

**Quinton Township School District**  
**Board of Education**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2011**

**QUINTON TOWNSHIP SCHOOL DISTRICT**

**QUINTON, NEW JERSEY 08072**

**Quinton Township School Board of Education  
Quinton, New Jersey 08072**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2011**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

Of the

**Quinton Township School Board of Education  
Quinton, New Jersey 08072**

**For the Fiscal Year Ended June 30, 2011**

Prepared by:

**Quinton Township School  
Board of Education Administration**

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## **INTRODUCTORY SECTION**

# Quinton Township School District

8 Robinson Street, P.O. Box 365  
Quinton, NJ 08072

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Heather M. Mayhew  
Business Administrator

Phone: (856) 935-2379  
Fax: (856) 935-1978  
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August 30, 2011

Honorable President and  
Members of the Board of Education  
Quinton Township School District  
County of Salem, New Jersey  
Quinton, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Quinton Township School District for the fiscal year ending June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, MD&A and the basic financial statements including the District-wide statements fund statements, notes to the financial statements, required supplementary information other than MD&A including budgetary comparison schedules and other supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Quinton Township School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments," and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's reports on the internal control and compliance with applicable laws and regulations and findings and recommendations, if any, are included in the single audit section of this report.

## 1. REPORTING ENTITY AND ITS SERVICES

The District provides a full range of educational services appropriate to grade levels pre-K to 8. Approximately fifty percent of Quinton Township high school students attend Salem High School through a sending/receiving relationship, for which the Quinton School District pays tuition. The remaining fifty percent attend high school in the academy programs offered through the Salem County Vocational Technical School. These services include regular, as well as special education for handicapped students. Some special education students are also enrolled in programs outside the District for which tuition is paid.

## 2. ECONOMIC CONDITIONS AND OUTLOOK

Growth of businesses and employment levels are not expected in Quinton Township. Quinton Township has also received several monetary reductions over the past several years. For the 2009-2010 budget year, the Department of Education reduced our state aid by \$320,669. An additional reduction to state aid in the amount of \$454,479 was also made during the 2010-2011 school year. These state aid reductions resulted in numerous cuts to programs and services for the students. Quinton Township received an increase of \$58,591 in the 2011-2012 budget year; however the funds are not enough to compensate for past reductions and budgeting increases.

The future outlook for the District finances continues to depend primarily upon the ability and willingness of the Governor and State Legislature to provide funding for education in an equitable manner, as well as the District's residents to tax themselves for the support of education to the extent of the tax levy cap.

## 3. MAJOR INITIATIVES

The District has continued its commitment toward offering a quality education.

For the year ended June 30, 2011, the District directed its efforts and resources toward the following goals and initiatives:

### Pupil Performance Objectives

1. By June 2011, less than 15% of the students in grades Kindergarten through four will be identified as eligible for basic skills in the area of language arts as a result of the implementation of a Response to Intervention Program.

This objective was not attained as 19.1% of the students in grades kindergarten through four were identified as eligible for basic skills in the area of language arts. Improvement was noted however, and this objective will be continued in 2011-2012.

2. By June 2011, 79% of the students in grades 3, 4, and 5 will attain a score of 200 or above on the New Jersey Assessment of Skills and Knowledge in the area of language arts.

This objective was not attained with 70% of the students in grades 3, 4, and 5 attaining a score of 200 or above on the language arts section of the N.J.A.S.K. Improvement was noted however; and this objective will be continued in the 2011-2012 school year.

3. By June 2011, 80% of the students in grades 6, 7, and 8 will attain a score of 200 or above on the New Jersey Assessment of Skills and Knowledge in the area of mathematics.

This objective was attained with 80% of the students in grades 6, 7, and 8 attaining a score of 200 or above on the mathematics section of the N.J.A.S.K.

As always, all initiatives are based on a complete program of professional development and support. Many in-service programs were offered to the teaching staff that addressed the needs of the teachers. Teachers also attended out-of-district workshops that addressed a variety of topics. Major professional development initiatives included balanced literacy and implementation strategies for the Connected Math Program. All staff development activities were focused on the school mission and goals, the pupil performance objectives and the professional development plans of the certificated staff.

#### 4. MAJOR ACHIEVEMENT

The Quinton Township School was selected as a Governor's School of Excellence for the 2004-2005 school year and received a \$25,000 award. Areas of excellence for which the school was selected include literacy, technology integration, professional development, multi-age early childhood program and parental involvement.

Additionally, the Quinton Township School District was certified for a period of three years by the New Jersey State Board of Education during the 2009-2010 school year and was identified as "high performing." Five major areas were evaluated that included personnel, instruction and program, fiscal management, operations and governance. Quinton Township received 100% in the areas of personnel, fiscal management, and operations. In the areas of instruction and program and governance, 89% and 88% were received respectively.

#### 5. 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 is compiled to allow for the preparation of the financial statements in conformity with generally accepted accounting principles (G.A.A.P.). 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 financial assistance, 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 a 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 financial assistance programs, as well as to determine that the District has compiled with applicable laws and regulations.

#### 6. 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 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, though not applicable, would be approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount 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 the fund balance at year end.

#### 7. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the G.A.S.B. The accounting system of the District is organized on the basis of funds and account groups which are converted from governmental fund balances to net assets.

#### 8. DEBT ADMINISTRATION

At June 30, 2011, the District's outstanding debt issues included \$3,246,000 of general obligation bonds.

#### 9. CASH MANAGEMENT

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

#### 10. RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability, comprehensive/collision, hazard and theft insurance on property and contents, school board liability, workman's compensation and fidelity bonds.

11. OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Petroni & Associates LLC 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 revised OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGMENTS

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

Respectfully submitted,

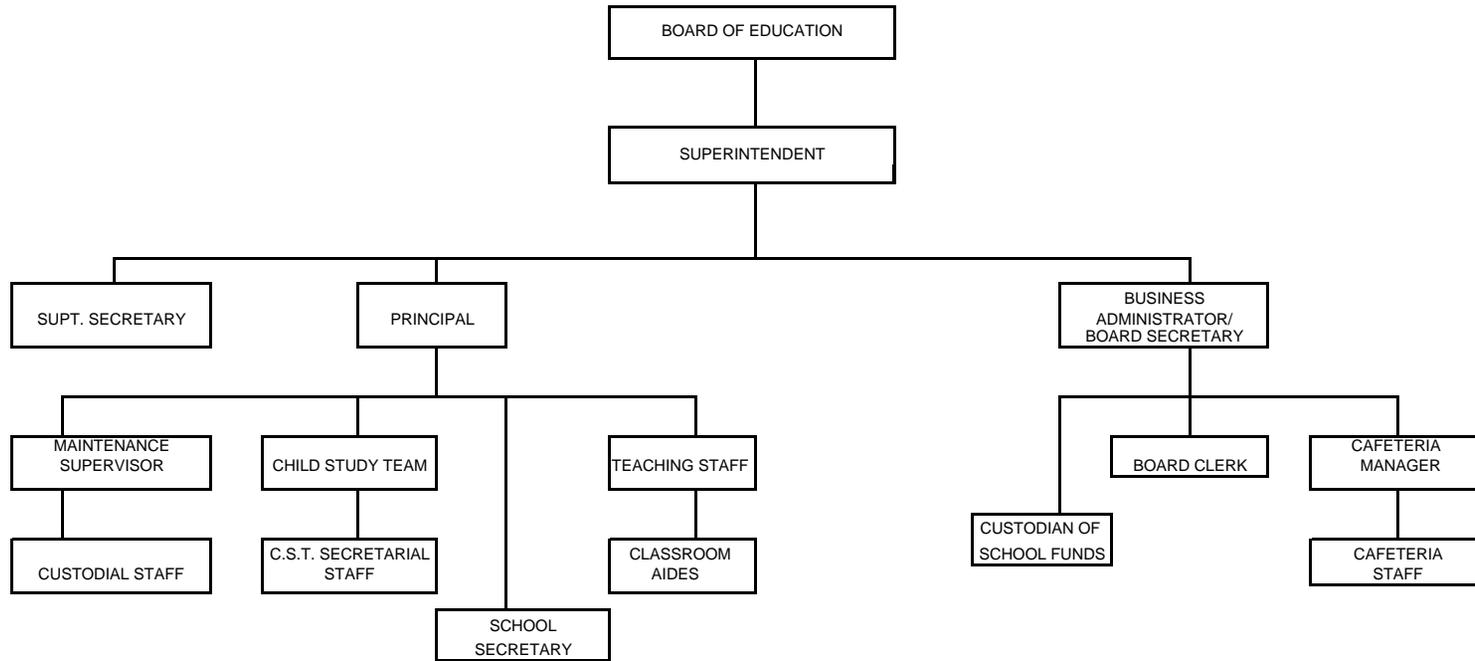
*Donna M. Agnew*

Donna M. Agnew  
Superintendent

*Heather M. Mayhew*

Heather M. Mayhew  
Business Administrator/Board Secretary

## QUINTON TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL STRUCTURE



**QUINTON TOWNSHIP BOARD OF EDUCATION  
QUINTON, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2011**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
Mary Layman, President	2013
Marjorie Wentzell, Vice President	2013
Imogene Brown	2013
Pam DeWilde	2012
Arianne Hegeman	2014
Alice Moore	2012
Tracy Scull	2014
Stacey B. Sickler	2012
Conni Stockton	2014

**OTHER OFFICIALS**

Dr. Donna Agnew, Superintendent

Stewart Potter, Principal

Heather M. Mayhew, Business Administrator/Board Secretary

Sandra Drezgal, Treasurer of School Monies until May 2011

**QUINTON TOWNSHIP BOARD OF EDUCATION**  
**Quinton, New Jersey**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Petroni & Associates LLC  
Certified Public Accountants  
21 West High Street  
P. O. Box 279  
Glassboro, NJ 08028

**ATTORNEY**

George Rosenberger  
Butler, Butler and Rosenberger  
18 North Main Street  
Woodstown, NJ 08098

**NEGOTIATOR**

Parker McCay P.A.  
7001 Lincoln Drive West  
P.O. Box 974  
Marlton, NJ 08053

**FISCAL AGENT**

Wachovia Bank  
230 South Tryon Street, CMCII  
Charlotte, NC 28288-1153

**OFFICIAL DEPOSITORIES**

The Bank  
East Avenue  
Woodstown, NJ 08098

**FINANCIAL SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
21 W. High Street • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and  
Members of the Board of Education  
Quinton Township School District  
8 Robinson Street  
Quinton, New Jersey 08072

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2011, on our consideration of the Quinton Township School Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Budgetary Comparison information referenced in the outline of C.A.F.R. are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 inquires of management about the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542

September 23, 2011

**Required Supplementary Information – Part I**

**Quinton Township School District  
Quinton, NJ**

**Management Discussion & Analysis  
Fiscal Year ended June 30, 2011  
Unaudited**

This section of the Quinton Township School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2011. Comparative financial data between the current year (2010-2011) and the prior year (2009-2010) is included as required by G.A.S.B. No. 34. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

**Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term and long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the District-wide statements.
- The *governmental funds statements* tell how *basic* services such as regular and special education were financed in the *short-term* as well as what remains for future spending.
- *Proprietary funds statements* offer *short-term* and *long-term* financial information about activities the District operates *like businesses*.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

Table 1 below summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**Quinton Township School District  
Quinton, NJ**

**Management Discussion & Analysis  
Fiscal Year ended June 30, 2011  
Unaudited**

**Table 1: Major Features of the District-wide and Fund Financial Statements Fund Financial Statements**

	<b>District-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services is included here	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
<b>Required Financial Statements</b>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses, and changes in fund net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of Asset/Liability</b>	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
<b>Type of Inflow/Outflow Information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**Quinton Township School District  
Quinton, NJ**

**Management Discussion & Analysis  
Fiscal Year ended June 30, 2011  
Unaudited**

**District-wide Financial Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net assets* and how they have changed. Net assets - the difference between the District's assets and liabilities - are one way to measure the District's overall financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall financial condition of the District, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities should be considered.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service program would be included here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes, (such as repaying its long-term debts or completing approved capital projects) or to show that it is properly using certain revenues (such as federal grants).

The District has four kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out; and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

**Quinton Township School District  
Quinton, NJ**

**Management Discussion & Analysis  
Fiscal Year ended June 30, 2011  
Unaudited**

- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flow.
- *Internal service funds:* (the other kind of proprietary fund) are optional and utilized to report activities that provide supplies and services for other District programs and activities. The District currently has one internal service fund.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activity fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

**Financial Analysis of the District as a Whole**

**Assets:** The District's combined total assets are \$8,491,269 on June 30, 2011. Approximately .75% of the total net assets are from business-type activities, while the balance of the total net assets is 99.25%, attributable to governmental activities (see Exhibit A-1).

**Table 2**

	<b>Quinton Township School District's Net Assets</b>					
	<b>FY 2011</b>		<b>FY 2010</b>		<b>Total</b>	
	<u>Governmental</u>	<u>Business- Type</u>	<u>Governmental</u>	<u>Business- Type</u>	<u>FY 2011</u>	<u>FY 2010</u>
<b>Assets</b>						
Current and Other Assets	3,972,098	47,979	869,993	40,783	4,020,077	910,776
Capital Assets	4,454,641	16,551	2,807,002	18,407	4,471,192	2,825,409
<b>Total Assets</b>	<b>8,426,739</b>	<b>64,530</b>	<b>3,676,995</b>	<b>59,190</b>	<b>8,491,269</b>	<b>3,736,185</b>
<b>Liabilities</b>						
Current Liabilities	166,456		100,692	33	166,456	100,725
Noncurrent Liabilities	3,342,490		1,644,166		3,342,490	1,644,166
<b>Total Liabilities</b>	<b>3,508,946</b>		<b>1,744,858</b>	<b>33</b>	<b>3,508,946</b>	<b>1,744,891</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	1,208,641	16,551	1,257,002	18,407	1,225,192	1,275,409
Restricted	3,821,716	7	831,202		3,821,723	831,202
Unrestricted	(112,564)	47,972	(156,067)	40,750	(64,592)	(115,317)
<b>Total Net Assets</b>	<b>4,917,793</b>	<b>64,530</b>	<b>1,932,137</b>	<b>59,157</b>	<b>4,982,323</b>	<b>1,991,294</b>

The District's combined net assets were \$4,982,323 on June 30, 2011. This was an increase of \$2,991,029 or 100.5% of the prior year due to a capital project.

**Quinton Township School District  
Quinton, NJ**

**Management Discussion & Analysis  
Fiscal Year ended June 30, 2011  
Unaudited**

**Table 3 Shows changes in net assets for fiscal year 2011.**

**Changes in net asset** - The District's total revenues are \$9,093,372 for the fiscal period ended June 30, 2011 (see Table 3). Property taxes and state grants and entitlements accounted for 91.8% of the District's revenue, 4.5% is derived from state and federal aid for specific programs, and the remainder, 3.7% from fees charged for services and miscellaneous resources (see Exhibit A-2).

**Table 3**

	FY 2011		FY 2010		Total	
	Governmental	Business- Type	Governmental	Business- Type	FY 2011	FY 2010
<b>Revenues</b>						
Program Revenues						
Charges for services	55,568	63,042	65,134	66,349	118,610	131,483
Federal & State categorical grants	326,664	91,488	473,862	100,775	418,152	574,637
General Revenues						
Property Taxes	2,245,525		2,143,253		2,245,525	2,143,253
Grants and Entitlements	6,099,451		3,506,715		6,099,451	3,506,715
Other	211,634		190,374		211,634	190,374
<b>Total Revenues</b>	<b>8,938,842</b>	<b>154,530</b>	<b>6,379,338</b>	<b>167,124</b>	<b>9,093,372</b>	<b>6,546,462</b>
<b>Expenses</b>						
Instruction-related	2,135,269		2,497,038		2,135,269	2,497,038
Tuition and student support services	1,423,069		1,299,103		1,423,069	1,299,103
General administration	225,433		227,213		225,433	227,213
School administration	101,315		93,270		101,315	93,270
Central services	126,528		121,487		126,528	121,487
Administrative information tech.	2,407		6,826		2,407	6,826
Plant operations & maintenance	450,026		391,593		450,026	391,593
Security	11,466		11,163		11,466	
Pupil transportation	348,761		437,155		348,761	437,155
Employee benefits	966,144		1,042,688		966,144	1,042,688
Interest on debt	62,450		66,650		62,450	66,650
Capital outlay	671		21,049		671	21,049
Food service		149,157		142,979	149,157	142,979
Depreciation	99,647		87,676		99,647	87,676
<b>Total Expenses</b>	<b>5,953,186</b>	<b>149,157</b>	<b>6,302,911</b>	<b>142,979</b>	<b>6,102,343</b>	<b>6,445,890</b>
<b>Increase (decrease) in Net Assets</b>	<b>2,985,656</b>	<b>5,373</b>	<b>76,427</b>	<b>24,145</b>	<b>2,991,029</b>	<b>100,572</b>

The District's predominant expenses are related to instruction and student support services, which is approximately 58.3%. Employee benefits make up 15.8% of the District's expenses. Another 7.5% is related to Administrative and Business departments, 5.7% for transportation expenses and 7.3% is related to Maintenance & Operations.

