

**Quinton Township School District  
Board of Education  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2018**

**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, 2018**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

of the

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

**For the Fiscal Year Ended June 30, 2018**

Prepared by:

**Quinton Township School  
Board of Education Administration**

<b>OUTLINE OF CAFR</b>		<b>Page</b>
<b>INTRODUCTORY SECTION</b>		1
Letter of Transmittal		2-6
Organizational Chart		7
Roster of Officials		8
Consultants and Advisors		9
<b>FINANCIAL SECTION</b>		10
<b>Independent Auditor's Report</b>		11-13
<b>Required Supplementary Information - Part I Management's Discussion and Analysis</b>		14 15-22
<b>Basic Financial Statements</b>		23
A. District-Wide Financial Statements:		24
A-1 Statement of Net Position		25
A-2 Statement of Activities		26
B. Fund Financial Statements:		27
Governmental Funds:		
B-1 Balance Sheet		28-29
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances		30
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities		31
Proprietary Funds:		
B-4 Statement of Net Position		32
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position		33
B-6 Statement of Cash Flows		34
Fiduciary Funds:		
B-7 Statement of Fiduciary Net Position		35
B-8 Statement of Changes in Fiduciary Net Position		36
<b>Notes to the Financial Statements</b>		37-63
<b>Required Supplementary Information - Part II</b>		64
C. Budgetary Comparison Schedules:		
C-1 Budgetary Comparison Schedule - General Fund		65-71
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual <b>(if applicable)</b>		N/A
C-1b Community Development Block Grant - Budget and Actual <b>(if applicable)</b>		N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund		72
<b>Notes to the Required Supplementary Information – Part II</b>		73
C-3 Budget-to-GAAP Reconciliation - Note to RSI		74

	<b>Page</b>
<b>Required Supplementary Information – Part III</b>	75
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	76
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability - PERS	77
L-2 Schedule of District Contributions - PERS	78
L-3 Schedule of the District’s Proportionate Share of Net Pension Liability - TPAF	79
M. Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	80
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	81
<b>Notes to the Required Supplementary Information – Part III</b>	82-84
<b>Other Supplementary Information</b>	85
D. School Based Budget Schedules (if applicable):	N/A
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	86
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	87-89
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	90
F. Capital Projects Fund:	91
F-1 Summary Schedule of Project Expenditures	92
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	93
F-2(x) Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	94
G. Proprietary Funds:	95
Enterprise Fund:	
G-1 Combining Schedule of Net Position	96
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	97
G-3 Combining Schedule of Cash Flows	98

	<b>Page</b>
G. Proprietary Funds: (Continued)	
Internal Service Fund:	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	99
H-1 Combining Statement of Fiduciary Net Position	100
H-2 Combining Statement of Changes in Fiduciary Net Position	101
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	102
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	102
I. Long-Term Debt:	103
I-1 Schedule of Serial Bonds	104
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	105
<b>STATISTICAL SECTION (Unaudited)</b>	106
<b>Introduction to the Statistical Section</b>	107
<b>Financial Trends</b>	
J-1 Net Position by Component	108
J-2 Changes in Net Assets/Net Position	109-110
J-3 Fund Balances - Governmental Funds	111
J-4 Changes in Fund Balances - Governmental Funds	112-113
J-5 General Fund Other Local Revenue by Source	114
<b>Revenue Capacity</b>	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	115
J-7 Direct and Overlapping Property Tax Rates	116
J-8 Principal Property Taxpayers	117
J-9 Property Tax Levies and Collections	118
<b>Debt Capacity</b>	
J-10 Ratios of Outstanding Debt by Type	119
J-11 Ratios of General Bonded Debt Outstanding	120
J-12 Direct and Overlapping Governmental Activities Debt	121
J-13 Legal Debt Margin Information	122
<b>Demographic and Economic Information</b>	
J-14 Demographic and Economic Statistics	123
J-15 Principal Employers	124
<b>Operating Information</b>	
J-16 Full-time Equivalent District Employees by Function/Program	125
J-17 Operating Statistics	126
J-18 School Building Information	127
J-19 Schedule of Required Maintenance Expenditures by School Facility	128

	<b>Page</b>
<b>Operating Information (Continued)</b>	
J-20 Insurance Schedule	129
J-21 Charter School Performance Framework, Financial Performance, Fiscal Ratios/Renaissance School Project Framework, Financial Performance, Fiscal Ratios	N/A
<b>SINGLE AUDIT SECTION</b>	130
K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	131-132
K-2 Report on Compliance for each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by <i>Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance)</i> , and New Jersey OMB's Circular 15-08	133-135
K-3 Schedule of Expenditures of Federal Awards, Schedule A	136
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	137
K-5 Notes to the Schedules of Awards and Financial Assistance	138-140
K-6 Schedule of Findings and Questioned Costs	141-142
K-7 Summary Schedule of Prior Audit Findings and Questioned Costs as Prepared by Management	143

## **INTRODUCTORY SECTION**



# Quinton Township School District

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

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January 21, 2019

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

Dear Board Members:

The comprehensive annual financial report of the Quinton Township School District for the fiscal year ending June 30, 2018, 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 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and/or the reporting requirements under NJ OMB Treasury Circular Letter 15-08, "Audits of State and Local Governments, and "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 forty-seven 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-four percent attend high school in the academy programs offered through the Salem County Vocational Technical School for which the Quinton School District pays a portion of the tuition. These services include regular, as well as special education for our 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. The funding for the 2016-17 budget year included tuition adjustments from two receiving high schools, which resulted in the district owing \$116,305. As a result, it was necessary to cut a part-time basic skills position, a paraprofessional/instructional support position, and reduce the computer education teacher position to 40%. During the 2016-2017 school year we had two teachers retire and one additional teacher and administrator retire at the end of the 2017-2018 school year. The reduction in the amount of per student tuition by one of the local high schools for a second year in a row, adopting a new RTI screening program and the addition of Title IV funding assisted the District with offsetting funding shortages and the District was able to reinstate the part-time basic skills position, increase the technology teacher position to 50%, increase the guidance counselor position to 100%, and add an additional 50% special education teaching position.

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, 2018, the District directed its efforts and resources toward the following goals and initiatives:

### **2017-2018 ESEA Goals**

1. By June 2018 - 77.5% of the students in grades 1-8 will meet or exceed expectations on the Mathematics PARCC assessment (3-8) and/or other measures of success (grades 1-2) as a result of implementing the Go Math and Big Ideas Programs, Intervention and Referral Services, Professional Development, IXL, and Algebra.

This objective was not attained with 62.3% of the students in grades 1-2 scoring above the NWEA suggested score percentage and students in grades 3-8 scoring within the 3,4 and 5 range on the PARCC. Other factors included in the identification of eligible students included, NWEA scores (3-8), teacher recommendations and earned grades during the 2017-18 school year. This percentage goal was selected based on last year's goal, which did not include PARCC scores.

2. By June 2018 - 68 percent of the students in grades 1-8 will meet or exceed expectations on the English Language Arts PARCC assessment (3-8) and/or other measures of success (grades 1-2) as a result of implementation of the Response to Intervention Program, Intervention and Referral Services Program, Implementation of Professional Learning Communities, Professional Development, and the incorporation of a new reading, writing, and phonics series.

This objective was not attained with 64.6 % of the students in grades 1-2, scoring above the NWEA suggested score percentage in English Language Arts section of the MAP and grades 3-8 students scoring within the 3,4, and 5 range on the PARCC. Other factors included in the identification of eligible students included, NWEA scores (3-8), teacher recommendations, and earned grades during the 2017-18 school year.

3. By June 2018 - 100 percent of the instructional staff will gain a better understanding of the Danielson Domains, specifically Domains 1F (Designing Student Assessments) and 2C (Managing Classroom Procedures) to support the development of creating engaging lessons utilizing classroom time efficiently, while continuing to hold high expectations for all students by effectively collecting and using data to drive instruction at each grade level.

This objective was attained with 100% of the teaching staff receiving professional development with regard to the Domains 1F and 2C. The District was able to provide training by a Danielson Group representative to review both elements and all staff circulated through an in-house training, which was provided by our 2018 TOTY candidate, who specializes in classroom management and procedures.

4. By June 2018 - 100 percent of our students who are in grades K-4 will increase their foundational Fountas and Pinnell Oral Comprehension levels by two levels.

This objective was very close to being attained due to the implementation of the Response to Intervention Model that is in use and all staff, including our paraprofessionals, receive data in a timely fashion, and training to implement skill development using differentiated instruction. Overall 99% of our students who were in grades K-4 increased their foundational Fountas and Pinnell Oral Comprehension levels by two levels and many far exceeded the goal.

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 English Language Arts literacy (Lucy Calkins Reader's and Writer's Workshop), phonics first development with a total school word wall initiative, and instructional strategies for the implementation of the GoMath! and Big Ideas mathematics series, which now includes Algebra I. All staff development activities were focused on the school's mission, vision and goals, the pupil performance objectives, and the professional development plans of the certificated staff.

#### **4. MAJOR ACHIEVEMENT**

The Quinton Township School District continues to strive for excellence and raise the bar for the staff as well as the students. Data collected with regards to PARCC scores places Quinton Township School near the top of the Demographic Factor A Performance Group and exceeds a high percentage of districts above its Demographic Factor Group. The District is proud of the fact that our Algebra students perform well on the PARCC assessment and are able to enter high school already having passed one of the graduation requirements set forth of the State Board of Education.

Additionally, on May 4, 2016, the New Jersey State Board of Education certified that the Quinton Township School District met the requirements of the N.J.A.C.6A:30, "evaluation of the Performance of School Districts." In accordance with those requirements, the Quinton Township School District was certified for a period of three years or until the next full NJQSAC review is scheduled, which will be conducted in 2019.

## **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 (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state 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 complied 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 GASB. 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 position.

## 8. DEBT ADMINISTRATION

At June 30, 2018, the District's outstanding debt issues included \$1,725,000 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 3. 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 (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## 10. RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability, 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, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08.

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

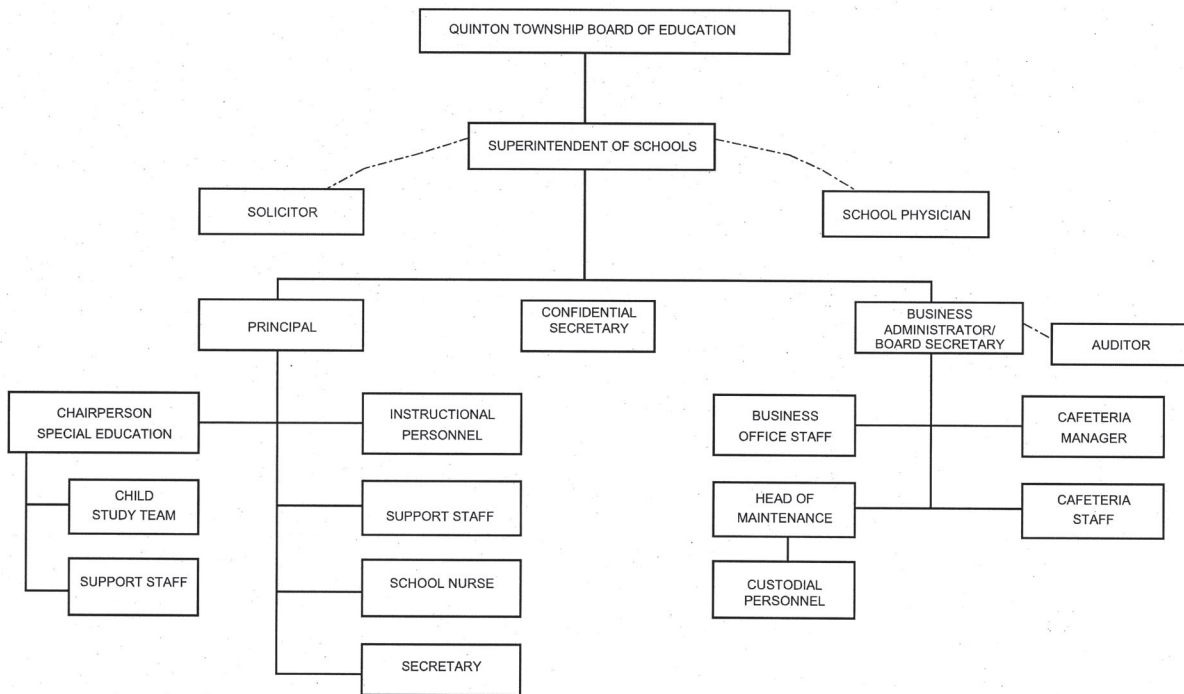
We would like to express our appreciation to the members of the Quinton Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial 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,

Margaret Delia  
Margaret Delia  
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, 2018**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
Stacey B. Sickler, President	2018
Alicia Sperry, Vice President	2018
Thomas Boyles	2018
Amy Keen	2018
Thomas McKee III	2019
Joanne Nacucchio	2020
Abram Norman	2018
Tracy Scull	2020
Michael Sites	2019
<b><u>OTHER OFFICIALS</u></b>	
Margaret Delia, Superintendent	
Stewart Potter, Principal	
Heather M. Mayhew, Business Administrator/Board Secretary	

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

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Petroni & Associates LLC  
Certified Public Accountants  
102 West High Street, Suite100  
P.O. Box 279  
Glassboro, NJ 08028

**ATTORNEY/NEGOTIATOR**

Mark G. Toscano, Esquire  
Comegno Law Group, P.C.  
521 Pleasant Valley Avenue  
Moorestown, NJ 08057

**FISCAL AGENT**

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

**OFFICIAL DEPOSITORIES**

Fulton Bank of New Jersey  
East Avenue  
Woodstown, NJ 08098



## **FINANCIAL SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 West High Street, Suite 100 • 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

Kevin A. Bergeron, CPA  
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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the, Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education, Quinton, New Jersey, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Quinton Township School Board of Education's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and the other information, such as introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedule of expenditures of federal and state awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2019, 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* in considering Quinton Township School Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542  
Glassboro, New Jersey

January 21, 2019

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Quinton Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2018  
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, 2018. Comparative financial data between the current year (2017-2018) and the prior year (2016-2017) is included as required by GASB 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  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2018  
Unaudited

**Table 1: Major Features of the District-wide and 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 Position</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 Position</li> <li>• Statement of Revenues, Expenses, and Changes in Fund Net Position</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</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  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2018  
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 Position 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 position* and how they have changed. Net position - the difference between the District's assets and liabilities - is one way to measure the District's overall financial health or *position*.

- Over time, increases or decreases in the District's net positions 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  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2018  
Unaudited

**Fund Financial Statements (Continued)**

- **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 \$6,145,591 on June 30, 2018. Approximately 1 % of the total assets are from Business-type Activities, while the balance of the total assets is 99%, attributable to Governmental Activities (see Exhibit A-1).

