i State	1,592,753	(226,006)	1,366,747	1,353,875	12,872
Tuition - State Facilities	41,897	-	41,897	41,897	-
Tuition - Other	102,270	(7,946)	94,324	94,324	-
<b>Total Undistributed Expenditures - Instruction:</b>	<b>2,509,983</b>	<b>164,301</b>	<b>2,674,284</b>	<b>2,660,906</b>	<b>13,378</b>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	180,193	(1,531)	178,662	178,653	9
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>180,193</b>	<b>(1,531)</b>	<b>178,662</b>	<b>178,653</b>	<b>9</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	552,136	18,171	570,307	570,289	18
Purchased professional and technical services	337,500	127,013	464,513	463,988	525
Menstrual Products	-	274	274	274	-
Supplies and materials	14,150	(3,090)	11,060	8,624	2,436
<b>Total Undistributed Expenditures - Health Services</b>	<b>903,786</b>	<b>142,368</b>	<b>1,046,154</b>	<b>1,043,175</b>	<b>2,979</b>
<b>Undist. Expend. - Other Support Services - Students - Related Service</b>					
Salaries	697,747	19,747	717,494	717,494	-
Purchased Prof. Ed. Services	642,000	(20,649)	621,351	612,788	8,563
Supplies and Materials	1,000	(191)	809	809	-
<b>Total Undist. Expend. - Other Support Services - Students - Related Service</b>	<b>1,340,747</b>	<b>(1,093)</b>	<b>1,339,654</b>	<b>1,331,091</b>	<b>8,563</b>
<b>Undist. Expend. - Other Support Services - Students - Extraordinary Services</b>					
Salaries	1,292,853	(449,872)	842,981	842,214	767
<b>Total Undist. Expend. - Other Support Services Students - Extraordinary Services</b>	<b>1,292,853</b>	<b>(449,872)</b>	<b>842,981</b>	<b>842,214</b>	<b>767</b>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	1,210,822	3,298	1,214,120	1,214,119	1
Salaries of Secretarial and Clerical Assistants	126,102	1,203	127,305	126,872	433
Purchased Professional - Educational Services	25,500	(13,651)	11,849	11,848	1
Supplies and Materials	3,588	5,324	8,912	1,222	7,690
<b>Total Undist. Expend. - Guidance</b>	<b>1,366,012</b>	<b>(3,826)</b>	<b>1,362,186</b>	<b>1,354,061</b>	<b>8,125</b>

LACEY TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended June 30, 2025

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	\$ 1,158,726	\$ (18,664)	\$ 1,140,062	\$ 1,140,062	\$ -
Salaries of Secretarial and Clerical assistants	102,449	6,443	108,892	108,335	557
Purchased Professional - Educational Services	421,250	(71,602)	349,648	345,248	4,400
<b>Total Undist. Expend. - Child Study Teams</b>	<u>1,682,425</u>	<u>(83,823)</u>	<u>1,598,602</u>	<u>1,593,645</u>	<u>4,957</u>
<b>Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.</b>					
Salaries Superv. Of Instr.	823,278	24,454	847,732	827,724	20,008
Salaries Other Prof. Staff	32,500	(28,200)	4,300	4,300	-
Salaries Secr. and Clerical Asst.	97,902	809	98,711	98,302	409
Purchased Professional - Educational Services	314,700	(47,000)	267,700	265,967	1,733
Supplies and Materials	118,057	(78,900)	39,157	38,247	910
<b>Total Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.</b>	<u>1,386,437</u>	<u>(128,837)</u>	<u>1,257,600</u>	<u>1,234,540</u>	<u>23,060</u>
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Salaries	85,890	1,906	87,796	86,868	928
Purchased Prof and Tech Svc.	25,590	(2,350)	23,240	23,239	1
Supplies and Materials	23,830	(15,618)	8,212	8,098	114
<b>Total Undist. Expend. - Educational Media Services/School Library</b>	<u>135,310</u>	<u>(16,062)</u>	<u>119,248</u>	<u>118,205</u>	<u>1,043</u>
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Salaries of Other Professional Staff	1,500	1,800	3,300	1,800	1,500
Other Purchased Services (400-500 series)	52,750	(12,495)	40,255	32,092	8,163
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	<u>54,250</u>	<u>(10,695)</u>	<u>43,555</u>	<u>33,892</u>	<u>9,663</u>
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	561,401	(97,142)	464,259	463,940	319
Unused Vac Payment to Term/Ret Staff	55,000	(55,000)	-	-	-
Legal Services	142,500	(1,469)	141,031	132,731	8,300
Audit Fees	23,500	-	23,500	23,500	-
Architectural/Engineering Services	25,000	(25,000)	-	-	-
Other Purchased Professional Services	26,350	91,310	117,660	37,163	80,497
Communications/Telephone	219,000	(21,125)	197,875	153,992	43,883
BOE Other Purchased Services	2,500	(751)	1,749	-	1,749
Misc. Purch. Serv.(400-500)	182,167	42,461	224,628	224,628	-
General Supplies	16,314	(7,045)	9,269	9,209	60
BOE Membership Dues and Fees	27,500	-	27,500	27,478	22
Miscellaneous Expenditures	9,240	(2,000)	7,240	6,457	783
<b>Total Undist. Expend. - Support Service - General Administration</b>	<u>1,290,472</u>	<u>(75,761)</u>	<u>1,214,711</u>	<u>1,079,098</u>	<u>135,613</u>
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of Principals/Assistant principals	1,261,906	100,122	1,362,028	1,361,932	96
Salaries of Secretarial and Clerical Assistants	373,116	4,847	377,963	377,783	180
Supplies and Materials	28,700	(10,966)	17,734	17,670	64
<b>Total Undist. Expend. - Support Service - School Administration</b>	<u>1,663,722</u>	<u>94,003</u>	<u>1,757,725</u>	<u>1,757,385</u>	<u>340</u>
<b>Undistributed Expenditures- Central Services</b>					
Salaries	483,023	(3,490)	479,533	479,493	40
Purchased Professional Services	47,634	412	48,046	48,046	-
Purchased Technical Services	4,850	6,800	11,650	4,962	6,688
Supplies and Materials	7,207	(1,002)	6,205	5,890	315
Miscellaneous Expenditures	11,056	(2,794)	8,262	8,262	-
<b>Total Central Services</b>	<u>553,770</u>	<u>(74)</u>	<u>553,696</u>	<u>546,653</u>	<u>7,043</u>
<b>Administration Information Technology</b>					
Salaries	666,109	(1,621)	664,488	664,488	-
Purchased Technical Services	87,682	16,193	103,875	103,875	-
<b>Total Admin info tech</b>	<u>753,791</u>	<u>14,572</u>	<u>768,363</u>	<u>768,363</u>	<u>-</u>
<b>Interest Earned on Maintenance Reserve</b>					
Interest earned on maintenance reserve	25	(25)	-	-	-
<b>Total Interest Earned on Maintenance Reserve</b>	<u>25</u>	<u>(25)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Required Maint for School Facilities</b>					
Cleaning, Repair and Maintenance Services	213,954	16,650	230,604	210,319	20,285
General Supplies	174,275	(77,789)	96,486	95,516	970
Other Objects	525	(375)	150	150	-
<b>Total Required Maintenance for School Facilities</b>	<u>388,754</u>	<u>(61,514)</u>	<u>327,240</u>	<u>305,985</u>	<u>21,255</u>
<b>Custodial Services</b>					
Salaries	2,588,076	45,912	2,633,988	2,633,792	196
Salaries of Non-Instructional Aides	104,702	4,165	108,867	108,864	3
Purchased Professional and Technical Services	83,000	-	83,000	83,000	-
Cleaning, Repair and Maintenance Services	15,000	(15,000)	-	-	-
Other Purchased Property Services	55,000	1,806	56,806	56,806	-
Insurance	745,038	(209,326)	535,712	535,712	-
Travel	50	-	50	-	50
General Supplies	135,500	22,356	157,856	156,607	1,249
Energy (Natural Gas)	258,000	219,358	477,358	396,590	80,768
Energy ( Electricity)	500,000	14,060	514,060	507,819	6,241
Energy (Gasoline)	-	6,000	6,000	5,901	99
<b>Total Custodial services</b>	<u>4,484,366</u>	<u>89,331</u>	<u>4,573,697</u>	<u>4,485,091</u>	<u>88,606</u>

LACEY TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended June 30, 2025

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
<b>Care and Upkeep of Grounds</b>					
Salaries	\$ 301,519	\$ (6,491)	\$ 295,028	\$ 295,028	\$ -
Cleaning, Repair and Maintenance Services	40,000	(10,121)	29,879	26,246	3,633
General Supplies	60,600	(33,257)	27,343	25,744	1,599
<b>Total Care and Upkeep of Grounds</b>	<u>402,119</u>	<u>(49,869)</u>	<u>352,250</u>	<u>347,018</u>	<u>5,232</u>
<b>Security</b>					
Salaries	233,641	5,870	239,511	239,511	-
Purchased Professional and Technical Services	156,248	3,860	160,108	160,108	-
Cleaning, Repair and Maintenance Services	5,000	(5,000)	-	-	-
General Supplies	-	5,262	5,262	555	4,707
<b>Total Security</b>	<u>394,889</u>	<u>9,992</u>	<u>404,881</u>	<u>400,174</u>	<u>4,707</u>
<b>Total Oper. And Maintenance of Plant Services</b>	<u>5,670,128</u>	<u>(12,060)</u>	<u>5,658,068</u>	<u>5,538,268</u>	<u>119,800</u>
<b>Student Transportation Services</b>					
Salaries of Non-Instructional Aides	47,628	80,041	127,669	127,669	-
Salaries for Pupil Transportation (Between Home and School) - Regular	1,519,228	311,387	1,830,615	1,830,615	-
Salaries for Pupil Transportation (Other than Between Home and School)	513,200	(280,333)	232,867	208,737	24,130
Other Purchased Professional and Technical Services	22,500	3,031	25,531	22,960	2,571
Cleaning, Repair and Maint. Services	18,000	(10,000)	8,000	7,031	969
Lease purchase payments - School buses	76,000	10,032	86,032	86,032	-
Contract Serv.(Spl. Ed. Students) - ESCs & CTSA's	623,360	(26,801)	596,559	456,040	140,519
Contr Serv. - Aid in Lieu Pymts-NonPub Sch	85,000	(9,000)	76,000	73,061	2,939
Misc. Purchased Services - Transportation	120,885	(24,494)	96,391	95,211	1,180
General Supplies	4,793	-	4,793	2,693	2,100
Transportation Supplies	485,000	(104,171)	380,829	380,214	615
Other Objects	31,550	-	31,550	28,241	3,309
<b>Total Student Transportation Services</b>	<u>3,547,144</u>	<u>(50,308)</u>	<u>3,496,836</u>	<u>3,318,504</u>	<u>178,332</u>
<b>Personal Services- Employee Benefits</b>					
Group insurance	-	1,519	1,519	1,519	-
Social Security Contributions	1,068,373	260,946	1,329,319	1,328,574	745
Other Retirement Contributions-PERS	1,290,205	(9,259)	1,280,946	1,280,945	1
Other Retirement Contributions-Regular	122,000	82,087	204,087	204,087	-
Unemployment Compensation	50,000	-	50,000	50,000	-
Workmen's Compensation	708,271	(71,326)	636,945	636,945	-
Health Benefits	11,907,365	(5,579)	11,901,786	11,848,272	53,514
Tuition Reimbursement	75,000	(3,824)	71,176	68,998	2,178
Other Employee Benefits	535,488	44,498	579,986	567,784	12,202
Unused sick payments to terminated/retired	93,230	81,113	174,343	174,343	-
<b>Total Personal Services-Employee Benefits</b>	<u>15,849,932</u>	<u>380,175</u>	<u>16,230,107</u>	<u>16,161,467</u>	<u>68,640</u>
<b>ON-BEHALF CONTRIBUTIONS</b>					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	4,407	(4,407)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	3,284,471	(3,284,471)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	11,240,459	(11,240,459)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	2,155,099	(2,155,099)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,684,436</u>	<u>(16,684,436)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>15,849,932</u>	<u>380,175</u>	<u>16,230,107</u>	<u>32,845,903</u>	<u>(16,615,796)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>40,180,980</u>	<u>(38,548)</u>	<u>40,142,432</u>	<u>56,244,556</u>	<u>(16,102,124)</u>
<b>TOTAL GENERAL CURRENT EXPENDITURES</b>	<u>70,022,996</u>	<u>(52,104)</u>	<u>69,970,892</u>	<u>85,949,387</u>	<u>(15,978,495)</u>
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	2,500	(2,500)	-	-	-
<b>Equipment</b>					
<b>Special Education- Instruction:</b>					
School - Sponsored and Other Instructional Program	-	-	-	-	-
<b>Undist.Exp.-Req. Maint. Schl Facilities</b>					
Support Services-students- Regular	-	12,411	12,411	12,411	-
Undist. Exp.- Custodial services	-	86,385	86,385	86,385	-
General Administration tech	-	50,224	50,224	50,224	-
Instruction	-	45,173	45,173	45,173	-
Undist. Exp.-Req. Maint. Schl Facilities	-	24,057	24,057	23,452	605
<b>Total Equipment</b>	<u>-</u>	<u>218,250</u>	<u>218,250</u>	<u>217,645</u>	<u>605</u>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	-	85,893	85,893	61,000	24,893
Other Purchased Pro & Tech Services	-	15,000	15,000	2,500	12,500
Construction Services	-	321,646	321,646	313,671	7,975
Assessment for Debt Service on SDA Funding	161,352	-	161,352	161,352	-
<b>Total</b>	<u>161,352</u>	<u>422,539</u>	<u>583,891</u>	<u>538,523</u>	<u>45,368</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>163,852</u>	<u>638,289</u>	<u>802,141</u>	<u>756,168</u>	<u>45,973</u>
<b>TOTAL EXPENDITURES</b>	<u>70,186,848</u>	<u>586,185</u>	<u>70,773,033</u>	<u>86,705,555</u>	<u>(15,932,522)</u>