**Quinton Township School District  
Quinton, NJ**

**Management Discussion & Analysis  
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Unaudited**

Interest on debt made up 1% and food service 2.4% of the overall expenditures. The remaining 1.6% is depreciation and capital outlay.

**Governmental Activities**

Revenues for governmental activities (Exhibit B-2) were \$8,883,274 while total expenses amounted to \$7,670,212 and bond proceeds of \$1,821,000. This resulted in an increase in net assets in governmental activities of \$3,034,062 for FY 2011.

Overall, the District's financial position can be credited to capital projects revenue of \$2,717,885 offset by decreased revenue of \$148,815 and controlling expenses due to the impending state budget crisis, and the District securing grants to supplement local and state funding.

**Business-Type Activities**

Revenues of the District's business-type activities (food and nutrition services) were comprised of charges for services, federal and state reimbursements and investment earnings.

- Business-type activities revenues exceeded expenses by \$5,373 (Exhibit B-5).
- Charges for services represent \$63,042 of revenue. This represents amounts paid by patrons for daily food service.
- Federal and state reimbursements for meals (which includes payments for free and reduced lunches and breakfast), and donated commodities was \$91,488.

**Financial Analysis of the District's Funds**

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$3,794,059 (See Exhibit B-2). Tuition exceeded the amounts anticipated in the 2010-2011 budget by \$110,198. The District also controlled expenditures resulting in increased fund balance as well.

**General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fell into two categories:

- Transfers between budgetary line accounts to prevent overruns.
- Transfers from capital reserve to capital projects account.

The District's final budget anticipated utilizing \$200,138 in fund balance and legal reserves to fund the appropriation plan for this fiscal period. Due to the impending State budget crisis, actual expenditures in the last quarter of the fiscal year were minimal; this led to an increase of \$3,034,062 in fund balance of which \$2,787,180 is attributable to capital projects.

**Quinton Township School District  
Quinton, NJ**

**Management Discussion & Analysis  
Fiscal Year ended June 30, 2011  
Unaudited**

**Capital Asset and Debt Administration**

**Capital Assets**

The Quinton Township School District's investment in capital assets for its governmental and business type activities as of June 30, 2011, amounts to \$4,471,408 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment and furniture (see Table 4) (more detailed information about capital assets can be found in Note 7 to the financial statements). The total increase in capital assets for the current fiscal year was 58% due to phase I capital projects being completed.

**Table 4**

	Quinton Township School District's Capital Assets							
	FY 2011			FY 2010			Total	
	Governmental	Fiduciary	Business- Type	Governmental	Fiduciary	Business- Type	FY 2011	FY 2010
Land	8,757			8,757			8,757	8,757
Construction in progress	723,942			230,010			723,942	230,010
Site improvements	62,217			70,266			62,217	70,266
Buildings	3,522,371			2,350,896			3,522,371	2,350,896
Machinery & equipment	137,354	216	16,551	147,073	1,288	18,407	154,121	166,768
<b>Total</b>	<b>4,454,641</b>	<b>216</b>	<b>16,551</b>	<b>2,807,002</b>	<b>1,288</b>	<b>18,407</b>	<b>4,471,408</b>	<b>2,826,697</b>

**Long-Term Debt**

At year-end, the District had \$3,342,490 of outstanding debt. Of this amount, \$3,246,000 is serial bonds outstanding. During fiscal year 1999-2000, the District sold \$2.31 million in general obligation bonds to help finance facilities construction and improvements throughout the District. During fiscal year 2007-2008, the District initiated a debt service refinancing. During fiscal year 2010-2011, the District sold 1.821 million in general obligation bonds to help finance facilities construction and improvements throughout the District. The balance of \$96,490 is for compensated absences.

**Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The collective bargaining contract expired on June 30, 2010. The settlement may be difficult to fund with no state aid increase and a 2% tax levy cap.
- The District's special revenue is an unpredictable revenue source. The District avails itself of every grant opportunity to increase educational opportunities for the students.
- Special Education costs are highly unpredictable and have increased. Several unanticipated out of district special education placements have created a financial burden.

**Quinton Township School District  
Quinton, NJ**

**Management Discussion & Analysis  
Fiscal Year ended June 30, 2011  
Unaudited**

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability of the money it receives. If you have questions about this report or need additional financial information, contact Heather M. Mayhew, Business Administrator, Quinton Township School District, P.O. Box 365, 8 Robinson Street, Quinton, NJ 08072.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Net Assets  
June 30, 2011

	Governmental Activities	Business-type Activities	Total Governmental Funds FY 2011
<u>ASSETS</u>			
Cash and cash equivalents	514,982	41,989	556,971
Receivables, net	2,981,174	99	2,981,273
Inventory		5,891	5,891
Restricted assets:			
Cash and cash equivalents	428,324		428,324
Capital reserve account - cash	47,618		47,618
Capital assets			
Non-depreciable assets	732,699		732,699
Assets net of depreciation	3,721,942	16,551	3,738,493
<b>Total Assets</b>	<b>8,426,739</b>	<b>64,530</b>	<b>8,491,269</b>
<u>LIABILITIES</u>			
Accounts payable	60,569		60,569
Cash overdraft	105,887		105,887
Noncurrent liabilities:			
Due within one year	195,212		195,212
Due beyond one year	3,147,278		3,147,278
<b>Total liabilities</b>	<b>3,508,946</b>		<b>3,508,946</b>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	1,208,641	16,551	1,225,192
Restricted for:			
Capital projects	2,946,657		2,946,657
Other purposes	875,059	7	875,066
Unrestricted	(112,564)	47,972	(64,592)
<b>Total net assets</b>	<b>4,917,793</b>	<b>64,530</b>	<b>4,982,323</b>

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Activities  
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	1,520,650			(1,520,650)		(1,520,650)
Special education	538,101	55,568	287,702	(194,831)		(194,831)
Other special education	55,376			(55,376)		(55,376)
Other instruction	21,142			(21,142)		(21,142)
Support services:						
Tuition	1,002,081			(1,002,081)		(1,002,081)
Student & instructional related services	420,988		19,708	(401,280)		(401,280)
General administrative services	225,433			(225,433)		(225,433)
School administrative services	101,315			(101,315)		(101,315)
Central services	126,528			(126,528)		(126,528)
Administration information technology	2,407			(2,407)		(2,407)
Plant operations & maintenance	450,026			(450,026)		(450,026)
Security	11,466			(11,466)		(11,466)
Pupil transportation	348,761			(348,761)		(348,761)
Employee benefits	966,144		19,254	(946,890)		(946,890)
Interest on long-term debt	62,450			(62,450)		(62,450)
Capital outlay	671			(671)		(671)
Unallocated depreciation	99,647			(99,647)		(99,647)
Total governmental activities	5,953,186	55,568	326,664	(5,570,954)		(5,570,954)
Business-type activities:						
Food service	149,157	63,042	91,488		5,373	5,373
Total business-type activities	149,157	63,042	91,488		5,373	5,373
Total primary government	6,102,343	118,610	418,152	(5,570,954)	5,373	(5,565,581)
General revenues:						
Taxes:						
Property taxes, levied for general purpose				2,133,830		2,133,830
Taxes levied for debt service				111,695		111,695
Federal and State aid not restricted				3,381,566		3,381,566
State aid restricted				2,717,885		2,717,885
Tuition charges				189,818		189,818
Investment Earnings				6,754		6,754
Miscellaneous Income				15,062		15,062
Total general revenues, special items, extraordinary items and transfers				8,556,610		8,556,610
Change in net assets				2,985,656	5,373	2,991,029
Net assets - beginning				1,932,137	59,157	1,991,294
Net assets - end				4,917,793	64,530	4,982,323

See accompanying notes to the basic financial statements.

**FUND FINANCIAL STATEMENTS**

QUINTON TOWNSHIP SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2011

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds FY 2011
<u>ASSETS</u>					
Cash and cash equivalents	504,956			428,324	933,280
Tax levy receivable	355,638		18,616		374,254
Receivables from other governments	51,683	82,965		2,470,715	2,605,363
Restricted cash and cash equivalents	47,618				47,618
<b>Total assets</b>	<b>959,895</b>	<b>82,965</b>	<b>18,616</b>	<b>2,899,039</b>	<b>3,960,515</b>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Cash overdraft		87,271	18,616		105,887
Accounts payable	55,774	4,795			60,569
<b>Total liabilities</b>	<b>55,774</b>	<b>92,066</b>	<b>18,616</b>		<b>166,456</b>
Fund balances:					
Restricted for:					
Capital reserve account	47,618				47,618
Excess surplus - current year	373,318				373,318
Excess surplus - prior year					
Designated for subsequent year's expenditures	471,741				471,741
Capital projects fund				2,899,039	2,899,039
Committed to:					
Other purposes	28				28
Assigned to:					
Designated by the B.O.E. for subsequent year's expenditures	30,000				30,000
Unassigned:					
General fund	(18,584)				(18,584)
Special revenue fund		(9,101)			(9,101)
<b>Total fund balances</b>	<b>904,121</b>	<b>(9,101)</b>		<b>2,899,039</b>	<b>3,794,059</b>
<b>Total liabilities and fund balances</b>	<b>959,895</b>	<b>82,965</b>	<b>18,616</b>	<b>2,899,039</b>	

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2011

	<u>FY 2011</u>
Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$6,855,839 and the accumulated depreciation is \$2,401,198 (see Note 6).	4,454,641
Internal Service Funds are used by management to charge the costs of certain activities, such as transportation and food service to other governments. Assets and liabilities of the Internal Service Funds of \$11,583 are included in governmental activities in the Statement of Net Assets.	11,583
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).	<u>(3,342,490)</u>
Net assets of governmental activities	<u><u>4,917,793</u></u>

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds FY 2011
<b>REVENUES</b>					
Local tax levy	2,133,830		111,695		2,245,525
Tuition charges	189,818				189,818
Interest earned on investments	6,600				6,600
Interest earned on capital reserve funds	154				154
Miscellaneous	15,062	4,253			19,315
	2,345,464	4,253	111,695		2,461,412
State sources	3,305,811	95,805	75,755	2,717,885	6,195,256
Federal sources		226,606			226,606
Total revenues	5,651,275	326,664	187,450	2,717,885	8,883,274
<b>EXPENDITURES</b>					
Current:					
Regular instruction	1,517,731				1,517,731
Special education instruction	196,840	287,702			484,542
Other special instruction	57,701				57,701
Other instruction	21,142				21,142
Support services & undistributed costs:					
Tuition	1,002,081				1,002,081
Student & instruction related services	394,026	19,708			413,734
General administrative services	215,268				215,268
School administrative services	101,315				101,315
Central services	126,528				126,528
Administration information technology	2,407				2,407
Plant operations and maintenance	446,032				446,032
Security	11,466				11,466
Pupil transportation	348,761				348,761
Employee benefits	946,890	19,254			966,144
Debt service:					
Principal			125,000		125,000
Interest and other charges			62,450		62,450
Capital outlay	16,205			1,751,705	1,767,910
Total expenditures	5,404,393	326,664	187,450	1,751,705	7,670,212
Excess (deficiency) of revenues over expenditures	246,882			966,180	1,213,062
Other financing sources (uses)					
Bond proceeds				1,821,000	1,821,000
Total other financing sources (uses)				1,821,000	1,821,000
Net change in fund balances	246,882			2,787,180	3,034,062
Fund balance - July 1	657,239	(9,101)		111,859	759,997
Fund balance - June 30	904,121	(9,101)		2,899,039	3,794,059

See accompanying notes to the basic financial statements.

QUINTON 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, 2011

Total net change in fund balances - governmental funds (from B-2)	3,034,062
<p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p>	
<p>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.</p>	
Capital outlays	1,767,239
Depreciation expense	(119,600)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.</p>	
Bond proceeds	(1,821,000)
Bond principal payments	125,000
<p>Internal Service Funds are used by management to charge the costs of certain activities, such as shared business services and child study team consortium. The operating income \$2,279 are included in the governmental activities and Statement of Activities.</p>	
	2,279
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences 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 (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>	
	(2,324)
Change in net assets of governmental activities	2,985,656

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Net Assets  
Proprietary Funds  
June 30, 2011

	Business-type Activities - Food Service Fund FY 2011	Governmental Activities - Internal Service Fund
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	41,989	10,026
Accounts receivable	99	1,557
Inventories	5,891	
Total current assets	47,979	11,583
Noncurrent assets:		
Furniture, machinery & equipment	83,140	
Less: accumulated depreciation	(66,589)	
Total noncurrent assets	16,551	
Total assets	64,530	11,583
<b>LIABILITIES</b>		
Accounts payable		
Total liabilities		
<b>NET ASSETS</b>		
Invested in capital assets net of related debt	16,551	
Year-end encumbrances	7	
Unrestricted	47,972	11,583
Total net assets	64,530	11,583

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 Proprietary Fund  
 For the Year Ended June 30, 2011

	Business-type Activities - Food Service Fund	Governmental Activities - Internal Service Fund
<b>OPERATING REVENUES:</b>		
Local sources:		
Daily sales-reimbursable programs:	44,134	
Daily sales non-reimbursable programs	18,908	
Other charges and fees		55,568
Total operating revenue	63,042	55,568
<b>OPERATING EXPENSES:</b>		
Salaries	48,490	32,478
Employee benefits	3,703	11,212
Purchased professional educational services		9,599
Purchased professional technical services	1,941	
Supplies and materials	544	
Cost of sales	92,623	
Depreciation	1,856	
Total operating expenses	149,157	53,289
Operating income (loss)	(86,115)	2,279
<b>NON-OPERATING REVENUES:</b>		
State sources:		
National school lunch program - state	2,041	
Federal sources:		
National school lunch program	63,301	
National school breakfast program	16,808	
Food distribution program	9,338	
Total non-operating revenues (expenses)	91,488	
Income (loss) before operating transfers	5,373	2,279
Net income (loss)	5,373	2,279
Total net assets - beginning	59,157	9,304
Total net assets - ending	64,530	11,583

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2011

	Business-type Activities - Food Service Fund	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Receipts from customers	63,042	55,554
Payments to suppliers	(79,155)	(9,599)
Payments to employees	(48,490)	(32,478)
Payments for employee benefits	(3,703)	(11,212)
Net cash provided (used) by operating activities	<u>(68,306)</u>	<u>2,265</u>
Cash flows from non-capital financing activities:		
Cash received from state & federal reimbursements	<u>88,839</u>	
Net cash provided by non-capital financing activities	<u>88,839</u>	
Net increase in cash and cash equivalents	20,533	2,265
Cash and cash equivalents - July 1	<u>21,456</u>	<u>7,761</u>
Cash and cash equivalents - June 30	<u>41,989</u>	<u>10,026</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(86,115)	2,279
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Depreciation	1,856	
Food distribution program	9,338	
Change in assets and liabilities:		
(Increase) decrease in accounts receivable		(14)
(Increase) decrease in inventory	6,648	
Increase in accounts payable	(33)	
	<u>(68,306)</u>	<u>2,265</u>

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2011

	Technology Trust	Unemployment Compensation Trust	Agency Funds	FY 2011
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	53,256	18,547	19,120	90,923
Total assets	53,256	18,547	19,120	90,923
Noncurrent assets:				
Furniture, machinery & equipment	8,037			8,037
Less: accumulated depreciation	(7,821)			(7,821)
Total noncurrent assets	216			216
Total assets	53,472			91,139
<b>LIABILITIES</b>				
Current liabilities:				
Due to student groups			15,665	15,665
Payroll deductions and withholdings			3,455	3,455
Total current liabilities			19,120	19,120
<b>NET ASSETS:</b>				
Invested in capital assets net of of related debt	216			216
Held in trust for:				
Unemployment claims		18,547		18,547
Technology expenditures	53,256			53,256
Total net assets	53,472	18,547		72,019

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Assets  
For the Fiscal Year Ended June 30, 2011

	Trust Funds		FY 2011
	Technology Trust	Unemployment Compensation Trust	
ADDITIONS:			
Contributions:			
Plan members		4,635	4,635
Others	24,796		24,796
Total contributions	24,796	4,635	29,431
Investment earnings:			
Interest	163	91	254
Total investment earnings	163	91	254
Total additions	24,959	4,726	29,685
DEDUCTIONS:			
Equipment	14,018		14,018
General supplies	4,375		4,375
Unemployment claims		26,327	26,327
Depreciation	1,072		1,072
Total deductions	19,465	26,327	45,792
Change in net assets	5,494	(21,601)	(16,107)
Net assets July 1	47,978	40,148	88,126
Net assets June 30	53,472	18,547	72,019

See accompanying notes to the basic financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Introduction**

The Quinton Township School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials who are 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.