Quinton Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2018  
Unaudited

**Financial Analysis of the District as a Whole (Continued)**

Quinton Township School District's Net Position						
	FY 2018		FY 2017		Total	
	Governmental	Business- Type	Governmental	Business- Type	FY 2018	FY 2017
<b>ASSETS</b>						
Current and other assets	\$ 1,433,934	\$ 56,774	\$ 1,340,283	\$ 52,751	\$ 1,490,708	\$ 1,393,034
Capital assets	4,648,937	5,946	4,995,898	7,189	4,654,883	5,003,087
Total assets	<u>6,082,871</u>	<u>\$ 62,720</u>	<u>6,336,181</u>	<u>\$ 59,940</u>	<u>6,145,591</u>	<u>6,396,121</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to pension	<u>90,935</u>		<u>296,476</u>		<u>90,935</u>	<u>296,476</u>
<b>LIABILITIES</b>						
Current liabilities						
Noncurrent liabilities	1,742,528		1,994,845		1,742,528	1,994,845
Net pension liability	1,074,197		1,286,019		1,074,197	1,286,019
Net OPEB liability	15,291,930		16,591,876		15,291,930	16,591,876
Total liabilities	<u>18,108,655</u>		<u>19,872,740</u>		<u>18,108,655</u>	<u>19,872,740</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to pension	83,278		6,655		83,278	6,655
Deferred inflows related to OPEB	<u>1,891,393</u>				<u>1,891,393</u>	
	<u>1,974,671</u>		<u>6,655</u>		<u>1,974,671</u>	<u>6,655</u>
<b>NET POSITION</b>						
Invested in capital assets,						
Net of related debt	2,923,937	\$ 5,946	3,029,898	\$ 7,189	2,929,883	3,037,087
Restricted	1,382,525		1,360,724		1,382,525	1,360,724
Unrestricted	(18,289,540)	56,774	(17,637,360)	52,751	(18,232,766)	(17,584,609)
Total net position	<u>\$ (13,983,078)</u>	<u>\$ 62,720</u>	<u>\$ (13,246,738)</u>	<u>\$ 59,940</u>	<u>\$ (13,920,358)</u>	<u>\$ (13,186,798)</u>

The District's combined net position was \$13,920,358 on June 30, 2018. This was a decrease of \$733,560.

Table 3 Shows changes in net position for fiscal year 2018.

**Changes in Net Position** - The District's total revenues are \$7,656,830 for the fiscal period ended June 30, 2018, (see Table 3). Property taxes and state grants and entitlements accounted for 91.9% of the District's revenue, 5.9% is derived from federal and state aid for specific programs, and the remainder, 2.2% from fees charged for services and miscellaneous resources (see Exhibit A-2).

Quinton Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2018  
Unaudited

**Financial Analysis of the District as a Whole (Continued)**

**Table 3**

**Quinton Township School District's Changes in Net Position**

	FY 2018		FY 2017		Total	
	Governmental	Business- Type	Governmental	Business- Type	FY 2018	FY 2017
<b>REVENUES:</b>						
Program revenues						
Charges for services		\$ 66,284		\$ 59,529	\$ 66,284	\$ 59,529
Federal & state categorical grants	\$ 352,718	101,018	\$ 340,440	99,106	453,736	439,546
General revenues						
Property taxes	2,709,461		2,662,510		2,709,461	2,662,510
Grants and entitlements	4,329,301		4,213,975		4,329,301	4,213,975
Other	98,048		79,277		98,048	79,277
Total revenues	<u>7,489,528</u>	<u>167,302</u>	<u>7,296,202</u>	<u>158,635</u>	<u>7,656,830</u>	<u>7,454,837</u>
<b>EXPENSES:</b>						
Instruction-related	2,352,256		2,254,140		2,352,256	2,254,140
Tuition and student support services	1,777,246		1,987,795		1,777,246	1,987,795
General administration	230,237		208,805		230,237	208,805
School administration	111,937		113,085		111,937	113,085
Central services	159,498		156,122		159,498	156,122
Plant operations & maintenance	967,588		872,054		967,588	872,054
Pupil transportation	373,826		367,124		373,826	367,124
Employee benefits	2,140,494		1,365,447		2,140,494	1,365,447
Interest on debt	76,643		85,143		76,643	85,143
Capital outlay	36,143		37,017		36,143	37,017
Food service		164,522		165,054	164,522	165,054
Total expenses	<u>8,225,868</u>	<u>164,522</u>	<u>7,446,732</u>	<u>165,054</u>	<u>8,390,390</u>	<u>7,611,786</u>
Increase (decrease) in net position	<u>\$ (736,340)</u>	<u>\$ 2,780</u>	<u>\$ (150,530)</u>	<u>\$ (6,419)</u>	<u>\$ (733,560)</u>	<u>\$ (156,949)</u>

The District's predominant expenses are related to instruction and student support services, which is approximately 49.22%. Employee benefits made up 25.51% of the District's expenses. Another 5.98% is related to Administrative and Business departments, 4.46% for transportation expenses, and 11.53% is related to Maintenance & Operations. Interest on debt made up .91% and food service 1.96% of the overall expenditures. The remaining .43% is capital outlay.

**Governmental Activities**

Revenues for Governmental Activities (Exhibit B-2) were \$6,819,169, while total expenses amounted to \$6,764,254. This resulted in an increase in net position in Governmental Activities of \$54,913 for FY 2018.

Overall, the District's financial position can be credited to controlling expenses due to the impending state budget crisis, and the District securing grants to supplement local and state funding.

Quinton Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2018  
Unaudited

**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 expenditures by \$2,780 (Exhibit B-5).
- Charges for services represent \$66,284 of revenue. This represents amounts paid by patrons for daily food service.
- Federal and state reimbursements for meals (which includes payments for free and local reduced lunches and breakfast) and donated commodities was \$101,018.

**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 \$1,360,376 (See Exhibit B-2). Increased state and federal aid amounted to \$106,861. The District's expenditures increased \$231,450, of which \$162,789 is the result of employee benefits.

**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 \$544,733 in fund balance. Actual revenue and expenditure increases led to an increase of \$54,913 in fund balance (see Exhibit B-2).

**Capital Assets**

The Quinton Township School District's investment in capital assets for its Governmental, Fiduciary, and Business-type Activities as of June 30, 2018, amounts to \$4,654,883 (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 6 to the financial statements).

**Table 4**

**Quinton Township School District's Capital Assets**

	FY 2018			FY 2017			Total	
	Governmental	Fiduciary	Business-Type	Governmental	Fiduciary	Business-Type	FY 2018	FY 2017
Land	\$ 8,757			\$ 8,757			\$ 8,757	\$ 8,757
Site improvements	14,891			17,065			14,891	17,065
Buildings	4,563,080			4,897,422			4,563,080	4,897,422
Machinery & equipment	62,209		\$ 5,946	72,654		\$ 7,189	68,155	79,843
<b>Total</b>	<b>\$ 4,648,937</b>	<b>None</b>	<b>\$ 5,946</b>	<b>\$ 4,995,898</b>	<b>None</b>	<b>\$ 7,189</b>	<b>\$ 4,654,883</b>	<b>\$ 5,003,087</b>

Quinton Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2018  
Unaudited

**Long-Term Debt**

At year-end, the District had \$1,742,528 of outstanding debt. Of this amount, \$1,725,000 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 including air conditioning throughout the District. The balance of \$17,528 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 District's special revenue and state aid are 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 continue to increase. Several unanticipated out of district special education placements have created a financial burden.

**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/Board Secretary, Quinton Township School District, 8 Robinson Street, Quinton, NJ 08072.

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Net Position  
June 30, 2018

	Governmental Activities	Business-type Activities	Total Governmental Funds FY 2018
<b>ASSETS</b>			
Cash and cash equivalents	\$ 919,966	\$ 46,853	\$ 966,819
Receivables, net	364,455	5,561	370,016
Inventory		4,360	4,360
Restricted assets:			
Cash and cash equivalents	72,114		72,114
Capital reserve account - cash	77,399		77,399
Capital assets:			
Non-depreciable assets	8,757		8,757
Assets net of depreciation	4,640,180	5,946	4,646,126
Total Assets	<u>6,082,871</u>	<u>\$ 62,720</u>	<u>6,145,591</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflows related to pension	<u>90,935</u>		<u>90,935</u>
<b>LIABILITIES</b>			
Non-current liabilities:			
Due within one year	261,528		261,528
Due beyond one year	1,481,000		1,481,000
Net pension liability	1,074,197		1,074,197
Net OPEB liability	15,291,930		15,291,930
Total liabilities	<u>18,182,213</u>		<u>18,182,213</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pension	83,278		83,278
Deferred inflows related to OPEB	1,891,393		1,891,393
	<u>1,974,671</u>		<u>1,974,671</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	2,923,937	\$ 5,946	2,929,883
Restricted for:			
Capital projects	149,513		149,513
Other purposes	1,233,012		1,233,012
Unrestricted	(18,289,540)	56,774	(18,232,766)
Total net position	<u>\$ (13,983,078)</u>	<u>\$ 62,720</u>	<u>\$ (13,920,358)</u>

See accompanying notes to the basic financial statements.



QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Activities  
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	\$ 1,750,352			\$ (1,750,352)		\$ (1,750,352)
Special education	507,691		\$ 301,655	(206,036)		(206,036)
Other special education	55,790			(55,790)		(55,790)
Other instruction	38,423			(38,423)		(38,423)
Support services:						
Student & instructional related services	1,777,246		29,488	(1,747,758)		(1,747,758)
General administrative services	230,237			(230,237)		(230,237)
School administrative services	111,937			(111,937)		(111,937)
Central services	159,498			(159,498)		(159,498)
Plant operations & maintenance	967,588			(967,588)		(967,588)
Pupil transportation	373,826			(373,826)		(373,826)
Employee benefits	2,140,494		21,575	(2,118,919)		(2,118,919)
Interest on long-term debt	76,643			(76,643)		(76,643)
Capital outlay	36,143			(36,143)		(36,143)
<b>Total governmental activities</b>	<b>8,225,868</b>		<b>352,718</b>	<b>(7,873,150)</b>		<b>(7,873,150)</b>
Business-type activities:						
Food service	164,522	\$ 66,284	101,018		\$ 2,780	2,780
<b>Total business-type activities</b>	<b>164,522</b>	<b>66,284</b>	<b>101,018</b>		<b>2,780</b>	<b>2,780</b>
<b>Total primary government</b>	<b>\$ 8,390,390</b>	<b>\$ 66,284</b>	<b>\$ 453,736</b>	<b>\$ (7,873,150)</b>	<b>\$ 2,780</b>	<b>\$ (7,870,370)</b>
General revenues:						
Taxes:						
Property taxes, levied for general purpose				\$ 2,489,368		\$ 2,489,368
Taxes levied for debt service				220,093		220,093
Federal and state aid not restricted				4,329,301		4,329,301
Tuition charges				14,939		14,939
Investment earnings				2,169		2,169
Miscellaneous income				80,940		80,940
<b>Total general revenues, special items, extraordinary items, and transfers</b>				<b>7,136,810</b>		<b>7,136,810</b>
<b>Change in net position</b>				<b>(736,340)</b>	<b>\$ 2,780</b>	<b>(733,560)</b>
Net position - beginning				3,345,138	59,940	3,405,078
Prior period adjustment of OPEB liability				(16,591,876)		(16,591,876)
<b>Restated net position - beginning</b>				<b>(13,246,738)</b>	<b>59,940</b>	<b>(13,186,798)</b>
<b>Net position - end</b>				<b>\$ (13,983,078)</b>	<b>\$ 62,720</b>	<b>\$ (13,920,358)</b>

See accompanying notes to the basic financial statements.

## **FUND FINANCIAL STATEMENTS**

QUINTON TOWNSHIP SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2018

	Major Funds			Non-Major Funds	Total Governmental Funds FY 2018
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$1,016,024			\$ 72,114	\$ 1,088,138
Tax levy receivable	207,447		\$ 18,341		225,788
Receivables	54,466	\$ 84,201			138,667
Restricted cash and cash equivalents	77,399				77,399
<b>Total assets</b>	<u>\$1,355,336</u>	<u>\$ 84,201</u>	<u>\$ 18,341</u>	<u>\$ 72,114</u>	<u>1,529,992</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Cash overdraft		\$ 77,717	\$ 18,341		96,058
Accounts payable	\$ 62,316	11,242			73,558
<b>Total liabilities</b>	<u>62,316</u>	<u>88,959</u>	<u>18,341</u>		<u>169,616</u>
Fund balances:					
Restricted for:					
Capital reserve account	77,399				77,399
Excess surplus - current year	549,518				549,518
Excess surplus - prior year designated for subsequent year's expenditures	631,094				631,094
Capital projects fund				\$ 72,114	72,114
Assigned to:					
Designated by the BOE for subsequent year's expenditures	52,400				52,400
Unassigned:					
General fund	(17,391)				(17,391)
Special revenue fund		(4,758)			(4,758)
<b>Total fund balances</b>	<u>1,293,020</u>	<u>(4,758)</u>		<u>72,114</u>	<u>1,360,376</u>
<b>Total liabilities and fund balances</b>	<u>\$1,355,336</u>	<u>\$ 84,201</u>	<u>\$ 18,341</u>	<u>\$ 72,114</u>	

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2018

	<u>FY 2018</u>
Amounts reported for Governmental Activities in the statement of new position (A-1) are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$9,471,081 and the accumulated depreciation is \$4,822,144 (see Note 6).	4,648,937
Net pension liability adjustment for GASB Statement No. 68 and 71	(1,066,540)
Net OPEB liability adjustment for GASB Statement No. 75	(591,447)
The cumulative effect of the change in accounting principles for adoption of GASB Statement No. 75 is reported as a prior period adjustment of OPEB liability (see Note 25).	(16,591,876)
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).	(1,742,528)
Net position of Governmental Activities	<u>\$ (13,983,078)</u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2018

	Major Funds		Non-Major Funds		Total
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds FY 2018
<b>REVENUES:</b>					
Local tax levy	\$ 2,489,368		\$ 220,093		\$ 2,709,461
Tuition charges	14,939				14,939
Interest earned on investments	2,053				2,053
Interest earned on capital reserve funds	116				116
Miscellaneous	80,940	\$ 14,901			95,841
	<u>2,587,416</u>	<u>14,901</u>	<u>220,093</u>		<u>2,822,410</u>
State sources	4,231,753	48,266	97,548		4,377,567
Federal sources		289,551			289,551
	<u>6,819,169</u>	<u>352,718</u>	<u>317,641</u>		<u>7,489,528</u>
<b>EXPENDITURES:</b>					
Current:					
Regular instruction	1,770,197				1,770,197
Special education instruction	206,036	301,655			507,691
Other special instruction	55,790				55,790
Other instruction	38,423				38,423
Support services & undistributed costs:					
Student & instruction related services	1,740,016	28,808			1,768,824
General administrative services	230,237				230,237
School administrative services	111,937				111,937
Central services	159,498				159,498
Plant operations and maintenance	593,549				593,549
Pupil transportation	373,826				373,826
Employee benefits	1,448,602	21,575			1,470,177
Debt service:					
Principal			241,000		241,000
Interest and other charges			76,643		76,643
Capital outlay	36,143			\$ 35,500	71,643
	<u>6,764,254</u>	<u>352,038</u>	<u>317,643</u>	<u>35,500</u>	<u>7,469,435</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures	54,915	680	(2)	(35,500)	20,093
Other financing sources (uses):					
Transfer to general fund	(2)		2		
Total other financing sources (uses)	<u>(2)</u>		<u>2</u>		
Net change in fund balances	54,913	680		(35,500)	20,093
Fund balance - July 1	1,238,107	(5,438)		107,614	1,340,283
Fund balance - June 30	<u>\$ 1,293,020</u>	<u>\$ (4,758)</u>		<u>\$ 72,114</u>	<u>\$ 1,360,376</u>

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, 2018

Total net change in fund balances - Governmental Funds (from B-2)	\$	20,093
Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:		
<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		35,500
Depreciation expense		(382,461)
<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 principal payments		241,000
<p>Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>		
		(70,342)
<p>OPEB contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>		
		(591,447)
<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>		
		11,317
Change in net position of Governmental Activities	\$	<u>(736,340)</u>

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Net Position  
Proprietary Funds  
June 30, 2018

	Business-type Activities - Food Service Fund
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 46,853
Accounts receivable	5,561
Inventories	4,360
Total current assets	56,774
Noncurrent assets:	
Furniture, machinery & equipment	83,140
Less: accumulated depreciation	(77,194)
Total non-current assets	5,946
Total assets	\$ 62,720
<b>NET POSITION</b>	
Invested in capital assets net of related debt	\$ 5,946
Unrestricted	56,774
Total net position	\$ 62,720

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund  
For the Year Ended June 30, 2018

	Business-type Activities - Food Service Fund
<b>OPERATING REVENUES:</b>	
Local sources:	
Daily sales - reimbursable programs:	\$ 46,656
Daily sales - non-reimbursable programs	19,628
	66,284
<b>OPERATING EXPENSES:</b>	
Salaries	59,886
Employee benefits	4,611
Purchased professional technical services	5,514
Supplies and materials	5,823
Cost of sales - reimbursable	81,578
Cost of sales - non-reimbursable	5,867
Depreciation	1,243
	164,522
Total operating expenses	164,522
Operating income (loss)	(98,238)
<b>NON-OPERATING REVENUES:</b>	
State sources:	
National school lunch program - state	1,653
Federal sources:	
National school lunch program	61,020
National school breakfast program	27,917
Food distribution program	10,428
	101,018
Total non-operating revenues (expenses)	101,018
Net income (loss)	2,780
Total net position - beginning	59,940
Total net position - ending	\$ 62,720

See accompanying notes to the basic financial statements.



QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2018

	Business-type Activities - Food Service Fund
Cash flows from operating activities:	
Receipts from customers	\$ 66,284
Payments to suppliers	(87,945)
Payments to employees	(59,886)
Payments for employee benefits	(4,611)
Net cash provided (used) by operating activities	(86,158)
Cash flows from non-capital financing activities:	
Cash received from state, federal & local reimbursements	88,609
Net cash provided by non-capital financing activities	88,609
Net increase in cash and cash equivalents	2,451
Cash and cash equivalents - July 1	44,402
Cash and cash equivalents - June 30	\$ 46,853
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (98,238)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	1,243
Food distribution program	10,428
Change in assets and liabilities: (Increase) decrease in inventory	409
	\$ (86,158)

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2018

	Technology Trust	Unemployment Compensation Trust	Agency Funds	FY 2018
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 20,696	\$ 3,961	\$ 5,856	\$ 30,513
Total assets	<u>\$ 20,696</u>	<u>\$ 3,961</u>	<u>5,856</u>	<u>30,513</u>
<b>LIABILITIES</b>				
Current liabilities:				
Due to student groups			5,856	5,856
Total current liabilities			<u>5,856</u>	<u>5,856</u>
<b>NET POSITION</b>				
Held in trust for:				
Unemployment claims		\$ 3,961		3,961
Technology expenditures	\$ 20,696			20,696
Total net position	<u>\$ 20,696</u>	<u>\$ 3,961</u>	<u>None</u>	<u>\$ 24,657</u>

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2018

	Trust Funds		FY 2018
	Technology Trust	Unemployment Compensation Trust	
ADDITIONS:			
Contributions:			
Plan members		\$ 5,833	\$ 5,833
Others	\$ 5,042	8,742	13,784
Total contributions	5,042	14,575	19,617
Investment earnings:			
Interest	25	15	40
Total investment earnings	25	15	40
Total additions	5,067	14,590	19,657
DEDUCTIONS:			
Unemployment claims		28,757	28,757
Total deductions		28,757	28,757
Change in net position	5,067	(14,167)	(9,100)
Net position - July 1	15,629	18,128	33,757
Net position - June 30	\$ 20,696	\$ 3,961	\$ 24,657

See accompanying notes to the basic financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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 (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in (GAAP) 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 GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

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

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

**B. 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 program is classified as Business-type Activities.

In the Government-wide Statement of Net Position, both the Governmental and Business-type Activities columns (a) are presented on a consolidated basis by column, and (b) 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 position is reported in three parts: invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

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

The Government-wide Statement of Activities reports both the gross and net costs of each of the District's functions and Business-type Activity (food service). 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 employee benefits, on-behalf Teacher's Pension and Annuity Fund (TPAF) Pension contributions, and TPAF 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 position resulting from the current year's activities. The Government-wide financial statements do not include fiduciary activity.

**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.

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.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**General Fund (Continued)** - 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.

**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 position, changes in net position, and are reported using accounting principles similar to Proprietary Funds.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**FIDUCIARY FUNDS (CONTINUED)**

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. GASB 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 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, Technology Fund, Payroll, and 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 GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**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



**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**E. Cash and Cash Equivalents (Continued)**

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. However, NJSA 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 (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 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, 2018, consisted of the following:

Food	\$ 3,096
Commodities	1,264
	<u>\$ 4,360</u>

The value of federal donated commodities is 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.

**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:

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**G. Capital Assets (Continued)**

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

GASB No. 34 requires the District to report and depreciate new infrastructure assets. Infrastructure assets include roads, parking lots, underground pipe, etc. Neither their historical costs nor related depreciation has historically been reported in the financial statements. The District has included infrastructure assets in the current fiscal year.

**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 monies 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 GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including time 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 expenditures 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, 2018**

**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 approved as long as the District budget is within State mandated CAP's, there is no public vote on the budget. If the budget exceeds State mandated CAP's, the voters have an opportunity to approve or reject the budget at the regular election held in November. 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 NJAC 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 one or more June state aid payments 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, 2018**

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

**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, which 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, 2018**

**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.

**T. Net Position**

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

**U. Fund Balance Reserves**

**Fund Balance** - The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

**Non-spendable** - The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

**Restricted** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

**Committed** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**U. Fund Balance Reserves (Continued)**

**Assigned** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned** - The unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both Restricted and Unrestricted Fund balances are available, the District considers Restricted Funds to have been spent first. When an expenditure is incurred for which Committed, Assigned, or Unassigned Fund balance are available, the District considers amounts to have been spent first out of Committed Funds, then Assigned Funds, and finally Unassigned Funds, as needed.

**V. Recent Accounting Pronouncements Not Yet Effective**

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." This statement, which is effective for fiscal periods beginning after December 31, 2018, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements." This statement, which is effective for fiscal periods beginning after June 15, 2018. Management has not yet determined the impact of this Statement on the financial statements.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." This statement, which is effective for fiscal periods beginning after December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**V. Recent Accounting Pronouncements Not Yet Effective (Continued)**

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61." This statement which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

**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 (GUDPA) or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2018 and 2017, was \$1,146,845 and \$649,833. As of June 30, 2018 and 2017, \$0 of the District's bank balance of \$1,304,047 and \$771,137, respectively, was exposed to Custodial Credit Risk.

**NOTE 3: INVESTMENTS**

As of June 30, 2018 and 2017, 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, NJSA 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk** - NJSA 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.

**NOTE 4: RECEIVABLES**

Receivables at June 30, 2018, (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:

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 4: RECEIVABLES (CONTINUED)**

	Governmental Activities	Business-type Activities
State aid	\$ 53,016	\$ 99
Township of Quinton	225,788	
Other LEA's	1,450	
Other	200	
Federal aid	84,001	5,462
	<u>\$ 364,455</u>	<u>\$ 5,561</u>

**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 (LRFP). Upon submission of the LRFP 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 NJSA 19:60-2. Pursuant to NJAC 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 LRFP. The June 30, 2018, LRFP balance does not exceed the capital reserve balance.

Beginning balance, July 1, 2017	\$ 77,283
Interest earnings	116
Deposits	0
Ending balance, June 30, 2018	<u>\$ 77,399</u>

**NOTE 6: CAPITAL ASSETS**

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2018.



**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6: CAPITAL ASSETS (CONTINUED)**

	Balance July 1, 2017	Additions	Disposals/ Adjustments	Balance June 30, 2018
Governmental activities:				
Capital assets not being depreciated:				
Sites (land)	\$ 8,757			\$ 8,757
Total capital assets not being depreciated	<u>8,757</u>			<u>8,757</u>
Site improvements	195,983			195,983
Building & building improvements	8,518,219	\$ 35,500		8,553,719
Machinery & equipment	712,622			712,622
Totals at historical cost	<u>9,426,824</u>	<u>35,500</u>		<u>9,462,324</u>
Less: accumulated depreciation				
Site improvements	(178,918)	(2,174)		(181,092)
Building & building improvements	(3,620,797)	(369,842)		(3,990,639)
Machinery & equipment	(639,968)	(10,445)		(650,413)
Total accumulated depreciation	<u>(4,439,683)</u>	<u>(382,461)</u>		<u>(4,822,144)</u>
Governmental activities capital assets, net	<u>\$ 4,995,898</u>	<u>\$ (346,961)</u>		<u>\$ 4,648,937</u>
Business-type activities:				
Machinery & equipment	\$ 83,140			\$ 83,140
Less: accumulated depreciation	(75,951)	\$ (1,243)		(77,194)
Business-type capital assets, net	<u>\$ 7,189</u>	<u>\$ (1,243)</u>		<u>\$ 5,946</u>
Fiduciary-type activities:				
Machinery & equipment	\$ 10,394			\$ 10,394
Less: accumulated depreciation	(10,394)			(10,394)
	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>

Depreciation was charged to the following governmental programs:

Instruction	\$ 8,422
Operation and maintenance	374,039
Total	<u>\$ 382,461</u>

**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.

Permanently funded debt as of June 30, 2018, consisted of the following:

\$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 at 4.125%. The remaining balance at June 30, 2018, was \$460,000.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

\$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 3% to 4%. The remaining balance at June 30, 2018, was \$1,265,000.

**Long-Term Obligation Activity**

Changes in long-term obligations for the fiscal year ended June 30, 2018, are as follows:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Due Within One Year
Compensated absences	\$ 28,845	\$ 2,093	\$ 13,410	\$ 17,528	\$ 11,528
Bonds payable	1,966,000		241,000	1,725,000	250,000
	<u>\$ 1,994,845</u>	<u>\$ 2,093</u>	<u>\$ 254,410</u>	<u>\$ 1,742,528</u>	<u>\$ 261,528</u>

**Bonds Payable**

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

Year Ended June 30,	Principal	Interest	Total
2019	\$ 250,000	\$ 67,725	\$ 317,725
2020	255,000	58,481	313,481
2021	250,000	48,988	298,988
2022	105,000	38,800	143,800
2023	110,000	34,600	144,600
2024-2028	625,000	102,400	727,400
2029	130,000	5,200	135,200
	<u>\$ 1,725,000</u>	<u>\$ 356,194</u>	<u>\$ 2,081,194</u>

**Bonds Authorized But Not Issued**

As of June 30, 2018, the Board has \$0 of bonds authorized but not issued.

**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.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**Other (Continued)**

For the year ended June 30, 2018, 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, (PERS), or Teachers' Pension and Annuity Fund (TPAF) 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 and the Teachers' Pension and Annuity Fund. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of NJSA 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.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 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 NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.34% of employees' annual compensation, as defined. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in PERS and TPAF. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

The District's contributions to PERS for the years ending June 30, 2018, 2017, and 2016, were \$42,749, \$38,575, and \$38,275, respectively, equal to the required contributions for each year. The School District's share of TPAF for the years ending June 30, 2018, 2017, and 2016, were \$545,802, \$435,266, and \$371,643, respectively, paid by the State of New Jersey on behalf of the Board, which equaled the required contributions for each year.

Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the District for the years ending June 30, 2018, 2017, and 2016: \$167,531, \$163,397, and \$164,978 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

The Board's total payroll for the years ending June 30, 2018, 2017, and 2016, were \$3,025,440, \$2,920,329, and \$2,973,581, pension wages were \$2,293,085, \$2,247,358, and \$2,222,562 for TPAF and \$310,712, \$301,111, and \$317,262 for PERS.

For the year ended June 30, 2018, the District recognized pension expense of \$113,091. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions		\$ 83,278
Net difference between expected and actual experience	\$ 15,175	
Net difference between projected and actual earnings on pension plan investments	13,124	
Changes in proportion and differences between District contributions and proportionate share of contributions	19,887	
District contributions subsequent to the measurement date	42,749	
	\$ 90,935	\$ 83,278

\$42,749, reported as deferred outflows of resources related to pensions, resulting from School District contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

Year Ended June 30,	Amount
2019	\$ 958
2020	15,007
2021	2,112
2022	(32,741)
2023	(20,428)
Thereafter	0
	<u>\$ (35,092)</u>

Additional information – Collective balances at June 30, 2017 and 2016, are as follows:

	June 30, 2017	June 30, 2016
Collective deferred outflows of resources	\$ 6,424,455,842	\$ 8,685,338,380
Collective deferred inflows of resources	5,700,625,981	870,133,595
Collective net pension liability	<u>29,617,131,759</u>	<u>29,617,131,759</u>
District's proportion	0.0046145632%	0.0043421455%

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program (DCRP) 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 (NJAC 43:15C-1 et. seq.). The DCRP 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 NJSA 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's contribution for the years ending June 30, 2018, 2017, and 2016, were \$6,285, \$3,826, and \$7,308 for covered employees. The District also contributed for life and disability insurance.

**NOTE 9: POST-EMPLOYMENT BENEFITS**

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)**

the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. 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 benefits 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 employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a Board of Education or county college with 25 years of service. (GASB Cod. Sec. 2300.106(g)).

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

**Employees Covered by Benefit Terms**

At June 30, 2018, the following employees were covered by the benefit terms:

- **TPAF Participant Retirees**  
As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits and the State contributed \$1.39 billion on their behalf.
- **PERS Participant Retirees**  
The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017

**Total OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the Board of Education/Board of Trustees. Note that actual numbers will be published in the NJ State's CAFR at: <https://www.nj.gov/treasury/omb/publications/archives.shtml>.

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2017, actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Total OPEB Liability (Continued)**

Inflation	2.50%
Salary increases	Differs by pension group (e.g. - PERS, TPAF). See Actuarial Assumptions in the Notes to Required Supplementary Information - Note 4.
Discount rate	3.58%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

Mortality rates were based on the RP-2014 headcount-weighted mortality table for healthy and disabled lives with fully generational mortality improvement projections from the central year using Scale MP-2017.

The actuarial assumptions used in the June 30, 2016 valuation were based on the result of an actuarial experience study for the period July 1, 2016 through June 30, 2017.

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

	<u>Total OPEB Liability</u>
Balance at 6/30/16	<u>\$ 57,831,784,184</u>
Changes for the year:	
Service cost	2,391,878,884
Interest	1,699,441,736
Changes of benefit terms	
Differences between expected and actual experience	
Changes in assumptions or other inputs	(7,086,599,129)
Contributions - Member	45,748,749
Benefit payments	(1,242,412,566)
Net changes	<u>(4,191,942,326)</u>
Balance at 6/30/17	<u>\$ 53,639,841,858</u>

There were no changes in benefit terms during the year.

Changes in assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Total OPEB Liability (Continued)**

Sensitivity of the total OPEB liability to changes in the discount rate. The following represents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate.

	1% Decrease 2.58%	Discount Rate 3.58%	1% Increase 4.58%
Total OPEB Liability (School Retirees)	\$ 63,674,362,200	\$ 53,639,841,858	\$ 45,680,364,953

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 44,113,584,560	\$ 53,639,841,858	\$ 66,290,599,457

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

For the year ended June 30, 2018, the Board of Education/Board of Trustees recognized OPEB expense of \$591,447 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Quinton Township Board of Education proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportions		\$ 82,878
Changes of assumptions or other inputs		1,808,515
Total	None	1,891,393

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



**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)**

Year Ended June 30,	Amount
2019	\$ (221,475)
2020	(221,475)
2021	(221,475)
2022	(221,475)
2023	(221,475)
Thereafter	(784,018)
	<u>\$ (1,891,393)</u>

**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 (GASB 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 Position*, 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, 2018, is \$17,528. The liability for compensated absences in the Food Service Fund at June 30, 2018, is \$0.