LACEY TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended June 30, 2025

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	\$ (1,018,815)	\$ (528,573)	\$ (1,547,388)	\$ (684,281)	\$ 863,107
<b>Other Financing Sources/ (Uses):</b>					
Local Contrib, - Trans to Special Rev-Inclusion	(1,131,900)	-	(1,131,900)	(1,131,900)	-
<b>Total Other Financing Sources:</b>	(1,131,900)	-	(1,131,900)	(1,131,900)	-
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(2,150,715)	(528,573)	(2,679,288)	(1,816,181)	863,107
<b>Fund Balance, July 1</b>	8,425,924	-	8,425,924	8,425,924	-
<b>Fund Balance, June 30</b>	<u>\$ 6,275,209</u>	<u>\$ (528,573)</u>	<u>\$ 5,746,636</u>	<u>\$ 6,609,743</u>	<u>\$ 863,107</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Maintenance reserve				\$ 1,883	
Excess surplus - current year				602,638	
Excess surplus-designated for subsequent year's expenditures				-	
Capital reserve				4,294,056	
Unemployment compensation				86,102	
<b>Assigned Fund Balance:</b>					
Year-end encumbrances				183,325	
Designated for subsequent year's expenditures				-	
<b>Unassigned</b>				<u>1,441,740</u>	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Fund balance per governmental funds (Budgetary)				6,609,743	
Last state aid payment not recognized on GAAP basis				(1,129,923)	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 5,479,820</u>	

LACEY TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources	\$ 351,626	\$ 574,226	\$ 925,852	\$ 509,892	\$ (415,960)
State sources	4,527,600	1,332,479	5,860,079	4,683,289	(1,176,790)
Federal sources	1,874,039	477,754	2,351,793	2,340,766	(11,027)
<b>Total Revenues</b>	<b>6,753,265</b>	<b>2,384,459</b>	<b>9,137,724</b>	<b>7,533,947</b>	<b>(1,603,777)</b>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Personal services-salaries	3,003,013	1,384,209	4,387,222	3,223,309	1,163,913
Purchased professional and technical services	400,000	104,810	504,810	503,842	968
Other purchased services	-	5,010	5,010	-	5,010
General supplies	414,283	(158,733)	255,550	187,995	67,555
Tuition	550,000	51,241	601,241	601,241	-
Other objects	95,271	(46,938)	48,333	48,333	-
<b>Total instruction</b>	<b>4,462,567</b>	<b>1,339,599</b>	<b>5,802,166</b>	<b>4,564,720</b>	<b>1,237,446</b>
<b>Support services:</b>					
Personal services - salaries	1,634,278	(55,886)	1,578,392	1,578,392	-
Purchased professional and technical services	168,894	116,196	285,090	269,313	15,777
Other purchased services	-	450	450	450	-
Employee benefits	1,416,795	196,960	1,613,755	1,613,755	-
Travel	15,000	31,902	46,902	39,104	7,798
Supplies- materials	121,631	(50,937)	70,694	67,493	3,201
Scholarships Awarded	-	59,496	59,496	41,075	18,421
Student Activities	-	678,344	678,344	361,198	317,146
<b>Total support services</b>	<b>3,356,598</b>	<b>976,525</b>	<b>4,333,123</b>	<b>3,970,780</b>	<b>362,343</b>
<b>EXPENDITURES:</b>					
<b>Facilities acquisition and const. serv.:</b>					
Instructional equipment	66,000	68,335	134,335	68,714	65,621
Non - Instructional equipment	-	-	-	61,250	(61,250)
<b>Total facilities acquisition and const. serv.</b>	<b>66,000</b>	<b>68,335</b>	<b>134,335</b>	<b>129,964</b>	<b>4,371</b>
<b>Total expenditures</b>	<b>7,885,165</b>	<b>2,384,459</b>	<b>10,269,624</b>	<b>8,665,464</b>	<b>1,604,160</b>
<b>Total outflows</b>	<b>7,885,165</b>	<b>2,384,459</b>	<b>10,269,624</b>	<b>8,665,464</b>	<b>1,604,160</b>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in	1,131,900	-	1,131,900	1,131,900	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,131,900</b>	<b>-</b>	<b>1,131,900</b>	<b>1,131,900</b>	<b>-</b>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 383</b>	<b>\$ 383</b>
<b>Fund Balance, July 1</b>				<b>369,739</b>	
<b>Fund Balance, June 30</b>				<b>\$ 370,122</b>	
<b>Recapitulation:</b>					
<b>Restricted:</b>					
Scholarships				\$ 19,232	
Student Activities				350,890	
<b>Total Fund Balance</b>				<b>\$ 370,122</b>	

Note 1  
 Note 1

Note 1 - Not required to budget for these funds.

LACEY TOWNSHIP SCHOOL DISTRICT  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 Note to Required Supplementary Information  
 For the Year Ended June 30, 2025

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 86,021,274	[C-2] \$ 8,665,847	[F-2] -
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	801,602	-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(11,240,459)		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,129,923)	-	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,416,496	-	-
<b>Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.</b>	<b>[B-2] \$ 75,067,388</b>	<b>[B-2] \$ 9,467,449</b>	<b>[B-2] \$ -</b>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 87,837,455	[C-2] \$ 8,665,464	[F-2] 32,200
Differences - budget to GAAP:			
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(11,240,459)		-
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.	-	801,602	723,975
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<b>[B-2] \$ 76,596,996</b>	<b>[B-2] \$ 9,467,066</b>	<b>[B-2] \$ 756,175</b>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**LACEY TOWNSHIP SCHOOL DISTRICT  
Required Supplementary Information  
Schedule of the District's Proportionate Share of the Net Pension Liability-PERS  
For the Year Ended June 30, 2025**

**Last 10 Fiscal Years\***

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
District's proportion of the net pension liability	0.107494060%	0.102122871%	0.100770925%	0.099197740%	0.097082525%	0.093450652%	0.094337093%	0.094139238%	0.091937220%	0.094171215%
District's proportionate share of the net pension liability	\$ 23,747,948	\$ 30,245,865	\$ 23,457,861	\$ 19,531,540	\$ 17,492,798	\$ 15,239,357	\$ 11,175,643	\$ 14,206,907	\$ 13,316,531	\$ 12,796,028
District's covered-employee payroll	\$ 6,984,405	\$ 7,070,140	\$ 7,215,297	\$ 6,820,621	\$ 6,605,274	\$ 6,867,930	\$ 6,805,617	\$ 6,692,863	\$ 7,361,019	\$ 7,432,256
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	340.01%	427.80%	325.11%	286.36%	264.83%	221.89%	164.21%	212.27%	180.91%	172.17%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

\* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

LACEY TOWNSHIP SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of District Contributions-PERS  
 For the Year Ended June 30, 2025

Last 10 Fiscal Years\*

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contributions	\$ 883,741	\$ 911,962	\$ 947,865	\$ 986,697	\$ 944,327	\$ 1,022,303	\$ 1,104,797	\$ 1,187,141	\$ 1,228,767	\$ 1,281,421
Contributions in relation to the contractually required contribution	<u>883,741</u>	<u>935,593</u>	<u>947,865</u>	<u>986,697</u>	<u>944,327</u>	<u>1,022,303</u>	<u>1,104,797</u>	<u>1,187,141</u>	<u>1,458,984</u>	<u>1,485,032</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (23,631)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (230,217)</u>	<u>\$ (203,611)</u>
District's covered-employee payroll	\$ 7,070,140	\$ 7,215,297	\$ 6,820,621	\$ 6,605,274	\$ 6,867,930	\$ 6,805,617	\$ 6,692,863	\$ 7,361,019	\$ 7,432,256	\$ 7,414,479
Contributions as a percentage of covered-employee payroll	12.50%	12.64%	13.90%	14.94%	13.75%	15.02%	16.51%	16.13%	16.53%	17.28%

\* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of the Net Pension Liability-TPAF**  
**For the Year Ended June 30, 2025**

**Last 10 Fiscal Years\***

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
State's proportion of the net pension liability associated with the District	0.2777601437%	0.2771662205%	0.2798576362%	0.0000000000%	0.0000000000%	0.0000000000%	0.0000000000%	0.2565589740%	0.2565589740%	0.2590035215%
State's proportionate share of the net pension liability associated with the District	\$ 175,556,272	\$ 218,036,596	\$ 186,690,110	\$ 175,123,023	\$ 158,810,865	\$ 170,049,132	\$ 122,426,871	\$ 133,738,968	\$ 130,928,893	\$ 128,012,767
District's covered-employee payroll	\$ 28,541,864	\$ 27,558,762	\$ 27,621,846	\$ 27,363,660	\$ 29,149,017	\$ 29,278,447	\$ 30,075,340	\$ 31,432,740	\$ 31,509,814	\$ 31,584,186
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	615.08%	791.17%	675.88%	639.98%	544.82%	580.80%	407.07%	425.48%	415.52%	405.31%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

The District has a special funding situation and is not required to make any payments for this liability therefore it is not recorded on the ACFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

\* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2025**  
**(Unaudited)**

**Last 10 Fiscal Years\***

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
State's proportion of the OPEB liability associated with the District								
Service cost	\$ 7,662,668	\$ 6,369,288	\$ 5,371,266	\$ 5,232,662	\$ 9,200,411	\$ 7,759,037	\$ 5,891,842	\$ 6,200,308
Interest cost	6,145,147	7,100,070	6,496,706	5,200,151	5,374,442	4,670,127	6,488,132	6,894,137
Changes in benefit terms	-	-	-	-	(220,517)	-	-	-
Differences between expected and actual experiences	-	(19,742,341)	(29,043,675)	40,182,618	(38,143,435)	8,366,808	139,821	1,534,171
Changes in assumptions	(25,521,227)	(18,893,938)	2,166,560	42,900,832	204,398	(47,273,636)	371,319	15,668,597
Member contributions	165,514	152,160	132,223	123,929	137,398	148,401	166,268	180,284
Gross benefit payments	(4,494,916)	(4,402,572)	(4,460,535)	(4,088,717)	(4,233,555)	(4,625,899)	(5,057,604)	(5,265,164)
Net change in total OPEB liability	(16,042,814)	(29,417,333)	(19,337,455)	89,551,475	(27,680,858)	(30,955,162)	7,999,778	25,212,333
Total State's OPEB liability - beginning	210,106,023	194,063,209	164,645,876	145,308,421	234,859,896	207,179,038	176,223,876	184,223,654
Total State's OPEB liability - ending	<u>\$ 194,063,209</u>	<u>\$ 164,645,876</u>	<u>\$ 145,308,421</u>	<u>\$ 234,859,896</u>	<u>\$ 207,179,038</u>	<u>\$ 176,223,876</u>	<u>\$ 184,223,654</u>	<u>\$ 209,435,987</u>
District's covered employee payroll	\$ 39,895,333	\$ 33,968,934	\$ 36,146,377	\$ 36,146,377	\$ 36,880,957	\$ 38,125,603	\$ 47,991,151	\$ 49,550,635
Total State's OPEB liability as a percentage of covered employee payroll	486%	485%	402%	650%	562%	462%	384%	423%

\* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

Lacey Township School District

Notes to the Required Supplementary Information - Part III

For the Year Ended June 30, 2025

**Teachers Pension and Annuity Fund (TPAF)**

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2023, to 7.00% as of June 30, 2024.

**Public Employees' Retirement System (PERS)**

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2023, to 7.00% as of June 30, 2024.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 3.54% as of June 30, 2023, to 3.65% as of June 30, 2024.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules  
Not Applicable

E. Special Revenue Fund

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedules of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2025**

	Nonpublic Teacher STEM 24/25	Title I 24/25	IDEA-Part B-Basic Reg Prog 24/25	IDEA-Part B Preschool 24/25	Title III 24/25	Title IV 24/25	Title II Part A 24/25	ARP Summer Learning & Enrichment 24/25
<b>Revenues:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	10,473	-	-	-	-	-	-	-
Federal sources	-	810,019	1,116,946	33,861	3,288	105,368	121,305	16,000
<b>Total revenues</b>	<u>10,473</u>	<u>810,019</u>	<u>1,116,946</u>	<u>33,861</u>	<u>3,288</u>	<u>105,368</u>	<u>121,305</u>	<u>16,000</u>
<b>Expenditures:</b>								
Instruction:								
Salaries of teachers	9,729	414,496	-	-	1,784	23,636	45,354	16,000
Purchased services	-	-	502,513	-	-	-	-	-
General supplies	-	4,101	9,028	6,268	1,504	1,260	-	-
Tuition	-	-	601,241	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
<b>Total instruction</b>	<u>9,729</u>	<u>418,597</u>	<u>1,112,782</u>	<u>6,268</u>	<u>3,288</u>	<u>24,896</u>	<u>45,354</u>	<u>16,000</u>
<b>Support services:</b>								
Other support services - students - special:								
Salaries of other professional staff	-	-	-	-	-	77,976	3,024	-
Prof. and tech. services	-	70,303	-	27,593	-	665	22,000	-
Other purchased services	-	-	-	-	-	-	-	-
Employee benefits	744	309,205	-	-	-	-	39,206	-
Travel	-	3,600	2,452	-	-	1,831	11,571	-
Supplies and materials	-	8,314	1,712	-	-	-	150	-
Scholarships Awarded	-	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-	-	-
<b>Total other support services - students - special</b>	<u>744</u>	<u>391,422</u>	<u>4,164</u>	<u>27,593</u>	<u>-</u>	<u>80,472</u>	<u>75,951</u>	<u>-</u>
<b>Total support services</b>	<u>744</u>	<u>391,422</u>	<u>4,164</u>	<u>27,593</u>	<u>-</u>	<u>80,472</u>	<u>75,951</u>	<u>-</u>
<b>Equipment:</b>								
Regular programs instruction	-	-	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 10,473</u>	<u>\$ 810,019</u>	<u>\$ 1,116,946</u>	<u>\$ 33,861</u>	<u>\$ 3,288</u>	<u>\$ 105,368</u>	<u>\$ 121,305</u>	<u>\$ 16,000</u>
<b>Other Financing Sources (Uses)</b>								
Operating transfers in	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedules of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2025**