The financial statements of the Board of Education of Quinton Township School District have been prepared in conformity with accounting principles generally accepted in the United States of America (G.A.A.P.) as applied to governmental units. The Governmental Accounting Standards Board (G.A.S.B.) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (G.A.S.B.) and the pronouncements of the Financial Accounting Standards Board (F.A.S.B.) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict (G.A.S.B.) pronouncements. Although the District has the option to apply (F.A.S.B.) pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in (G.A.A.P.) and used by the District are discussed below.

**A. Reporting Entity**

The Quinton Township School District is a Type II District located in the County of Salem, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms each. The purpose of the District is to educate students in grades K – 8.

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

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

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

**B. Government-wide Statements**

The School District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds.) Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general, special revenue, capital projects and debt service are classified as governmental activities. The District's food service and latchkey programs are classified as business-type activities.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-wide Statements (Continued)**

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net costs of each of the District's functions and business-type activities (food service and latchkey). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student and instruction related services, etc.) or business-type activities. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The District does not allocate indirect costs such as depreciation expense, on-behalf T.P.A.F. Pension contributions, and T.P.A.F. Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

**C. Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The District reports the following governmental funds:

**GOVERNMENTAL FUNDS**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

**General Fund** - The General Fund is the general operating fund of the District. It 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 non-instructional equipment which are classified in the Capital Outlay subfund.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Fund Financial Statements (Continued)**

**General Fund (Continued)** - As required by the New Jersey State Department of Education, the District included 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 fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal governments, (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.

**PROPRIETARY FUNDS**

The focus of the Proprietary funds measurement is upon the determination of operating income, changes in net assets, financial position and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following is a description of the proprietary funds of the District:

**Enterprise Funds** - The Enterprise Funds account for all revenues and expenses pertaining to the Board's operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

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

**Internal Service Fund** - The Internal Service Fund accounts for the financing of services provided by one department to other departments of the School District, or to other governments on a cost-reimbursement basis.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Fund Financial Statements (Continued)**

**FIDUCIARY FUNDS**

Fiduciary Funds are used to report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments and therefore not available to support District programs. The reporting focus is on net assets. Changes in net assets and are reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. G.A.S.B. No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The fiduciary funds include Student Activity Fund, Payroll, Payroll Agency Funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported on the financial statements. It also related to the timing of the measurement made regardless of the measurement focus applied.

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that 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. Proceeds of general obligation long-term debt, if any, is recognized when due.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from G.A.A.P. in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Accounting (Continued)**

related revenues, whereas the G.A.A.P. basis does not. Sufficient supplemental records are maintained to allow for the presentation of G.A.A.P. basis financial reports.

**E. Cash and Cash Equivalents**

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts 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 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.

For purposes of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of Governmental Unit Deposit Protection Act (G.U.D.P.A.). G.U.D.P.A. was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a 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 of at least 5% 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.

**F. Inventories**

Inventories in the General Fund consist of expendable supplies held for the District's use and are carried at cost using first-in first-out method. Inventories in the Enterprise Fund are valued at cost, which approximates market, using first-in first-out method. Inventory in the Food Service Fund at June 30, 2011, consisted of the following:

Food - commodities	2,338
Food	3,553
	<u>5,891</u>

The value of federal donated commodities are reflected in Schedule A (required by Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Capital Assets**

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical costs or estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is computed using the straight-line method over the estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site improvements	15-20
Building & improvements	20-50
Machinery & equipment	5-20

**H. Revenues**

Substantially all governmental fund revenue is accrued. Property taxes are susceptible to accrual and 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 moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue based on G.A.S.B. No. 33. In applying G.A.S.B. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**I. Expenditures**

Expenses are recognized when the related fund liability is incurred. Inventory costs reported in the period when inventory items are used, rather than in the period purchased.

**J. Compensated Absences**

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

In governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absence liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Interfund Receivables/Payables**

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the Statement of Net Assets, except for amounts due between governmental and business-type activities or governmental and agency funds, which are presented as internal balances.

**L. Accrued Salaries and Wages**

None of the School District's 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.

**M. 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 for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the 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. 6:23-2(g). Budget amendments/transfers of appropriations must be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The Capital Projects Fund presents the remaining project appropriations compared to current year expenditures.

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.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Budgets/Budgetary Control (Continued)**

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

**N. 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 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.

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.

**O. Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

**P. 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 and 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. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**Q. 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 attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. Extraordinary and Special Items**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**S. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

**NOTE 2: CASH AND CASH EQUIVALENTS**

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (G.U.D.P.A.) or in qualified investments established in New Jersey Statutes N.J.S.A. 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2011 and 2010, was \$1,017,949 and \$591,648. As of June 30, 2011 and 2010, \$0 of the District's bank balance of \$1,798,356 and \$845,208, respectively, was exposed to Custodial Credit Risk.

**NOTE 3: INVESTMENTS**

As of June 30, 2011 and 2010, the District did not have any investments.

Interest Rate Risk - The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statute N.J.S.A. 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk - New Jersey Statute N.J.S.A. 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are: Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk - The District places no limit on the amount the District may invest in any one issuer.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 4: RECEIVABLES**

Receivables at June 30, 2011, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	Governmental Activities	Business- Type Activities
State Aid	51,683	99
Township of Quinton	374,254	
Other LEA's	9,611	
School Development Authority	2,470,715	
Federal Aid	73,354	
	2,979,617	99

**NOTE 5: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Board of Education by inclusion of \$1,000 in the 2000/2001 budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. 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 (L.R.F.P.). Upon submission of the L.R.F.P. to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A 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-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved L.R.F.P.

The June 30, 2011, L.R.F.P. balance of local support costs of uncompleted capital projects is \$1,833,200.

Beginning balance, July 1, 2010	47,464
Interest earnings	154
Withdrawals -	
Board resolution	None
Ending balance June 30, 2011	47,618

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 6: CAPITAL ASSETS**

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2011.

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance</u> <u>June 30, 2011</u>
Governmental activities:				
Capital assets not being depreciated				
Construction in progress	230,010	1,751,705	1,257,773	723,942
Sites (land)	<u>8,757</u>			<u>8,757</u>
Total capital assets not being depreciated	<u>238,767</u>	<u>1,751,705</u>	<u>1,257,773</u>	<u>732,699</u>
Site improvements	195,983			195,983
Building & building improvements	3,874,344	1,257,773		5,132,117
Machinery & equipment	<u>815,806</u>	<u>15,534</u>	<u>36,300</u>	<u>795,040</u>
Totals at historical cost	<u>4,886,133</u>	<u>1,273,307</u>	<u>36,300</u>	<u>6,123,140</u>
Less: accumulated depreciation				
Site improvements	(125,717)	(8,049)		(133,766)
Building & building improvements	(1,523,448)	(86,298)		(1,609,746)
Machinery & equipment	<u>(668,733)</u>	<u>(25,253)</u>	<u>36,300</u>	<u>(657,686)</u>
Total accumulated depreciation	<u>(2,317,898)</u>	<u>(119,600)</u>	<u>36,300</u>	<u>(2,401,198)</u>
Governmental activities capital assets, net	<u>2,807,002</u>	<u>2,905,412</u>	<u>1,257,773</u>	<u>4,454,641</u>
Business-type activities:				
Machinery & equipment	83,140			83,140
Less: accumulated depreciation	<u>(64,733)</u>	<u>(1,856)</u>		<u>(66,589)</u>
Business-type capital assets, net	<u>18,407</u>	<u>(1,856)</u>		<u>16,551</u>
Fiduciary-type activities:				
Machinery & equipment	8,037			8,037
Less: accumulated depreciation	<u>(6,749)</u>	<u>(1,072)</u>		<u>(7,821)</u>
	<u>1,288</u>	<u>(1,072)</u>		<u>216</u>

Depreciation was charged to the following governmental programs:

Instruction	6,999
Support administration	8,960
Operation and maintenance	3,994
Unallocated	<u>99,647</u>
Total	<u>119,600</u>

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 7: GENERAL LONG-TERM DEBT**

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

\$1,705,000 School Refunding Bonds dated November 20, 2009, payable in annual installments through March 1, 2021. Interest is paid semi-annually at an interest rate from 3.5% to 4.125%. The remaining balance at June 30, 2011, was \$1,425,000.

\$1,821,000 School Bonds dated July 29, 2010, payable in annual installments through February 15, 2029. Interest is paid semi-annually at an interest rate from 2% to 4%. The remaining balance at June 30, 2011, was \$1,821,000.

Long-term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2011, are as follows:

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011	Due within one year
Compensated absences	94,166	10,230	7,906	96,490	5,212
Bonds payable	1,550,000	1,821,000	125,000	3,246,000	190,000
	<u>1,644,166</u>	<u>1,831,230</u>	<u>132,906</u>	<u>3,342,490</u>	<u>195,212</u>

Bonds Payable

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

Year Ended June 30	Principal	Interest	Total
2012	190,000	153,286	343,286
2013	200,000	113,313	313,313
2014	210,000	106,713	316,713
2015	220,000	99,813	319,813
2016	225,000	92,613	317,613
2017-2021	1,231,000	336,980	1,567,980
2022-2026	580,000	149,800	729,800
2027-2029	390,000	31,200	421,200
	<u>3,246,000</u>	<u>1,083,718</u>	<u>4,329,718</u>

Bonds Authorized but Not Issued

As of June 30, 2011, the Board has \$0 of bonds authorized but not issued.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)**

Other

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in governmental funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year end) on the District-wide financial statements.

For the year ended June 30, 2011, it is not necessary for the Board to establish a liability for arbitrage rebate.

Compensated absences are recorded as long-term liabilities due in more than one year.

**NOTE 8: PENSION FUNDS**

Description of Plans - All eligible employees of the District are covered by the Public Employees' Retirement System, (P.E.R.S.), or Teachers' Pension and Annuity Fund (T.P.A.F.) a cost-sharing multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System. The reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625 or can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts\\_archieve.htm](http://www.state.nj.us/treasury/pensions/annrpts_archieve.htm).

Teachers' Pension and Annuity Fund (T.P.A.F.) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing, multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified titles.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 8: PENSION FUNDS (CONTINUED)**

Public Employees' Retirement System (P.E.R.S.) - The Public Employees' Retirement System (P.E.R.S.) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide retirement, death disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system or other state or local jurisdiction.

Funding Policy - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and N.J.S.A. 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. P.E.R.S. and T.P.A.F. provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in P.E.R.S. and T.P.A.F. The P.E.R.S. rates in effect for April 2011, are 11.05% of covered payroll, respectively as reported on June 30, 2009. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The District's contributions to P.E.R.S. for the years ending June 30, 2011, 2010 and 2009 were \$56,799, \$34,853 and \$31,109 respectively, equal to the required contributions for each year. The School District's contributions to T.P.A.F. for the years ending June 30, 2011, 2010 and 2009 were \$150,592, \$147,866 and \$141,838 respectively, and paid by the State of New Jersey on behalf of the Board, equal to the required contributions for each year.

The Board's total payroll for the year ended June 30, 2011, 2010 and 2009 were \$2,685,994, \$2,864,687 and \$2,837,436, covered payroll was \$2,099,324, \$2,273,100 and \$2,210,872 for T.P.A.F. and \$401,304, \$451,623 and \$489,709 for P.E.R.S.

Defined Contribution Retirement Program – The Defined Contribution Retirement Program (D.C.R.P.) is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.A.C. 43:15C-1 et. seq.). The D.C.R.P. provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provision 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. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District contributed \$452 for the fiscal year 2011. No contribution was made in 2010 or 2009, as no employees participated in this plan.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 9: POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (T.P.A.F.) and the Public Employees' Retirement System (P.E.R.S.), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the T.P.A.F. and P.E.R.S. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

**NOTE 10: COMPENSATED ABSENCES**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. The District's policy permits Association employees to accumulate 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 if the employee has a minimum of 100 days in accordance with District's agreements with the various employee unions. The District uses the vesting method to record the liability.

For the District-wide *Statement of Net Assets*, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year. The liability for compensated absences in the governmental fund at June 30, 2011, is \$96,490. The liability for compensated absences in the food service fund at June 30, 2011, is \$0.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 11: DEFERRED COMPENSATION**

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). 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:

ING	Lincoln Investment Planning, Inc.
Diversified Investment Advisors	MetLife

**NOTE 12: RISK MANAGEMENT**

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

Property and Liability Insurance:

The District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (Exhibit J-20) of this Comprehensive Annual Financial Report. During the fiscal year ended June 30, 2011, the District did not incur claims in excess of their coverage.

The District is a member of the New Jersey School Boards Association Insurance Group - ERIC - South. The purpose of this is to permit member Boards of Education to make use of their powers and resources by cooperating on a basis that will be of mutual advantage and to provide a procedure for development, administration, and provision of Risk Management Programs, a Joint Self Insurance Fund, Joint Insurance Purchases and related services for members and their employees for the following:

- Workers Compensation and Employers Liability
- Automobile and Equipment Liability
- General Liability and Property Damage
- School Board Legal Liability
- Boiler and Machinery

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 District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 12: RISK MANAGEMENT (CONTINUED)**

New Jersey Unemployment Compensation Insurance: (Continued)

<u>Fiscal Year</u>	<u>Interest Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	91	4,635	26,327	18,547
2009-2010	141	4,927	12,308	40,148
2008-2009	321	5,037	14,459	47,388

**NOTE 13: LABOR CONTRACTS**

As of June 30, 2011, the District's employees are organized in the Quinton Education Association collective bargaining unit which expired June 30, 2010.

**NOTE 14: OTHER EMPLOYEE BENEFITS PLAN**

Effective July 1, 2010, Quinton Township School District entered into a pre-tax benefits plan with AFLAC. The purpose of the plan is to provide eligible employees with the opportunity to choose from among the fringe benefits under the plan. The plan is intended to qualify as a cafeteria plan under the provisions of Internal Revenue Code Section 125. The Dependent Care Expense Reimbursement Plan is intended to qualify as Internal Revenue Code Section 129 dependent care assistance plan, and the Medical Care Expense Reimbursement Plan it intended to qualify as Internal Revenue Code Section 105 medical reimbursement plan. The maximum amount, which a participant may make as contributions, shall be \$1,500 for medical care expenses and \$5,000 for dependent childcare expenses.

**NOTE 15: OPERATING LEASES**

The District has commitments to lease a postage machine under non-cancelable operating leases spanning five years. Total lease payments made during the year ended June 30, 2011 amounted to \$588. Future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2012	7,428
2013	7,428
2014	7,134
	<u>21,990</u>

**NOTE 16: FUND BALANCE APPROPRIATED**

General Fund – (Exhibit B-1) Of the \$904,121 fund balance at June 30, 2011, \$845,059 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$471,741 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012); \$47,618 has been reserved in the capital reserve account; \$30,000

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 16: FUND BALANCE APPROPRIATED (CONTINUED)**

General Fund - (Continued)

has been appropriated and included as anticipated revenue for the year ending June 30, 2012; and \$(18,584) is unreserved and undesignated.