**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:

Voya	Lincoln Investment Planning, Inc.	MetLife
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**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 12: LABOR CONTRACTS**

As of June 30, 2018, the District's teachers, school nurses, LDT-C, social workers, guidance counselors, and psychologists are organized in the Quinton Education Association collective bargaining unit which expires on June 30, 2019.

**NOTE 13: OTHER EMPLOYEE BENEFITS PLAN**

The District established and maintains a cafeteria plan for health benefits required by NJSA 18A:16-19.1 as amended by P.L. 2011, c.78, s.51. 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 14: 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 current fiscal year, 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

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 14: RISK MANAGEMENT (CONTINUED)**

**New Jersey Unemployment Compensation Insurance (Continued):**

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:

Fiscal Year	Interest Contributions	Employee Contributions	Employer Contributions	Amount Reimbursed	Ending Balance
2017-2018	\$ 15	\$ 5,833	\$ 8,742	\$ 28,757	\$ 3,961
2016-2017	21	5,287		403	18,128
2015-2016	14	5,496			13,223

**NOTE 15: OPERATING LEASES**

The District has commitments to lease copiers under non-cancelable operating leases spanning five years. Total lease payments made during the year ended June 30, 2018, amounted to \$6,861. Future minimum lease payments are as follows:

Year Ended June 30,	Amount
2019	\$ 2,859

**NOTE 16: FUND BALANCE APPROPRIATED**

Restrictions of fund balances of Governmental Funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned, and then unassigned to be used/spent first when expenditures are made.

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Public School Districts (NJSA 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the General Fund Budget or \$250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below:

**Non-Spendable Fund Balance** - The District had no non-spendable fund balance at June 30, 2018.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**Restricted Fund Balance:**

**Capital Reserve Account** - Of the \$77,399 balance in the Capital Reserve account at June 30, 2018, \$0 has been designated for utilization in the 2018-2019 budget. These funds are restricted for future capital outlay expenditures for projects in the School District's long range facilities plan.

**Maintenance Reserve Account** - At June 30, 2018, there was \$0 fund balance. These funds are restricted for required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA), (NJSA 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

**Excess Surplus** - At June 30, 2018, excess surplus created in FY 2017 of \$631,094 will be utilized for expenditures in the 2018-2019 budget, while excess surplus created in FY 2018 of \$549,518 is restricted and will be utilized for budget expenditures in 2019-2020.

**Debt Service Fund** - At June 30, 2018, there was \$0 fund balance.

**Committed Fund Balance** - The District had no fund balance at June 30, 2018.

**Assigned Fund Balance** - At June 30, 2018, the Board has assigned \$52,400 of General Fund balance to expenditures in the 2018-2019 budget. \$0 was assigned for other purposes as of the year-end. There were no encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by District officials.

**Unassigned Fund Balance** - At June 30, 2018, the District has a deficit of (\$17,391) of unassigned fund balance in the General Fund. The District also has a deficit of (\$4,758) of unassigned fund balance in the Special Revenue Fund.

**NOTE 17: CALCULATION OF EXCESS SURPLUS**

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 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, 2018, is \$1,180,612.

**NOTE 18: DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$17,391 (Exhibit B-1) in the General Fund and \$4,758 in the Special Revenue Fund as of June 30, 2018, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event state school aid payments are not made until the following school budget year, districts must record the delayed one or more June state aid payments 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, GASB 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.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 18: DEFICIT FUND BALANCES (CONTINUED)**

Since the state is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payments on the GAAP 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: INTERFUND RECEIVABLES AND PAYABLES**

There were no interfund balances remaining on the balance sheet at June 30, 2018.

**NOTE 20: INVESTMENT IN SOLAR RENEWABLE ENERGY CERTIFICATES (SREC'S)**

The SREC program provides a means for Solar Renewable Energy Certificates (SREC's) to be created for every megawatt-hour of solar electricity created. The SREC is sold separately from the electricity and represents the "solar" aspect of the electricity that was produced. The value of a SREC is determined by the market subject to supply and demand constraints. SRECS can be sold to electricity suppliers needing to meet their solar RPS requirement. The market is typically capped by a fine or solar alternative compliance payment paid by any electricity suppliers for every SREC they fall short of the requirement.

The School District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quotes prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. As of June 30, 2018, the investment in SREC's was \$0. All SREC's available as of June 30, 2018, were sold by year-end and the amount was recorded as a receivable for \$0.

**NOTE 21: ECONOMIC DEPENDENCY**

The District is heavily reliant on state aid and local tax levies to fund the District operations. State sources funded approximately 58% of the District's 2017-2018 governmental operations, excluding capital projects, while local tax levy accounted for approximately 36%.

**NOTE 22: TAX ABATEMENTS**

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

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 22: TAX ABATEMENTS (CONTINUED)**

For a local school district Board of Education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Township of Quinton did not have any tax abatements for the year ended December 31, 2017.

**NOTE 23: COMMITMENTS AND CONTINGENCIES**

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, that 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.

**NOTE 24: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 and January 21, 2019, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**NOTE 25: CHANGE IN ACCOUNTING PRINCIPLE**

During the year beginning July 1, 2017, the District adopted the Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions" whose primary objective is to improve accounting and financial reporting for post-employment benefits other than pensions (OPEB). These statements establish standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures for OPEB.

The effect of this change was to decrease fiscal year ended June 30, 2017, net position by \$16,591,876 which is the prior period adjustment of net OPEB liability. Financial statements for the fiscal year ended June 30, 2017, have not been restated, and the cumulative effect of the change totaling \$16,591,876 is shown as a one-time debit to net position in the fiscal year ended June 30, 2018, Statement of Activities.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 2,489,368		\$ 2,489,368	\$ 2,489,368	
Tuition from LEA's				14,939	\$ 14,939
Interest on investments	2,000		2,000	2,053	53
Interest on capital reserve funds				116	116
Miscellaneous	10,000		10,000	80,940	70,940
<b>Total - local sources</b>	<b>2,501,368</b>		<b>2,501,368</b>	<b>2,587,416</b>	<b>86,048</b>
State sources:					
Equalization aid	2,632,989		2,632,989	2,634,444	1,455
Transportation aid	196,117		196,117	196,117	
Special education aid	207,275		207,275	207,275	
Security aid	78,139		78,139	78,139	
School choice	227,376		227,376	227,376	
Additional adjustment aid	94,740		94,740	94,740	
Under adequacy aid	20,832		20,832	20,832	
PARCC readiness aid	3,620		3,620	3,620	
Per pupil growth aid	3,620		3,620	3,620	
Professional learning community aid	3,700		3,700	3,700	
Extraordinary aid				40,866	40,866
Other state aid - nonpublic transportation				2,900	2,900
TPAF post-retirement medical (on-behalf non-budgeted)				213,989	213,989
TPAF - long term disability insurance (on-behalf non-budgeted)				498	498
Teachers' Pension & Annuity Fund - (on-behalf non-budgeted)				331,315	331,315
Reimbursed TPAF social security contributions (non-budgeted)				167,531	167,531
<b>Total - state sources</b>	<b>3,468,408</b>		<b>3,468,408</b>	<b>4,226,962</b>	<b>758,554</b>
<b>Total revenues</b>	<b>\$ 5,969,776</b>	<b>None</b>	<b>\$ 5,969,776</b>	<b>\$ 6,814,378</b>	<b>\$ 844,602</b>



QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current expense:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool	\$ 93,345	\$ (7,094)	\$ 86,251	\$ 78,325	\$ 7,926
Kindergarten	163,503		163,503	161,478	2,025
Grades 1-5	857,642	(15,926)	841,716	830,852	10,864
Grades 6-8	419,248	(3,608)	415,640	405,606	10,034
Regular programs - home instruction:					
Salaries of teachers	1,500	(293)	1,207		1,207
Purchased professional - education services	1,500	5,453	6,953	6,953	
Regular programs - undistributed instruction:					
Other salaries for instruction	58,626		58,626	52,458	6,168
Purchased professional - education services	38,455		38,455	38,202	253
Purchased technical services	615		615	215	400
Other purchased services (400-500 series)	87,429	(829)	86,600	83,297	3,303
General supplies	97,908	7,923	105,831	95,713	10,118
Textbooks	2,500	10,206	12,706	12,705	1
Miscellaneous expenditures	5,250		5,250	4,393	857
<b>Total regular programs</b>	<b>1,827,521</b>	<b>(4,168)</b>	<b>1,823,353</b>	<b>1,770,197</b>	<b>53,156</b>
Resource room:					
Salaries of teachers	180,221		180,221	173,946	6,275
Other salaries for instruction	33,844	(419)	33,425	30,740	2,685
General supplies	931	419	1,350	1,350	
<b>Total resource room</b>	<b>214,996</b>		<b>214,996</b>	<b>206,036</b>	<b>8,960</b>
<b>Total special education</b>	<b>214,996</b>		<b>214,996</b>	<b>206,036</b>	<b>8,960</b>
Basic skills/remedial:					
Salaries of teachers	79,024		79,024	52,259	26,765
Other salaries for instruction	2,875		2,875	2,874	1
General supplies	924		924	657	267
<b>Total basic skills/remedial</b>	<b>82,823</b>		<b>82,823</b>	<b>55,790</b>	<b>27,033</b>
School sponsored co-curricular activities:					
Salaries	40,600		40,600	36,953	3,647
<b>Total school sponsored co-curricular activities</b>	<b>40,600</b>		<b>40,600</b>	<b>36,953</b>	<b>3,647</b>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other instructional programs - instruction:					
Salaries	2,100		2,100	1,470	630
Total other instructional programs	2,100		2,100	1,470	630
Total other programs	125,523		125,523	94,213	31,310
Total - instruction	2,168,040	(4,168)	2,163,872	2,070,446	93,426
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within state - regular	930,569	75	930,644	930,644	
Tuition to other LEAs within state - special	48,246		48,246	48,246	
Tuition to county special services district/ regional day schools	342,428	(306)	342,122	205,324	136,798
Tuition to private schools for the handicapped - within state		231	231	231	
Total undistributed expenditures - instruction	1,321,243		1,321,243	1,184,445	136,798
Attendance and social work services:					
Salaries	14,180		14,180	14,180	
Total attendance and social work services	14,180		14,180	14,180	
Health services:					
Salaries	60,708		60,708	59,192	1,516
Purchased professional - technical services	3,725		3,725	2,918	807
Other purchased services (400-500 series)	500		500		500
Supplies and materials	6,750		6,750	3,881	2,869
Total health services	71,683		71,683	65,991	5,692
Related services:					
Salaries of teachers	60,798		60,798	60,190	608
Purchased professional - education services	40,900	8,100	49,000	45,699	3,301
Supplies and materials	384	32	416	415	1
Total related services	102,082	8,132	110,214	106,304	3,910
Extraordinary services:					
Purchased professional - education services	182,322	(8,132)	174,190	139,657	34,533
Total extraordinary services	182,322	(8,132)	174,190	139,657	34,533
Guidance services:					
Salaries of other professional staff	83,250	(3,031)	80,219	75,644	4,575
Supplies and materials	5,400		5,400	4,667	733
Total guidance services	88,650	(3,031)	85,619	80,311	5,308

QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Child study team:					
Salaries of other professional staff	74,307		74,307	72,997	1,310
Purchased professional - education services	15,000	(1,615)	13,385	7,300	6,085
Other purchased professional - technical services	2,500	1,615	4,115	4,115	
Supplies and materials	1,661	3,031	4,692	4,692	
Miscellaneous expenditures	200		200	150	50
<b>Total child study team</b>	<b>93,668</b>	<b>3,031</b>	<b>96,699</b>	<b>89,254</b>	<b>7,445</b>
Improvement of instruction services:					
Salaries of other professional staff	5,000	4,600	9,600	9,600	
<b>Total improvement of instruction services</b>	<b>5,000</b>	<b>4,600</b>	<b>9,600</b>	<b>9,600</b>	
Educational media services/school library:					
Salaries	26,370		26,370	25,108	1,262
Other purchased services (400-500 series)	2,850		2,850	1,919	931
Supplies and materials	3,525		3,525	2,900	625
<b>Total educational media services/school library</b>	<b>32,745</b>		<b>32,745</b>	<b>29,927</b>	<b>2,818</b>
Instructional staff training:					
Purchased professional - education services	7,500	12,382	19,882	15,996	3,886
Other purchased services (400-500 series)	6,000	(432)	5,568	4,351	1,217
<b>Total instructional staff training</b>	<b>13,500</b>	<b>11,950</b>	<b>25,450</b>	<b>20,347</b>	<b>5,103</b>
Support services general administration:					
Salaries	154,928		154,928	154,602	326
Legal services	3,000	12,401	15,401	15,401	
Audit fees	13,500	(1,375)	12,125	12,125	
Architectural/engineering services		1,850	1,850	1,850	
Other professional services	16,750	(5,039)	11,711	11,511	200
Communications/telephone	16,500	(1,086)	15,414	13,556	1,858
BOE other purchased services	500		500	49	451
Other purchased services (400-500 series)	15,525	(3,233)	12,292	9,962	2,330
Supplies and materials	2,500	(1,018)	1,482	900	582
BOE in house training/meeting supplies	1,000		1,000	658	342
Judgments against the school district	2,500		2,500	2,500	
Miscellaneous expenditures	4,500		4,500	3,593	907
BOE membership dues and fees	4,000		4,000	3,530	470
<b>Total support services general administration</b>	<b>235,203</b>	<b>2,500</b>	<b>237,703</b>	<b>230,237</b>	<b>7,466</b>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services school administration:					
Salaries of principals/assistant principals	94,505		94,505	94,273	232
Salaries of secretarial and clerical assistants	17,822	(2,500)	15,322	14,440	882
Other purchased services (400-500 series)	1,500		1,500	977	523
Supplies and materials	3,500		3,500	1,278	2,222
Miscellaneous expenditures	1,350		1,350	969	381
Total support services school administration	118,677	(2,500)	116,177	111,937	4,240
Central services:					
Salaries	134,483		134,483	134,482	1
Purchased technical services	20,800		20,800	19,406	1,394
Miscellaneous purchased services (400-500 series)	2,000	50	2,050	1,672	378
Supplies and materials	5,000	(50)	4,950	2,827	2,123
Miscellaneous expenditures	1,400		1,400	1,111	289
Total central services	163,683		163,683	159,498	4,185
Required maintenance for school facilities:					
Cleaning, repair, and maintenance services	91,408		91,408	85,391	6,017
Supplies and materials	3,000		3,000		3,000
Total required maintenance for school facilities	94,408		94,408	85,391	9,017
Other operation & maintenance of plant services:					
Salaries	185,149		185,149	169,253	15,896
Purchased professional and technical services	5,770		5,770	2,806	2,964
Cleaning, repair, and maintenance services	66,800	23,204	90,004	90,003	1
Other purchased property services		32,739	32,739	32,739	
Insurance	40,000	(4,561)	35,439	34,650	789
Miscellaneous purchased services (400-500 series)	500	534	1,034	947	87
General supplies	32,200	(315)	31,885	26,425	5,460
Energy (electricity)	95,000	(9,221)	85,779	84,435	1,344
Energy (oil)	70,000	(16,431)	53,569	53,568	1
Total other operation & maintenance of plant services	495,419	25,949	521,368	494,826	26,542
Security:					
Salaries	11,956	1,451	13,407	13,332	75
Total security	11,956	1,451	13,407	13,332	75
Total operation & maintenance of plant services	601,783	27,400	629,183	593,549	35,634

QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student transportation services:					
Salaries - regular	5,000		5,000	5,000	
Contracted services (between home and school) - vendors	213,410	(3,160)	210,250	187,079	23,171
Contracted services (other than between home and school) - vendors	3,000		3,000	1,906	1,094
Contracted services (regular students) - ESC & CTSA	82,000	13,973	95,973	94,735	1,238
Contracted services (special education students) - ESC & CTSA	125,500	(53,755)	71,745	71,745	
Aid in lieu - nonpublic	8,840	3,160	12,000	11,361	639
Aid in lieu - choice	3,536		3,536	2,000	1,536
<b>Total student transportation services</b>	<b>441,286</b>	<b>(39,782)</b>	<b>401,504</b>	<b>373,826</b>	<b>27,678</b>
Unallocated benefits:					
Social security contributions	50,000	(2,937)	47,063	38,644	8,419
Other retirement contributions - regular	52,000		52,000	51,997	3
Unemployment compensation	2,000	6,912	8,912	8,912	
Workers' compensation	33,500	2,937	36,437	36,437	
Health benefits	660,121	(6,912)	653,209	584,609	68,600
Tuition reimbursement	12,000		12,000	4,050	7,950
Other employee benefits	15,000		15,000	10,620	4,380
<b>Total unallocated benefits</b>	<b>824,621</b>		<b>824,621</b>	<b>735,269</b>	<b>89,352</b>
TPAF post-retirement medical (on-behalf non-budgeted)				213,989	(213,989)
TPAF - long term disability insurance (on-behalf non-budgeted)				498	(498)
Teachers' Pension & Annuity Fund (on-behalf non-budgeted)				331,315	(331,315)
Reimbursed TPAF social security contributions (non-budgeted)				167,531	(167,531)
<b>Total non-budgeted</b>				<b>713,333</b>	<b>(713,333)</b>
<b>Total undistributed expenditures</b>	<b>4,310,326</b>	<b>4,168</b>	<b>4,314,494</b>	<b>4,657,665</b>	<b>(343,171)</b>
<b>Total expenditures - current expense</b>	<b>6,478,366</b>		<b>6,478,366</b>	<b>6,728,111</b>	<b>(249,745)</b>
<b>CAPITAL OUTLAY:</b>					
Facilities acquisition and construction services: Assessment for debt service on SDA Funding	36,143		36,143	36,143	
<b>Total facilities acquisition and construction services</b>	<b>36,143</b>		<b>36,143</b>	<b>36,143</b>	
<b>Total capital outlay</b>	<b>36,143</b>		<b>36,143</b>	<b>36,143</b>	
<b>Total expenditures</b>	<b>\$ 6,514,509</b>		<b>\$ 6,514,509</b>	<b>\$ 6,764,254</b>	<b>\$ (249,745)</b>
Other financing sources (uses): Transfer to debt service				\$ (2)	
<b>Total other financing sources (uses)</b>				<b>\$ (2)</b>	

QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018

	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	\$ (544,733)		\$ (544,733)	\$ 50,122	\$ 594,857
Net changes in fund balance	(544,733)		(544,733)	50,122	594,857
Fund balances - July 1	1,554,055		1,554,055	1,554,055	
Fund balances - June 30	<u>\$ 1,009,322</u>	<u>None</u>	<u>\$ 1,009,322</u>	<u>\$ 1,604,177</u>	<u>\$ 594,857</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital reserve				\$ 77,399	
Excess surplus - designated for subsequent year's expenditures				631,094	
Excess surplus - current year				549,518	
<b>Assigned Fund Balance:</b>					
Designated for subsequent year's expenditures				52,400	
<b>Unassigned Fund Balance</b>				<u>293,766</u>	
				1,604,177	
Reconciliation to Governmental Fund Statements (GAAP):					
June state aid payments not recognized on GAAP Basis				<u>(311,157)</u>	
Fund balance per Governmental Funds (GAAP)				<u>\$ 1,293,020</u>	

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal sources	\$ 247,972	\$ 42,827	\$ 290,799	\$ 289,551	1,248
State sources	47,586		47,586	47,586	
Local sources	3,901	11,000	14,901	14,901	
Total revenues	<u>\$ 299,459</u>	<u>\$ 53,827</u>	<u>\$ 353,286</u>	<u>\$ 352,038</u>	<u>\$ 1,248</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	\$ 85,906	\$ 34,996	\$ 120,902	\$ 120,902	
Other salaries for instruction	73,706	(3,513)	70,193	70,193	
Purchased professional and technical services	6,517	2,699	9,216	9,216	
Other purchased services (400-500 series)	96,728		96,728	96,728	
General supplies	4,438	596	5,034	3,786	\$ 1,248
Other objects		830	830	830	
Total instruction	<u>267,295</u>	<u>35,608</u>	<u>302,903</u>	<u>301,655</u>	<u>1,248</u>
Support Services:					
Other salaries	8,813	2,492	11,305	11,305	
Personal services - employee benefits	10,726	10,849	21,575	21,575	
Purchased professional and technical services	5,499		5,499	5,499	
Other purchased services (400-500 series)	7,126	4,878	12,004	12,004	
Total support services	<u>32,164</u>	<u>18,219</u>	<u>50,383</u>	<u>50,383</u>	
Total expenditures	<u>\$ 299,459</u>	<u>\$ 53,827</u>	<u>\$ 353,286</u>	<u>\$ 352,038</u>	<u>\$ 1,248</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**



QUINTON TOWNSHIP SCHOOL DISTRICT  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2018

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

	General Fund C-1	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	[C-1] \$ 6,814,378	[C-2] \$ 352,038
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	315,948	5,438
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.	(311,157)	(4,758)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds.	[B-2] \$ 6,819,169	[B-2] \$ 352,718
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] \$ 6,764,254	\$ 352,038
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds.	[B-2] \$ 6,764,254	[B-2] \$ 352,038

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)**

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS  
 Last Five Fiscal Years

	Fiscal Year Ended				
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0046145632%	0.0043421455%	0.0044519698%	0.0050370847%	0.0050840131%
District's proportionate share of the net pension liability (asset)	\$ 1,074,197	\$ 1,286,019	\$ 999,378	\$ 943,080	\$ 971,656
District's covered-employee payroll	314,887	328,470	318,249	313,974	346,108
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	341.14%	391.52%	314.02%	300.37%	280.74%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.13%	47.92%	52.08%	48.72%
Measurement date	06/30/17	06/30/16	06/30/15	06/30/14	06/30/13

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Schedule of District Contributions - PERS  
 Last Five Fiscal Years

	Fiscal Year Ended				
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 42,749	\$ 38,575	\$ 38,275	\$ 41,525	\$ 38,307
Contributions in relation to the contractually required contribution	42,749	38,575	38,275	41,525	38,307
Contribution deficiency (excess)	None	None	None	None	None
District's covered-employee payroll	\$ 314,887	\$ 328,470	\$ 318,249	\$ 313,974	\$ 346,108
Contributions as a percentage of covered-employee payroll	13.58%	11.74%	12.03%	13.23%	11.07%
Measurement date	06/30/17	06/30/16	06/30/15	06/30/14	06/30/13

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF  
 Last Five Fiscal Years

	Fiscal Year Ended				
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0210875964%	0.0211885168%	0.0242945076%	0.0219285515%	0.0219285515%
District's proportionate share of the net pension liability (asset)	\$ 14,218,018	\$ 16,668,236	\$ 15,355,166	\$ 11,720,097	\$ 11,285,602
District's covered-employee payroll	2,358,215	2,361,334	2,274,968	1,991,320	2,329,433
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	602.91%	705.88%	674.96%	588.56%	484.48%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	22.33%	28.71%	33.64%	33.76%
Measurement date	06/30/17	06/30/16	06/30/15	06/30/14	06/30/13

The data in the above schedule represents the allocation of the State of New Jersey's obligation on behalf of the District.

The Teachers' Pension and Annuity Fund (TPAF) On-behalf Payments is a Cost Sharing Multi-Employer Defined Benefit Plan with a Special Funding Situation - 100% Legal Obligation of the State of New Jersey (State).

Since the State is the only entity with a legal obligation, the District's proportionate shared percentage determined under paragraph 48 or GASB 48 of GASB No. 68 is zero percentage. Accordingly, the District did not recognize any portion of the TPAF collective net pension liability on the Statement of Net Position (A-1). Also, on the A-1, and for the same reasons, the District did not recognize any portion of TPAF collective deferred outflows of resources and TPAF deferred inflows of resources.

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS**

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Fiscal Year

	<u>Fiscal Year Ended</u> <u>2018</u>
Total OPEB Liability	
Service cost	\$ 565,643
Interest	484,162
Changes of benefit terms	
Differences between expected and actual experience	
Changes of assumptions or other inputs	(2,008,599)
Member contributions	13,042
Benefit payments	<u>(354,194)</u>
Net change in total OPEB liability	(1,299,946)
Total OPEB liability - beginning	<u>16,591,876</u>
Total OPEB liability - ending	<u>\$ 15,291,930</u>
Covered employee payroll	\$ 2,673,102
Total OPEB liability as a percentage of covered employee payroll	572.07%

**Notes to Schedule:**

*Changes of benefit terms:*

There were no changes in benefit terms during the year.

*Changes of assumptions:*

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used in the period:

2018	3.58%
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**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2018**

**NOTES RELATED TO PENSIONS**

**NOTE 1: CONTRIBUTIONS**

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The District's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

**NOTE 2: ACTUARIAL ASSUMPTIONS**

The total pension liability for the June 30, 2017, measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability for the June 30, 2017, measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-Retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2018**

**NOTES RELATED TO OTHER POST-EMPLOYMENT BENEFITS**

**NOTE 3: CONTRIBUTIONS**

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

**NOTE 4: ACTUARIAL ASSUMPTIONS**

The total nonemployer OPEB liability as of June 30, 2017, was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016, was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases (TPAF):	
Through 2026	1.55 – 4.55% based on years of service
Thereafter	2.00 – 5.45% based on years of service
Salary increases (PERS):	
Through 2026	2.15 – 4.15% based on age
Thereafter	3.15 – 5.15% based on age

Pre-retirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015 and July 1, 2011 - June 30, 2014, for TPAF and PERS, respectively.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

## **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, 2018

	Total Brought Forward Ex. E-1a	Title I McKinney Vento Homeless	Title I Part A	(See E-2) Preschool Education	Totals	
					FY 2018	FY 2017
<b>REVENUES:</b>						
Federal sources	\$ 156,964	\$ 23,402	\$ 109,185		\$ 289,551	\$ 264,655
State sources				\$ 47,586	47,586	54,384
Local sources	14,901				14,901	19,053
<b>Total revenues</b>	<b>171,865</b>	<b>23,402</b>	<b>109,185</b>	<b>47,586</b>	<b>352,038</b>	<b>338,092</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	35,592	11,600	26,124	47,586	120,902	125,115
Other salaries for instruction			70,193		70,193	62,049
Purchased professional and technical services	9,216				9,216	800
Other purchased services (400-500 series)	96,728				96,728	97,217
General supplies	2,424	1,362			3,786	8,448
Other objects		830			830	251
<b>Total instruction</b>	<b>143,960</b>	<b>13,792</b>	<b>96,317</b>	<b>47,586</b>	<b>301,655</b>	<b>293,880</b>
Support services:						
Other salaries	7,605	3,700			11,305	3,670
Personal services - employee benefits	13,036	1,170	7,369		21,575	20,516
Purchased professional and technical services			5,499		5,499	10,000
Other purchased services (400-500 series)	7,264	4,740			12,004	10,026
<b>Total support services</b>	<b>27,905</b>	<b>9,610</b>	<b>12,868</b>		<b>50,383</b>	<b>44,212</b>
<b>Total expenditures</b>	<b>\$ 171,865</b>	<b>\$ 23,402</b>	<b>\$ 109,185</b>	<b>\$ 47,586</b>	<b>\$ 352,038</b>	<b>\$ 338,092</b>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2018

	Total Brought Forward Ex. E-1b	Emergency Impact Aid	IDEA Preschool Program	IDEA Basic Program	Rural Education Achievement Program	Title II, Part A Teacher & Principal Training & Recruiting	Total Carried Forward
REVENUES:							
Federal sources	\$ 10,000	\$ 6,750	\$ 2,373	\$ 94,355	\$ 36,077	\$ 7,409	\$ 156,964
Local sources	14,901						14,901
Total revenues	24,901	6,750	2,373	94,355	36,077	7,409	171,865
EXPENDITURES:							
Instruction:							
Salaries of teachers	2,273	4,475			27,435	1,409	35,592
Purchased professional and technical services	3,216					6,000	9,216
Tuition			2,373	94,355			96,728
General supplies	2,006	418					2,424
Total instruction	7,495	4,893	2,373	94,355	27,435	7,409	143,960
Support services:							
Other salaries	7,605						7,605
Personal services - employee benefits	2,537	1,857			8,642		13,036
Other purchased services (400-500 series)	7,264						7,264
Total support services	17,406	1,857			8,642		27,905
Total expenditures	\$ 24,901	\$ 6,750	\$ 2,373	\$ 94,355	\$ 36,077	\$ 7,409	\$ 171,865

QUINTON TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2018

	Canvas Prints	Safety Grant	Culture Club	RSG Grant	Title IV	Total Carried Forward
REVENUES:						
Federal sources					\$ 10,000	\$ 10,000
Local sources	\$ 1,000	\$ 2,901	\$ 10,000	\$ 1,000		14,901
Total revenues	1,000	2,901	10,000	1,000	10,000	24,901
EXPENDITURES:						
Instruction:						
Salaries of teachers	420		1,853			2,273
Purchased professional and technical services			2,831	385		3,216
General supplies	325		1,291	390		2,006
Total instruction	745		5,975	775		7,495
Support services:						
Other salaries					7,605	7,605
Personal services - employee benefits			142		2,395	2,537
Other purchased services (400-500 series)	255	2,901	3,883	225		7,264
Total support services	255	2,901	4,025	225	10,000	17,406
Total expenditures	\$ 1,000	\$ 2,901	\$ 10,000	\$ 1,000	\$ 10,000	\$ 24,901



QUINTON TOWNSHIP SCHOOL DISTRICT  
 Special Revenue Fund  
 Preschool Education Aid Schedule of Expenditures -  
 Budgetary Basis  
 For the Fiscal Year Ended June 30, 2018

	Budgeted	Actual	Variance
Expenditures:			
Instruction:			
Salaries of teachers	\$ 47,586	\$ 47,586	
Total expenditures	\$ 47,586	\$ 47,586	

**CALCULATION OF BUDGET AND CARRYOVER**

Total revised 2017-2018 Preschool Education Aid allocation	\$ 47,586
Add: Actual ECPA Carryover (June 30, 2017)	
Add: Budgeted transfer from the General Fund 2017-2018	
Total Preschool Education Aid Funds available for 2017/2018 budget	47,586
Less: 2016-2017 budgeted Preschool Education Aid (including prior year budgeted carryover)	47,586
Available & unbudgeted Preschool Education Aid Funds as of June 30, 2018	
Add: June 30, 2018, unexpended Preschool Education Aid	
2017-2018 Carryover - Preschool Education Aid/Preschool	
2017-2018 Preschool Education Aid carryover budgeted for Preschool programs 2017-2018	