(Continued from prior page)

	Scholarship 24/25	Student Activity 24/25	Preschool Expansion Education Aid 24/25	ARP ESSER 24/25	SDA Emergency 24/25	HIGH IMPACT 24/25	LOCAL REC IMPROVEMENT 24/25	Other	Total 2025
<b>Revenues:</b>									
Local sources	\$ 41,458	\$ 361,198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,236	\$ 509,892
State sources	-	-	4,586,976	-	24,590	-	61,250	-	4,683,289
Federal sources	-	-	-	115,291	-	18,688	-	-	2,340,766
<b>Total revenues</b>	<b>41,458</b>	<b>361,198</b>	<b>4,586,976</b>	<b>115,291</b>	<b>24,590</b>	<b>18,688</b>	<b>61,250</b>	<b>107,236</b>	<b>7,533,947</b>
<b>Expenditures:</b>									
Instruction:									
Salaries of teachers	-	-	2,679,100	1,339	-	10,724	-	21,147	3,223,309
Purchased services	-	-	-	-	-	-	-	1,329	503,842
Other purchased services	-	-	-	-	-	-	-	-	-
General supplies	-	-	105,796	-	-	-	-	60,038	187,995
Tuition	-	-	-	-	-	-	-	-	601,241
Other objects	-	-	48,333	-	-	-	-	-	48,333
<b>Total instruction</b>	<b>-</b>	<b>-</b>	<b>2,833,229</b>	<b>1,339</b>	<b>-</b>	<b>10,724</b>	<b>-</b>	<b>82,514</b>	<b>4,564,720</b>
<b>Support services:</b>									
Other support services - students - special:									
Salaries of other professional staff	-	-	1,383,489	113,903	-	-	-	-	1,578,392
Prof. and tech. services	-	-	117,405	-	24,590	-	-	6,757	269,313
Other purchased services	-	-	-	-	-	-	-	450	450
Employee benefits	-	-	1,256,636	-	-	7,964	-	-	1,613,755
Travel	-	-	6,351	49	-	-	-	13,250	39,104
Supplies and materials	-	-	57,317	-	-	-	-	-	67,493
Scholarships Awarded	41,075	-	-	-	-	-	-	-	41,075
Student Activities	-	361,198	-	-	-	-	-	-	361,198
<b>Total other support services - students - special</b>	<b>41,075</b>	<b>361,198</b>	<b>2,821,198</b>	<b>113,952</b>	<b>24,590</b>	<b>7,964</b>	<b>-</b>	<b>20,457</b>	<b>3,970,780</b>
<b>Total support services</b>	<b>41,075</b>	<b>361,198</b>	<b>2,821,198</b>	<b>113,952</b>	<b>24,590</b>	<b>7,964</b>	<b>-</b>	<b>20,457</b>	<b>3,970,780</b>
<b>Equipment:</b>									
Instruction equipment	-	-	64,449	-	-	-	-	4,265	68,714
Non-instructional equipment	-	-	-	-	-	-	61,250	-	61,250
<b>Total equipment</b>	<b>-</b>	<b>-</b>	<b>64,449</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,250</b>	<b>4,265</b>	<b>129,964</b>
<b>Total expenditures</b>	<b>\$ 41,075</b>	<b>\$ 361,198</b>	<b>\$ 5,718,876</b>	<b>\$ 115,291</b>	<b>\$ 24,590</b>	<b>\$ 18,688</b>	<b>\$ 61,250</b>	<b>\$ 107,236</b>	<b>\$ 8,665,464</b>
<b>Other Financing Sources (Uses)</b>									
Operating transfers in	-	-	1,131,900	-	-	-	-	-	1,131,900
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>1,131,900</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,131,900</b>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>									
	383	-	-	-	-	-	-	-	383
<b>Fund Balance, July 1</b>	<b>18,849</b>	<b>350,890</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>369,739</b>
<b>Fund Balance, June 30</b>	<b>\$ 19,232</b>	<b>\$ 350,890</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 370,122</b>

**LACEY TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Preschool Education Aid Expenditures  
Budgetary Basis  
For the Year Ended June 30, 2025**

	Budget	Actual	Variance
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	\$ 3,026,371	\$ 1,863,794	\$ 1,162,577
Other Sal. For Instruction	816,642	815,306	1,336
General supplies	105,796	105,796	-
Other objects	48,333	48,333	-
<b>Total instruction</b>	<u>3,997,142</u>	<u>2,833,229</u>	<u>1,163,913</u>
<b>Support services:</b>			
Salaries of Supervisors of Instruction	60,542	60,542	-
Salaries of Program Directors	87,396	87,396	-
Salaries of Other Professional Staff	575,032	575,032	-
Salaries of Secr. And Clerical Assistants	101,454	101,454	-
Other Salaries	233,657	233,657	-
Salaries of Community Parent Involvement Spec.	45,025	45,025	-
Salaries of Master Teachers	280,383	280,383	-
Personal Services - Employee Benefits	1,256,636	1,256,636	-
Purchased Educational Services - Contracted Pre-K	5,294	5,294	-
Other purchased professional services	95,882	95,882	-
Cleaning, repair, and maintenance services	16,229	16,229	-
Travel	6,351	6,351	-
Supplies and materials	57,317	57,317	-
<b>Total support services</b>	<u>2,821,198</u>	<u>2,821,198</u>	<u>-</u>
<b>Facilities acquisition and cont. serv:</b>			
Instruction equipment	64,449	64,449	-
Non-instructional equipment	-	-	-
<b>Total Facilities acquisition and cont. serv:</b>	<u>64,449</u>	<u>64,449</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 6,882,789</u>	<u>\$ 5,718,876</u>	<u>\$ 1,163,913</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2024-25 PreK/ECPA Aid Allocation	\$ 4,527,600
Add: Actual PreK/ECPA Aid Carryover June 30, 2024	1,224,848
Add: Budgeted Transfer From General Fund	1,131,900
Total Funds Available for 2024-25 Budget	6,884,348
Less: 2024-25 Budgeted PreK/ECPA (Including prior year budgeted carryover)	(6,882,789)
Available & Unbudgeted Funds as of June 30, 2025	
Add: June 30, 2025 Unexpended PreK Aid	1,163,913
2024-2025 - Actual Carryover - PreK Aid	<u>\$ 1,163,913</u>
2024-25 PreK Aid Carryover Budgeted in 2026-FY	<u>\$ 4,758,232</u>

F. Capital Projects Fund

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Project Expenditures**  
**For the Year Ended June 30, 2025**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2025</u>
			<u>Prior Years</u>	<u>Current Year</u>	
PRE-K Alterations and Renovations	4/18/2024	1,152,000	111,213	723,975	316,812
HVAC Upgrades	10/18/2024	600,000	-	32,200	567,800
Totals		<u>\$ 1,752,000</u>	<u>\$ 111,213</u>	<u>\$ 756,175</u>	<u>\$ 884,612</u>

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budgetary Basis**  
**For the Year Ended June 30, 2025**

<b>Revenues and Other Financing Sources</b>	
State Sources - Grants	\$ -
Bond proceeds and transfers	-
Contribution from private source	-
Transfer from capital reserve	-
Transfer from capital outlay	-
Total revenues	-
 <b>Expenditures and Other Financing Uses</b>	
Purchased professional and technical services	32,200
Land and improvements	-
Construction services	-
Equipment purchases	-
Transfer to debt service fund	-
Total expenditures	32,200
Excess of revenues over expenditures	(32,200)
Fund balance - beginning	-
Fund balance - ending	\$ (32,200)

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis**  
**PEEA Expansion**  
**For the Year Ended June 30, 2025**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SSB-VEEVR Grant	\$ 460,800	\$ -	\$ 460,800	\$ 460,800
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	691,200	-	691,200	691,200
Transfer from capital outlay	-	-	-	-
Total revenues	<u>1,152,000</u>	<u>-</u>	<u>1,152,000</u>	<u>1,152,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and tech. services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	1,152,000	-	1,152,000	1,152,000
Equipment purchases	-	-	-	-
Total expenditures	<u>1,152,000</u>	<u>-</u>	<u>1,152,000</u>	<u>1,152,000</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	2480-055-23-PK01			
Grant Date	11/14/2023			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	1,152,000			
Additional Authorized Cost	-			
Revised Authorized Cost	-			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	72.50%			
Original target completion date	-			
Revised target completion date	-			

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis**  
**HVAC Project**  
**For the Year Ended June 30, 2025**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - ROD Grant	\$ -	\$ -	\$ -	\$ 240,000
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	360,000
Transfer from capital outlay	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and tech. services	-	32,200	32,200	38,000
Land and improvements	-	-	-	-
Construction services	-	-	-	-
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>32,200</u>	<u>32,200</u>	<u>38,000</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (32,200)</u>	<u>\$ (32,200)</u>	<u>\$ 562,000</u>
Additional project information:				
Project Number	2480-053-23-R505			
Grant Date	10/18/2024			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	600,000			
Additional Authorized Cost	-			
Revised Authorized Cost	-			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	0.00%			
Original target completion date	-			
Revised target completion date	-			

G. Proprietary Funds  
See B-4 through B-6

H. Fiduciary Funds  
Not Applicable

## I. Long-Term Debt

LACEY TOWNSHIP SCHOOL DISTRICT  
 Long-Term Debt  
 Schedule of Serial Bonds  
 June 30, 2025

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2024</u>	<u>Issued</u>	<u>Retired</u>	<u>Refinanced</u>	<u>Balance June 30, 2025</u>
Refunding School Bonds Series 2016A	9/8/2016	11,595,000	1/15/2026	660,000	4.000%					
			1/15/2027	660,000	4.000%					
			1/15/2028	760,000	4.000%					
			1/15/2029	855,000	4.000%					
			1/15/2030	855,000	4.000%	\$ 5,230,000	\$ -	\$ 1,440,000	\$ -	\$ 3,790,000
Refunding School Bonds Series 2016	1/13/2016	16,090,000	4/1/2026	1,465,000	5.000%	-	-	-	-	-
						2,970,000	-	1,505,000	-	1,465,000
						<u>\$ 8,200,000</u>	<u>\$ -</u>	<u>\$ 2,945,000</u>	<u>\$ -</u>	<u>\$ 5,255,000</u>

**LACEY TOWNSHIP SCHOOL DISTRICT  
Long-Term Debt  
Schedule of Obligations Under Financed Purchases  
June 30, 2025**

<u>Lessor</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Lease Principal</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Amount Outstanding July 1, 2024</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2025</u>
School Buses	4/30/2021	5 Years	\$ 316,000	8,577	1.34%	\$ 127,572	\$ -	\$ 63,413	\$ 64,159
School Buses	7/1/2023	7 Years	463,000	68,179	4.22%	398,546	-	59,687	338,859
School Buses	8/1/2024	7 Years	524,506	77,719	4.66%	-	524,506	83,044	441,462
						<u>\$ 526,118</u>	<u>\$ 524,506</u>	<u>\$ 206,144</u>	<u>\$ 844,480</u>

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Year Ended June 30, 2025**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,741,973	\$ -	\$ 2,741,973	\$ 2,741,973	\$ -
State Sources:					
Debt Service Aid Type II	560,727	-	560,727	560,727	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	<u>560,727</u>	<u>-</u>	<u>560,727</u>	<u>560,727</u>	<u>-</u>
<b>Total Revenues</b>	<u>3,302,700</u>	<u>-</u>	<u>3,302,700</u>	<u>3,302,700</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	357,700	-	357,700	357,700	-
Redemption of Principal	<u>2,945,000</u>	<u>-</u>	<u>2,945,000</u>	<u>2,945,000</u>	<u>-</u>
Total Regular Debt Service	<u>3,302,700</u>	<u>-</u>	<u>3,302,700</u>	<u>3,302,700</u>	<u>-</u>
<b>Total Expenditures</b>	<u>3,302,700</u>	<u>-</u>	<u>3,302,700</u>	<u>3,302,700</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Obligations Under Subscription-Based Information Technology Arrangements**  
**June 30, 2025**

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Subscription</u>	<u>Amount of Original Lease Principal</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Amount Outstanding July 1, 2024</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2025</u>
Educational software	2/16/2023	3 Years	\$ 95,956	2,616	2.50%	\$ 31,986	-	31,986	\$ -
						<u>\$ 31,986</u>	<u>-</u>	<u>31,986</u>	<u>\$ -</u>

STATISTICAL SECTION

**Lacey Township School District  
Statistical Section**

<u>Contents</u>	<u>Page</u>
<p><b>Financial Trends</b>            These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	106-111
<p><b>Revenue Capacity</b>            These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	112-115
<p><b>Debt Capacity</b>            These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	116-119
<p><b>Demographic and Economic Information</b>            These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	120-121
<p><b>Operating Information</b>            These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</p>	122-127

*Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.*

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Governmental activities</b>										
Net investment in capital assets	\$ 10,799,607	\$ 10,587,219	\$ 11,388,749	\$ 13,253,081	\$ 16,846,919	\$ 19,018,432	\$ 20,724,642	\$ 24,523,483	\$ 29,370,606	\$ 33,429,912
Restricted	1,760,939	3,225,375	4,588,472	5,982,354	7,566,293	9,643,340	10,685,352	7,785,201	6,213,120	5,639,412
Unrestricted	(24,639,494)	(23,899,938)	(23,909,827)	(25,718,174)	(26,806,222)	(23,098,414)	(17,714,034)	(15,345,875)	(12,611,786)	(13,158,130)
<b>Total governmental activities net position</b>	<b><u>(12,078,948)</u></b>	<b><u>(10,087,344)</u></b>	<b><u>(7,932,606)</u></b>	<b><u>(6,482,739)</u></b>	<b><u>(2,393,010)</u></b>	<b><u>5,563,358</u></b>	<b><u>13,695,960</u></b>	<b><u>16,962,809</u></b>	<b><u>22,971,940</u></b>	<b><u>25,911,194</u></b>
<b>Business-type activities</b>										
Net investment in capital assets	70,051	74,091	66,211	70,290	68,681	62,004	61,793	74,156	208,828	203,090
Unrestricted	267,422	390,792	347,293	379,099	258,719	52,644	607,716	678,837	419,929	322,363
<b>Total business-type activities net position</b>	<b><u>337,473</u></b>	<b><u>464,883</u></b>	<b><u>413,504</u></b>	<b><u>449,389</u></b>	<b><u>327,400</u></b>	<b><u>114,648</u></b>	<b><u>669,509</u></b>	<b><u>752,993</u></b>	<b><u>628,757</u></b>	<b><u>525,453</u></b>
<b>District-wide</b>										
Net investment in capital assets	10,869,658	10,661,310	11,454,960	13,323,371	16,915,600	19,080,436	20,786,435	24,597,639	29,579,434	33,633,002
Restricted	1,760,939	3,225,375	4,588,472	5,982,354	7,566,293	9,643,340	10,685,352	7,785,201	6,213,120	5,639,412
Unrestricted	(24,372,072)	(23,509,146)	(23,562,534)	(25,339,075)	(26,547,503)	(23,045,770)	(17,106,318)	(14,667,038)	(12,191,857)	(12,835,767)
<b>Total district net position</b>	<b><u>\$ (11,741,475)</u></b>	<b><u>\$ (9,622,461)</u></b>	<b><u>\$ (7,519,102)</u></b>	<b><u>\$ (6,033,350)</u></b>	<b><u>\$ (2,065,610)</u></b>	<b><u>\$ 5,678,006</u></b>	<b><u>\$ 14,365,469</u></b>	<b><u>\$ 17,715,802</u></b>	<b><u>\$ 23,600,697</u></b>	<b><u>\$ 26,436,647</u></b>

Source: ACFR Schedule A-1 and District records.