Debt Service Fund - There was \$0 fund balance at June 30, 2011.

**NOTE 17: CALCULATION OF EXCESS SURPLUS**

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant N.J.S.A. 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011, is \$845,059.

**NOTE 18: DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$18,584 (Exhibit B-1) in the General Fund and \$9,101 in the Special Revenue Fund as of June 30, 2011, as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, G.A.S.B. Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the School District cannot recognize the last state aid payment on the G.A.A.P. financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

**NOTE 19: ECONOMIC DEPENDENCY**

The District is heavily reliant on state sources to fund the District operations. State sources funded approximately 56% of the District's 2010-2011 governmental operations excluding capital projects.

**NOTE 20: RECENT ACCOUNTING PRONOUNCEMENT**

In February 2009, the Governmental Accounting Standards Board (G.A.S.B.) adopted Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement is effective for fiscal periods beginning after June 15, 2010. The effective date for the District is the fiscal year beginning July 1, 2010. The objective of the statement is to enhance the usefulness of fund balance information providing clearer fund balance classifications and clarifying the existing fund balance type definitions.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 21: SUBSEQUENT EVENTS**

On September 8, 2011, the District awarded a \$2,470,000 grant anticipation note in connection with the Schools Development Authority grant which is to mature on September 7, 2012, at 1.55% per annum.

**NOTE 22: CONTINGENT LIABILITIES**

The School District participates in federal and state assisted 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.

It is the opinion of the administration and legal counsels, there exists no litigation or contingent liability that may be pending against the Quinton Township School District that would have a material or adverse effect on the Board or the financial position of the District.

**Required Supplementary Information - Part II**

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	2,133,830		2,133,830	2,133,830	
Tuition from individuals	24,800		24,800	27,962	3,162
Tuition from LEA's	54,820		54,820	161,856	107,036
Interest on investments	2,000		2,000	6,600	4,600
Interest on capital reserve funds	125		125	154	29
Miscellaneous				15,062	15,062
Total - local sources	<u>2,215,575</u>		<u>2,215,575</u>	<u>2,345,464</u>	<u>129,889</u>
State sources:					
Equalization aid	2,460,502		2,460,502	2,460,502	
Transportation aid	189,107		189,107	189,107	
Special education aid	182,826		182,826	182,826	
Security aid	71,489		71,489	71,489	
Adjustment aid	41,019		41,019	41,019	
Other state aid - nonpublic transportation				7,924	7,924
T.P.A.F. post-retirement medical (on-behalf non-budgeted)				143,821	143,821
Teachers' Pension & Annuity Fund - (on-behalf non-budgeted)				6,771	6,771
Reimbursed T.P.A.F. social security contributions (non-budgeted)				159,210	159,210
Total - state sources	<u>2,944,943</u>		<u>2,944,943</u>	<u>3,262,669</u>	<u>317,726</u>
Total revenues	<u>5,160,518</u>		<u>5,160,518</u>	<u>5,608,133</u>	<u>447,615</u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current expense:					
Regular programs - instruction					
Salaries of teachers:					
Preschool	18,168	24,050	42,218	41,868	350
Kindergarten	109,182	26,135	135,317	134,823	494
Grades 1-5	704,858	(18,350)	686,508	683,079	3,429
Grades 6-8	426,926	42,900	469,826	464,112	5,714
Regular programs - home instruction					
Salaries of teachers	1,500		1,500		1,500
Purchased professional-education services	1,500		1,500	280	1,220
Regular programs - undistributed instruction					
Other salaries for instruction	18,609	2,225	20,834	18,662	2,172
Purchased technical services	300	100	400	383	17
Other purchased services (400-500 series)	32,900	(1,120)	31,780	26,233	5,547
General supplies	64,700	41,646	106,346	103,173	3,173
Textbooks	3,600	38,470	42,070	42,069	1
Miscellaneous expenditures	4,900	(535)	4,365	3,049	1,316
Total regular programs	1,387,143	155,521	1,542,664	1,517,731	24,933
Resource room					
Salaries of teachers	131,743		131,743	131,013	730
General supplies	1,200		1,200	818	382
Total resource room	132,943		132,943	131,831	1,112
Autism					
Salaries of teachers	65,468		65,468	64,920	548
General supplies	500		500	89	411
Total autism	65,968		65,968	65,009	959
Total special education	198,911		198,911	196,840	2,071
Basic skills/remedial					
Salaries of teachers	85,876	(28,250)	57,626	57,551	75
General supplies	150		150	150	
Total basic skills/remedial	86,026	(28,250)	57,776	57,701	75
School sponsored co-curricular activities					
Salaries	25,350		25,350	20,855	4,495
Other purchased services (400-500 series)	300		300		300
General supplies	100		100		100
Total school sponsored co-curricular activities	25,750		25,750	20,855	4,895

QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other instructional programs - instruction					
Salaries	2,000	(1,000)	1,000	287	713
Total other instructional programs	2,000	(1,000)	1,000	287	713
Total other programs	113,776	(29,250)	84,526	78,843	5,683
Total - instruction	1,699,830	126,271	1,826,101	1,793,414	32,687
Undistributed expenditures					
Instruction:					
Tuition to other LEAs within state-regular	756,115		756,115	756,114	1
Tuition to other LEAs within state-special	59,436		59,436	59,436	
Tuition to county special services district/ regional day schools	47,863	93,228	141,091	129,968	11,123
Tuition to private schools for the handicapped - within state	99,175	(60,312)	38,863	33,248	5,615
Tuition other	55,921	(32,600)	23,321	23,315	6
Total undistributed expenditures - instruction	1,018,510	316	1,018,826	1,002,081	16,745
Attendance and social work services					
Salaries	13,767		13,767	13,767	
Total attendance and social work services	13,767		13,767	13,767	
Health services					
Salaries	68,318		68,318	67,728	590
Purchased professional/technical services	3,575	(500)	3,075	2,970	105
Other purchased services (400-500 series)	750		750	355	395
Supplies and materials	8,250	(3,800)	4,450	3,914	536
Total health services	80,893	(4,300)	76,593	74,967	1,626
Related services					
Salaries of teachers	72,015		72,015	69,192	2,823
Purchased professional-education services	30,000		30,000	26,030	3,970
Supplies and materials	1,000		1,000	720	280
Total related services	103,015		103,015	95,942	7,073
Extraordinary services					
Salaries other instructional staff	35,903	(1,500)	34,403	25,417	8,986
Purchased professional-education services	14,000	(14,000)			
Total extraordinary services	49,903	(15,500)	34,403	25,417	8,986
Guidance services					
Salaries of other professional staff	28,800		28,800	28,725	75
Purchased professional/technical services	3,000	(921)	2,079	2,035	44
Supplies and materials	2,300	(1,079)	1,221	1,221	
Total guidance services	34,100	(2,000)	32,100	31,981	119

QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Child study team					
Salaries of other professional staff	59,222	(9,500)	49,722	49,240	482
Purchased professional-education services	38,000	(2,900)	35,100	34,470	630
Other purchased professional-technical services	5,000	(4,210)	790	300	490
Other purchased services (400-500 series)	1,050	(750)	300	187	113
Supplies and materials	4,200	(1,000)	3,200	3,108	92
Miscellaneous expenditures	250		250	75	175
Total child study team	107,722	(18,360)	89,362	87,380	1,982
Educational media services/school library					
Salaries	44,967	(350)	44,617	44,516	101
Purchased professional-education services	1,800		1,800	1,575	225
Other purchased services (400-500 series)	1,900	(1,000)	900	714	186
Supplies and materials	2,050	(850)	1,200	661	539
Total educational media services/school library	50,717	(2,200)	48,517	47,466	1,051
Instructional staff training					
Purchased professional-education services	11,800	4,975	16,775	16,474	301
Other purchased services (400-500 series)	2,000	(1,265)	735	632	103
Total instructional staff training	13,800	3,710	17,510	17,106	404
Support services general administration					
Salaries	154,369		154,369	153,969	400
Legal services	3,000		3,000		3,000
Audit fees	12,000		12,000	11,100	900
Architectural/engineering services	2,000		2,000		2,000
Other professional services	16,000	(3,000)	13,000	7,635	5,365
Communications/telephone	20,000	(2,971)	17,029	17,029	
Other purchased services (400-500 series)	23,000		23,000	15,653	7,347
BOE other purchased services	500	(29)	471		471
Supplies and materials	3,000	(251)	2,749	1,895	854
BOE in house training/meeting supplies	1,250	261	1,511	1,511	
Miscellaneous expenditures	3,200		3,200	3,020	180
BOE membership dues and fees	4,000	(510)	3,490	3,456	34
Total support services general administration	242,319	(6,500)	235,819	215,268	20,551

QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services school administration					
Salaries of principals/assistant principals	82,356		82,356	82,356	
Salaries of secretarial and clerical assistants	14,542		14,542	14,266	276
Other purchased services (400-500 series)	2,821		2,821	1,435	1,386
Supplies and materials	2,500		2,500	2,329	171
Miscellaneous expenditures	1,650		1,650	929	721
Total support services school administration	103,869		103,869	101,315	2,554
Central services					
Salaries	108,579	1	108,580	108,579	1
Purchased technical services	15,000	(901)	14,099	12,180	1,919
Other purchased services (400-500 series)	1,250		1,250	1,050	200
Supplies and materials	3,000	900	3,900	3,873	27
Miscellaneous expenditures	900		900	846	54
Total central services	128,729		128,729	126,528	2,201
Administration information technology					
Salaries	3,016		3,016	2,407	609
Total administration information technology	3,016		3,016	2,407	609
Required maintenance for school facilities					
Cleaning, repair and maintenance services	22,000	18,300	40,300	37,344	2,956
Supplies and materials	3,038	(1,500)	1,538	69	1,469
Total required maintenance for school facilities	25,038	16,800	41,838	37,413	4,425
Other operation & maintenance of plant services					
Salaries	158,847	8,615	167,462	167,213	249
Purchased professional and technical services	4,600		4,600	4,307	293
Cleaning, repair and maintenance services	49,500	4,775	54,275	54,226	49
Insurance	30,000	(3,971)	26,029	26,029	
Other purchased services (400-500 series)	1,500	(700)	800	75	725
General supplies	27,300	(6,719)	20,581	17,699	2,882
Energy (electricity)	85,000		85,000	79,243	5,757
Energy (heat)	50,000	9,828	59,828	59,827	1
Total other operation & maintenance of plant services	406,747	11,828	418,575	408,619	9,956
Total operation & maintenance of plant services	431,785	28,628	460,413	446,032	14,381
Security					
Salaries	12,258		12,258	11,466	792
Total security	12,258		12,258	11,466	792

QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student transportation services					
Salaries - non-instructional aides	4,351	350	4,701	4,699	2
Salaries - regular	5,000	1	5,001	5,000	1
Contracted services (between home and school) - vendors	215,000	(52,100)	162,900	151,587	11,313
Contracted services (other than between home and school) - vendors		1,000	1,000	970	30
Contracted services (regular students) - E.S.C. & C.T.S.A.	80,000	11,000	91,000	90,948	52
Contracted services (special education students) - E.S.C. & C.T.S.A.	89,000	(1,000)	88,000	78,913	9,087
Aid in lieu	17,680	(251)	17,429	16,644	785
<b>Total student transportation services</b>	<b>411,031</b>	<b>(41,000)</b>	<b>370,031</b>	<b>348,761</b>	<b>21,270</b>
Unallocated benefits					
Social security contributions	45,000		45,000	31,379	13,621
Other retirement contributions - regular	45,000	12,256	57,256	57,251	5
Unemployment compensation	40,000	(6,120)	33,880	177	33,703
Workers' compensation	35,000		35,000	27,924	7,076
Health benefits	667,596	(90,735)	576,861	512,462	64,399
Tuition reimbursement	12,000		12,000	973	11,027
Other employee benefits	10,000		10,000	6,922	3,078
<b>Total unallocated benefits</b>	<b>854,596</b>	<b>(84,599)</b>	<b>769,997</b>	<b>637,088</b>	<b>132,909</b>
T.P.A.F. post-retirement medical (on-behalf non-budgeted)				143,821	(143,821)
Teachers' Pension & Annuity Fund (on-behalf non-budgeted)				6,771	(6,771)
Reimbursed T.P.A.F. social security contributions (non-budgeted)				159,210	(159,210)
<b>Total non-budgeted</b>				<b>309,802</b>	<b>(309,802)</b>
<b>Total undistributed expenditures</b>	<b>3,660,030</b>	<b>(141,805)</b>	<b>3,518,225</b>	<b>3,594,774</b>	<b>(76,549)</b>
<b>Total expenditures - current expense</b>	<b>5,359,860</b>	<b>(15,534)</b>	<b>5,344,326</b>	<b>5,388,188</b>	<b>(43,862)</b>
CAPITAL OUTLAY:					
Equipment					
Undistributed expenditures					
Instruction		15,534	15,534	15,534	
<b>Total equipment</b>		<b>15,534</b>	<b>15,534</b>	<b>15,534</b>	
Facilities acquisition and construction services					
Other objects	671		671	671	
<b>Total facilities acquisition and construction services</b>	<b>671</b>		<b>671</b>	<b>671</b>	
<b>Total capital outlay</b>	<b>671</b>	<b>15,534</b>	<b>16,205</b>	<b>16,205</b>	
<b>Total expenditures</b>	<b>5,360,531</b>		<b>5,360,531</b>	<b>5,404,393</b>	<b>(43,862)</b>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (deficiency) of revenues & other financing sources over (under) expenditures and other financing uses	(200,013)		200,013	203,740	403,753
Net changes in fund balance	(200,013)		200,013	203,740	403,753
Fund balances - July 1	976,889		976,889	976,889	
Fund balances - June 30	<u>776,876</u>		<u>1,176,902</u>	<u>1,180,629</u>	<u>403,753</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance</b>					
Capital reserve				47,618	
Excess surplus - designated for subsequent year's expenditures				471,741	
Excess surplus - current year				373,318	
<b>Committed Fund Balance</b>					
Year-end encumbrances				28	
<b>Assigned Fund Balance</b>					
Designated for subsequent year's expenditures				30,000	
<b>Unassigned Fund Balance</b>					
				<u>257,924</u>	
				1,180,629	
Reconciliation to Governmental Fund Statements (G.A.A.P.):					
June State Aid Payments not recognized on G.A.A.P. Basis				(276,508)	
Fund Balance per Governmental Funds (G.A.A.P.)				<u>904,121</u>	

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal sources	91,735	134,871	226,606	226,606	
State sources	91,014	4,791	95,805	95,805	
Local sources	4,253		4,253	4,253	
<b>Total Revenues</b>	<b>187,002</b>	<b>139,662</b>	<b>326,664</b>	<b>326,664</b>	
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	91,824	32,752	124,576	124,576	
Other salaries for instruction	61,010		61,010	61,010	
Tuition		97,325	97,325	97,325	
Other objects		4,791	4,791	4,791	
<b>Total Instruction</b>	<b>152,834</b>	<b>134,868</b>	<b>287,702</b>	<b>287,702</b>	
Support Services:					
Personal services - employee benefits	14,460	4,794	19,254	19,254	
Purchased professional - educational services	14,390		14,390	14,390	
Other purchased services (400-500 series)	5,318		5,318	5,318	
<b>Total support services</b>	<b>34,168</b>	<b>4,794</b>	<b>38,962</b>	<b>38,962</b>	
<b>Total expenditures</b>	<b>187,002</b>	<b>139,662</b>	<b>326,664</b>	<b>326,664</b>	

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Required Supplementary Information  
 Budget-to-G.A.A.P. Reconciliation  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2011

Note A: Explanation of Differences between Budgetary Inflows and Outflows and  
 G.A.A.P. Revenues and Expenditures

	General Fund C-1		Special Revenue Fund
	<u>                    </u>		<u>                    </u>
Sources/inflows of resources:			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	[C-1] 5,608,133	[C-2]	326,664
Difference - budget to G.A.A.P.:			
Grant accounting budgetary basis differs from G.A.A.P. in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
State aid payment recognized for G.A.A.P. statements in current year, previously recognized for budgetary purposes.	319,650		9,101
State aid payments recognized for budgetary purposes, not recognized for G.A.A.P. statements.	(276,508)		(9,101)
	<u>                    </u>		<u>                    </u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] <u>5,651,275</u>	[B-2]	<u>326,664</u>
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] 5,404,393		326,664
Difference - budget to G.A.A.P.:			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the supplies are received for financial reporting purposes.			
	<u>                    </u>		<u>                    </u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] <u>5,404,393</u>	[B-2]	<u>326,664</u>