## **CAPITAL PROJECTS FUND**

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 June 30, 2018

Project Title/Issue	Original Date	Revised Budgetary Appropriation	GAAP		Unexpended Appropriation June 30, 2018
			Prior Years	Current Year	
Install roof-mounted photovoltaic system	12/30/09	\$ 570,734	\$ 463,120	\$ 35,500	\$ 72,114

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, 2018

OPERATING EXPENSES:	
Construction services	\$       35,500
Total expenses	<u>          35,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>          (35,500)</u>
Fund balance - beginning	<u>         107,614</u>
Fund balance - ending	<u><u>          \$     72,114</u></u>

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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from Capital reserve	\$ 88,515		\$ 88,515	\$ 88,515
State Sources: SDA Grant	1,214		1,214	1,214
Bond proceeds	481,005		481,005	481,005
	<u>570,734</u>		<u>570,734</u>	<u>570,734</u>
Expenditures and other financing uses				
Purchased professional and technical services	44		44	88,515
Construction services	463,076	\$ 35,500	498,576	482,220
	<u>463,120</u>	<u>35,500</u>	<u>498,620</u>	<u>\$ 570,735</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 107,614</u>	<u>\$ (35,500)</u>	<u>\$ 72,114</u>	
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 completion	100%			
Original target completion date	8/15/2011			
Revised target completion date	1/15/2012			

## **PROPRIETARY FUNDS**

QUINTON TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Net Position  
For the Fiscal Year Ended June 30, 2018

	Business-type Activities Food Service Fund	
	FY 2018	FY 2017
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 46,853	\$ 44,402
Accounts receivable:		
State	99	59
Federal	5,462	3,519
Inventory	4,360	4,771
Total current assets	<u>56,774</u>	<u>52,751</u>
Noncurrent assets		
Furniture, machinery & equipment	83,140	83,140
Less: accumulated depreciation	(77,194)	(75,951)
Total noncurrent assets	<u>5,946</u>	<u>7,189</u>
Total assets	<u>\$ 62,720</u>	<u>\$ 59,940</u>
Net position		
Invested in capital assets net of related debt	\$ 5,946	\$ 7,189
Unrestricted	56,774	52,751
Total net position	<u>\$ 62,720</u>	<u>\$ 59,940</u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2018

	Business-type Activities Food Service Fund	
	FY 2018	FY 2017
<b>OPERATING REVENUES:</b>		
Local sources:		
Daily sales - reimbursable programs	\$ 46,656	\$ 43,440
Daily sales - non-reimbursable programs	19,628	16,089
Total operating revenue	66,284	59,529
<b>OPERATING EXPENSES:</b>		
Salaries	59,886	49,318
Employee benefits	4,611	3,773
Purchased professional/technical services	5,514	8,095
Other purchased services (400-500 series)		67
Supplies and materials	5,823	9,914
Cost of sales - reimbursable	81,578	82,177
Cost of sales - non-reimbursable	5,867	10,468
Depreciation	1,243	1,242
Total operating expenses	164,522	165,054
Operating income (loss)	(98,238)	(105,525)
<b>NON-OPERATING REVENUES:</b>		
State sources:		
National school lunch program - state	1,653	1,490
Federal sources:		
National school lunch program	61,020	59,489
National school breakfast program	27,917	27,510
Food distribution program	10,428	10,617
Total non-operating revenues (expenses)	101,018	99,106
Income (loss) before operating transfers	2,780	(6,419)
Net income (loss)	2,780	(6,419)
Total net position - July 1	59,940	66,359
Total net position - June 30	\$ 62,720	\$ 59,940



QUINTON TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2018

	Business-type Activities Food Service Fund	
	FY 2018	FY 2017
Cash flows from operating activities:		
Receipts from customers	\$ 66,284	\$ 59,529
Payments to suppliers	(87,945)	(98,425)
Payments to employees	(59,886)	(49,318)
Payments for employee benefits	(4,611)	(3,773)
Net cash provided (used) by operating activities	<u>(86,158)</u>	<u>(91,987)</u>
Cash flows from non-capital financing activities:		
Cash received from state, federal, and local reimbursements	88,609	88,414
Net cash provided by non-capital financing activities	<u>88,609</u>	<u>88,414</u>
Net increase in cash and cash equivalents	2,451	(3,573)
Cash and cash equivalents - July 1	44,402	47,975
Cash and cash equivalents - June 30	<u>\$ 46,853</u>	<u>\$ 44,402</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (98,238)	\$ (105,525)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Depreciation	1,243	1,242
Food distribution program	10,428	10,617
Change in assets and liabilities:		
(Increase) decrease in inventory	409	1,679
	<u>\$ (86,158)</u>	<u>\$ (91,987)</u>

## **FIDUCIARY FUNDS**

QUINTON TOWNSHIP SCHOOL DISTRICT  
Combining Statement of Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2018

	<u>Trust Funds</u>		<u>Agency Funds</u>	<u>Total</u>	
	Technology	Unemployment	Student		
	Trust	Trust	Activity	FY 2018	FY 2017
<b>ASSETS</b>					
Cash and cash equivalents	\$ 20,696	\$ 3,961	\$ 5,856	\$ 30,513	\$ 38,042
Capital assets					
Machinery and equipment	10,394			10,394	
Less: Accumulated depreciation	(10,394)			(10,394)	
Total assets	<u>\$ 20,696</u>	<u>\$ 3,961</u>	<u>5,856</u>	<u>30,513</u>	<u>38,042</u>
<b>LIABILITIES</b>					
Due to student groups			5,856	5,856	4,285
Total liabilities			<u>5,856</u>	<u>5,856</u>	<u>4,285</u>
<b>NET POSITION</b>					
Invested in capital assets net of related debt					
Held in trust for:					
Unemployment claims		\$ 3,961		3,961	15,629
Technology expenditures	\$ 20,696			20,696	18,128
Total net position	<u>\$ 20,696</u>	<u>\$ 3,961</u>	<u>None</u>	<u>\$ 24,657</u>	<u>\$ 33,757</u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2018

	Trust Funds		Total	
	Technology	Unemployment		
	Trust	Trust	FY 2018	FY 2017
ADDITIONS:				
Contributions:				
Plan members		\$ 5,833	\$ 5,833	\$ 5,287
Others	\$ 5,042	8,742	13,784	5,221
Total contributions	5,042	14,575	19,617	10,508
Investment earnings:				
Interest	25	15	40	41
Total investment earnings	25	15	40	41
Total additions	5,067	14,590	19,657	10,549
DEDUCTIONS:				
Salaries				1,500
General supplies				820
Unemployment claims		28,757	28,757	403
Depreciation				314
Total deductions		28,757	28,757	3,037
Change in net position	5,067	(14,167)	(9,100)	7,512
Net position July 1	15,629	18,128	33,757	26,245
Net position June 30	\$ 20,696	\$ 3,961	\$ 24,657	\$ 33,757

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2018

	<u>Balance July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2018</u>
ACTIVITIES:				
Quinton School	\$ 4,285	\$ 21,024	\$ 19,453	\$ 5,856

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Payroll Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2018

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
<b>ASSETS</b>				
Cash and cash equivalents		\$ 4,035,569	\$ 4,035,569	
	None	\$ 4,035,569	\$ 4,035,569	None
<b>LIABILITIES</b>				
Employees' net pay		\$ 1,880,653	\$ 1,880,653	
Payroll deductions and withholdings		2,154,808	2,154,808	
Interfund payable		108	108	
	None	\$ 4,035,569	\$ 4,035,569	None

## **LONG-TERM DEBT**

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Schedule of Serial Bonds  
 June 30, 2018

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2017	Issued	Retired	Balance June 30, 2018
			Date	Amount					
Refunding Bonds - Series 2007	11/20/07	\$ 1,705,000	03/01/19	155,000	4.125%	\$ 610,000		\$ 150,000	\$ 460,000
			03/01/20	155,000	4.125%				
			03/01/21	150,000	4.125%				
School Bonds - Series 2010	07/29/10	1,821,000	02/15/19	95,000	3.000%	1,356,000		91,000	1,265,000
			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%						
						<u>1,356,000</u>		<u>91,000</u>	<u>1,265,000</u>
						<u>\$ 1,966,000</u>	<u>None</u>	<u>\$ 241,000</u>	<u>\$ 1,725,000</u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Debt Service Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 220,093		\$ 220,093	\$ 220,093	
State sources:					
Debt service aid type II	97,548		97,548	97,548	
Total revenues	<u>317,641</u>		<u>317,641</u>	<u>317,641</u>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	76,643		76,643	76,643	
Redemption of principal	241,000		241,000	241,000	
Total regular debt service	<u>317,643</u>		<u>317,643</u>	<u>317,643</u>	
Total expenditures	<u>317,643</u>		<u>317,643</u>	<u>317,643</u>	
Other financing sources (uses)					
Transfers from general fund	<u>2</u>		<u>2</u>	<u>2</u>	



**STATISTICAL SECTION  
(UNAUDITED)**

**QUINTON TOWNSHIP SCHOOL DISTRICT  
STATISTICAL SECTION**

<b>Contents</b>	<b>Page</b>
<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.	108-114
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	115-118
<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.	119-122
<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.	123-124
<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.	125-129

QUINTON TOWNSHIP SCHOOL DISTRICT  
Net Position by Component  
Last Ten Fiscal Years  
For the Fiscal Year Ended June 30, 2018  
Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Invested in capital assets, net of related debt	\$ 932,265	\$ 1,257,002	\$ 1,208,641	\$ 3,887,080	\$ 3,683,403	\$ 3,478,707	\$ 3,422,983	\$ 3,180,213	\$ 3,029,898	\$ 2,923,937
Restricted	1,059,975	831,202	3,821,716	932,017	894,040	984,602	1,341,533	1,330,500	1,360,724	1,382,525
Unrestricted	(136,530)	(156,067)	(112,564)	(120,685)	(102,905)	(74,980)	(1,012,414)	(1,015,045)	(17,637,360)	(18,289,540)
<b>Total governmental activities net position</b>	<b>\$ 1,855,710</b>	<b>\$ 1,932,137</b>	<b>\$ 4,917,793</b>	<b>\$ 4,698,412</b>	<b>\$ 4,474,538</b>	<b>\$ 4,388,329</b>	<b>\$ 3,752,102</b>	<b>\$ 3,495,668</b>	<b>\$ (13,246,738)</b>	<b>\$ (13,983,078)</b>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 11,583	\$ 18,407	\$ 16,551	\$ 14,695	\$ 12,839	\$ 11,227	\$ 9,777	\$ 8,431	\$ 7,189	\$ 5,946
Restricted			7							
Unrestricted	23,429	40,750	47,972	48,991	45,231	38,625	49,761	57,928	52,751	56,774
<b>Total business-type activities net position</b>	<b>\$ 35,012</b>	<b>\$ 59,157</b>	<b>\$ 64,530</b>	<b>\$ 63,686</b>	<b>\$ 58,070</b>	<b>\$ 49,852</b>	<b>\$ 59,538</b>	<b>\$ 66,359</b>	<b>\$ 59,940</b>	<b>\$ 62,720</b>
District-wide:										
Invested in capital assets, net of related debt	\$ 943,848	\$ 1,275,409	\$ 1,225,192	\$ 3,901,775	\$ 3,696,242	\$ 3,489,934	\$ 3,432,760	\$ 3,188,644	\$ 3,037,087	\$ 2,929,883
Restricted	1,059,975	831,202	3,821,716	932,017	894,040	984,602	1,341,533	1,330,500	1,360,724	1,382,525
Unrestricted	(113,101)	(115,317)	(64,592)	(71,694)	(57,674)	(36,355)	(962,653)	(957,117)	(17,584,609)	(18,232,766)
<b>Total District-wide</b>	<b>\$ 1,890,722</b>	<b>\$ 1,991,294</b>	<b>\$ 4,982,316</b>	<b>\$ 4,762,098</b>	<b>\$ 4,532,608</b>	<b>\$ 4,438,181</b>	<b>\$ 3,811,640</b>	<b>\$ 3,562,027</b>	<b>\$ (13,186,798)</b>	<b>\$ (13,920,358)</b>