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 23,524,652	\$ 21,889,525	\$ 22,743,587	\$ 43,687,406	\$ 38,302,623	\$ 38,194,017	\$ 36,166,982	\$ 30,042,892	\$ 25,264,442	\$ 24,306,372
Special education	7,131,374	7,145,866	7,214,208	15,089,264	14,816,127	15,717,544	16,317,965	17,631,710	10,221,075	11,181,491
Other special education	1,510,517	1,562,297	1,624,222	-	-	-	-	293,248	1,586,041	1,419,577
Other instruction	-	-	-	3,360,743	3,042,502	2,813,921	2,808,869	2,265,774	-	-
Support Services:										
Tuition	-	-	-	1,942,863	1,898,178	1,929,939	2,032,926	1,994,481	-	-
Student & instruction related services	-	-	-	9,125,741	8,744,770	9,610,108	10,129,816	13,925,295	-	-
Instruction	2,716,205	2,884,134	2,712,874	-	-	-	-	-	4,133,120	4,759,538
Attendance and social work	222,909	197,948	205,333	-	-	-	-	-	212,109	178,653
Health services	602,206	538,336	612,928	-	-	-	-	-	1,045,671	1,068,181
Improvement of instr. services	1,790,641	1,421,315	1,549,001	-	-	-	-	-	1,674,111	1,302,033
Educational media services	433,462	420,637	372,546	410,340	408,439	354,916	349,474	355,862	369,932	118,205
Instruction staff training	61,567	37,607	59,886	43,835	31,510	22,773	28,153	42,374	42,436	33,892
Other Administrative services	1,546,351	1,624,392	1,282,793	1,510,437	1,702,200	1,509,283	1,511,104	2,451,294	1,517,822	1,863,066
School Administrative services	-	-	-	2,025,583	2,015,366	2,029,092	1,920,796	2,435,247	-	-
General administration	860,630	1,094,239	1,133,247	-	-	-	-	-	1,120,828	1,079,098
Central Services	597,772	487,873	512,716	764,421	759,991	743,476	732,570	540,885	558,438	546,653
Plant operations and maintenance	6,108,858	4,626,130	5,192,745	7,190,352	6,980,282	6,468,079	8,072,880	8,055,567	3,562,489	4,044,521
Administrative information technology	-	633,422	602,340	939,162	949,837	882,730	830,489	684,164	681,533	768,363
Pupil transportation	2,877,930	3,209,224	3,325,947	4,943,452	4,573,339	4,389,000	4,278,445	5,241,261	3,914,960	3,318,504
Other support services	3,416,190	3,200,719	3,380,011	-	-	-	-	-	6,376,826	7,949,482
Business and other support services	-	-	-	-	-	-	-	-	-	-
Non-budgeted expenditures	4,671,054	4,581,484	4,650,233	-	-	-	-	-	4,846,278	4,919,471
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	2,011,363	2,030,173	641,148	1,489,975	724,842	572,224	884,036	7,780,254	47,864	(70,563)
Unallocated employee benefits	15,747,519	17,954,591	18,404,189	-	-	-	-	-	11,613,436	14,979,846
Total governmental activities expenses	75,831,200	75,539,912	76,219,954	92,523,574	84,950,006	85,237,102	86,064,505	93,740,308	78,789,411	83,766,383
Business-type activities:										
Food service	1,363,573	1,260,465	1,415,757	1,193,160	1,029,530	873,603	1,303,806	1,487,571	1,606,329	1,651,304
Child Care	287,548	254,055	217,771	250,080	3,643	-	-	-	-	-
Total business-type activities expense	1,651,121	1,514,520	1,633,528	1,443,240	1,033,173	873,603	1,303,806	1,487,571	1,606,329	1,651,304
Total district expenses	\$ 77,482,321	\$ 77,054,432	\$ 77,853,482	\$ 93,966,814	\$ 85,983,179	\$ 86,110,705	\$ 87,368,311	\$ 95,227,879	\$ 80,395,740	\$ 85,417,687
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Central and other support services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 370,040	\$ 361,198
Operating grants and contributions	4,671,054	4,581,484	4,650,233	20,585,584	15,168,108	17,553,793	15,842,543	4,912,897	13,445,134	12,893,822
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	4,671,054	4,581,484	4,650,233	20,585,584	15,168,108	17,553,793	15,842,543	4,912,897	13,815,174	13,255,020

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Business-type activities:</b>										
Charges for services										
Food service	\$ 737,288	\$ 768,833	\$ 745,450	\$ 701,118	\$ 437,725	\$ 13,125	\$ 86,210	\$ 609,484	\$ 618,450	\$ 624,295
Child Care	275,787	253,190	248,428	225,184	-	-	-	-	-	-
Operating grants and contributions	631,787	619,407	588,781	552,823	473,459	647,726	1,772,457	940,911	863,643	923,705
Total business type activities program revenues	1,644,862	1,641,430	1,582,659	1,479,125	911,184	660,851	1,858,667	1,550,395	1,482,093	1,548,000
Total district program revenues	\$ 6,315,916	\$ 6,222,914	\$ 6,232,892	\$ 22,064,709	\$ 16,079,292	\$ 18,214,644	\$ 17,701,210	\$ 6,463,292	\$ 15,297,267	\$ 14,803,020
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (71,160,146)	\$ (70,958,428)	\$ (71,569,721)	\$ (71,937,990)	\$ (69,781,898)	\$ (67,683,309)	\$ (70,221,962)	\$ (81,827,411)	\$ (64,974,237)	\$ (70,511,363)
Business-type activities	(6,259)	126,910	(50,879)	35,885	(121,989)	(212,752)	554,861	62,824	(124,236)	(103,304)
Total district-wide net expense	\$ (71,166,405)	\$ (70,831,518)	\$ (71,620,600)	\$ (71,902,105)	\$ (69,903,887)	\$ (67,896,061)	\$ (69,667,101)	\$ (81,764,587)	\$ (65,098,473)	\$ (70,614,667)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 42,435,625	\$ 44,747,538	\$ 45,642,489	\$ 47,375,232	\$ 48,322,737	\$ 49,672,584	\$ 50,966,035	\$ 51,985,356	\$ 53,192,929	\$ 58,459,029
Taxes levied for debt service	3,675,013	3,383,058	3,172,854	3,214,591	3,232,542	3,181,367	3,094,913	3,014,615	2,827,986	2,741,973
Unrestricted grants and contributions	24,327,929	24,054,405	24,289,284	22,167,885	21,629,035	20,685,549	23,572,273	27,452,968	13,596,224	10,962,488
Solar Renewable Energy Credits	449,764	251,302	449,764	364,257	322,585	185,461	89,423	254,156	-	-
Investment earnings	-	-	-	-	-	-	-	-	465,990	500,046
Miscellaneous income	516,053	513,729	170,068	265,892	364,727	1,694,810	846,402	2,295,707	976,351	787,081
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	71,404,384	72,950,032	73,724,459	73,387,857	73,871,626	75,419,771	78,569,046	85,002,802	71,059,480	73,450,617
Business-type activities:										
Miscellaneous income	-	-	-	-	-	-	-	20,660	-	-
Total business-type activities	-	-	-	-	-	-	-	20,660	-	-
Total district-wide	\$ 71,404,384	\$ 72,950,032	\$ 73,724,459	\$ 73,387,857	\$ 73,871,626	\$ 75,419,771	\$ 78,569,046	\$ 85,023,462	\$ 71,059,480	\$ 73,450,617
<b>Change in Position</b>										
Governmental activities	\$ 244,238	\$ 1,991,604	\$ 2,154,738	\$ 1,449,867	\$ 4,089,729	\$ 7,736,462	\$ 8,347,084	\$ 3,175,391	\$ 6,085,243	\$ 2,939,254
Business-type activities	(6,259)	126,910	(50,879)	35,885	(121,989)	(212,752)	554,861	83,484	(124,236)	(103,304)
Total district	\$ 237,979	\$ 2,118,514	\$ 2,103,859	\$ 1,485,752	\$ 3,967,740	\$ 7,523,710	\$ 8,901,945	\$ 3,258,875	\$ 5,961,007	\$ 2,835,950

Source: ACFR Schedule A-2 and District records.

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	\$ -	\$ 2,825,791	\$ 4,532,324	\$ 5,982,354	\$ 7,566,293	\$ 9,411,113	\$ 10,454,612	\$ 7,400,619	\$ 4,802,594	\$ 4,984,678
Committed	130,985	-	-	-	-	-	-	-	-	-
Assigned	939,915	153,397	693,620	862,564	-	731,465	2,532,240	3,873,361	2,312,888	183,325
Unassigned	-	135,502	(128,795)	-	(263,956)	1,280,018	1,307,099	290,288	(106,054)	311,817
Reserved	500,000	-	-	-	-	-	-	-	-	-
Unreserved	(873,395)	-	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 697,505</u>	<u>\$ 3,114,690</u>	<u>\$ 5,097,149</u>	<u>\$ 6,844,918</u>	<u>\$ 7,302,337</u>	<u>\$ 11,422,596</u>	<u>\$ 14,293,951</u>	<u>\$ 11,564,268</u>	<u>\$ 7,009,428</u>	<u>\$ 5,479,820</u>
All Other Governmental Funds										
Reserved	\$ 5,179,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Special revenue fund	-	-	-	-	-	232,227	230,740	377,041	369,739	370,122
Debt service fund	190,039	246,187	56,148	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	1,040,787	284,612
Total all other governmental funds	<u>\$ 5,369,594</u>	<u>\$ 246,187</u>	<u>\$ 56,148</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,227</u>	<u>\$ 230,740</u>	<u>\$ 377,041</u>	<u>\$ 1,410,526</u>	<u>\$ 654,734</u>

Source: ACFR Schedule B-1 and District records.