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2011

	Total Brought Forward Ex. E-1a	Title I Part A	(See E-2) Preschool Education	Totals	
				FY 2011	FY 2010
<b>REVENUES:</b>					
Federal sources	146,336	80,270		226,606	374,821
State sources	4,791		91,014	95,805	95,560
Local sources	4,253			4,253	3,776
<b>Total revenues</b>	<b>155,380</b>	<b>80,270</b>	<b>91,014</b>	<b>326,664</b>	<b>474,157</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	33,562		91,014	124,576	166,622
Other salaries for instruction		61,010		61,010	36,500
Tuition	97,325			97,325	200,267
General supplies					28,343
Other objects	4,791			4,791	4,546
<b>Total instruction</b>	<b>135,678</b>	<b>61,010</b>	<b>91,014</b>	<b>287,702</b>	<b>436,278</b>
Support services:					
Personal services - employee benefits	4,794	14,460		19,254	15,679
Purchased professional - educational services	9,590	4,800		14,390	15,780
Other purchased services (400-500 series)	5,318			5,318	6,420
<b>Total support services</b>	<b>19,702</b>	<b>19,260</b>		<b>38,962</b>	<b>37,879</b>
<b>Total expenditures</b>	<b>155,380</b>	<b>80,270</b>	<b>91,014</b>	<b>326,664</b>	<b>474,157</b>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2011

	Total Brought Forward Ex. E-1b	NJ SBA Safety Grant	Rural Education Achievement Program	Title II, Part A Teacher & Principal Training & Recruiting	Title II, Part D Enhancing Education through Technology	Total Carried Forward
REVENUES:						
Federal sources	99,834		35,037	11,311	154	146,336
State sources	4,791					4,791
Local sources		4,253				4,253
Total revenues	104,625	4,253	35,037	11,311	154	155,380
EXPENDITURES:						
Instruction:						
Salaries of teachers	2,189		30,563	810		33,562
Tuition	97,325					97,325
Other objects	4,791					4,791
Total instruction	104,305		30,563	810		135,678
Support services:						
Personal services - employee benefits	320		4,474			4,794
Purchased professional - educational services				9,590		9,590
Other purchased services (400-500 series)		4,253		911	154	5,318
Total support services	320	4,253	4,474	10,501	154	19,702
Total expenditures	104,625	4,253	35,037	11,311	154	155,380

QUINTON TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2011

	Municipal Alliance 2011	Municipal Alliance 2010	I.D.E.A. Part B	I.D.E.A. Preschool Program	Total Carried Forward
REVENUES:					
Federal sources			97,325	2,509	99,834
State sources	609	4,182			4,791
Total revenues	609	4,182	97,325	2,509	104,625
EXPENDITURES:					
Instruction:					
Salaries of teachers				2,189	2,189
Tuition			97,325		97,325
Other objects	609	4,182			4,791
Total instruction	609	4,182	97,325	2,189	104,305
Support services:					
Personal services - employee benefits				320	320
Total support services				320	320
Total expenditures	609	4,182	97,325	2,509	104,625

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Special Revenue Fund  
 Preschool Education Aid Schedule of Exenditures  
 Budgetary Basis  
 For the Fiscal Year Ended June 30, 2011

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of teachers	91,014	91,014	
Total instruction	91,014	91,014	
Total expenditures	91,014	91,014	

CALCULATION OF BUDGET AND CARRYOVER

Total revised 2010-2011 Preschool education aid allocation	91,014
Add: Actual E.C.P.A. Carryover (June 30, 2010)	
Add: Budgeted transfer from the General Fund 2010-2011	
Total Preschool education aid funds available for 2010/2011 budget	91,014
Less: 2010-2011 budgeted preschool education aid (including prior year budgeted carryover)	91,014
Available & unbudgeted Preschool education aid funds as of June	
Add: June 30, 2011 unexpended preschool education aid	
2010/2011 Carryover - preschool education aid/preschool	
 2010/2011 Preschool education aid carryover budgeted for preschool programs 2010-2011	

**CAPITAL PROJECTS FUND**

QUINTON TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund  
Summary Schedule of Project Expenditures  
June 30, 2011

Project Title/Issue	Original Date	Revised Budgetary Appropriation	G.A.A.P. Expenditures to Date		Unexpended Appropriation 06/30/11
			Prior Years	Current Year	
Partial roof and window replacement. Masonry restoration at gym	12/30/09	707,414	31,810	675,604	
Roof replacement sections 2 & 3	12/30/09	509,918	22,929	486,989	
New exterior and classroom lights with light sensor and dimming controls; new exit signs, new hot water circulating pump; replace pneumatic tempature control system	12/30/09	559,960	25,179	96,575	438,206
Replace unit ventilators, new boiler, install backflow preventors on domestic water system, and water lines to boiler. Replace kitchen water heater. Install AC in library server room, Replace toilet room fixtures	12/30/09	893,744	40,189	233,444	620,111
Gym lighting replacement	12/30/09	29,556	1,329	5,059	23,168
A/C buidlings 1928 & 1980; install emergency generator and reconfigure electrical panels	12/30/09	1,515,183	68,133	254,034	1,193,016
Install roof-mounted photovoltaic system	12/30/09	623,110			623,110
Classroom #5 Renovations	02/26/09	41,869	40,441		1,428
		<u>4,880,754</u>	<u>230,010</u>	<u>1,751,705</u>	<u>2,899,039</u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund  
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis  
For the Fiscal Year Ended June 30, 2011

Revenues and Other Financing Sources	
State Sources: SDA Grant	2,717,885
Bond proceeds	1,821,000
Total revenues	<u>4,538,885</u>
OPERATING EXPENSES:	
Purchased professional and technical services	212,068
Construction services	1,539,637
Total expenses	<u>1,751,705</u>
Excess (deficiency) of revenues over (under) expenditures	2,787,180
Fund balance - beginning	111,859
Fund balance - ending	<u><u>2,899,039</u></u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
Partial roof and window replacement. Masonry restoration at gym  
From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	35,649		35,649	35,649
State sources: SDA Grant		456,066	456,066	456,066
Bond proceeds		215,699	215,699	215,699
	<u>35,649</u>	<u>671,765</u>	<u>707,414</u>	<u>707,414</u>
Expenditures and other financing uses				
Purchased professional and technical services	31,810	39,811	71,621	71,621
Construction services		635,793	635,793	635,793
	<u>31,810</u>	<u>675,604</u>	<u>707,414</u>	<u>707,414</u>
Excess (deficiency) or revenues over (under) expenditures	<u>3,839</u>	<u>(3,839)</u>		
Additional project information:				
Project number			4280-050-09-1002	
Grant date			12/30/09	
Bond authorization date			07/15/10	
Bonds authorized			215,699	
Bonds issued			215,699	
Original authorized cost			707,414	
Additional authorized cost			None	
Revised authorized cost			707,414	
Percentage increase over Original authorized cost				
Percentage completion			100%	
Original target completion date			12/15/2010	
Revised target completion date			03/15/2011	

QUINTON TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
Roof replacement sections 2 & 3  
From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	25,697		25,697	25,697
State sources: SDA Grant		328,741	328,741	328,741
Bond proceeds		155,480	155,480	155,480
	<u>25,697</u>	<u>484,221</u>	<u>509,918</u>	<u>509,918</u>
Expenditures and other financing uses				
Purchased professional and technical services	22,929	78,552	101,481	101,481
Construction services		408,437	408,437	408,437
	<u>22,929</u>	<u>486,989</u>	<u>509,918</u>	<u>509,918</u>
Excess (deficiency) or revenues over (under) expenditures	<u>2,768</u>	<u>(2,768)</u>		
Additional project information:				
Project number			4280-050-09-1003	
Grant date			12/30/09	
Bond authorization date			07/15/10	
Bonds authorized			155,480	
Bonds issued			155,480	
Original authorized cost			509,918	
Additional authorized cost			None	
Revised authorized cost			509,918	
Percentage increase over Original authorized cost				
Percentage completion			100%	
Original target completion date			8/15/2010	
Revised target completion date			3/15/2011	

QUINTON TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
New exterior and classroom lights with light sensor and dimming controls;  
New exit signs, new hot water circulating pump; replace pneumatic temperature control system  
From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	28,219		28,219	28,219
State sources: SDA Grant		361,003	361,003	361,003
Bond proceeds		170,738	170,738	170,738
	28,219	531,741	559,960	559,960
Expenditures and other financing uses				
Purchased professional and technical services	25,179	16,968	42,147	42,147
Construction services		79,607	79,607	517,813
	25,179	96,575	121,754	559,960
Excess (deficiency) or revenues over (under) expenditures	3,040	435,166	438,206	
Additional project information:				
Project number	4280-050-09-1004			
Grant date	12/30/09			
Bond authorization date	07/15/10			
Bonds authorized	170,738			
Bonds issued	170,738			
Original authorized cost	559,960			
Additional authorized cost	None			
Revised authorized cost	559,960			
Percentage increase over original authorized cost	0%			
Percentage completion	10%			
Original target completion date	8/15/2011			
Revised target completion date	1/15/2012			

QUINTON TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis

Replace Unit ventilators, new boiler, install backflow preventors on domestic water system, and  
water lines to boiler. Replace kitchen water heater. Install AC in library server room,  
Replace toilet room fixtures

From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	45,040		45,040	45,040
State sources: SDA Grant		576,191	576,191	576,191
Bond proceeds		272,513	272,513	272,513
	<u>45,040</u>	<u>848,704</u>	<u>893,744</u>	<u>893,744</u>
Expenditures and other financing uses				
Purchased professional and technical services	40,189	38,335	78,524	78,524
Construction services		195,109	195,109	815,220
	<u>40,189</u>	<u>233,444</u>	<u>273,633</u>	<u>893,744</u>
Excess (deficiency) or revenues over (under) expenditures	<u>4,851</u>	<u>615,260</u>	<u>620,111</u>	
Additional project information:				
Project number			4280-050-09-1005	
Grant date			12/30/09	
Bond authorization date			07/15/10	
Bonds authorized			272,513	
Bonds issued			272,513	
Original authorized cost			893,744	
Additional authorized cost			None	
Revised authorized cost			893,744	
Percentage increase over				
Original authorized cost			0%	
Percentage completion			10%	
Original target completion date			8/15/2011	
Revised target completion date			1/15/2012	

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Gym lighting replacement  
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital reserve	1,489		1,489	1,489
State Sources: SDA Grant		19,055	19,055	19,055
Bond proceeds		9,012	9,012	9,012
	1,489	28,067	29,556	29,556
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	1,329	910	2,239	2,239
Construction services		4,149	4,149	27,317
	1,329	5,059	6,388	29,556
<b>Excess (deficiency) or revenues over (under) expenditures</b>	160	23,008	23,168	
<b>Additional project information:</b>				
Project Number	4280-050-09-1006			
Grant Date	12/30/09			
Bond Authorization date	07/15/10			
Bonds Authorized	9,013			
Bonds Issued	9,013			
Original Authorized Cost	29,556			
Additional Authorized Cost	None			
Revised Authorized Cost	29,556			
<b>Percentage Increase over</b>				
Original Authorized Cost	0%			
Percentage Completion	10%			
Original target completion date	8/15/2011			
Revised target completion date	1/15/2012			

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 A/C buidlings 1928 & 1980; install emergency generator and reconfigure electrical panels  
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	76,356		76,356	76,356
State sources: SDA Grant		976,829	976,829	976,829
Bond proceeds		461,998	461,998	461,998
	76,356	1,438,827	1,515,183	1,515,183
Expenditures and other financing uses				
Purchased professional and technical services	68,133	37,492	105,625	105,625
Construction services		216,542	216,542	1,409,558
	68,133	254,034	322,167	1,515,183
Excess (deficiency) or revenues over (under) expenditures	8,223	1,184,793	1,193,016	
Additional project information:				
Project number			4280-050-09-1007	
Grant date			12/30/09	
Bond authorization date			07/15/10	
Bonds authorized			461,998	
Bonds issued			461,998	
Original authorized cost			1,515,183	
Additional authorized cost			None	
Revised authorized cost			1,515,183	
Percentage increase over original authorized cost			0%	
Percentage completion			10%	
Original target completion date			8/15/2011	
Revised target completion date			1/15/2012	

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Install roof-mounted photovoltaic system  
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from Capital reserve	87,550		87,550	87,550
Bond proceeds		535,560	535,560	535,560
	87,550	535,560	623,110	623,110
Expenditures and other financing uses				
Purchased professional and technical services				88,515
Construction services				534,595
				623,110
Excess (deficiency) or revenues over (under) expenditures		535,560	623,110	
Additional project information:				
Project number		4280-050-09-2000		
Grant date		07/01/09		
Bond authorization date		07/15/10		
Bonds authorized		535,560		
Bonds issued		535,560		
Original authorized Cost		624,075		
Additional authorized cost		None		
Revised authorized cost		624,075		
Percentage increase over original authorized cost		0%		
Percentage C\completion		10%		
Original target completion date		8/15/2011		
Revised target completion date		1/15/2012		

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Classroom #5 Renovations  
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital outlay	14,876		14,876	16,091
State sources: SDA Grant	26,993		26,993	25,778
	41,869		41,869	41,869
Expenditures and other financing uses				
Purchased professional and technical services	3,763		3,763	4,000
Construction services	36,678		36,678	37,869
	40,441		40,441	41,869
Excess (deficiency) or revenues over (under) expenditures	1,428		1,428	
Additional project information:				
Project number		4280-050-09-1001		
Grant date		02/26/09		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost		41,869		
Additional authorized cost		None		
Revised authorized cost		41,869		
Percentage increase over original authorized cost				
Percentage completion		100%		
Original target completion date		May 2010		
Revised target completion date		May 2010		

**PROPRIETARY FUNDS**

QUINTON TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Net Assets  
For the Fiscal Year Ended June 30, 2011

	Business-type Activities Food Service Fund	
	FY 2011	FY 2010
ASSETS:		
Current assets		
Cash and cash equivalents	41,989	21,456
Accounts receivable:		
State	99	351
Federal		6,437
Inventory	5,891	12,539
Total current assets	47,979	40,783
Noncurrent assets		
Furniture, machinery & equipment	83,140	83,140
Less: accumulated depreciation	(66,589)	(64,733)
Total noncurrent assets	16,551	18,407
Total assets	64,530	59,190
LIABILITIES AND NET ASSETS:		
Liabilities		
Accounts payable		33
Total liabilities		33
Net assets		
Invested in capital assets net of related debt	16,551	18,407
Reserve for encumbrances	7	
Unrestricted	47,972	40,750
Total net assets	64,530	59,157

QUINTON TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2011

	Business-type Activities Food Service Fund	
	FY 2011	FY 2010
OPERATING REVENUES:		
Local sources:		
Daily sales-reimbursable programs	44,134	46,114
Daily sales-non-reimbursable programs	18,908	20,235
Total operating revenue	63,042	66,349
OPERATING EXPENSES:		
Salaries	48,490	49,335
Employee benefits	3,703	7,877
Purchased professional/technical services	1,941	2,006
Supplies and materials	544	3,916
Cost of sales	92,623	78,497
Depreciation	1,856	1,348
Total operating expenses	149,157	142,979
Operating income (loss)	(86,115)	(76,630)
NON-OPERATING REVENUES:		
State sources:		
National school lunch program - State	2,041	2,877
National school breakfast program - State		1,058
Federal sources:		
National school lunch program	63,301	58,393
National school breakfast program	16,808	14,775
Food distribution program	9,338	15,502
Loss on disposal of assets		(2,051)
Contributed capital - fixed assets		10,221
Total non-operating revenues (expenses)	91,488	100,775
Income (loss) before operating transfers	5,373	24,145
Net income (loss)	5,373	24,145
Total Net Assets - July 1	59,157	35,012
Total Net Assets - June 30	64,530	59,157