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Changes in Net Assets/Net Position  
 Last Ten Fiscal Years  
 For the Fiscal Year Ended June 30, 2018  
 Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>EXPENSES:</b>										
Governmental activities:										
Instruction										
Regular	\$ 1,645,575	\$ 1,665,700	\$ 1,520,650	\$ 1,650,055	\$ 1,678,354	\$ 1,643,917	\$ 1,726,312	\$ 1,774,170	\$ 1,718,573	\$ 1,750,352
Special education	572,604	751,713	538,101	378,334	383,088	426,283	392,601	461,616	479,693	507,691
Other special education	45,454	54,923	55,376	57,929	60,951	64,566	78,913	86,077	24,101	55,790
Other instruction	27,630	24,702	21,142	12,105	15,907	19,658	24,509	34,193	31,773	38,423
Support services										
Student instruction and related services	1,339,610	1,299,103	1,423,069	1,871,925	1,698,319	1,735,227	1,350,822	1,705,277	1,987,795	1,777,246
General administration	267,800	227,213	225,433	249,069	220,975	157,218	195,980	213,251	208,805	230,237
School administrative services	95,236	93,270	101,315	105,679	108,290	109,228	109,080	112,818	113,085	111,937
Central services	122,935	121,487	126,528	159,119	134,101	138,704	150,056	154,717	156,122	159,498
Administrative information technology	1,972	6,826	2,407	710	877	1,153	3,945			
Plant operations and maintenance	318,676	402,756	461,492	485,393	857,647	892,364	936,742	895,351	872,054	967,588
Pupil transportation	402,393	437,155	348,761	358,172	433,606	518,502	406,084	411,077	367,124	373,826
Unallocated benefits	979,615	1,042,688	966,144	1,049,975	1,122,520	1,099,198	1,129,248	1,201,392	1,365,447	2,140,494
Interest on long-term debt	72,950	66,650	62,450	153,286	113,313	106,713	99,813	92,612	85,143	76,643
Capital outlay	3,619	21,049	671	552	2,897	36,143	38,513	87,986	37,017	36,143
Unallocated depreciation	90,271	87,676	99,647	154,450						
Total governmental activities expenses	<u>5,986,340</u>	<u>6,302,911</u>	<u>5,953,186</u>	<u>6,686,753</u>	<u>6,830,845</u>	<u>6,948,874</u>	<u>6,642,618</u>	<u>7,230,537</u>	<u>7,446,732</u>	<u>8,225,868</u>
Business-type activities										
Food service	179,696	142,979	149,157	171,360	177,446	192,012	172,595	173,722	165,054	164,522
Total business-type activities expense	<u>179,696</u>	<u>142,979</u>	<u>149,157</u>	<u>171,360</u>	<u>177,446</u>	<u>192,012</u>	<u>172,595</u>	<u>173,722</u>	<u>165,054</u>	<u>164,522</u>
Total District expenses	<u>\$ 6,166,036</u>	<u>\$ 6,445,890</u>	<u>\$ 6,102,343</u>	<u>\$ 6,858,113</u>	<u>\$ 7,008,291</u>	<u>\$ 7,140,886</u>	<u>\$ 6,815,213</u>	<u>\$ 7,404,259</u>	<u>\$ 7,611,786</u>	<u>\$ 8,390,390</u>
<b>PROGRAM REVENUES:</b>										
Governmental activities										
Charges for services										
Instruction (tuition)	\$ 66,059	\$ 65,134	\$ 55,568							
Operating grants and contributions	329,351	473,862	326,664	\$ 296,606	\$ 290,779	\$ 316,595	\$ 317,662	\$ 352,924	\$ 340,440	\$ 352,718
Total governmental activities program revenues	<u>395,410</u>	<u>538,996</u>	<u>382,232</u>	<u>296,606</u>	<u>290,779</u>	<u>316,595</u>	<u>317,662</u>	<u>352,924</u>	<u>340,440</u>	<u>352,718</u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Changes in Net Assets/Net Position  
Last Ten Fiscal Years  
For the Fiscal Year Ended June 30, 2018  
Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Charges for services										
Food service	68,573	66,349	63,042	68,856	62,890	65,200	63,026	64,071	59,529	66,284
Operating grants and contributions	114,028	100,775	91,488	101,660	108,940	118,594	119,255	116,472	99,106	101,018
Total business-type activities program revenues	182,601	167,124	154,530	170,516	171,830	183,794	182,281	180,543	158,635	167,302
Total District program revenue	<u>\$ 578,011</u>	<u>\$ 706,120</u>	<u>\$ 536,762</u>	<u>\$ 467,122</u>	<u>\$ 462,609</u>	<u>\$ 500,389</u>	<u>\$ 499,943</u>	<u>\$ 533,467</u>	<u>\$ 499,075</u>	<u>\$ 520,020</u>
Net (expense) revenue:										
Governmental activities	\$ (5,590,930)	\$ (5,763,915)	\$ (5,570,954)	\$ (6,390,147)	\$ (6,540,066)	\$ (6,632,279)	\$ (6,324,956)	\$ (6,877,613)	\$ (7,106,292)	\$ (7,873,150)
Business-type activities	2,905	24,145	5,373	(844)	(5,616)	(8,218)	9,686	6,821	(6,419)	2,780
Total District-wide net expense	<u>\$ (5,588,025)</u>	<u>\$ (5,739,770)</u>	<u>\$ (5,565,581)</u>	<u>\$ (6,390,991)</u>	<u>\$ (6,545,682)</u>	<u>\$ (6,640,497)</u>	<u>\$ (6,315,270)</u>	<u>\$ (6,870,792)</u>	<u>\$ (7,112,711)</u>	<u>\$ (7,870,370)</u>
General revenues and other changes in net assets:										
Governmental activities:										
Property taxes levied for government purposes (net)	\$ 1,972,846	\$ 2,051,760	\$ 2,133,830	\$ 2,154,507	\$ 2,191,097	\$ 2,307,609	\$ 2,307,609	\$ 2,307,609	\$ 2,440,557	\$ 2,489,368
Taxes levied for debt service	101,682	91,493	111,695	239,279	214,935	217,738	220,343	219,768	221,953	220,093
Unrestricted grants and contributions	3,441,066	2,953,334	3,381,566	3,558,213	3,845,541	3,887,996	4,018,067	4,054,278	4,213,975	4,329,301
Restricted grants		553,381	2,717,885	110,656						
Tuition charges	179,883	174,561	189,818	75,874	52,580	86,591	69,749	69,963	32,944	14,939
Investment earnings	10,007	9,866	6,754	4,553	2,846	1,620	1,664	2,136	2,100	2,169
Miscellaneous income	2,969	5,947	15,062	27,684	9,193	44,516	5,681	44,724	44,233	80,940
Loss on disposal of assets							(529)	(77,299)		
Prior year receivables canceled							(506)			
Total governmental activities	<u>5,708,453</u>	<u>5,840,342</u>	<u>8,556,610</u>	<u>6,170,766</u>	<u>6,316,192</u>	<u>6,546,070</u>	<u>6,622,078</u>	<u>6,621,179</u>	<u>6,955,762</u>	<u>7,136,810</u>
Business-type activities:										
Contributed capital	3,619									
Total business-type activities	<u>3,619</u>									
Total District-wide	<u>\$ 5,712,072</u>	<u>\$ 5,840,342</u>	<u>\$ 8,556,610</u>	<u>\$ 6,170,766</u>	<u>\$ 6,316,192</u>	<u>\$ 6,546,070</u>	<u>\$ 6,622,078</u>	<u>\$ 6,621,179</u>	<u>\$ 6,955,762</u>	<u>\$ 7,136,810</u>
Change in net position:										
Governmental activities	\$ 117,523	\$ 76,427	\$ 2,985,656	\$ (219,381)	\$ (223,874)	\$ (86,209)	\$ 297,122	\$ (256,434)	\$ (150,530)	\$ (736,340)
Business-type activities	6,524	24,145	5,373	(844)	(5,616)	(8,218)	9,686	6,821	(6,419)	2,780
Total District	<u>\$ 124,047</u>	<u>\$ 100,572</u>	<u>\$ 2,991,029</u>	<u>\$ (220,225)</u>	<u>\$ (229,490)</u>	<u>\$ (94,427)</u>	<u>\$ 306,808</u>	<u>\$ (249,613)</u>	<u>\$ (156,949)</u>	<u>\$ (733,560)</u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Fund Balances - Governmental Funds  
 Last Ten Fiscal Years  
 For the Fiscal Year Ended June 30, 2018  
 Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund:										
Restricted			\$ 892,677	\$ 683,272	\$ 615,703	\$ 725,184	\$ 1,084,825	\$ 1,169,298	\$ 1,165,329	\$ 1,258,011
Assigned			30,028	10,900	49,633	21,574	97,590	53,926	87,781	52,400
Unassigned			(18,584)	(26,304)	(16,759)	(33,704)	(32,554)	(41,862)	(15,003)	(17,391)
Reserved	\$1,066,495	\$ 719,343								
Unreserved	(46,430)	(62,104)								
Total general fund	<u>\$1,020,065</u>	<u>\$ 657,239</u>	<u>\$ 904,121</u>	<u>\$ 667,868</u>	<u>\$ 648,577</u>	<u>\$ 713,054</u>	<u>\$ 1,149,861</u>	<u>\$ 1,181,362</u>	<u>\$ 1,238,107</u>	<u>\$ 1,293,020</u>
All other governmental funds:										
Unreserved, reported in:										
Debt service fund	\$ 6,508			\$ 1	\$ 1		\$ 1	\$ 2		
Capital projects fund		\$ 111,859	\$2,899,039	237,844	237,844	\$ 237,844	159,117	107,274	\$ 107,614	\$ 72,114
Special revenue fund	(8,806)	(9,101)	(9,101)	(5,208)	(5,078)	(5,665)	(4,759)	(6,571)	(5,438)	(4,758)
Total all other governmental funds	<u>\$ (2,298)</u>	<u>\$ 102,758</u>	<u>\$2,889,938</u>	<u>\$ 232,637</u>	<u>\$ 232,767</u>	<u>\$ 232,179</u>	<u>\$ 154,359</u>	<u>\$ 100,705</u>	<u>\$ 102,176</u>	<u>\$ 67,356</u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Changes in Fund Balances - Governmental Funds  
 Last Ten Fiscal Years  
 Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>REVENUES:</b>										
Tax Levy	\$ 2,074,528	\$ 2,143,253	\$ 2,245,525	\$ 2,393,786	\$ 2,406,032	\$ 2,525,347	\$ 2,527,952	\$ 2,527,377	\$ 2,662,510	\$ 2,709,461
Tuition charges	179,883	174,561	189,818	75,874	52,580	86,591	69,749	69,963	32,944	14,939
Interest earnings	10,007	9,866	6,754	4,553	2,846	1,620	1,664	2,136	2,100	2,169
Miscellaneous	2,969	9,723	19,315	31,536	12,833	44,516	9,702	58,211	63,286	95,841
State sources	3,539,750	3,075,592	6,195,256	3,618,384	3,896,455	3,944,059	4,066,559	4,118,180	4,270,707	4,377,567
Federal sources	230,667	901,209	226,606	343,239	236,225	260,532	265,149	275,535	264,655	289,551
<b>Total revenue</b>	<b>6,037,804</b>	<b>6,314,204</b>	<b>8,883,274</b>	<b>6,467,372</b>	<b>6,606,971</b>	<b>6,862,665</b>	<b>6,940,775</b>	<b>7,051,402</b>	<b>7,296,202</b>	<b>7,489,528</b>
<b>EXPENDITURES:</b>										
Instruction:										
Regular	1,634,180	1,678,111	1,517,731	1,645,602	1,667,073	1,641,649	1,731,387	1,779,285	1,714,316	1,770,197
Special	532,468	686,354	484,542	383,509	382,893	430,123	392,601	461,616	479,693	507,691
Other	47,913	54,549	57,701	57,929	60,951	64,566	78,913	86,077	24,101	55,790
School sponsored/other instructional	27,630	24,702	21,142	12,105	15,907	19,658	24,509	34,193	31,773	38,423
Undistributed:										
Student & instruction related services	1,317,570	1,293,539	1,415,815	1,861,516	1,696,431	1,734,858	1,335,466	1,694,402	1,983,265	1,768,824
General administration	222,684	213,883	215,268	239,213	219,645	203,091	195,980	213,251	208,805	230,237
School administration	95,236	93,270	101,315	105,679	108,290	109,228	109,080	112,818	113,085	111,937
Central administration	122,935	121,487	126,528	159,119	134,101	138,704	150,056	154,717	156,122	159,498
Administration information technology	1,972	6,826	2,407	710	877	1,153	3,945			
Operations & maintenance of plant services	342,203	400,501	457,498	481,399	467,628	496,773	556,729	515,590	495,153	593,549
Student transportation	402,393	437,155	348,761	358,172	433,606	518,502	406,084	411,077	367,124	373,826
Unallocated benefits	960,254	1,042,688	966,144	1,049,975	1,122,520	1,099,198	1,120,919	1,204,931	1,307,388	1,470,177
Debt service expenditures										
Principal	115,000	120,000	125,000	190,000	200,000	210,000	220,000	225,000	235,000	241,000
Interest	72,950	66,650	62,450	153,286	113,313	106,713	99,813	92,612	85,143	76,643
Capital outlay	3,619	332,259	1,767,910	2,662,712	2,897	36,143	155,801	87,986	37,017	71,643
<b>Total expenditures</b>	<b>5,899,007</b>	<b>6,571,974</b>	<b>7,670,212</b>	<b>9,360,926</b>	<b>6,626,132</b>	<b>6,810,359</b>	<b>6,581,283</b>	<b>7,073,555</b>	<b>7,237,985</b>	<b>7,469,435</b>
Excess deficiency of revenues over (under) expenditures	138,797	(257,770)	1,213,062	(2,893,554)	(19,161)	52,306	359,492	(22,153)	58,217	20,093

QUINTON TOWNSHIP SCHOOL DISTRICT  
Changes in Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other financing sources (uses):										
Proceeds from borrowing			1,821,000							
Prior year receivables canceled							(506)			
Transfers in - internal service fund						11,583				
Total other financing sources (uses)			<u>1,821,000</u>			<u>11,583</u>	<u>(506)</u>			
Net change in fund balance	<u>\$ 138,797</u>	<u>\$ (257,770)</u>	<u>\$3,034,062</u>	<u>\$(2,893,554)</u>	<u>\$ (19,161)</u>	<u>\$ 63,889</u>	<u>\$ 358,986</u>	<u>\$ (22,153)</u>	<u>\$ 58,217</u>	<u>\$ 20,093</u>
Debt service as a percentage of noncapital expenditures	3.19%	2.99%	3.18%	5.13%	4.73%	4.68%	4.98%	4.55%	4.45%	4.29%

Source: District records



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

Fiscal Year Ended June 30,	Miscellaneous	Prior Year Refunds	Clean Energy/ SREC	E-Rate	AVA Closeout	Annual Totals
2009	\$ 917	\$ 2,052				\$ 2,969
2010	1,694	4,253				5,947
2011	265	14,797				15,062
2012	9,498	8,472	\$ 9,714			27,684
2013	5,407	3,786				9,193
2014	5,554	4,612	22,306		\$ 12,044	44,516
2015	960	4,721				5,681
2016	1,043	4,770	38,911			44,724
2017	1,907	5,054	18,309	\$ 18,963		44,233
2018	899	64,591	15,450			80,940
	<u>\$ 28,144</u>	<u>\$ 117,108</u>	<u>\$ 104,690</u>	<u>\$ 18,963</u>	<u>\$ 12,044</u>	<u>\$ 280,949</u>

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
2009	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
2010	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
2011	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
2012	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	212,846,522	1.239
2013	6,621,900	139,077,400	23,327,600	3,049,300	15,625,200	0	519,000	188,220,400	689,715	188,910,115	205,798,052	1.271
2014	6,646,300	138,997,900	23,921,500	3,067,300	15,512,800	0	519,000	188,664,800	705,781	189,370,581	189,793,640	1.302
2015	6,324,500	141,458,200	22,327,500	3,109,800	15,843,200	0	519,000	189,582,200	674,941	190,257,141	195,320,224	1.328
2016	6,268,500	141,702,200	22,042,900	3,157,900	15,243,600	0	519,000	188,934,100	651,835	189,585,935	182,708,281	1.334
2017	6,212,300	142,345,400	21,347,900	3,152,100	15,572,100	0	519,000	189,148,800	611,174	189,759,974	196,976,381	1.367
2018	6,012,500	141,162,500	24,371,300	3,195,000	15,429,900	0	519,000	190,690,200	609,244	191,299,444	188,463,979	1.404

Source: Municipal Tax Assessor

N/A = Not available at completion of CAFR

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	
2009	1.136	0.059	1.195	0.258	0.028	1.254	2.735
2010	1.084	0.048	1.132	0.183	0.016	0.726	2.057
2011	1.115	0.058	1.173	0.167	0.017	0.695	2.052
2012	1.115	0.124	1.239	0.165	0.022	0.918	2.344
2013	1.157	0.114	1.271	0.175	0.023	0.994	2.463
2014	1.190	0.112	1.302	0.175	0.023	0.994	2.494
2015	1.212	0.116	1.328	0.241	0.021	0.971	2.561
2016	1.218	0.116	1.334	0.276	0.021	0.999	2.630
2017	1.253	0.114	1.367	0.285	0.022	1.106	2.780
2018	1.290	0.114	1.404	0.300	0.020	1.123	2.847

Source: Municipal Tax Collector

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

Taxpayer	2018		2009	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
I.S. Smick Lumber Company Inc.	2,665,200	1.39%	2,685,000	1.43%
Taxpayer #1	2,312,100	1.21%	1,996,411	1.07%
Wild Oaks Club			2,111,000	1.13%
Faith Farm Inc.	1,954,400	1.02%		
4 C's Rental	1,696,000	0.88%	1,696,000	0.91%
Rams Golf LLC	1,262,800	0.66%		
Eastern Concrete Materials Inc.	1,215,500	0.63%		
Third Garden Ltd Partnership	882,500	0.46%	882,500	0.47%
Taxpayer #2	720,100	0.38%		
US Bank Trust NA	710,000	0.37%		
Taxpayer #3	695,100	0.36%	1,024,400	0.55%
Taxpayer #4			771,700	0.41%
Bonaccurco			694,100	0.37%
Verizon			626,100	0.33%
American Tower Corporation			583,900	0.31%
	<u>14,113,700</u>	<u>7.36%</u>	<u>13,071,111</u>	<u>6.98%</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	
2009	\$ 2,074,528	\$ 1,901,652	91.67%	\$ 172,876
2010	2,143,253	1,961,785	91.53%	181,468
2011	2,245,525	1,871,271	83.33%	374,254
2012	2,393,786	2,194,307	91.67%	199,479
2013	2,406,032	2,205,530	91.67%	200,502
2014	2,525,347	2,104,456	83.33%	420,891
2015	2,527,952	1,895,964	75.00%	631,988
2016	2,527,377	2,316,762	91.67%	210,615
2017	2,662,510	1,996,884	75.00%	665,626
2018	2,709,461	2,483,673	91.67%	225,788

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			Bond Anticipation Notes	Business-type	Total District	Percentage of Personal Income
	General Obligation Bonds	Certificate of Participation	Capital Leases		Activities Capital Leases		
2009	\$ 1,670,000					\$ 1,670,000	1.50%
2010	1,550,000					1,550,000	1.38%
2011	3,246,000					3,246,000	3.07%
2012	3,056,000			\$ 470,000		3,526,000	3.25%
2013	2,856,000					2,856,000	2.67%
2014	2,646,000					2,646,000	2.48%
2015	2,426,000					2,426,000	2.24%
2016	2,201,000					2,201,000	1.97%
2017	1,966,000					1,966,000	1.74%
2018	1,725,000					1,725,000	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 CAFR.