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues</b>										
Tax levy	46,110,638	48,130,596	48,815,343	50,589,823	51,555,279	52,853,951	54,060,948	54,999,971	56,020,915	61,201,002
Tuition charges	60,875	31,372	112,175	99,414	77,164	145,503	142,934	235,395	259,946	101,636
Interest earnings	3,842	4,949	12,189	24,449	25,416	18,746	19,410	185,790	465,990	500,046
Solar Renewable Energy Credits	449,764	251,302	658,812	364,257	322,585	185,461	89,423	254,156	-	-
Miscellaneous	451,336	477,408	(163,344)	255,694	357,824	1,685,948	756,619	1,034,374	2,102,497	1,195,337
Transportation fees	-	-	-	-	-	-	-	-	20,301	-
State sources	27,071,687	26,853,695	27,020,733	31,606,933	31,484,949	32,584,109	37,273,166	35,122,785	20,605,210	20,524,459
Federal sources	1,927,296	1,782,194	1,918,784	1,868,626	1,844,945	2,923,643	3,785,653	4,363,686	5,399,795	3,183,157
Other financing sources	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>76,075,438</b>	<b>77,531,516</b>	<b>78,374,692</b>	<b>84,809,196</b>	<b>85,668,162</b>	<b>90,397,361</b>	<b>96,128,153</b>	<b>96,196,157</b>	<b>84,874,654</b>	<b>86,705,637</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	21,350,848	19,613,799	20,576,854	21,068,779	20,984,327	21,072,605	21,469,296	19,664,812	23,151,657	21,773,140
Special education instruction	7,054,651	7,065,546	7,137,735	6,328,372	7,159,468	7,572,344	8,543,466	12,249,692	10,146,506	11,092,083
Other special instruction	1,497,730	1,548,910	1,611,477	948,608	957,639	1,099,423	1,143,137	191,948	1,573,613	1,404,676
Other instruction	-	-	-	1,620,759	1,666,853	1,552,511	1,667,389	1,483,080	-	-
<b>Support Services:</b>										
Tuition	-	-	-	1,942,863	1,898,178	1,929,939	1,609,387	1,994,481	-	-
Instruction	4,289,466	4,077,877	4,045,203	5,336,994	5,353,952	6,177,145	6,848,774	8,783,597	3,921,842	4,506,214
Attendance and social work	222,909	197,948	205,333	218,505	231,872	227,782	228,365	250,273	212,109	178,653
Health services	602,206	538,336	612,928	597,270	573,408	629,062	851,771	817,822	1,045,671	1,068,181
Other support services	-	-	-	-	-	-	-	-	6,376,826	7,949,482
Improvement of instruction	-	-	-	-	-	-	-	-	1,674,111	1,302,033
Educational media services	433,462	420,637	372,546	410,340	408,439	354,916	349,474	355,862	369,932	118,205
Instruction staff training	61,567	37,607	59,886	43,835	31,510	25,345	39,947	42,374	42,436	33,892
Other administrative services	3,408,729	3,200,719	3,380,011	1,124,467	1,289,197	1,135,224	1,196,282	1,181,330	1,120,828	1,079,098
School administrative services	2,328,493	2,482,873	2,549,888	1,396,976	1,448,032	1,506,258	1,506,258	1,594,010	1,573,919	1,757,385
School central services	597,772	487,873	512,716	527,195	546,050	551,905	579,947	540,885	558,438	546,653
School admin info technology	-	633,422	602,340	647,708	682,454	655,278	657,465	684,164	681,533	768,363
Allowed maintenance for school facilities	-	-	-	-	-	-	-	-	748,012	305,985
Other operation & maintenance of plant	5,964,246	5,125,685	4,979,787	5,158,892	5,273,429	5,054,170	5,803,062	5,532,911	4,905,010	5,232,283
Student transportation services	2,877,930	3,209,224	3,325,947	3,409,332	3,285,925	3,258,090	3,387,076	3,430,709	3,914,960	3,318,504
Unallocated employee benefits	16,115,424	17,840,688	17,754,656	23,010,263	22,866,643	24,039,174	25,682,764	26,546,145	15,996,337	16,161,467
Non-budgeted expenditures	4,671,054	4,581,484	4,650,233	4,326,458	4,200,720	4,445,580	4,727,645	5,177,087	5,309,278	5,443,977
Capital outlay	377,053	177,544	298,994	1,438,031	2,777,145	1,774,879	3,140,868	4,686,560	1,615,571	1,648,063
<b>Debt service:</b>										
Principal	2,810,000	2,670,000	2,745,000	2,755,000	2,790,000	2,860,000	2,895,000	2,950,000	2,900,000	2,945,000
Interest and other charges	1,168,322	1,148,011	1,160,738	1,236,927	1,135,602	1,035,152	916,552	784,452	488,850	357,700
<b>Total expenditures</b>	<b>75,831,862</b>	<b>75,058,183</b>	<b>76,582,272</b>	<b>83,547,574</b>	<b>85,560,743</b>	<b>86,956,782</b>	<b>93,258,285</b>	<b>98,942,194</b>	<b>88,327,439</b>	<b>88,991,037</b>
Excess (Deficiency) of revenues over (under) expenditures	243,576	2,473,333	1,792,420	1,261,622	107,419	3,440,579	2,869,868	(2,746,037)	(3,452,785)	(2,285,400)
<b>Other Financing sources (uses)</b>										
Capital leases & SBITAs (non-budgeted)	-	-	-	430,000	350,000	692,000	-	95,956	-	-
Proceeds of refunding bonds	(16,090,000)	(11,595,000)	-	-	-	-	-	-	-	-
Proceeds from bond issuance	16,090,000	11,595,000	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	691,200	-
Transfers out	-	-	-	-	-	-	-	-	(691,200)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>430,000</b>	<b>350,000</b>	<b>692,000</b>	<b>-</b>	<b>95,956</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>243,576</b>	<b>2,473,333</b>	<b>1,792,420</b>	<b>1,691,622</b>	<b>457,419</b>	<b>4,132,579</b>	<b>2,869,868</b>	<b>(2,650,081)</b>	<b>(3,452,785)</b>	<b>(2,285,400)</b>
Debt service as a percentage of noncapital expenditures	5.27%	5.10%	5.12%	4.86%	4.74%	4.57%	4.23%	3.96%	3.91%	3.78%

Source: ACFR Schedule B-2 and District records

Note: Noncapital expenditures are total expenditures less capital outlay.

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**General Fund - Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Sale of Capital Assets	Interest on Investments	Tuition	Rentals	Prior Year Refunds	Transportation Fees	Student Fines/Lost Textbooks	Miscellaneous	Annual Totals
2016	22,279	3,842	-	-	36,372	-	3,809	584,569	650,871
2017	2,096	4,949	-	1,110	6,383	-	2,250	264,129	280,917
2018	1,500	12,189	112,175	10,435	38,717	-	1,815	580,399	757,230
2019	-	24,449	99,414	-	-	6,334	-	499,952	630,149
2020	-	25,416	77,164	1,920	22,784	17,160	2,272	540,596	687,312
2021	-	18,746	145,503	-	113,904	5,181	1,221	1,386,388	1,670,943
2022	-	19,410	142,934	-	-	12,514	-	501,977	676,835
2023	-	185,790	235,395	7,490	4,724	12,545	20	696,948	1,142,912
2024	-	464,717	123,015	-	-	20,301	-	574,362	1,182,395
2025	-	491,009	50,018	-	-	-	-	853,524	1,394,551

Source: District records

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Calendar Year Ended Dec 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2016	98,051,800	3,179,379,400	4,242,300	957,200	320,674,300 e	190,066,500	4,759,000	3,798,130,500	N/A	3,798,130,500	3,850,550,781 d	1.2700
2017	97,817,900	3,199,509,750	4,049,800	957,200	319,895,555 e	190,585,300	4,759,000	3,817,574,505	N/A	3,817,574,505	3,785,195,332 d	1.2800
2018	103,385,900	3,234,796,950	4,031,600	962,000	315,846,455 e	190,235,400	4,759,000	3,854,017,305	N/A	3,854,017,305	3,795,191,832 c	1.3100
2019	102,937,100	3,283,136,850	4,031,600	954,800	312,325,663 e	190,235,400	4,759,000	3,898,380,413	N/A	3,898,380,413	3,889,046,701 c	1.3200
2020	88,422,700	3,324,613,750	3,473,500	45,300	319,303,343 e	171,077,300	4,759,000	3,911,694,893	N/A	3,911,694,893	3,974,786,747 c	1.3500
2021	88,422,700	3,324,613,750	3,473,500	45,300	319,303,343 e	171,077,300	4,759,000	3,911,694,893	N/A	3,911,694,893	3,974,786,747 c	1.3700
2022	72,111,600	3,414,325,000	3,473,500	45,300	317,759,000 e	168,534,200	4,759,000	3,981,007,600	N/A	3,981,007,600	3,981,007,600 c	1.3700
2023	74,035,800	3,441,495,500	3,087,500	42,000	315,512,300 e	168,534,200	4,759,000	4,007,466,300	N/A	4,007,466,300	5,188,329,462 c	1.4000
2024	68,751,200	3,475,707,300	3,087,500	43,600	308,312,300 e	168,534,200	4,759,000	4,029,195,100	N/A	4,029,195,100	5,725,728,435 c	1.5190
2025	65,733,700	3,515,991,100	3,087,500	43,600	305,670,400 e	168,534,200	4,759,000	4,063,819,500	N/A	4,063,819,500	6,271,326,389 c	-

Source: Municipal Tax Assessor

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

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
  - b Tax rates are per \$100 and for year following calendar year end as shown
  - c Based on county abstract of ratables column 11 net valuation for county tax apportionment
  - d Table of Equalized Valuations per the NJ Dept of Treasury
  - e Commercial values include tax exempt property
- N/A At the time of ACFR completion, this data was not yet available

**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,	Lacey Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Municipal <sup>c</sup>	Ocean County <sup>c</sup>	
2016	1.2670	-	1.2670	0.3480	0.4060	2.0210
2017	1.2790	-	1.2790	0.3570	0.3930	2.0290
2018	1.3130	-	1.3130	0.3730	0.4050	2.0910
2019	1.3220	-	1.3220	0.3860	0.4080	2.1160
2020	1.3510	-	1.3510	0.3990	0.4040	2.1540
2021	1.3690	-	1.3690	0.4440	0.4120	2.2250
2022	1.3820	-	1.3820	0.4580	0.4230	2.2630
2023	1.3980	-	1.3980	0.5070	0.4640	2.3690
2024	1.5190	-	1.5190	0.5340	0.4810	2.5340
2025	1.6500	-	1.6500	0.5640	0.5210	2.7350

Source: Municipal Tax Collector

**Note:**

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.
- c** Municipal and county tax rate were obtained from county.

LACEY TOWNSHIP SCHOOL DISTRICT  
Principal Property Taxpayers  
Current Year and Nine Years Ago

	2025				2016		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Oyster Creek Enviromental Project	111,486,700	1	2.74%	Exelon Generation Co, LLC	111,054,400	1	2.92%
First Energy Service Company	33,133,100	2	0.82%	JCP & L	50,059,100	2	1.32%
Agree Forked River NJ LLC	24,525,400	3	0.60%	Piedmont Associates	20,656,100	3	0.54%
G & I XI NJ Grocery Portfolio LLC	20,656,100	4	0.51%	BRE RC SUNRISE NJ LLC	18,017,200	4	0.47%
WAL-MART Real Estate Business Trust	13,200,000	5	0.32%	Wal-Mart R.E. Business Trust	17,492,100	5	0.46%
Forked River Residences, LLC	8,521,500	6	0.21%	Toll Land XI, LP	15,333,700	6	0.40%
Giombetti, David M. & Dawn M.	7,029,600	7	0.17%	Kohls	11,843,600	7	0.31%
Wawa Inc	5,071,500	8	0.12%	Karchik, Ronald	6,754,600	8	0.18%
Cav-Burt LLC	4,954,000	9	0.12%	Cav-Burt, LLC	5,302,300	9	0.14%
Georgetown Village Inc	4,899,500	10	0.12%	Fieldcrest LLC	5,019,400	10	0.13%
<b>Total</b>	<b>\$ 233,477,400</b>		<b>5.75%</b>	<b>Total</b>	<b>\$ 261,532,500</b>		<b>6.89%</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	
2016	46,110,638	46,110,638	100.00%	N/A
2017	48,130,596	48,130,596	100.00%	N/A
2018	48,815,343	48,815,343	100.00%	N/A
2019	50,589,823	50,589,823	100.00%	N/A
2020	51,555,279	51,555,279	100.00%	N/A
2021	52,853,950	52,853,950	100.00%	N/A
2022	54,060,948	54,060,948	100.00%	N/A
2023	54,999,971	54,999,971	100.00%	N/A
2024	56,020,915	56,020,915	100.00%	N/A
2025	61,201,002	61,201,002	100.00%	N/A

Source: Municipal Chief Financial Officer

**LACEY TOWNSHIP SCHOOL DISTRICT  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Business- Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2016	31,190,000	363,811	-	-	31,553,811	0.09%	1,258.00
2017	28,095,000	256,977	-	-	28,351,977	0.10%	1,104.00
2018	25,350,000	568,983	-	-	25,918,983	0.11%	899.00
2019	22,595,000	709,061	-	-	23,304,061	0.12%	842.00
2020	19,805,000	699,802	-	-	20,504,802	0.14%	708.00
2021	16,945,000	993,347	-	-	17,938,347	0.17%	603.00
2022	14,050,000	637,015	-	-	14,687,015	0.20%	538.00
2023	11,100,000	422,617	-	-	11,522,617	0.69%	394.00
2024	8,200,000	1,722,503	-	-	8,758,104	N/A	292.00
2025	5,255,000	844,480	-	-	6,099,480	N/A	N/A

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**b** Includes Early Retirement Incentive Plan (ERIP) refunding

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Ratios of 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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2016	31,190,000	-	31,190,000	0.81%	1,094
2017	28,095,000	-	28,095,000	0.74%	979
2018	25,350,000	-	25,350,000	0.67%	871
2019	22,595,000	-	22,595,000	0.58%	771
2020	19,805,000	-	19,805,000	0.50%	689
2021	16,945,000	-	16,945,000	0.43%	578
2022	14,050,000	-	14,050,000	0.35%	474
2023	11,100,000	-	11,100,000	0.21%	373
2024	8,200,000	-	8,200,000	0.14%	273
2025	5,255,000	-	5,255,000	0.08%	N/A

**Notes:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.  
**a** Use Estimated County equalized value from J-6  
**b** Population data can be found in Exhibit J-14.

**LACEY TOWNSHIP SCHOOL DISTRICT  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2025**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable <sup>a</sup></b>	<b>Estimated Share of Overlapping Debt</b>
Debt repaid with property taxes			
Lacey Township	\$ 24,550,175	100.00% d	\$ 24,550,175
County of Ocean - Township's Share (XXX%)	\$ 551,161,252	3.66%	20,172,502
Subtotal, overlapping debt			\$ 44,722,677
<b>Lacey Township District Direct Debt</b>			<b>5,255,000</b>
<b>Total direct and overlapping debt</b>			<b>\$ 49,977,677</b>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Ocean County Board of Taxation.  
Debt outstanding data provided by each governmental unit.

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

Equalized valuation basis	
2025	\$ 6,271,326,389 a
2024	\$ 5,725,728,435 b
2023	\$ 5,152,074,026 b
<b>[A]</b>	<b>\$ 17,149,128,850</b>

Average equalized valuation of taxable property **[A/3]** \$ 5,716,376,283

Debt limit (4 % of average equalization value) **[B]** 228,655,051  
**[C]** \$ 6,099,480  
**[B-C]** \$ 222,555,571

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 153,280,761	\$ 153,410,015	\$ 153,158,144	\$ 154,266,296	\$ 154,521,235	\$ 156,290,269	\$ 157,391,965	\$ 181,844,915	\$ 127,402,398	\$ 228,655,051
Total net debt applicable to limit	<u>31,190,000</u>	<u>28,095,000</u>	<u>25,350,000</u>	<u>22,595,000</u>	<u>19,805,000</u>	<u>16,945,000</u>	<u>14,050,000</u>	<u>11,100,000</u>	<u>8,758,104</u>	<u>6,099,480</u>
Legal debt margin	<u>\$ 122,090,761</u>	<u>\$ 125,315,015</u>	<u>\$ 127,808,144</u>	<u>\$ 131,671,296</u>	<u>\$ 134,716,235</u>	<u>\$ 139,345,269</u>	<u>\$ 143,341,965</u>	<u>\$ 170,744,915</u>	<u>\$ 118,644,294</u>	<u>\$ 222,555,571</u>
Total net debt applicable to the limit as a percentage of debt limit	20.35%	18.31%	16.55%	14.65%	12.82%	10.84%	8.93%	6.10%	6.87%	2.67%

**Source:**

- a A4f of budget submission from current year
- b Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

**LACEY TOWNSHIP SCHOOL DISTRICT  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>	
2016	28,511	N/A	47,413	5.10%	
2017	28,696	N/A	46,109	5.10%	
2018	29,111	N/A	47,413	4.50%	
2019	29,310	N/A	50,184	4.30%	
2020	28,751	N/A	52,008	9.50%	e
2021	29,330	N/A	53,139	9.00%	e
2022	29,630	N/A	57,344	6.10%	e
2023	29,778	N/A	60,823	3.60%	e
2024	30,041	N/A	N/A	4.10%	
2025	N/A	N/A	N/A	4.40%	

**Source:**

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

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis

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

<sup>e</sup> Unemployment rate was impacted by COVID-19

LACEY TOWNSHIP SCHOOL DISTRICT  
Principal Employers  
Current Year and Nine Years Ago

Employer	2025			2016		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0.00%	-		0.00%

Source: Municipal Tax Collector

Municipality didn't have the information available at the time of publication of this report.