QUINTON TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2011

	Business-type Activities Food Service Fund	
	FY 2011	FY 2010
Cash flows from operating activities:		
Receipts from customers	63,042	66,349
Payments to suppliers	(79,155)	(73,796)
Payments to employees	(48,490)	(49,335)
Payments for employee benefits	(3,703)	(7,877)
Net cash provided (used) by operating activities	<u>(68,306)</u>	<u>(64,659)</u>
Cash flows from non-capital financing activities:		
Cash received from state & federal reimbursements	88,839	87,501
Net cash provided by non-capital financing activities	<u>88,839</u>	<u>87,501</u>
Net increase in cash and cash equivalents	20,533	22,842
Cash and cash equivalents - July 1	21,456	(1,386)
Cash and cash equivalents - June 30	<u><u>41,989</u></u>	<u><u>21,456</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(86,115)	(76,630)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Depreciation	1,856	1,348
Food distribution program	9,338	15,502
Change in assets and liabilities:		
(Increase) decrease in inventory	6,648	(4,912)
Increase in accounts payable	(33)	33
	<u><u>(68,306)</u></u>	<u><u>(64,659)</u></u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Net Assets  
For the Fiscal Year Ended June 30, 2011

	Business-type Activities Special Education	
	<u>FY 2011</u>	<u>FY 2010</u>
ASSETS:		
Current assets:		
Cash	10,026	7,761
Accounts receivable	1,557	1,543
Total assets	<u>11,583</u>	<u>9,304</u>
LIABILITIES AND NET ASSETS:		
Net assets		
Unrestricted	<u>11,583</u>	<u>9,304</u>
Total liabilities and net assets	<u>11,583</u>	<u>9,304</u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2011

	Business-type Activities Special Education	
	<u>FY 2011</u>	<u>FY 2010</u>
OPERATING REVENUES:		
Local sources:		
Other charges and fees	55,568	65,134
Total operating revenue	<u>55,568</u>	<u>65,134</u>
OPERATING EXPENSES:		
Salaries	32,478	32,411
Employee benefits	11,212	24,019
Purchased professional educational services	9,599	8,644
Total operating expenses	<u>53,289</u>	<u>65,074</u>
Operating income (loss)	2,279	60
Total Net Assets - July 1	<u>9,304</u>	<u>9,244</u>
Total Net Assets - June 30	<u><u>11,583</u></u>	<u><u>9,304</u></u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2011

	Business-type Activities Special Education	
	FY 2011	FY 2010
Cash flows from operating activities:		
Receipts from customers	55,554	66,327
Payments to suppliers	(9,599)	(8,644)
Payments to employees	(32,478)	(32,411)
Payments for employee benefits	(11,212)	(24,019)
	<hr/>	<hr/>
Net cash provided (used) by operating activities	2,265	1,253
	<hr/>	<hr/>
Net increase in cash and cash equivalents	2,265	1,253
	<hr/>	<hr/>
Cash and cash equivalents - July 1	7,761	6,508
	<hr/>	<hr/>
Cash and cash equivalents - June 30	10,026	7,761
	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	2,279	60
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Change in assets & liabilities		
(Increase) decrease in accounts receivable	(14)	1,193
	<hr/>	<hr/>
	2,265	1,253
	<hr/> <hr/>	<hr/> <hr/>

## **FIDUCIARY FUNDS**

QUINTON TOWNSHIP SCHOOL DISTRICT  
Combining Statement of Fiduciary Net Assets  
For the Fiscal Year Ended June 30, 2011

	Trust Funds		Agency Funds		Total	
	Technology Trust	Unemployment Compensation Trust	Student Activity	Payroll & Payroll Agency	FY 2011	FY 2010
<b>ASSETS:</b>						
Cash and cash equivalents	53,256	18,547	15,665	3,455	90,923	98,025
Capital assets, net	216				216	1,288
<b>Total assets</b>	<b>53,472</b>	<b>18,547</b>	<b>15,665</b>	<b>3,455</b>	<b>91,139</b>	<b>99,313</b>
<b>LIABILITIES:</b>						
Due to student groups			15,665		15,665	11,187
Payroll deductions and withholdings				3,455	3,455	
<b>Total liabilities</b>			<b>15,665</b>	<b>3,455</b>	<b>19,120</b>	<b>11,187</b>
<b>NET ASSETS:</b>						
Invested in capital assets net of related debt	216				216	1,288
Held in trust for:						
Unemployment claims		18,547			18,547	40,148
Technology expenditures	53,256				53,256	46,690
<b>Total net assets</b>	<b>53,472</b>	<b>18,547</b>			<b>72,019</b>	<b>88,126</b>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Combining Statement of Changes in Fiduciary Net Assets  
For the Fiscal Year Ended June 30, 2011

	Trust Funds		Total	
	Technology	Unemployment		
	Trust	Trust	FY 2011	FY 2010
ADDITIONS:				
Contributions:				
Plan members		4,635	4,635	4,927
Others	24,796		24,796	19,718
Total contributions	24,796	4,635	29,431	24,645
Investment earnings:				
Interest	163	91	254	272
Total investment earnings	163	91	254	272
Total additions	24,959	4,726	29,685	24,917
DEDUCTIONS:				
General supplies	4,375		4,375	
Equipment	14,018		14,018	5,680
Unemployment claims		26,327	26,327	12,308
Depreciation	1,072		1,072	1,607
Total deductions	19,465	26,327	45,792	19,595
Change in net assets	5,494	(21,601)	(16,107)	5,322
Net assets July 1	47,978	40,148	88,126	82,804
Net assets June 30	53,472	18,547	72,019	88,126

EXHIBIT H-3

QUINTON TOWNSHIP SCHOOL DISTRICT  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2011

	<u>Balance July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2011</u>
ACTIVITIES:				
Quinton School	<u>11,187</u>	<u>33,135</u>	<u>28,657</u>	<u>15,665</u>

EXHIBIT H-4

QUINTON TOWNSHIP SCHOOL DISTRICT  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2011

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
ASSETS:				
Cash and cash equivalents		<u>3,427,761</u>	<u>3,424,306</u>	<u>3,455</u>
Total assets		<u>3,427,761</u>	<u>3,424,306</u>	<u>3,455</u>
LIABILITIES:				
Employees' net pay		<u>1,602,187</u>	<u>1,602,187</u>	
Payroll deductions and withholdings		<u>1,825,408</u>	<u>1,821,953</u>	<u>3,455</u>
Interfund payable		<u>166</u>	<u>166</u>	
Total liabilities		<u>3,427,761</u>	<u>3,424,306</u>	<u>3,455</u>

**LONG-TERM DEBT**

QUINTON TOWNSHIP SCHOOL DISTRICT  
 General Long-Term Debt Account Group  
 Schedule of Serial Bonds  
 June 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
			Date	Amount					
Refunding bonds, series 2007	11/20/07	1,705,000	03/01/12	125,000	3.750%				
			03/01/13	130,000	4.000%				
			03/01/14	135,000	4.000%				
			03/01/15	140,000	4.000%				
			03/01/16	140,000	4.000%				
			03/01/17	145,000	4.000%				
			03/01/18	150,000	4.125%				
			03/01/19	155,000	4.125%				
			03/01/20	155,000	4.125%				
			03/01/21	150,000	4.125%	1,550,000		125,000	1,425,000
School bonds, series 2010	07/29/10	1,821,000	02/15/12	65,000	2.000%				
			02/15/13	70,000	2.000%				
			02/15/14	75,000	2.000%				
			02/15/15	80,000	2.000%				
			02/15/16	85,000	2.200%				
			02/15/17	90,000	3.000%				
			02/15/18	91,000	3.000%				
			02/15/19	95,000	3.000%				
			02/15/20	100,000	3.100%				
			02/15/21	100,000	4.000%				
			02/15/22	105,000	4.000%				
			02/15/23	110,000	4.000%				
			02/15/24	115,000	4.000%				
			02/15/25	125,000	4.000%				
			02/15/26	125,000	4.000%				
			02/15/27	130,000	4.000%				
			02/15/28	130,000	4.000%				
			02/15/29	130,000	4.000%				
									1,821,000
					1,550,000	1,821,000	125,000	3,246,000	

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Debt Service Fund  
 For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	111,695		111,695	111,695	
State sources:					
Debt service aid type II	75,755		75,755	75,755	
Total revenues	<u>187,450</u>		<u>187,450</u>	<u>187,450</u>	
EXPENDITURES:					
Regular debt service:					
Interest	62,450		62,450	62,450	
Redemption of principal	125,000		125,000	125,000	
Total regular debt service	<u>187,450</u>		<u>187,450</u>	<u>187,450</u>	
Total expenditures	<u>187,450</u>		<u>187,450</u>	<u>187,450</u>	

**STATISTICAL SECTION**  
**(UNAUDITED)**

**QUINTON TOWNSHIP SCHOOL DISTRICT  
STATISTICAL SECTION**

<b>Contents</b>	<u>Page</u>
<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.	100-106
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	107-110
<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.	111-114
<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.	115-116
<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.	117-121

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Net Assets by Component  
 Last Eight Fiscal Years  
 For the Fiscal Year Ended June 30, 2011  
 Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities								
Invested in capital assets, net of related debt	1,037,036	1,005,375	993,973	1,003,282	909,117	932,265	1,257,002	1,208,641
Restricted	216,284	522,229	699,029	550,341	698,870	1,059,975	831,202	3,821,716
Unrestricted	279,646	(44,839)	(37,454)	116,366	130,200	(136,530)	(156,067)	(112,564)
Total governmental activities net assets	<u>1,532,966</u>	<u>1,482,765</u>	<u>1,655,548</u>	<u>1,669,989</u>	<u>1,738,187</u>	<u>1,855,710</u>	<u>1,932,137</u>	<u>4,917,793</u>
Business-type activities								
Invested in capital assets, net of related debt	19,488	12,457	17,208	13,809	11,037	11,583	18,407	16,551
Restricted								7
Unrestricted	10,147	25,967	19,420	19,934	17,451	23,429	40,750	47,972
Total business-type activities net assets	<u>29,635</u>	<u>38,424</u>	<u>36,628</u>	<u>33,743</u>	<u>28,488</u>	<u>35,012</u>	<u>59,157</u>	<u>64,530</u>
District-wide								
Invested in capital assets, net of related debt	1,056,524	1,017,832	1,011,181	1,017,091	920,154	943,848	1,275,409	1,225,192
Restricted	216,284	522,229	699,029	550,341	698,870	1,059,975	831,202	3,821,723
Unrestricted	289,793	(18,872)	(18,034)	136,300	147,651	(113,101)	(115,317)	(64,592)
Total district-wide	<u>1,562,601</u>	<u>1,521,189</u>	<u>1,692,176</u>	<u>1,703,732</u>	<u>1,766,675</u>	<u>1,890,722</u>	<u>1,991,294</u>	<u>4,982,323</u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Changes in Net Assets  
Last Eight Fiscal Years  
For the Fiscal Year Ended June 30, 2011  
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>								
Governmental activities								
Instruction								
Regular	1,552,290	1,682,625	1,611,247	1,199,432	1,286,021	1,645,575	1,665,700	1,520,650
Special education	262,899	303,164	308,798	759,392	785,273	572,604	751,713	538,101
Other special education	28,626	7,652	43,639	37,970	40,363	45,454	54,923	55,376
Other instruction	7,139	6,749	9,816	9,891	15,196	27,630	24,702	21,142
Support services								
Tuition	1,101,416	1,059,413	1,070,662	1,173,689	1,223,725	933,497	839,128	1,002,081
Student instruction and related services	273,589	367,303	323,511	354,214	365,590	406,113	459,975	420,988
General administration	166,848	192,478	196,016	220,745	239,005	267,800	227,213	225,433
School administrative services	88,917	108,792	116,359	88,377	91,988	95,236	93,270	101,315
Central services		104,028	115,361	105,328	114,184	122,935	121,487	126,528
Administrative information technology		4,386	2,683	2,603	2,849	1,972	6,826	2,407
Plant operations and maintenance	278,848	292,885	286,410	292,247	319,428	318,676	391,593	450,026
Security							11,163	11,466
Pupil transportation	273,349	323,131	333,928	367,133	373,515	402,393	437,155	348,761
Unallocated benefits	783,965	758,846	789,008	1,051,692	1,048,910	979,615	1,042,688	966,144
Amortization of debt issuance costs	2,480							
Interest on long-term debt	120,935	117,705	112,860	107,730	75,807	72,950	66,650	62,450
Capital outlay			15,875		6,784	3,619	21,049	671
Unallocated depreciation		85,332	85,473	88,272	91,639	90,271	87,676	99,647
Total governmental activities expenses	<u>4,941,301</u>	<u>5,414,489</u>	<u>5,421,646</u>	<u>5,858,715</u>	<u>6,080,277</u>	<u>5,986,340</u>	<u>6,302,911</u>	<u>5,953,186</u>
Business-type activities:								
Food service	119,684	121,286	133,755	144,130	146,095	179,696	142,979	149,157
Shared services	24,942							
Total business-type activities expense	<u>144,626</u>	<u>121,286</u>	<u>133,755</u>	<u>144,130</u>	<u>146,095</u>	<u>179,696</u>	<u>142,979</u>	<u>149,157</u>
Total district expenses	<u>5,085,927</u>	<u>5,535,775</u>	<u>5,555,401</u>	<u>6,002,845</u>	<u>6,226,372</u>	<u>6,166,036</u>	<u>6,445,890</u>	<u>6,102,343</u>
<b>Program revenues</b>								
Governmental activities								
Charges for services:								
Instruction (tuition)	40,266	27,199	24,871	33,801	65,898	66,059	65,134	55,568
Pupil transportation	54,000							
Operating grants and contributions	844,191	521,054	544,194	513,626	535,835	329,351	473,862	326,664
Total governmental activities program revenues	<u>938,457</u>	<u>548,253</u>	<u>569,065</u>	<u>547,427</u>	<u>601,733</u>	<u>395,410</u>	<u>538,996</u>	<u>382,232</u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Changes in Net Assets  
Last Eight Fiscal Years  
For the Fiscal Year Ended June 30, 2011  
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:								
Charges for services:								
Food service	46,525	43,581	64,371	65,763	66,967	68,573	66,349	63,042
Shared services	25,767							
Operating grants and contributions	49,302	51,661	59,095	70,482	73,873	114,028	100,775	91,488
Total business-type activities program revenues	121,594	95,242	123,466	136,245	140,840	182,601	167,124	154,530
Total district program revenue	1,060,051	643,495	692,531	683,672	742,573	578,011	706,120	536,762
Net (expense) revenue								
Governmental activities	(4,002,844)	(4,866,236)	(4,852,581)	(5,311,288)	(5,478,544)	(5,590,930)	(5,763,915)	(5,570,954)
Business-type activities	(23,032)	(26,044)	(10,289)	(7,885)	(5,255)	2,905	24,145	5,373
Total district-wide net expense	(4,025,876)	(4,892,280)	(4,862,870)	(5,319,173)	(5,483,799)	(5,588,025)	(5,739,770)	(5,565,581)
General revenues and other changes in net assets								
Governmental activities								
Property taxes levied for government purposes (net)	1,774,500	1,944,851	2,130,514	2,214,913	2,290,190	1,972,846	2,051,760	2,133,830
Taxes levied for debt service	108,869	106,327	106,409	106,341	103,500	101,682	91,493	111,695
Unrestricted grants and contributions	2,194,720	2,646,645	2,643,162	2,840,606	2,994,317	3,441,066	2,953,334	3,381,566
Restricted grants							553,381	2,717,885
Tuition charges		106,140	110,934	124,031	228,103	179,883	174,561	189,818
Investment earnings	9,063	21,676	33,494	46,044	24,919	10,007	9,866	6,754
Miscellaneous income	9,024	805	851	684	11,763	2,969	5,947	15,062
Loss on disposal of assets				(1,890)	(1,050)			
Cost of issuance					(125,214)			
Premiums received on sale of bonds					20,214			
Transfers	(25,000)	(35,000)		(5,000)				
Total governmental activities	4,071,176	4,791,444	5,025,364	5,325,729	5,546,742	5,708,453	5,840,342	8,556,610
Business-type activities								
Miscellaneous income		2,194	8,493					
Contributed capital						3,619		
Transfers	25,000	35,000		5,000				
Total business-type activities	25,000	37,194	8,493	5,000		3,619		
Total district-wide	4,096,176	4,828,638	5,033,857	5,330,729	5,546,742	5,712,072	5,840,342	8,556,610
Change in net assets								
Governmental activities	68,332	(74,792)	172,783	14,441	68,198	117,523	76,427	2,985,656
Business-type activities	1,968	11,150	(1,796)	(2,885)	(5,255)	6,524	24,145	5,373
Total district	70,300	(63,642)	170,987	11,556	62,943	124,047	100,572	2,991,029