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			
2009	\$ 1,670,000		\$ 1,670,000	0.90%	586
2010	1,550,000		1,550,000	0.84%	543
2011	3,246,000		3,246,000	1.74%	1,231
2012	3,056,000		3,056,000	1.64%	1,170
2013	2,856,000		2,856,000	1.52%	1,101
2014	2,646,000		2,646,000	1.40%	1,030
2015	2,426,000		2,426,000	1.28%	951
2016	2,201,000		2,201,000	1.16%	871
2017	1,966,000		1,966,000	1.04%	785
2018	1,725,000		1,725,000	0.90%	693

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, 2017  
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Township of Quinton	\$ 2,170,014	100.00%	\$ 2,170,014
Salem County General Obligation Debt	43,364,364	3.82%	1,656,101
Subtotal, overlapping debt			3,826,115
Township of Quinton School District			1,725,000
Total direct and overlapping debt			<u>\$ 5,551,115</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								
	2017	\$ 175,234,516								
	2016	185,203,956								
	2015	194,958,312								
		<u>\$ 555,396,784</u>								
Average equalized valuation of taxable property		\$ 185,132,261								
Debt limit (3% of average equalized value)		5,553,968								
Total net debt applicable to limit		<u>1,725,000</u>								
Legal debt margin		<u>\$ 3,828,968</u>								
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 4,577,707	\$ 4,912,900	\$ 5,565,499	\$ 6,057,461	\$ 5,995,996	\$ 5,816,938	\$ 5,719,550	\$ 5,796,107	\$ 5,723,389	\$ 5,553,968
Total net debt applicable to limit	<u>1,670,000</u>	<u>1,550,000</u>	<u>3,246,000</u>	<u>3,056,000</u>	<u>2,856,000</u>	<u>2,646,000</u>	<u>2,426,000</u>	<u>2,201,000</u>	<u>1,966,000</u>	<u>1,725,000</u>
Legal debt margin	<u>\$ 2,907,707</u>	<u>\$ 3,362,900</u>	<u>\$ 2,319,499</u>	<u>\$ 3,001,461</u>	<u>\$ 3,139,996</u>	<u>\$ 3,170,938</u>	<u>\$ 3,293,550</u>	<u>\$ 3,595,107</u>	<u>\$ 3,757,389</u>	<u>\$ 3,828,968</u>
Total net debt applicable to the limit as a percentage of debt limit	36.48%	31.55%	58.32%	50.45%	47.63%	45.49%	42.42%	37.97%	34.35%	31.06%

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
2009	2,851	\$ 111,610,948	39,148	6.70%
2010	2,852	112,497,140	39,445	12.00%
2011	2,636	105,690,420	40,095	11.40%
2012	2,612	108,337,924	41,477	11.70%
2013	2,593	106,813,449	41,193	6.20%
2014	2,570	106,845,180	41,574	9.20%
2015	2,552	108,271,152	42,426	7.80%
2016	2,526	111,823,494	44,269	6.90%
2017	2,504	113,148,248	45,187	6.60%
2018	2,489	N/A	N/A	N/A

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

Employer	2018		2009	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
Quinton Township School	60	3.99%	64	4.85%
Hudock's Custard Stand	30	1.99%	30	2.27%
Bobbit Pontiac	25	1.66%	25	1.90%
Marlboro Farm Market			25	1.90%
Quinton Township	20	1.33%	20	1.52%
Smick's Lumber	20	1.33%	20	1.52%
EMS Café	15	1.00%		
Bradway's Farm Market/Farmer John's Deli & Restaurant			15	1.14%
Butler Gardens/C & L Workclothes			15	1.14%
Salem Packing	15	1.00%	16	1.21%
Hitchner's Furniture	10	0.66%		
Quinton Diner	10	0.66%	10	0.76%
Bud's Market	5	0.33%	5	0.38%
Marty's Crabs	5	0.33%	5	0.38%
	<u>215</u>	<u>10.30%</u>	<u>250</u>	<u>14.10%</u>

Source: District officials

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction:										
Regular	31	29	27	27	28	28	28	30	29	31
Special education	5	5	5	4	4	4.5	4.5	5	4.5	5.0
Other special education	5	6	5	2	1	1	1	2	1	
Other instruction	3	3	3	4	4	3.5	3	3.5	3.5	3.5
Support services:										
Student & instruction related services	3	3	3	3	3	3.0	3.5	3.5	3.5	4.5
General administration	2	2	2	2	2	1.5	1.5	1.5	1.5	1.5
School administration	2	2	2	2	2	2	2	2	2	2
Business administrative services	2	2	2	2	2	2	2	2.5	2.5	2.5
Plants operations and maintenance	4	4	4	5	5	4.5	4.5	4.5	4.5	4.5
Food service	3	3	3	3	3	3	3	2	2	3
Total	<u>60</u>	<u>59</u>	<u>56</u>	<u>54</u>	<u>54</u>	<u>53</u>	<u>53</u>	<u>56.5</u>	<u>54</u>	<u>57.5</u>

Source: District personnel records

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Operating Statistics  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended 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				
2009	371	\$ 5,707,438	\$ 15,384	14.51%	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%	32.1	13.1	1:24	352.3	333.9	1.67%	94.78%
2012	371	6,354,928	17,129	4.91%	31.1	13.1	1:24	370.6	353.1	5.19%	95.28%
2013	370	6,309,922	17,054	-0.44%	29.5	14.4	1:24	369.4	350.1	-0.32%	94.78%
2014	344	6,457,503	18,772	10.07%	32.5	13.3	1:24	344.0	327.1	-6.89%	95.09%
2015	357	6,105,669	17,103	-8.89%	32.5	13.6	1:24	356.8	337.4	3.73%	94.56%
2016	349	6,667,957	19,106	11.71%	35.0	12.5	1:24	354.0	336.8	-0.80%	95.16%
2017	349	6,880,825	19,716	3.19%	33.5	12.5	1:24	342.3	324.4	-3.29%	94.77%
2018	326	7,080,149	21,718	10.16%		11.7		322.1	307.0	-5.92%	95.32%

Source: District records, ASSA, and schedules J-12, J-14, and Taxpayers guide to education spending.

Note: Enrollment based on annual October district count.

Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1

Teaching staff includes only full-time equivalents of certificated staff.

Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

Elementary	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	371	350	353	371	370	344	357	349	342	326

Number of Schools at June 30, 2018

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, 2018

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

School Facilities	Gross Square Footage	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Quinton	58,738	\$ 22,044	\$ 50,717	\$ 37,413	\$ 45,825	\$ 24,326	\$ 25,475	\$ 126,561	\$ 73,142	\$ 54,608	\$ 85,391	\$ 545,502

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

QUINTON TOWNSHIP SCHOOL DISTRICT  
Insurance Schedule  
June 30, 2018  
Unaudited

School Package Policy - NJ School Board Assoc. Insurance Group (ERIC South)

	Coverage	Deductible	
<b>Article I - Property</b>			
Blanket buildings & contents	\$ 12,841,364	\$ 1,000	per occurrence
<b>Article II - Electronic Data Processing</b>			
Blanket - hardware/software	260,000	1,000	per occurrence
<b>Article III - Equipment Breakdown</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
<i>Insuring Agreement 5 - Computer fraud</i>	50,000	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
Workers Compensation - Educational Risk Insurance Consortium South			
Bodily injury - by accident	2,000,000	None	each accident
Bodily injury - by disease	2,000,000	None	each employee/aggregate limit
<b>Public Employee Surety Bonds</b>			
Liberty Mutual			
Employee bond - Heather M. Mayhew, Business Administrator/ Board Secretary	175,000	None	



## **SINGLE AUDIT SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
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Deanna L. Roller, CPA, RMA

Exhibit K-1

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

### **Independent Auditor's Report**

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Quinton Township School District, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Quinton Township School District's basic financial statements, and have issued our report thereon dated January 21, 2019.

#### ***Internal Control over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable

possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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 Office of School Finance, Department of Education, State of New Jersey.

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542  
Glassboro, New Jersey

January 21, 2019

# PETRONI & ASSOCIATES LLC

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Exhibit K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
REQUIRED BY *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES,  
AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE),  
AND NEW JERSEY OMB'S CIRCULAR 15-08***

## **Independent Auditor's Report**

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

### ***Report on Compliance for Each Major State Program***

We have audited the Quinton Township School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Quinton Township School District's major state programs for the year ended June 30, 2018. The Quinton Township School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the federal and state statutes, regulations, and the terms and conditions of its federal and state programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Quinton Township School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), *New Jersey State Aid/Grant Compliance Supplement*, *Audits of States, Local Governments, and Non-Profit Organizations* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of

New Jersey, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08, 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 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 on compliance for each major state program. However, our audit does not provide a legal determination of the Quinton Township School District's compliance.

### ***Opinion on Each Major State Program***

In our opinion, the Quinton Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

### ***Report on Internal Control Over Compliance***

Management of the Quinton Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Quinton Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB's Circular 15-08, 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 Quinton Township School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

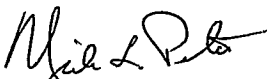
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

***Report on Schedules of Expenditures of Federal Awards and State Financial Assistance  
Required by Uniform Guidance and New Jersey OMB's Circular 15-08***

We have audited the financial statements of Quinton Township School District as of and for the year ended June 30, 2018, and have issued our report thereon dated January 21, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Uniform Guidance and New Jersey OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542  
Glassboro, New Jersey

January 21, 2019

QUINTON TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	June 30, 2018			Memo Cumulative Total Expenditures
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
Title I - Part A Improving Basic Programs	84.010A	S010A170030	ESEA428018	\$109,185	07/1/17	06/30/18			\$ 44,988	\$ (109,185)					\$ (64,197)	\$ 109,185
Title I - Part A Improving Basic Programs	84.010A	S010A160030	ESEA428017	110,274	07/1/16	06/30/17	\$ (37,362)		37,362							110,274
Passed-through Bridgeton Public Schools																
Title I - McKinney-Venuto Education for Homeless	84.196	S196A170031	ESEA428018	24,650	07/1/17	06/30/18			23,402	(23,402)						24,650
							(37,362)		105,752	(132,587)				(64,197)		244,109
Title II-A Teacher & Principal Training & Recruiting	84.367A	S367A160029	ESEA428018	7,409	07/1/17	06/30/18			7,243	(7,409)				(166)		7,409
Title IV - Student Support & Academic Enrichment	84.424	S424A170031	ESEA428018	10,000	07/1/17	06/30/18			3,125	(10,000)				(6,875)		10,000
Special Education Cluster																
IDEA Part B, Basic Regular	84.027	H027A170100	IDEA428018	94,355	07/1/17	06/30/18			94,355	(94,355)						94,355
IDEA Preschool	84.173	H173A170114	IDEA428018	2,373	07/1/17	06/30/18			2,373	(2,373)						2,373
Total Special Education Cluster									96,728	(96,728)						96,728
Rural Education Achievement Program	84.358	S358B170030	S358A170842	36,077	07/1/17	09/30/18			30,064	(36,077)				(6,013)		36,077
Rural Education Achievement Program	84.358	S358B160030	S358A161442	31,779	07/1/16	09/30/17	(5,297)		5,297							31,779
Subtotal							(5,297)		35,361	(36,077)				(6,013)		67,856
Emergency Impact Aid	84.938C			6,750	07/1/17	06/30/18				(6,750)				(6,750)		6,750
Total Special Revenue Fund							(42,659)		248,209	(289,551)				(84,001)		432,852
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Child Nutrition Cluster																
Food Distribution Program	10.555	171NJ304N1099	N/A	10,428	07/1/17	06/30/18			10,428	(9,164)				\$ 1,264		9,164
Food Distribution Program	10.555	171NJ304N1099	N/A	10,617	07/1/16	06/30/17	1,740			(1,740)						10,617
National School Lunch Program	10.555	171NJ304N1099	N/A	61,020	07/1/17	06/30/18			57,349	(61,020)				(3,671)		61,020
National School Lunch Program	10.555	171NJ304N1099	N/A	59,489	07/1/16	06/30/17	(2,292)		2,292							59,489
National School Breakfast Program	10.553	171NJ304N1099	N/A	27,917	07/1/17	06/30/18			26,126	(27,917)				(1,791)		27,917
National School Breakfast Program	10.553	171NJ304N1099	N/A	27,510	07/1/16	06/30/17	(1,228)		1,228							27,510
Total Enterprise Fund/Child Nutrition Cluster							(1,780)		97,423	(99,841)				(5,462)	1,264	195,717
Total Federal Financial Awards							\$ (44,439)		\$ 345,632	\$ (389,392)				\$ (89,463)	\$ 1,264	\$ 628,569

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, 2018**

**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 basis 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 2 CFR 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 15-08. 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 GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes, that, payment is not recognized until the subsequent budget year due to the state deferral and recording of one or more June state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the one or more June state aid payments in the current budget year, consistent with NJSA 18A:22-4.2.

QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2018

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$4,491 for the General Fund and \$680 for the Special Revenue Fund (See Exhibit C-3). 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 GAAP basis as presented (See Exhibit B-2 and B-5):

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,231,753	\$ 4,231,753
Special Revenue Fund	\$ 289,551	48,266	337,817
Debt Service Fund		97,548	97,548
Food Service Fund	99,365	1,653	101,018
Total Financial Assistance	<u>\$ 388,916</u>	<u>\$ 4,379,220</u>	<u>\$ 4,768,136</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: 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, 2018, Quinton Township School District has food commodities totaling \$1,264 in inventory.

NOTE 6: OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2018. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.

NOTE 7: INDIRECT COST RATE

The Quinton Township School District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2018**

**NOTE 8: ADJUSTMENTS TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

The adjustment for Lead testing for school's aid, in the amount of \$857, is to realize the amount expended in the prior fiscal year.

**NOTE 9: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT MAJOR PROGRAM DETERMINATION**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are excluded from State single audit major program determination. The Schedule of State Financial Assistance provides a reconciliation of State Financial assistance reported in the District's financial statements and the amounts subject to State single audit and major program determination.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**Financial Statements:**

Type of auditor’s report issued: Unmodified

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** **N/A**

**State awards**

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJ OMB’s Circular Letter 15-08?        Yes   X   No

Identification of major programs:

GMIS Numbers

495-034-5120-078  
495-034-5120-089  
495-034-5120-084  
495-034-5120-068

Name of State Program

State Aid Public:  
Equalization Aid  
Special Education Categorical Aid  
Security Aid  
School Choice

QUINTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**State awards (Continued)**

Identification of major programs (Continued):

<u>GMIS Numbers</u>	<u>Name of State Program</u>
	State Aid Public:
495-034-5120-096	Under Adequacy Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-101	Professional Learning Community Aid

**Section II – Financial Statement Findings**

None

**Section III – Federal Awards Findings and Questioned Costs**

N/A

**Section IV – 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, 2018**

Status of Prior Year Findings

N/A

Findings

N/A

Condition

N/A

Current Status

N/A