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Full-time Equivalent District Employees by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Instruction										
Regular	276.0	254.0	260.0	259.0	249.7	247.0	249.2	227.6	206.0	-
Special education	143.0	144.0	143.0	155.0	145.5	189.4	189.0	230.2	199.8	-
Other instruction	4.0	4.0	4.0	4.0	4.0	4.0	6.0	7.0	5.6	- a
Support Services:										
Student & instruction related services	82.0	72.0	71.0	71.0	74.9	73.0	74.1	77.7	75.0	-
General administration	13.0	12.0	14.0	13.0	12.7	12.4	12.7	12.0	14.0	-
School administrative services	16.0	24.0	25.0	24.0	24.0	24.6	25.0	18.0	17.0	-
Other administrative services	-	-	-	-	-	-	-	7.0	7.0	-
Plant operations and maintenance	124.0	114.0	112.0	100.0	88.5	85.5	88.9	83.6	65.3	-
Pupil transportation	46.0	46.0	44.0	41.0	39.6	38.2	36.0	41.2	40.6	-
<b>Total</b>	<u>704.0</u>	<u>670.0</u>	<u>673.0</u>	<u>667.0</u>	<u>638.9</u>	<u>674.1</u>	<u>680.9</u>	<u>704.3</u>	<u>630.3</u>	<u>-</u>

**Source:** District Personnel Records

- a - This figure includes special education aides.
- b - This figure was only reported beginning in 2022.

LACEY TOWNSHIP SCHOOL DISTRICT  
 Operating Statistics  
 Last Ten Fiscal Years

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Elementary	Middle School	High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	4,281	71,476,487	16,696 d	11.86%	360	12 e	12 e	11 e	4,142	3,858	-3.65%	93.14%
2017	4,134 f	69,305,171	16,765 d	0.41%	346 e	12 e	12 e	11 e	4,013	3,741	-3.11%	93.22%
2018	4,113 f	70,245,024	17,189 d	2.53%	345 e	11 e	13 e	11 e	3,987	3,696	-0.65%	92.70%
2019	4,128 f	72,764,587	18,840 d	9.60%	349 e	11.25 e	13 e	11 e	3,958	3,706	-0.73%	93.63%
2020	4,000 f	74,084,382	19,980 d	6.05%	333 e	11 e	11 e	11 e	3,938	3,786	-0.51%	96.14%
2021	3,991 f	73,592,330	20,050 d	0.35%	419 e	11 e	12 e	13 e	3,772	3,567	-4.22%	94.57%
2022	3,957 f	78,601,457	21,616 d	7.81%	438 e	10.75 e	10 e	12 e	3,802	3,540	0.80%	93.11%
2023	3,768 f	78,785,020	24,013 d	11.09%	458 e	11.25 e	10 e	12 e	3,768	3,488	-0.89%	92.60%
2024	3,709 f	80,498,821	21,978 d	-8.47%	406	13	12	12	3,825	3,543	1.52%	92.62%
2025	3,619 f	79,795,282	22,049 d	0.32%	N/A	N/A	N/A	N/A	3,860	3,586	0.92%	92.89%

Sources: District records

Note: Enrollment based on annual October district count ASSA 10/15/24 count for FYE 2025.

- a Operating expenditures equal total expenditures less debt service, on behalf contributions and capital outlay per schedule c -1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- e From School performance report card issued in current fiscal year
- f ASSA total enrollment (count sent and shared time as 1.0)
- N/A Information was not published at the time of this report

LACEY TOWNSHIP SCHOOL DISTRICT  
 School Building Information  
 Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>District Building</b>										
<b>Elementary</b>										
Forked River Elementary (1959)										
Square Feet	45,800	45,800	45,800	45,800	45,800	45,800	45,800	45,800	45,800	45,800
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	452	407	-	395	418	418	461	461	461	481
Lanoka Harbor Elementary (1969)										
Square Feet	51,630	51,630	51,630	51,630	51,630	51,630	51,630	51,630	51,630	51,630
Capacity (students)	750	750	750	750	750	750	750	750	750	750
Enrollment	504	479	456	488	504	504	453	453	466	465
Cedar Creek Elementary (1990)										
Square Feet	64,420	64,420	64,420	64,420	64,420	64,420	64,420	64,420	64,420	64,420
Capacity (Students)	700	700	700	700	700	700	700	700	700	700
Enrollment	536	526	515	502	496	496	443	443	439	432
Mill Pond Elementary (1980)										
Square Feet	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250
Capacity (Students)	975	975	975	975	975	975	975	975	975	975
Enrollment	786	775	779	772	733	733	665	665	374	599
<b>Middle School</b>										
Lacey Twp Middle School (2000)										
Square Feet	105,335	105,335	105,335	105,335	105,335	105,335	105,335	105,335	105,335	105,335
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	645	672	689	676	672	672	620	620	845	822
<b>High School</b>										
Lacey Township High School (1981)										
Square Feet	276,175	276,175	276,175	276,175	276,175	276,175	276,175	276,175	276,175	276,175
Capacity (students)	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,279	1,185	1,179	1,189	1,177	1,177	1,237	1,237	1,176	994
<b>Other</b>										
Board Office (1989)										
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Grounds Department (1995) (b)										
Square Feet	8,960	8,960	8,960	8,960	8,960	8,960	8,960	8,960	8,960	8,960
Number of Schools at June 30, 2024										
Elementary = 4										
Middle School = 1										
Senior High School = 1										
Other = 2										

**Source:** District Facilities Office

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Required Maintenance Expenditures by School Facility**  
**Last Ten Fiscal Years**

* School Facilities Project # (s)	Lacey Township High School	Lacey Township Middle School	Mill Pond Elementary	Cedar Creek Elementary	Lanoka Harbor Elementary	Forked River Elementary	Total
2016	848,588	311,487	297,451	189,969	154,219	136,706	1,938,420
2017	244,228	104,326	84,348	72,324	56,867	48,728	610,821
2018	252,925	96,468	91,811	58,997	47,284	41,944	589,429
2019	350,777	133,789	127,330	81,822	65,577	58,172	817,467
2020	336,671	123,471	117,336	75,156	60,585	52,683	765,902
2021	268,934	98,629	93,728	60,035	48,396	42,882	612,604
2022	419,115	93,585	66,535	153,024	145,637	75,005	952,901
2023	307,877	112,912	107,301	68,729	55,404	49,092	701,315
2024	317,320	122,542	114,417	75,982	62,744	55,007	748,012
2025	134,327	49,264	46,816	29,987	24,173	21,419	305,986
<b>Total School Facilities</b>	<b>\$ 3,480,762</b>	<b>\$ 1,246,473</b>	<b>\$ 1,147,073</b>	<b>\$ 866,025</b>	<b>\$ 720,886</b>	<b>\$ 581,638</b>	<b>\$ 8,042,857</b>

\* 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

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2025**

	<u>Coverage</u>	<u>Deductible</u>
<b>School Package Policy (1):</b>		
Building & Contents (ALL LOCATIONS)	\$ 185,226,759	\$ 5,000
Electronic Data Processing	Included	
Equipment Breakdown	100,000,000	25,000
<b>Liability:</b>		
Each Occurrence	31,000,000	
Employee Benefits Liability	31,000,000	
Products/Completed Ops	31,000,000	-
Personal & Adv. Injury	31,000,000	
<b>Crime:</b>		
Employee Dishonesty	100,000	500
Forgery Alteration	100,000	500
Computer Fraud	100,000	
Money & Securities	100,000	
Money Orders/Counterfeit	50,000	
<b>Automobile:</b>		
Liability Limit	31,000,000	
Personal Injury Protection	250,000	
Medical Payments	5,000	
Uninsured/Underinsured	15000/30000/5000	
Comprehensive Deductible		1,000
Collision Deductible		1,000
<b>Environmental Policy:</b>		
Each Incident Limit of Liability	\$ 1,000,000	25,000
<b>Workers' Compensation:</b>		
Employers Liability (each accident/each employee/policy limit)	\$ 3,000,000	
Maximum Weeks 52 (7 day waiting period)		
<b>Educators Legal Liability:</b>		
Each Incident Limit	\$ 30,000,000	\$ 10,000
<b>Environmental Liability:</b>		
Limit of Liability Occ/Agg	\$ 1,000,000	\$ 10,000
First Party Personal Property	\$ 100,000	\$ 10,000
Microbial Matter Clean Up	Per Location	Varies by Location
<b>Surety Bonds:</b>		
Board Secretary	\$ 360,000	
<b>Cap Policy:</b>		
Limit of Liability	\$ 25,000	

**LACEY TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2025**

	<u>Coverage</u>	<u>Deductible</u>
<b>Cyber Liability:</b>		
Cyber Liability	\$ 10,000,000	
Breach Response Cost Per Named Insured	\$ 2,000,000	
Breach Response Cost Each Incident	\$ 500,000	
First Party Loss:		
BI Security Per Named Insured	\$ 500,000	
BI System Failure	\$ 500,000	
Dependent BI Security	\$ 500,000	
Dependent System Failure	\$ 100,000	
Cyber Extortion Loss	\$ 500,000	
Data Recovery Loss	\$ 500,000	
<b>Liability:</b>		
Data & Network Liability	\$ 2,000,000	
Regulatory Defense and Penalties	\$ 2,000,000	
Payment Card Liabilitys	\$ 2,000,000	
Medial Liability	\$ 2,000,000	
<b>E-crime:</b>		
Fraudulent Instruction	\$ 100,000	
Funds Transfer Fraud	\$ 100,000	
Telephone Fraud	\$ 100,000	
Criminal Reward	\$ 50,000	
Crytojacking	\$ 100,000	
Invoice Manipulation	\$ 100,000	
Reputation Loss	\$ 250,000	
Standard Retention	\$ 250,000	
Reduced Deductible Small Member	\$ 25,000	
Reduced Deductible Large Member	\$ 25,000	

SINGLE AUDIT SECTION



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Lacey Township Board of Education in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Lacey Township Board of Education basic financial statements, and have issued our report thereon dated December 5, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

### Report on Compliance and Other Matters

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

### Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

Jump, Perry and Company L.L.P.  
Toms River, New Jersey



Kathryn Perry, Partner  
Licensed Public School Accountant  
No. CS 20CS00226400

December 5, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

**Report on Compliance for Each Major Federal and State Program**  
*Opinion on Each Major Federal and State Program*

We have audited the Lacey Township Board of Education's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Lacey Township Board of Education's major federal programs for the year ended June 30, 2025. Lacey Township Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lacey Township Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal and State Program***

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 and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the New Jersey OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Lacey Township Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Lacey Township Board of Education's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Lacey Township Board of Education's federal and state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lacey Township Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and the New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lacey Township Board of Education's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lacey Township Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lacey Township Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Lacey Township Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on 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 and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose