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Fund Balances, Governmental Funds  
 Last Eight Fiscal Years  
 For the Fiscal Year Ended June 30, 2011  
 Unaudited

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund								
Reserved	255,615	549,184	732,260	583,786	751,123	1,066,495	719,343	922,705
Unreserved	294,715	(21,136)	(11,276)	146,959	135,496	(46,430)	(62,104)	(18,584)
Total general fund	<u>550,330</u>	<u>528,048</u>	<u>720,984</u>	<u>730,745</u>	<u>886,619</u>	<u>1,020,065</u>	<u>657,239</u>	<u>904,121</u>
All other governmental funds								
Unreserved, reported in:								
Debt service fund					6,508	6,508		
Capital projects fund							111,859	2,899,039
Special revenue fund	<u>(15,069)</u>	<u>(14,157)</u>	<u>(14,157)</u>	<u>(14,157)</u>	<u>(14,157)</u>	<u>(8,806)</u>	<u>(9,101)</u>	<u>(9,101)</u>
Total all other governmental funds	<u>(15,069)</u>	<u>(14,157)</u>	<u>(14,157)</u>	<u>(14,157)</u>	<u>(7,649)</u>	<u>(2,298)</u>	<u>102,758</u>	<u>2,889,938</u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Changes in Fund Balance, Governmental Funds  
 Last Ten Fiscal Years  
 Unaudited

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Tax Levy	1,741,769	1,874,069	1,883,369	2,051,178	2,236,923	2,321,254	2,393,690	2,074,528	2,143,253	2,245,525
Tuition charges	24,855	64,578	40,266	106,140	110,934	124,031	228,103	179,883	174,561	189,818
Transportation fees		9,000	54,000							
Interest earnings	35,257	15,356	9,065	21,676	33,494	46,044	24,919	10,007	9,866	6,754
Miscellaneous	31,116	10,786	16,074	805	851	684	11,763	2,969	9,723	19,315
State sources	2,717,399	2,603,514	2,808,384	2,940,589	2,937,381	3,120,239	3,300,501	3,539,750	3,075,592	6,195,256
Federal sources	164,726	197,451	223,475	227,110	249,975	233,993	229,651	230,667	901,209	226,606
<b>Total revenue</b>	<b>4,715,122</b>	<b>4,774,754</b>	<b>5,034,633</b>	<b>5,347,498</b>	<b>5,569,558</b>	<b>5,846,245</b>	<b>6,188,627</b>	<b>6,037,804</b>	<b>6,314,204</b>	<b>8,883,274</b>
<b>Expenditures</b>										
<b>Instruction:</b>										
Regular	1,079,318	980,998	1,102,084	1,213,426	1,149,939	1,192,372	1,285,673	1,634,180	1,678,111	1,517,731
Special	679,051	699,612	713,105	716,992	736,724	739,301	743,501	532,468	686,354	484,542
Other	2,452	8,413	28,626	3,887	43,399	37,760	40,168	47,913	54,549	57,701
School sponsored/other instructional	4,799	7,890	7,139	6,749	9,816	9,891	15,196	27,630	24,702	21,142
Community service	2,625	2,835								
<b>Undistributed:</b>										
Instruction	894,969	1,246,238	1,020,716	1,059,413	1,070,662	1,173,689	1,223,725	933,497	839,128	1,002,081
Student & instruction related services	325,445	307,592	354,287	343,643	304,650	341,414	356,990	384,073	454,411	413,734
General administration	186,466	166,928	166,848	192,478	196,016	194,442	209,806	222,684	213,883	215,268
School administration	79,617	80,087	88,917	82,857	85,364	88,377	91,988	95,236	93,270	101,315
Central administration				104,028	115,361	105,328	114,184	122,935	121,487	126,528
Administration information technology				4,386	2,683	2,603	2,849	1,972	6,826	2,407
Allowable maintenance for school facilities		13,277	48,894	34,758	19,770	22,669	50,496	22,044	50,717	37,413
Operations & maintenance of plant services	231,986	247,177	229,954	256,154	264,667	267,605	288,954	320,159	338,621	408,619
Security									11,163	11,466
Student transportation	301,948	305,264	273,350	323,131	333,928	367,133	373,515	402,393	437,155	348,761
Business and other support services	75,426	92,824	106,964							
Unallocated benefits	569,005	561,690	677,002	753,398	789,008	1,040,623	1,025,308	960,254	1,042,688	966,144

QUINTON TOWNSHIP SCHOOL DISTRICT  
Changes in Fund Balance, Governmental Funds  
Last Ten Fiscal Years  
Unaudited

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Capital outlay	91,063	120,376	20,744	35,863	51,775	45,547	13,085	3,619	332,259	1,767,910
Debt service expenditures										
Principal	80,000	80,000	85,000	85,000	90,000	95,000	115,000	115,000	120,000	125,000
Interest	131,670	127,110	122,550	117,705	112,860	107,730	75,807	72,950	66,650	62,450
Total expenditures	4,735,840	5,048,311	5,046,180	5,333,868	5,376,622	5,831,484	6,026,245	5,899,007	6,571,974	7,670,212
Excess (deficiency of revenues over (under) expenditures	(20,718)	(273,557)	(11,547)	13,630	192,936	14,761	162,382	138,797	(257,770)	1,213,062
Other financing sources (uses)										
Proceeds from borrowing							1,705,000			1,821,000
Premium on bonds							20,214			
Cost of issuance							(125,214)			
Bonds refunded							(1,600,000)			
Transfers in	61,853									
Transfers out - food service		(20,000)	(25,000)	(35,000)		(5,000)				
Total other financing sources (uses)	61,853	(20,000)	(25,000)	(35,000)		(5,000)				1,821,000
Net change in fund balance	41,135	(293,557)	(36,547)	(21,370)	192,936	9,761	162,382	138,797	(257,770)	3,034,062
Debt service as a percentage of noncapital expenditures	4.56%	4.20%	4.13%	3.83%	3.81%	3.50%	3.17%	3.19%	2.99%	3.18%

Source: District records.

QUINTON TOWNSHIP SCHOOL DISTRICT  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years  
 Unaudited

Fiscal year ended June 30	Library Fines	Miscellaneous	Prior year Refunds	Municipal Alliance	Pairing Grant	Junior Achieve	Prior year payable adjustment	Annual Totals
2002	244	2,907	8,564		13,419	3,200	2,782	31,116
2003	116	1,637	3,391	5,278			364	10,786
2004	150	839	8,122	7,052			(89)	16,074
2005	290	181	334					805
2006	18	733	100					851
2007		684						684
2008		11,763						11,763
2009		917	2,052					2,969
2010		1,694	4,253					5,947
2011		265	14,797					15,062
	818	21,620	41,613	12,330	13,419	3,200	3,057	96,057

Source: District records.

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Assessed Value and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 Unaudited

Fiscal year ended June 30	Vacant Land	Residential	Farm Reg.	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utility	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate
2002	4,749,300	81,470,800	15,731,500	3,935,100	11,472,000	0	302,600	117,661,300	988,454	118,649,754	119,083,044	1.524
2003	4,826,100	81,654,200	16,035,200	3,882,100	11,156,500	0	302,600	117,856,700	973,073	118,829,773	123,082,961	1.581
2004	5,077,400	81,474,100	16,815,700	3,623,400	11,149,300	0	302,600	118,442,500	875,351	119,317,851	129,468,703	1.649
2005	4,685,800	81,936,900	17,506,800	3,614,300	10,497,900	0	302,600	118,544,300	775,269	119,319,569	139,468,355	1.796
2006	4,315,000	82,922,800	18,415,800	3,462,400	10,646,700	0	302,600	120,065,300	654,622	120,719,922	152,681,564	1.887
2007	4,200,100	84,064,900	18,240,400	3,454,000	10,807,600	0	302,600	121,069,600	626,148	121,695,748	165,932,291	1.937
2008	6,329,800	132,055,000	25,856,200	4,996,800	16,367,400	0	939,800	186,545,000	626,148	187,171,148	149,310,036	1.195
2009	6,049,500	132,852,200	24,526,600	5,123,900	16,378,700	0	519,000	185,449,900	900,483	186,350,383	149,655,515	1.132
2010	5,517,400	134,185,600	25,020,000	4,980,700	16,070,200	0	519,000	186,292,900	932,672	187,225,572	199,452,818	1.173
2011	6,646,600	137,882,200	22,455,500	3,254,900	15,831,800	0	519,000	186,590,000	693,983	187,283,983	N/A	1.239

Source: Municipal Tax Assessor.

N/A Not available at completion of C.A.F.R.

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Direct and Overlapping Property Tax Rates  
 Per \$100 of Assessed Valuation  
 Last Ten Fiscal Years  
 Unaudited

Fiscal year ended June 30	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Overlapping Rates			Total Direct & Overlapping Tax Rate
				Township of Quinton	Farmland Preservation	Salem County	
2002	1.452	0.072	1.524	0.209		0.890	2.623
2003	1.495	0.086	1.581	0.209		0.940	2.730
2004	1.554	0.095	1.649	0.209		0.996	2.854
2005	1.703	0.093	1.796	0.240	0.024	1.140	3.200
2006	1.797	0.090	1.887	0.240	0.026	1.226	3.379
2007	1.848	0.089	1.937	0.258	0.028	1.254	3.477
2008	1.143	0.052	1.195	0.183	0.016	0.726	2.120
2009	1.077	0.055	1.132	0.167	0.017	0.695	2.011
2010	1.123	0.050	1.173	0.165	0.022	0.918	2.278
2011	1.177	0.062	1.239	0.175	0.023	0.994	2.431

Source: Municipal Tax Collector.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Principal Property Taxpayers  
Current and Nine Years Ago  
Unaudited

Taxpayer	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
I.S. Smick Lumber Company Inc.	2,674,200	1.43%	1,698,500	1.43%
Taxpayer #1	2,374,800	1.27%	1,607,700	1.35%
American Tower Corporation			1,200,000	1.01%
4 C's Rental	1,696,000	0.91%	1,022,400	0.86%
Ram Golf LLC	1,272,800	0.68%		
Third Garden	882,500	0.47%		
Taxpayer #2	827,400	0.44%		
Glendon Elmer Investment Properties	771,700	0.41%	595,600	0.50%
Verizon	742,093	0.40%	972,616	0.82%
Taxpayer #3	696,300	0.35%	626,800	0.52%
Taxpayer #4	663,600	0.35%		
Taxpayer #5			571,000	0.49%
Sickler Construction			336,800	0.28%
Taxpayer #6			273,500	0.23%
	<u>12,601,393</u>	<u>6.71%</u>	<u>8,904,916</u>	<u>7.49%</u>

Source: Municipal Tax Assessor.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

Fiscal year ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Year
		Amount	Percent of Levy	
2002	1,741,769	1,741,769	100.00%	
2003	1,874,069	1,874,069	100.00%	
2004	1,883,369	1,883,369	100.00%	
2005	2,051,178	2,051,178	100.00%	
2006	2,236,923	2,236,923	100.00%	
2007	2,321,254	2,321,254	100.00%	
2008	2,393,690	2,393,690	100.00%	
2009	2,074,528	2,074,528	100.00%	
2010	2,143,253	2,143,253	100.00%	
2011	2,245,525	2,245,525	100.00%	

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

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30	Governmental Activities				Business-type	Total District	Percentage of Personal Income
	General Obligation Bonds	Certificate of Participation	Capital Leases	Bond Anticipation Notes	Activities Capital Leases		
2002	2,235,000					2,235,000	2.66%
2003	2,150,000					2,150,000	2.46%
2004	2,065,000					2,065,000	2.26%
2005	1,980,000					1,980,000	2.12%
2006	1,890,000					1,890,000	1.90%
2007	1,795,000					1,795,000	1.74%
2008	1,785,000					1,785,000	1.65%
2009	1,670,000					1,670,000	1.53%
2010	1,550,000					1,550,000	N/A
2011	3,246,000					3,246,000	N/A

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

N/A Not available at completion of C.A.F.R.

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Ratios of General Bonded Debt Outstanding  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per capita
	General Obligation Bonds	Deductions			
2002	2,235,000		2,235,000	1.90%	801
2003	2,150,000		2,150,000	1.82%	769
2004	2,065,000		2,065,000	1.74%	740
2005	1,980,000		1,980,000	1.67%	704
2006	1,890,000		1,890,000	1.57%	668
2007	1,795,000		1,795,000	1.48%	632
2008	1,785,000		1,785,000	0.96%	628
2009	1,670,000		1,670,000	0.90%	586
2010	1,550,000		1,550,000	0.83%	543
2011	3,246,000		3,246,000	1.74%	1,138

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

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2010  
 Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b><u>Governmental Unit</u></b>			
Debt repaid with property taxes			
Township of Quinton	2,502,439	100%	2,502,439
Salem County General Obligation Debt	40,991,000	3.4%	1,394,646
Subtotal, overlapping debt			<u>3,897,085</u>
Township of Quinton School District			<u>3,246,000</u>
Total direct and overlapping debt			<u><u>7,143,085</u></u>

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

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 Unaudited

Year	Equalized Valuation Basis
2010	\$212,082,081
2009	\$196,319,742
2008	\$148,148,033
	<u>\$556,549,856</u>

Average equalized valuation of taxable property	185,516,619
Debt limit (3% of average equalized value)	5,565,499
Total net debt applicable to limit	<u>3,246,000</u>
Legal debt margin	<u>2,319,499</u>

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	<u>3,490,710</u>	<u>3,490,710</u>	<u>3,641,827</u>	<u>3,850,923</u>	<u>4,133,024</u>	<u>4,492,524</u>	<u>4,586,225</u>	<u>4,577,707</u>	<u>4,912,900</u>	<u>5,565,499</u>
Total net debt applicable to limit	<u>2,235,000</u>	<u>2,150,000</u>	<u>2,065,000</u>	<u>1,980,000</u>	<u>1,890,000</u>	<u>1,795,000</u>	<u>1,785,000</u>	<u>1,670,000</u>	<u>1,550,000</u>	<u>3,246,000</u>
Legal debt margin	<u>1,255,710</u>	<u>1,340,710</u>	<u>1,576,827</u>	<u>1,870,923</u>	<u>2,243,024</u>	<u>2,697,524</u>	<u>2,801,225</u>	<u>2,907,707</u>	<u>3,362,900</u>	<u>2,319,499</u>
Total net debt applicable to the limit as a percentage of debt limit	64.03%	61.59%	56.70%	51.42%	45.73%	39.96%	38.92%	36.48%	31.55%	58.32%

QUINTON TOWNSHIP SCHOOL DISTRICT  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal year ended June 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2002	2,789	84,144,130	30,170	8.00%
2003	2,797	87,445,408	31,264	10.00%
2004	2,790	91,520,370	32,803	11.80%
2005	2,813	93,596,949	33,273	9.50%
2006	2,828	99,347,640	35,130	5.20%
2007	2,841	103,415,241	36,401	5.30%
2008	2,843	108,099,389	38,023	5.30%
2009	2,851	109,224,661	38,311	6.70%
2010	2,852 *	N/A	N/A	12.00%
2011	2,852 *	N/A	N/A	N/A

\* Estimate

Source: Data regarding school district population and per capita personal income was provided by Department of Education.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Principal Employers  
Current and Nine Years Ago  
Unaudited

<u>Employer</u>	<u>2011</u>		<u>2002</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
Quinton Township School	58	4.40%		
Hudock's Custard Stand	30	2.27%		
Marlboro Farm Market	25	1.90%		
Bobbit Pontiac	25	1.90%		
Quinton Township	20	1.52%		
Smick's Lumber	20	1.52%		
Salem Packing	15	1.14%		
Bradway's Farm Market/Farmer John's Deli & Restaurant	15	1.14%		
Butler Gardens/C & L Workclothes	15	1.14%		
Quinton Diner	10	0.76%		
Bud's Market	5	0.38%		
Marty's Crabs	5	0.38%		
	<u>243</u>	<u>14.03%</u>	<u>N/A</u>	<u>N/A</u>

Source: District officials.