Respectfully Submitted,

Jump, Perry and Company L.L.P.  
Toms River, New Jersey



Kathryn Perry, Partner  
Licensed Public School Accountant  
No. CS 20CS00226400

Toms River, New Jersey  
December 5, 2025

LACEY TOWNSHIP SCHOOL DISTRICT  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Federal FAIN Number	Grant Period	Award Amount	Balance at July 1, 2024	Adjustments	Cash Received	Budgetary Expenditures	Balance at June 30, 2025		
									Deferred Revenue	Accounts Receivable	Due to Grantor
U.S. Department of Health & Human Services											
Passed-through New Jersey Department of Human Services:											
General Fund:											
Medicaid Cluster:											
Medical Assistance Program	93.778	2505NJ5MAP	7/1/24-6/30/25	\$ 40,789	\$ -	\$ -	\$ 40,789	\$ (40,789)	\$ -	\$ -	\$ -
Subtotal Medicaid Cluster					-	-	40,789	(40,789)	-	-	-
Total General Fund					-	-	40,789	(40,789)	-	-	-
U.S. Department of Education											
Passed-through State Department of Education:											
Education:											
Title I, Basic Allocation	84.010	S010A240030	7/1/24-6/30/25	808,051	-	-	448,148	(808,051)	-	(359,903)	-
Title I, Basic Allocation	84.010	S010A230030	7/1/23-6/30/24	745,036	(260,330)	-	262,298	(1,968)	-	-	-
Title II - Part A	84.367	S367A240029	7/1/24-6/30/25	121,305	-	-	66,645	(121,305)	-	(54,660)	-
Title II - Part A	84.367	S367A230029	7/1/23-6/30/24	102,407	(31,349)	-	31,349	-	-	-	-
Title III	84.365	S365A230030	7/1/23-6/30/24	14,535	(6,505)	-	6,505	-	-	-	-
Title III	84.365	S365A240030	7/1/24-6/30/25	14,535	-	-	3,108	(3,288)	-	(180)	-
Title IV - Part A	84.424	S424A230031	7/1/23-6/30/24	60,685	(25,395)	-	26,235	(840)	-	-	-
Title IV - Part A	84.424	S424A240031	7/1/24-6/30/25	104,528	-	-	56,688	(104,528)	-	(47,840)	-
Elementary and Secondary Education Cluster:											
ARP - ESSER	84.425U	S425U240027	3/13/20-9/30/24	4,809,142	(2,448,599)	-	2,563,890	(115,291)	-	-	-
ARP - Accelerated Learning Coach & Ed	84.425U	S425U240027	3/13/20-9/30/24	345,741	(28,763)	-	28,763	-	-	-	-
ARP - Evidence Based Summer Learning & Enrichment	84.425U	S425U240027	3/13/20-9/30/24	40,000	(613)	-	16,613	(16,000)	-	-	-
ARP - NJTSS Mental Health Support	84.425U	S425U240027	3/13/20-9/30/24	45,000	(33,074)	-	33,074	-	-	-	-
Subtotal Elementary and Secondary Education Cluster					(2,511,049)	-	2,642,340	(131,291)	-	-	-
Special Education Cluster:											
I.D.E.A. Part B Basic	84.027	H027A240100	7/1/24-6/30/25	1,119,667	-	-	967,623	(1,116,946)	-	(149,323)	-
I.D.E.A. Part B Basic	84.027	H027A230100	7/1/23-6/30/24	1,084,202	(452,411)	-	452,411	-	-	-	-
I.D.E.A. Part B Preschool	84.173	H173A240114	7/1/24-6/30/25	36,243	-	-	11,858	(33,861)	-	(22,003)	-
Subtotal of Special Education Cluster					(452,411)	-	1,431,892	(1,150,807)	-	(171,326)	-
U.S. Department of Treasury											
Passed-through State Department of Education:											
High-Impact Tutoring	21.027	E2400391	7/1/23-6/30/24	229,998	(70,267)	-	61,384	(18,688)	-	(27,571)	-
Additional or Compensatory Special Education and Related Services	21.027	SLFRFDOE1SES	7/1/23-6/30/24	139,508	(69,754)	-	69,754	-	-	-	-
Total Special Revenue Fund					(3,427,060)	-	5,106,346	(2,340,766)	-	(661,480)	-
U.S. Department of Agriculture											
Passed-through State Department of Agriculture:											
Agriculture:											
Local Food for Schools	10.185	251NJ304N1099	7/1/24-6/30/25	13,749	-	-	13,749	(13,749)	-	-	-
Food Distribution Program	10.555	251NJ304N1099	7/1/24-6/30/25	76,857	-	-	76,857	(76,857)	-	-	-
Child Nutrition Cluster:											
Summer-EBT Administrative Costs Grant	10.185	202424N180341	7/1/24-6/30/25	1,556	-	-	1,556	(1,556)	-	-	-
School Breakfast Program	10.553	231NJ304N1099	7/1/23-6/30/24	119,019	(10,107)	-	10,107	-	-	-	-
School Breakfast Program	10.553	241NJ304N1099	7/1/24-6/30/25	181,872	-	-	166,895	(181,872)	-	(14,977)	-
National School Lunch Program	10.555	231NJ304N1099	7/1/23-6/30/24	481,331	(28,652)	-	28,652	-	-	-	-
National School Lunch Program	10.555	241NJ304N1099	7/1/24-6/30/25	574,896	-	-	533,920	(574,896)	-	(40,976)	-
Subtotal of Child Nutrition Cluster					(38,759)	-	741,130	(758,324)	-	(55,953)	-
Total Enterprise (Food Service) Fund					(38,759)	-	817,987	(848,930)	-	(55,953)	-
Total Expenditures of Federal Awards					\$ (3,465,819)	\$ -	\$ 5,965,122	\$ (3,230,485)	\$ -	\$ (717,433)	\$ -

See accompanying notes to schedules of expenditures.

LACEY TOWNSHIP SCHOOL DISTRICT  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Year Ended June 30, 2025

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2024	Cash Received	Budgetary Expenditures	Deferred Revenue at June 30, 2025	(Accounts Receivable) at June 30, 2025	Due to Grantor at June 30, 2025	MEMO	
										Budgetary Receivable	Cumulative Total Expenditures
New Jersey Department of Education											
General Fund:											
Extraordinary Aid	24-100-034-5120-473	7/1/23-6/30/24	981,183	\$ (981,183)	\$ 981,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extraordinary Aid	25-100-034-5120-473	7/1/24-6/30/25	823,295	-	-	(823,295)	-	(823,295)	-	-	(823,295)
Special Education Categorical Aid	25-495-034-5120-089	7/1/24-6/30/25	2,504,516	-	2,234,252	(2,504,516)	-	-	(270,264)	-	(2,504,516)
Nonpublic Transportation Aid	24-495-034-5120-045	7/1/23-6/30/24	20,930	(20,930)	20,930	-	-	-	-	-	-
Nonpublic Transportation Aid	25-495-034-5120-045	7/1/24-6/30/25	18,680	-	-	(18,680)	-	(18,680)	-	-	(18,680)
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	4,048,159	-	3,265,367	(4,048,159)	-	-	(782,792)	-	(4,048,159)
Stabilization Aid	25-495-034-5120-078	7/1/24-6/30/25	1,442,656	-	1,442,656	(1,442,656)	-	-	-	-	(1,442,656)
Categorical Security Aid	25-495-034-5120-084	7/1/24-6/30/25	483,794	-	431,587	(483,794)	-	-	(52,207)	-	(483,794)
Categorical Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	228,519	-	203,859	(228,519)	-	-	(24,660)	-	(228,519)
Categorical Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	228,519	-	-	-	-	-	-	-	-
Menstrual Product Reimbursement	25-495-034-5120-168	7/1/24-6/30/25	274	-	-	(274)	-	(274)	-	-	(274)
On-Behalf TPAF Pension Contribution	25-495-034-5094-002	7/1/24-6/30/25	11,240,459	-	11,240,459	(11,240,459)	-	-	-	-	(11,240,459)
On-Behalf TPAF Post-Retirement Medical	25-495-034-5094-001	7/1/24-6/30/25	3,284,471	-	3,284,471	(3,284,471)	-	-	-	-	(3,284,471)
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	4,407	-	4,407	(4,407)	-	-	-	-	(4,407)
Reimbursed TPAF Social Security Tax Contribution	24-495-034-5094-003	7/1/23-6/30/24	2,267,330	(112,110)	112,110	-	-	-	-	-	-
Reimbursed TPAF Social Security Tax Contribution	25-495-034-5094-003	7/1/24-6/30/25	2,155,099	-	2,044,091	(2,155,099)	-	(111,008)	-	-	(2,155,099)
<b>Total General Fund</b>				<b>(1,114,223)</b>	<b>25,265,372</b>	<b>(26,234,329)</b>	<b>-</b>	<b>(953,257)</b>	<b>-</b>	<b>(1,129,923)</b>	<b>(26,234,329)</b>
New Jersey Department of Education											
Special Revenue Fund:											
SDA Emergency	23-100-034-5120-519	7/1/22-6/30/23	92,708	(34,428)	24,590	(24,590)	-	-	-	-	-
Teach STEM Classes in N.J. Nonpublic Schools	25-100-034-5068-051	7/1/24-6/30/25	-	-	3,768	(10,473)	-	(6,705)	-	-	-
Preschool Expansion Education Aid	24-495-034-5120-086	7/1/23-6/30/24	-	1,224,848	-	(1,224,848)	-	-	-	-	-
Preschool Expansion Education Aid	25-495-034-5120-086	7/1/24-6/30/25	4,527,600	-	4,526,041	(3,362,128)	1,163,913	-	-	-	-
<b>Total Special Revenue Fund</b>				<b>1,190,420</b>	<b>4,554,399</b>	<b>(4,622,039)</b>	<b>1,163,913</b>	<b>(6,705)</b>	<b>-</b>	<b>-</b>	<b>-</b>
NJ Department of Community Affairs:											
Special Revenue Fund:											
Recreation Improvement Grant		4/25/24-6/30/26	63,000	-	-	(61,250)	-	(61,250)	-	-	-
				-	-	(61,250)	-	(61,250)	-	-	-
New Jersey Department of Education											
Debt Service Fund:											
Debt service aid	25-495-034-5120-017	7/1/24-6/30/25	560,727	-	560,727	(560,727)	-	-	-	-	-
<b>Total Debt service Aid</b>				-	<b>560,727</b>	<b>(560,727)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
New Jersey Department of Agriculture:											
Enterprise Fund:											
State School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	6,364	(602)	602	-	-	-	-	-	-
State School Breakfast Program	25-100-010-3350-023	7/1/24-6/30/25	3,937	-	2,585	(3,937)	-	(1,352)	-	-	-
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	36,130	(2,225)	2,225	-	-	-	-	-	-
State School Lunch Program	25-100-010-3350-023	7/1/24-6/30/25	69,282	-	64,510	(69,282)	-	(4,772)	-	-	-
Summer-EBT Administrative Costs Grant	SEBT24state	7/1/24-6/30/25	1,556	-	1,556	(1,556)	-	-	-	-	-
<b>Total Enterprise Fund</b>				<b>(2,827)</b>	<b>71,478</b>	<b>(74,775)</b>	<b>-</b>	<b>(6,124)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures of State Awards</b>				<b>\$ 73,370</b>	<b>\$ 30,451,976</b>	<b>\$ (31,553,120)</b>	<b>\$ 1,163,913</b>	<b>\$ (1,027,336)</b>	<b>\$ -</b>	<b>\$ (1,129,923)</b>	<b>\$ (26,234,329)</b>
State Financial Assistance Not Subject to Single Audit Determination											
On-Behalf TPAF Pension Contribution	25-495-034-5094-002	7/1/24-6/30/25	11,240,459	-	11,240,459	(11,240,459)	-	-	-	-	(11,240,459)
On-Behalf TPAF Post-Retirement Medical	25-495-034-5094-001	7/1/24-6/30/25	3,284,471	-	3,284,471	(3,284,471)	-	-	-	-	(3,284,471)
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	4,407	-	4,407	(4,407)	-	-	-	-	(4,407)
<b>Total State Financial Assistance Not Subject to Single Audit Determination</b>				<b>-</b>	<b>14,529,337</b>	<b>(14,529,337)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,529,337)</b>
<b>Total Expenditures of State Awards Subject to Single Audit Determination</b>				<b>\$ 73,370</b>	<b>\$ 15,922,639</b>	<b>\$ (17,023,783)</b>	<b>\$ 1,163,913</b>	<b>\$ (1,027,336)</b>	<b>\$ -</b>	<b>\$ (1,129,923)</b>	<b>\$ (11,704,992)</b>

See accompanying notes to schedules of expenditures.

## Lacey Township School District

## Notes to the Schedules of Awards and Financial Assistance

June 30, 2025

## 1. General

The accompanying schedules of expenditures of award present the activity of all federal and state awards of the Board of Education of Lacey Township School District. The Board of Education is defined in Note 1(A) to the Board's general purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

## 2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards 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 bases of accounting are described in Note 1 to the Board's basic financial statements.

## 3. Relationship to General Purpose Financial Statements

## 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 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments 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 one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*

## Lacey Township School District

## Notes to the Schedules of Awards and Financial Assistance (continued)

June 30, 2025

## 3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(10,953,886) for the general fund and \$801,602 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 40,789	\$ 15,280,443	\$ 15,321,232
Special Revenue Fund	3,142,368	4,683,289	7,825,657
Debt Service Fund	-	560,727	560,727
Food Service Fund	<u>835,181</u>	<u>74,775</u>	<u>909,956</u>
Total awards and financial assistance	<u>\$ 4,018,338</u>	<u>\$ 20,599,234</u>	<u>\$ 24,617,572</u>

## 4. Relationship to Federal and State Financial Reports

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

## 5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2025.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 15-08.

## 6. Indirect Costs

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Lacey Township School District

Schedule of Findings and Questioned Costs

June 30, 2025

**Section I - Summary of Auditor's Results**

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified?  yes  no
- 2) Significant deficiencies identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to general-purpose financial statements noted?  yes  no

Federal Awards Section

Internal Control over major programs:

- 1) Material weakness(es) identified?  yes  no
- 2) Significant deficiencies identified that are not considered to be material weaknesses?  yes  none reported

Type of auditor's report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of the Uniform Guidance?  yes  no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	S010A2500030	TITLE I
<b>Special Education Cluster:</b>		
84.027	H027A250100	IDEA Part B Basic Regular
84.173	H173A250114	IDEA Part B Preschool

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  yes  no

Lacey Township School District

Schedule of Findings and Questioned Costs (continued)

June 30, 2025

**Section I - Summary of Auditor's Results (continued)**

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?      X yes                      none reported

Type of auditor's report issued on compliance for major programs:                     Unmodified Opinion

Internal Control over major programs:

1) Material weakness(es) identified?              yes      X no

2) Significant deficiencies identified that are not considered to be material weaknesses?              yes      X none reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08?              yes      X no

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
-------------------------------	-----------------------

**State Aid-Public (Cluster)**

495-034-5120-089	Special Education Categorical Aid
495-034-5120-078	Equalization Aid/ Stabilization Aid
495-034-5120-084	Security Aid

Lacey Township School District

Schedule of Findings and Questioned Costs (continued)

June 30, 2025

Section II - Financial Statement Findings - N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A

Lacey Township School District  
Summary Schedule of Prior Year Audit Findings  
June 30, 2025

Summary Schedule of Prior Year Audit Findings - N/A

**APPENDIX C**

**Form of Bond Counsel's Approving Legal Opinion**

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90 Woodbridge Center Drive  
Suite 900 Box 10  
Woodbridge, NJ 07095-0958  
732.636.8000

\_\_\_\_\_, 2026

The Board of Education of the  
Township of Lacey  
Lanoka Harbor, New Jersey

Ladies and Gentlemen:

We have served as bond counsel in connection with the authorization, sale and issuance of \$28,873,000 aggregate principal amount of School Bonds, Series 2026 (the “Bonds”) of The Board of Education of the Township of Lacey in the County of Ocean, New Jersey (the “Board” when referring to the governing body and the “School District” when referring to the territorial boundaries governed by the Board).