N/A = Not available at completion of C.A.F.R.

Labor Force 1,319

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
 Unaudited

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction										
Regular	26	29	30	29	30	28	31	31	29	27
Special education	4	4	5	5	5	5	5	5	5	5
Other special education	3	4	4	4	5	5	5	5	6	5
Other instruction	3	3	3	3	3	3	3	3	3	3
Support services:										
Student & instruction related services	3	3	3	3	3	3	3	3	3	3
General administration	2	2	2	2	2	2	2	2	2	2
School administration	2	2	2	2	2	2	2	2	2	2
Business administrative services	2	2	2	2	2	2	2	2	2	2
Plants operations and maintenance	4	4	4	4	4	4	4	4	4	4
Food service	3	3	3	3	3	3	3	3	3	3
Total	<u>52</u>	<u>56</u>	<u>58</u>	<u>57</u>	<u>59</u>	<u>57</u>	<u>60</u>	<u>60</u>	<u>59</u>	<u>56</u>

Source: District personnel records.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Operating Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal year ending June 30	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School				
2002	330	4,433,107	13,434	20.78%	29.9	11.7	1:24	335.8	320.0	3.01%	95.29%
2003	351	4,720,825	13,450	0.12%	34.9	11.8	1:24	333.4	317.0	-0.71%	95.08%
2004	360	4,817,886	13,383	-0.50%	30.3	12.0	1:24	353.0	335.0	5.88%	94.90%
2005	339	5,095,300	15,030	12.31%	35.1	11.5	1:24	359.8	341.3	1.93%	94.86%
2006	349	5,121,987	14,676	-2.36%	32.9	10.7	1:24	335.8	320.1	-6.67%	95.32%
2007	346	5,583,207	16,136	9.95%	34.3	11.5	1:24	349.0	332.3	3.93%	95.21%
2008	338	5,822,353	17,226	6.75%	33.9	12.2	1:24	342.3	326.1	-1.92%	95.27%
2009	371	5,707,438	15,384	-10.69%	32.9	12.8	1:24	360.8	341.4	5.40%	94.62%
2010	350	6,053,065	17,294	12.42%	30.8	12.0	1:24	346.5	328.4	-3.96%	94.78%
2011	350	5,714,852	16,328	-5.59%	n/a	n/a	n/a	352.3	333.9	1.67%	94.78%

Source: District records, A.S.S.A. and schedules J-12, J-14 and comparative spending guide.

Note: Enrollment based on annual October district count.

n/a = Not available at time of C.A.F.R. completion

QUINTON TOWNSHIP SCHOOL DISTRICT  
 School Building Information  
 Last Ten Fiscal Years  
 Unaudited

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Elementary</u>										
Quinton Elementary										
Square feet	58,738	58,738	58,738	58,738	58,738	58,738	58,738	58,738	58,738	58,738
Capacity (students)	526	526	526	526	526	526	526	526	526	526
Enrollment	330	351	360	339	349	346	338	371	350	353

Number of Schools at June 30, 2011

Elementary = 1

Source: District office.

QUINTON TOWNSHIP SCHOOL DISTRICT  
 General Fund  
 Schedule of Required Maintenance Expenditures by School Facility  
 For the Fiscal Year Ended June 30, 2011

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-xxx

School Facilities	Gross Square Footage	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Quinton	58,738	64,494	13,277	48,894	34,758	19,770	22,669	50,496	22,044	50,717	37,413	364,532

\* School facilities as defined under EFCA.  
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

QUINTON TOWNSHIP SCHOOL DISTRICT  
Insurance Schedule  
June 30, 2011  
Unaudited

	<u>Coverage</u>	<u>Deductible</u>	
School Package Policy - N. J. School Board Assoc. Insurance Group (ERIC - south)			
<b>Article I - Property</b>			
Blanket buildings & contents	10,882,727	1,000	per occurrence
<b>Article II - Electronic Data Processing</b>			
Blanket - hardware/software	260,000	1,000	per occurrence
<b>Article III - Boiler &amp; Machinery</b>			
Combined single limit	100,000,000	1,000	
<b>Article IV - Crime</b>			
<i>Insuring Agreement 1 - Public employee dishonesty w/ faithful performance</i>	100,000	1,000	per occurrence
<i>Insuring Agreement 2 - Theft, disappearance &amp; destruction- loss of money &amp; securities on or off premises</i>	25,000	500	per occurrence
<i>Insuring Agreement 3- Theft, disappearance &amp; destruction- money orders &amp; counterfeit paper currency</i>	25,000	500	per occurrence
<i>Insuring Agreement 4- Forgery or alteration</i>	100,000	1,000	per occurrence
<b>Article V - Comprehensive General Liability</b>			
Bodily injury and property damage	11,000,000	None	combined single limit
Bodily injury from products and completed operations	11,000,000	None	annual aggregate
Sexual abuse	11,000,000	None	per occurrence
Personal and advertising - injury limit	11,000,000	None	per occurrence/annual aggregate
Employee benefits liability	11,000,000	1,000	per claim/annual aggregate
Premises medical payments	10,000	None	each accident
Premises medical payments	5,000	None	limit per person
Terrorism	1,000,000	None	per occurrence
<b>Article VI - Automobile</b>			
Bodily injury and property damage	11,000,000	None	combined single limit
<b>Errors &amp; Omissions</b>			
Coverage A	11,000,000	5,000	each policy period
Coverage B	100,000	5,000	each policy period
	300,000		each claim
Workers' Compensation - Educational Risk Insurance Consortium South			
<b>Bodily Injury - by accident</b>	2,000,000	None	each accident
<b>Bodily Injury - by disease</b>	2,000,000	None	each employee/aggregate limit
Student accident - Markel Insurance Company			
<b>Accidental Death &amp; Dismemberment Benefits</b>	10,000		
<b>Accident Medical Expense Benefit</b>	5,000,000	25,000	
<b>Public Employee Surety Bonds</b>			
The Ohio Casualty Insurance Company			
Employee bond - Sandra Drezgal, Treasurer	200,000	None	
Employee bond - Heather Mayhew, Business Administrator/Board Secretary	50,000	None	

**SINGLE AUDIT SECTION**

# PETRONI & ASSOCIATES LLC

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## **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**

The Honorable President and  
Members of the Board of Education  
Quinton Township School District  
8 Robinson Street  
Quinton, New Jersey 08072

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Quinton Township School District's basic financial statements and have issued our report thereon dated September 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

### **Internal Control Over Financial Reporting**

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

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

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

Compliance and Other Matters

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

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542

September 23, 2011

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

The Honorable President and  
Members of the Board of Education  
Quinton Township School District  
8 Robinson Street  
Quinton, New Jersey 08072

### Compliance

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Quinton Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe

that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Quinton Township School District's compliance with those requirements.

In our opinion, the Quinton Township School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2011.

Internal Control over Compliance

Management of the Quinton Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Quinton Township School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542

September 23, 2011

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended June 30, 2011

SCHEDULE A  
 EXHIBIT K-3

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2010	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of prior Years' Balances	June 30, 2011			Memo Cumulative Total Expenditures
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education															
Passed-through State Department of Education:															
General Fund:															
Education Jobs Fund	84.410	n/a	107,295	07/01/10	09/30/12										
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I - Part A Improving Basic Programs	84.010A	NCLB428011	80,270	09/1/10	08/31/11			52,396	(80,270)			(27,874)			80,270
Title I - Part A Improving Basic Programs	84.010A	NCLB428010	86,936	09/1/09	08/31/10	(33,778)		33,778							86,936
Title II-A Teacher & Principal Training & Recruiting	84.367A	NCLB428011	11,311	09/1/10	08/31/11			11,096	(11,311)			(215)			11,311
Title II-A Teacher & Principal Training & Recruiting	84.367A	NCLB428010	11,238	09/1/09	08/31/10	(1,758)		1,758							11,238
Title II-D Enhancing Education through Technology	84.318	NCLB428011	154	09/1/10	08/31/11			154	(154)						154
Title II-D Enhancing Education through Technology	84.318	NCLB428010	886	09/1/09	08/31/10	(289)		289							886
Title IV-Safe & Drug Free Schools & Communities	84.186	NCLB428010	1,491	09/1/09	08/31/10	(249)		249							1,491
I.D.E.A. Part B, Basic Regular	84.027	IDEA428011	97,325	09/1/10	08/31/11			59,155	(97,325)			(38,170)			97,325
I.D.E.A. Part B, Basic Regular	84.027	IDEA428010	101,079	09/1/09	08/31/10	(41,754)		41,754							101,079
I.D.E.A. Preschool	84.173	IDEA428010	2,509	09/1/10	08/31/11			1,254	(2,509)			(1,255)			2,509
I.D.E.A. Preschool	84.173	IDEA428010	2,431	09/1/09	08/31/10	(405)		405							2,431
Rural Education Achievement Program	84.358	S358A101442	35,037	07/1/10	09/30/11			29,197	(35,037)			(5,840)			35,037
Rural Education Achievement Program	84.358	S358A091442	32,656	07/1/09	09/30/10	(4,519)		4,519							32,656
ARRA - Preschool	84.392	n/a	3,573	09/1/09	08/31/11	(495)		495							3,573
Total Special Revenue Fund						(83,247)		236,499	(226,606)			(73,354)			466,896
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550		9,338	07/1/10	06/30/11			9,338	(7,000)			2,338			7,000
Food Distribution Program	10.550		15,502	07/1/09	06/30/10	5,227			(5,227)						15,502
National School Lunch Program	10.555		63,301	07/1/10	06/30/11			63,301	(63,301)						63,301
National School Lunch Program	10.555		58,393	07/1/09	06/30/10	(4,986)		4,986							58,393
National School Breakfast Program	10.553		16,808	07/1/10	06/30/11			16,808	(16,808)						16,808
National School Breakfast Program	10.553		14,775	07/1/09	06/30/10	(1,451)		1,451							14,775
Total Enterprise Fund						(1,210)		95,884	(92,336)			2,338			175,779
Total Federal Financial Awards						(84,457)		332,383	(318,942)			(73,354)	2,338		642,675

The accompanying notes to the schedules of expenditures of awards and financial assistance are an integral part of this schedule.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		June 30, 2010		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Expenditures	June 30, 2011			MEMO	
			From	To	Deferred Revenue (Accts. Rec.)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Equalization Aid	11-495-034-5120-078	2,460,502	07/1/10	06/30/11				2,460,502	(2,460,502)					231,023	2,460,502
Transportation Aid	11-495-034-5120-014	189,107	07/1/10	06/30/11				189,107	(189,107)					17,756	189,107
Special Education Categorical Aid	11-495-034-5120-089	182,826	07/1/10	06/30/11				182,826	(182,826)					17,166	182,826
Security Aid	11-495-034-5120-084	71,489	07/1/10	06/30/11				71,489	(71,489)					6,712	71,489
Adjustment Aid	11-495-034-5120-085	41,019	07/1/10	06/30/11				41,019	(41,019)					3,851	41,019
Extraordinary Aid	10-100-034-5120-473	4,924	07/1/09	06/30/10		(4,924)		4,924							4,924
Reimbursed Nonpublic Transportation Costs	n/a	7,924	07/1/10	06/30/11					(7,924)		(7,924)				7,924
Reimbursed Nonpublic Transportation Costs	n/a	2,622	07/1/09	06/30/10		(2,622)									1,592
Reimbursed T.P.A.F. Social Security Contributions	11-100-034-5095-002	159,210	07/1/10	06/30/11				159,210	(159,210)						159,210
Reimbursed T.P.A.F. Social Security Contributions	10-100-034-5095-002	172,998	07/1/09	06/30/10		(8,346)		8,346							(172,998)
On-Behalf T.P.A.F. Pension Contribution	11-100-034-5095-007	6,771	07/1/10	06/30/11				6,771	(6,771)						6,771
On-Behalf T.P.A.F. Postretirement Contribution	11-100-034-5095-001	143,821	07/1/10	06/30/11				143,821	(143,821)						143,821
<b>Total General Fund</b>						<b>(15,892)</b>		<b>3,270,637</b>	<b>(3,262,669)</b>		<b>(7,924)</b>			<b>276,508</b>	<b>3,096,187</b>
Special Revenue Fund:															
Preschool Education Aid	11-495-034-5120-086	91,014	07/1/10	06/30/11				91,014	(91,014)					9,101	91,014
Passed through Township of Quinton															
Municipal Alliance	n/a	609	01/01/11	12/31/11					(609)		(609)				609
Municipal Alliance	n/a	4,879	01/01/10	12/31/10		(697)			(4,182)		(4,879)				4,879
Municipal Alliance	n/a	4,738	01/01/09	12/31/09		(3,849)				(275) a	(4,124)				4,738
<b>Total Special Revenue Fund</b>						<b>(4,546)</b>		<b>91,014</b>	<b>(95,805)</b>		<b>(275)</b>	<b>(9,612)</b>		<b>9,101</b>	<b>101,240</b>
Capital Projects Fund:															
SDA Grant	4280-050-09-100(X)	2,744,878	09/01/09	06/30/11				247,170	(1,123,073)		(875,903)				1,148,851
Debt Service Fund:															
Debt Service Aid Type II	11-495-034-5120-125	75,755	07/1/10	06/30/11				75,755	(75,755)						75,755
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	11-100-010-3360-067	1,942	07/1/10	06/30/11				1,942	(2,041)		(99)				1,942
National School Lunch Program (State Share)	10-100-010-3360-067	2,877	07/1/09	06/30/10		(245)		245							2,877
State School Breakfast Program	10-100-010-3360-096	1,058	07/1/09	06/30/10		(106)		106							1,058
<b>Total Enterprise Fund</b>						<b>(351)</b>		<b>2,293</b>	<b>(2,041)</b>		<b>(99)</b>				<b>5,877</b>
<b>Total State Financial Assistance</b>						<b>(20,789)</b>		<b>3,686,869</b>	<b>(4,559,343)</b>		<b>(275)</b>	<b>(893,538)</b>		<b>285,609</b>	<b>4,427,910</b>

a = Reclassification of Prior year purchase order

The accompanying notes to the schedules of expenditures of awards and financial assistance are an integral part of this schedule.

QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2011

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey Circular Letter 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the General Fund and Special Revenue Fund on a G.A.A.P. basis. Budgetary comparison statements or schedules (R.S.I.) 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 G.A.A.P. reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44-.2. For G.A.A.P. purposes, that, payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the G.A.A.P. basis does not. The Special Revenue Fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4-.2.

QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2011

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the G.A.A.P. basis is \$43,142 for the General Fund and \$0 for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a G.A.A.P. basis as presented:

	Federal	State	Total
General Fund		3,305,811	3,305,811
Special Revenue Fund	226,606	95,805	322,411
Debt Service Fund		75,755	75,755
Capital Projects Fund		2,717,885	2,717,885
Food Service Fund	89,447	2,041	91,488
Total Financial Assistance	316,053	6,197,297	6,513,350

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2011, Quinton Township School District has food commodities totaling \$2,338 in inventory.

NOTE 6: OTHER

The amount reported as T.P.A.F. Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2011. T.P.A.F. Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for T.P.A.F. members for the year ended June 30, 2011.

QUINTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

**Financial Statements:**

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

1. Material weakness(es) identified? \_\_\_\_\_ Yes \_\_\_\_\_X\_\_\_\_\_ No

2. Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes \_\_\_\_\_X\_\_\_\_\_ None reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ Yes \_\_\_\_\_X\_\_\_\_\_ No

**Federal awards**

Internal control over major programs: **N/A**

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:

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ Yes \_\_\_\_\_ No

Identification of major programs:

CFDA Number Name of Federal Program or Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes \_\_\_\_\_ No

QUINTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

**State awards**

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?  X  Yes   No

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

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with N.J.O.M.B. Circular Letter 04-04?   Yes  X  No

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
4280-050-09-100(X)	School Development Authority
100-034-5095-002	Social Security Tax

**Section II – Financial Statement Findings**

None

**Section III – Federal Financial Assistance Findings and Questioned Costs**

N/A

**Section III – State Financial Assistance Findings and Questioned Costs**

None

QUINTON TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Finding: 2010-01

Condition

A transfer was approved by Board resolution to fund an expenditure for an “emergent circumstance” without obtaining the required approval from the County Superintendent.

Current year status: Corrective action has been taken.