The Bonds are issued pursuant to: (i) Title 18A, Chapter 24 of the New Jersey Statutes, as amended and supplemented (the “Education Law”); (ii) a proposal adopted by the Board on July 17, 2025 (the “Proposal”) and approved by the affirmative vote of a majority of the legal voters present and voting at the annual School District election held on November 4, 2025 and (iii) a resolution duly adopted by the Board on January 15, 2026 (the “Resolution”).

The Bonds are issued in fully registered book-entry only form, without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York (“DTC”), an automated depository for securities and clearing house for securities transactions. Purchases of the Bonds will be made in book-entry only form in principal amounts of \$1,000 each or any integral multiple thereof with a minimum purchase of \$5,000 required, through book entries made on the books and records of DTC and its participants. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Board directly to Cede & Co., as nominee for DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of DTC participants.

The Bonds are dated their date of delivery and shall bear interest from such date, which interest shall be payable commencing March 15, 2027 and semi-annually thereafter on the fifteenth day of March and September in each year until maturity or prior redemption, and shall mature on March 15 of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2028	\$1,533,000		2038	\$1,610,000	
2029	900,000		2039	1,680,000	
2030	965,000		2040	1,750,000	
2031	1,220,000		2041	1,800,000	
2032	1,270,000		2042	1,800,000	
2033	1,320,000		2043	1,800,000	
2034	1,370,000		2044	1,800,000	
2035	1,425,000		2045	1,800,000	
2036	1,485,000		2046	1,800,000	
2037	1,545,000				

The Bonds of this issue are subject to optional redemption prior to their stated maturities.

We have examined such matters of law, certified copies of the proceedings, including the bond referendum proceedings, and other documents and proofs relative to the issuance and sale of the Bonds as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that: (i) such proceedings and proofs show lawful authority for the sale and issuance of the Bonds pursuant to the Education Law, the Proposals and the Resolution; (ii) the Bonds are valid and legally binding obligations of the Board; and (iii) all the taxable real property within the School District is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for the interest thereon to be and remain excludable from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of the issuance of the Bonds. The Board has covenanted to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing law, and assuming continuing compliance by the Board with the aforementioned covenant, under existing statutes, regulations, rulings and court

decisions, interest on the Bonds is not includable for federal income tax purposes in the gross income of the owners of the Bonds pursuant to Section 103 of the Code. The Bonds are not “specified private activity bonds” within the meaning of Section 57 of the Code and, therefore, the interest on the Bonds will not be treated as a preference item for purposes of computing the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof is not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

[The Bonds maturing on March 15 in the years 20\_\_ through 20\_\_, inclusive (the “[Premium] Bonds”), have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the [Premium] Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a [Premium] Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a [Premium] Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such [Premium] Bonds and not as interest.]

[We are also of the opinion that the difference between the stated principal amount of the Bonds maturing on March 15 in the years 20\_\_ through 20\_\_, inclusive (the “[Discount] Bonds”) and their respective initial offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the [Discount] Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the [Discount] Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each [Discount] Bond and the basis of each [Discount] Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount.]

Except as stated in the preceding paragraphs, we express no opinion as to any federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined one of the executed Bonds and, in our opinion, its form and execution are regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

**APPENDIX D**

**Form of Continuing Disclosure Certificate**

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## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of \_\_\_\_\_, 2026 (the "Disclosure Certificate") is executed and delivered by The Board of Education of the Township of Lacey in the County of Ocean, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) in connection with the issuance of its \$28,873,000 aggregate principal amount of School Bonds, Series 2026 dated their date of delivery (the "Bonds"). The Bonds are being issued by virtue of a proposal adopted by the Board on July 17, 2025 and approved by the affirmative vote of a majority of the legal voters present and voting at the annual School District election held on November 4, 2025 and pursuant to a resolution entitled, "RESOLUTION DETERMINING THE FORM AND OTHER DETAILS OF \$28,873,000 AGGREGATE PRINCIPAL AMOUNT OF SCHOOL BONDS, SERIES 2026 OF THE BOARD OF EDUCATION OF THE TOWNSHIP OF LACEY IN THE COUNTY OF OCEAN, NEW JERSEY, PROVIDING FOR THEIR SALE AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH", duly adopted by the Board on January 15, 2026 (the "Bond Resolution"). The Board covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the Board for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter(s) in complying with the Rule (as defined below). The Board acknowledges it is an "Obligated Person" under the Rule (as defined below).

**SECTION 2. Definitions.** In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

*"Annual Report"* shall mean any Annual Report provided by the Board pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

*"Beneficial Owner"* shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds, as applicable (including persons holding Bonds, as applicable through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds, as applicable, for federal income tax purposes.

*"Continuing Disclosure Information"* shall mean, collectively, (i) each Annual Report, (ii) any notice required to be filed by the Board with the EMMA (as defined herein) pursuant to Section 3 of this Disclosure Agreement, and (iii) any notice of a Listed Event required to be filed by the Board with EMMA pursuant to Section 5 of this Disclosure Agreement.

*“Disclosure Representative”* shall mean the Business Administrator/Board Secretary of the Board or his/her designee, or such other person as the Board shall designate in writing from time to time for the purposes of this Disclosure Certificate.

*“Dissemination Agent”* shall mean, initially, the Board or any Dissemination Agent subsequently designated in writing by the Board which has filed with the Board a written acceptance of such designation.

*“EMMA”* shall mean the Electronic Municipal Market Access system, a website created by the MSRB (as defined herein) and approved by the SEC (as defined herein) to provide a central location where investors can obtain municipal bond information including disclosure documents. The Board or the Dissemination Agent shall submit disclosure documents to EMMA as a PDF file to [www.emma.msrb.org](http://www.emma.msrb.org).

*“Financial Obligation”* shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term *“Financial Obligation”* shall not include municipal securities as to which a final official statement has been provided to the MSRB (as defined below) consistent with the Rule (as defined below).

*“Listed Events”* shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

*“MSRB”* shall mean the Municipal Securities Rulemaking Board.

*“Rule”* shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time.

*“SEC”* shall mean the United States Securities and Exchange Commission.

*“SEC Release No. 34-59062”* shall mean Release No. 34-59062 of the SEC dated December 5, 2008.

*“State”* shall mean the State of New Jersey.

*“Underwriters”* shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the purchase of the Bonds.

**SECTION 3. Provision of Annual Reports.** (a) The Board shall provide or cause to be provided to the Dissemination Agent not later than December 31 of each year, commencing December 31, 2026 (for the fiscal year ending June 30, 2026), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Board

may be submitted separately from the balance of the Annual Report; and provided, further, that if the audited financial statements of the Board are not available by December 31, the Board shall include unaudited financial statements with its Annual Report and when such audited financial statements become available to the Board, the same shall be submitted to the Dissemination Agent no later than thirty (30) days after the receipt of the same by the Board.

(b) Not later than January 31 of each year (commencing January 31, 2027) the Dissemination Agent shall provide to EMMA a copy of the Annual Report received by the Dissemination Agent pursuant to subsection (a) hereof.

(c) If the Board does not provide or is unable to provide an Annual Report by the applicable date required in subsection (a) above, such that the Dissemination Agent cannot file the Annual Report with EMMA in accordance with subsection (b) above, the Dissemination Agent shall, in a timely manner, send a notice of such event to EMMA in substantially the form attached hereto as Exhibit A, with copies to the Board (if the Dissemination Agent is not the Board).

(d) Each year the Dissemination Agent shall file a report with the Board (if the Dissemination Agent is not the Board), certifying that the Annual Report has been provided to EMMA pursuant to this Disclosure Certificate, stating the date it was provided.

(e) If the fiscal year of the Board changes, the Board shall give written notice of such change to the Dissemination Agent and the Dissemination Agent shall, within five (5) business days after the receipt thereof from the Board, forward a notice of such change to EMMA in the manner provided in Section 5(e) hereof.

**SECTION 4. Content of Annual Reports.** The Board's Annual Report shall contain or incorporate by reference the following:

(1) The audited financial statements of the Board (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available).

The audited financial statements are to be prepared in accordance with generally accepted accounting principles (GAAP).

(2) The general financial information and operating data of the Board consistent with the information set forth in the Official Statement dated February 25, 2026, prepared in connection with the sale of the Bonds (the "Official Statement") in Appendix A under the sections relating to (1) Board indebtedness; (2) property valuation information; and (3) tax rate, levy and collection data.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Board is an "Obligated Person" (as defined by the Rule), which have been filed with EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final

official statement, it must be available from the MSRB. The Board shall clearly identify each such other document so incorporated by reference.

**SECTION 5. Reporting of Significant Events.** (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Nonpayment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances of the Bonds;
- (10) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) Ratings changes rating to the Bonds;
- (12) Bankruptcy, insolvency, receivership or similar event of the Board;
- (13) The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) Appointment of a successor or additional trustee for the Bonds or the change of name of a trustee for the Bonds, if material;
- (15) Incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect Bondholders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

The Board shall, in a timely manner not in excess of ten (10) business days after the occurrence of any Listed Event, file a notice of the occurrence of such Listed Event with the MSRB in accordance with the provisions of Section 5 of this Disclosure Certificate. In determining the materiality of any of the Listed Events specified in this subsection (a) of this section 5, the Board may, but shall not be required to, rely conclusively on an opinion of counsel.

(b) Whenever the Board has or obtains knowledge of the occurrence of any of the Listed Events, the Board shall, as soon as possible, determine if such event would constitute information material to the Beneficial Owners of the Bonds.

(c) If the Board determines that the occurrence of a Listed Event would be material to the Beneficial Owners of the Bonds, the Board shall promptly notify the Dissemination Agent in writing (if the Board is not the Dissemination Agent) and the Board shall instruct the Dissemination Agent to report such Listed Event and the Dissemination Agent shall report the occurrence of such Listed Event pursuant to subsection (e) hereof.

(d) If the Board determines that the occurrence of a Listed Event would not be material to the Beneficial Owners of the Bonds, the Board shall promptly notify the Dissemination Agent in writing (if the Dissemination Agent is not the Board) and the Dissemination Agent (if the Dissemination Agent is not the Board) shall be instructed by the Board not to report the occurrence.

(e) If the Dissemination Agent has been instructed in writing by the Board to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA, with a copy to the Board (if the Dissemination Agent is not the Board). Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Beneficial Owner of the affected Bonds pursuant to the Bond Resolution.

**SECTION 6. Termination of Reporting Obligation.** The Board's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Board is no longer an "Obligated Person" (as defined in the Rule). The Board shall file a notice of the termination of its reporting

obligations pursuant to the provisions hereof with the Dissemination Agent, which notice shall be filed with EMMA in accordance with the provisions of Section 5(e) hereof.

**SECTION 7. Dissemination Agent; Compensation.** The Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Board. The Board shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

**SECTION 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the Board may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver (supported by an opinion of counsel expert in federal securities laws acceptable to the Board to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the Board or "Obligated Person," or by approving vote of the Beneficial Owners of the Bonds, as applicable pursuant to the terms of the Bond Resolution at the time of the amendment. The Board shall give notice of such amendment or waiver to this Disclosure Certificate to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 hereof. Notwithstanding the above, the addition of or change in the Dissemination Agent shall not be construed to be an amendment under the provisions hereof.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Board shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Board. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as a Listed Event under Section 5 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**SECTION 9. Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of

communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Board chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Board shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**SECTION 10. Default.** In the event of a failure of the Board to comply with any provision of this Disclosure Certificate, the Holders of at least 25% aggregate principal amount of Outstanding Bonds or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Board to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Board to comply with this Disclosure Certificate shall be an action to compel performance.

**SECTION 11. Duties, Immunities and Liabilities of the Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent permitted by law, the Board agrees to indemnify and hold the Dissemination Agent (if the Dissemination Agent is not the Board) and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. To the extent permitted by law, the Board further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Certificate. The obligations of the Board under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

**SECTION 12. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the Board, the Dissemination Agent, the Underwriters, and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

**SECTION 13. Notices.** All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

(a) If to the Board of Education:

The Board of Education of the  
Township of Lacey  
200 Western Boulevard  
Lanoka Harbor, New Jersey 08734  
Attention: Business Administrator/Board Secretary

(b) Copies of all notices to the Dissemination Agent from time to time with respect to the Bonds, initially:

The Board of Education of the  
Township of Lacey  
200 Western Boulevard  
Lanoka Harbor, New Jersey 08734  
Attention: Business Administrator/Board Secretary

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

**SECTION 14. Counterparts.** This Disclosure Certificate may be executed in any number of counterparts which shall be executed by authorized signatories of the Board and the Dissemination Agent, as applicable, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

**SECTION 15. Severability.** If any one or more of the covenants or agreements in this Disclosure Certificate to be performed on the part of the Board and the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Certificate.

**SECTION 16. Governing Law.** This Disclosure Certificate shall be construed in accordance with and governed by the Laws of the United States of America and the State of New Jersey as applicable.

**THE BOARD OF EDUCATION OF THE  
TOWNSHIP OF LACEY IN THE COUNTY  
OF OCEAN, NEW JERSEY**

By: \_\_\_\_\_  
**CONSTANCE L. STEWART,  
Interim Business Administrator/  
Board Secretary**

**EXHIBIT A**

**NOTICE TO EMMA OF FAILURE  
TO FILE ANNUAL REPORT**

Name of Issuer:           The Board of Education of the  
                                  Township of Lacey  
                                  in the County of Ocean, New Jersey

Name of Issue:           \$28,873,000 School Bonds, Series 2026  
                                  Dated: \_\_\_\_\_, 2026  
                                  (CUSIP Number: 505472\_\_)

Date of Issuance:       \_\_\_\_\_, 2026

NOTICE IS HEREBY GIVEN that the above designated Board has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution and a Continuing Disclosure Certificate for the Bonds dated as of \_\_\_\_\_, 2026 executed by the Board.

DATED: \_\_\_\_\_

\_\_\_\_\_  
**DISSEMINATION AGENT**  
(on behalf of the Board)

cc: The Board

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