

**SCHOOL DISTRICT  
OF  
QUINTON TOWNSHIP**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**of the**

**Quinton Township Board of Education**

**Salem, New Jersey**

**For the Fiscal Year Ended June 30, 2022**

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**of the**

**Quinton Township Board of Education  
Salem, New Jersey**

**For the Fiscal Year Ended June 30, 2022**

**Prepared by**

**Quinton Township Board of Education  
Finance Department**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE QUINTON TOWNSHIP SCHOOL DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS**

<b><u>INTRODUCTORY SECTION</u></b>	<b><u>Page</u></b>
Letter of Transmittal	1-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
<b><u>FINANCIAL SECTION</u></b>	
<b>Independent Auditor's Report</b>	9-11
<b>Required Supplementary Information - Part I Management's Discussion and Analysis(Unaudited)</b>	12-19
Not Used	20
<b>Basic Financial Statements</b>	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	21
A-2 Statement of Activities	22
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	23
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	24
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Proprietary Funds:	
B-4 Statement of Net Position	26
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	27
B-6 Statement of Cash Flows	28
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	28a
B-8 Statement of Changes in Fiduciary Net Position	28b
<b>Notes to the Financial Statements</b>	29-63
Not Used	64

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE QUINTON TOWNSHIP SCHOOL DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS  
(Page 2)**

<b>FINANCIAL SECTION (continued)</b>	<u>Page</u>
<b>Required Supplementary Information - Part II</b>	
C. Budgetary Comparison Schedules (Unaudited):	
C-1 Budgetary Comparison Schedule - General Fund	65-69
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	70
<b>Notes to the Required Supplementary Information - Part II</b>	
C-3 Budget-to-GAAP Reconciliation	71
<b>Required Supplementary Information - Part III (Unaudited)</b>	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	72
L-2 Schedule of District Contributions – PERS	73
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	74
M. Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	75
<b>Other Supplementary Information</b>	
D. School Based Budget Schedules (if applicable)	
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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE QUINON TOWNSHIP SCHOOL DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS  
(Page 3)**

<b>FINANCIAL SECTION (continued)</b>	<u>Page</u>
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis Includes Student activity and Scholarship Funds	76-78
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	79
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	80
F-2 Summary Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budgetary Basis	81
F-2a Summary Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis	82
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	83
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	84
G-3 Combining Schedule of Cash Flow	85
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	85a
H-2 Combining Statement of Changes in Fiduciary Net Position	85b
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	86
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	87

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE QUINTON TOWNSHIP SCHOOL DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS  
(Page 4)**

**FINANCIAL SECTION (continued)**

Page

**STATISTICAL SECTION (UNAUDITED)**

**Financial Trends**

J-1	Net Position by Component	88
J-2	Changes in Net Position	89-89a
J-3	Fund Balances - Governmental Funds	90
J-4	Changes in Fund Balances, Governmental Funds	91
J-5	General Fund Other Local Revenue by Source	92

**Revenue Capacity**

J-6	Assessed Value and Estimated Actual Value of Taxable Property	93
J-7	Direct and Overlapping Property Tax Rates	94
J-8	Principal Property Taxpayers	95
J-9	Property Tax Levies and Collections	96

**Debt Capacity**

J-10	Ratios of Outstanding Debt by Type	97
J-11	Ratios of General Bonded Debt Outstanding	98
J-12	Direct and Overlapping Governmental Activities Debt	99
J-13	Legal Debt Margin Information	100

**Demographic and Economic Information**

J-14	Demographic and Economic Statistics	101
J-15	Principal Employers	102

**Operating Information**

J-16	Full-time Equivalent District Employees by Function/Program	103
J-17	Operating Statistics	104
J-18	School Building Information	105
J-19	Schedule of Allowable Maintenance Expenditures by School Facility	106
J-20	Insurance Schedule	107

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE QUINTON TOWNSHIP SCHOOL DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS  
(Page 5)**

**SINGLE AUDIT SECTION**

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>	108-109
K-2	Report on Compliance with Requirements Applicable to Each Major Program Report on Internal Control Over Compliance in Accordance with New Jersey OMB Treasury Circular 15-08	110-112
K-3	Schedule of Expenditures of Federal Awards, Schedule A	113
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	114
K-5	Notes to Schedules of Awards and Financial Assistance	115-117
K-6	Schedule of Findings and Questioned Costs <ul style="list-style-type: none"><li>- Section I – Summary of Auditor’s Results</li><li>- Section II – Schedule of Financial Statement Findings</li><li>- Section III – Federal Awards and State Financial Assistance Findings And Questioned Costs</li></ul>	118-122
K-7	Summary Schedule of Prior Year Audit Findings	123

## **INTRODUCTORY SECTION**



# Quinton Township School District

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

---

Karen Mathews  
Business Administrator/Board Secretary  
kmathews@quintonschool.info

Phone: (856) 935-2379  
Fax: (856) 935-1978

February 15, 2023

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, 2022, 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 PreK to 8. Approximately 43% 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 57% attend the Salem County Vocational Technical School and the academy programs, 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 the Quinton School District pays tuition.

## **2. ECONOMIC CONDITIONS AND OUTLOOK**

Growth of businesses and employment levels are not expected in Quinton Township. The future outlook for the District finances continues to depend primarily upon the funding provided by the Governor and State Legislature and the funding received from the Quinton Township residents through the tax levy.

## **3. MAJOR INITIATIVES**

The District has continued its commitment toward offering a quality education. For the year ended June 30, 2023, the District directed its efforts and resources toward the following goals and initiatives:

1. By June, 2023 61.4% of the students in grades 1-8 will meet or exceed expectations on the English Language Arts NJSLA - ELA 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.
2. By June, 2023 100% of our students who are in grades K-4 will increase their foundational Fountas and Pinnell Oral Comprehension levels by two levels.
3. By June, 2023 59.8% of the students in grades 1-8 will meet or exceed expectations on the Mathematics NJSLA - Math 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, and IXL.
4. By June, 2023 80.0% of the students in grades 8 will meet or exceed expectations on the Mathematics NJSLA - Algebra assessment as a result of implementing the Go Math and Big Ideas Programs, Intervention and Referral Services, Professional Development, IXL, Accelerated Mathematics 7 Course and Algebra I Course.
5. By June, 2023 100% of the staff will participate in professional development to achieve a more equitable experience to understand students' learning styles with personalized learning. Not all students learn the same, which is why not all instruction or activities should be the same.

### **3. MAJOR INITIATIVES (CONTINUED)**

6. By June, 2023 100% of our students (Grades PreK-8) will participate in our comprehensive guidance program by participating in a targeted lesson to address one or more of the following topics: Social / Emotional Wellness and College and/or Career Preparation.

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 attended many online 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 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 NJSLA 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, in 2019, per the requirements of the N.J.A.C. 6A:30, the Quinton Township School District completed the New Jersey Quality Single Accountability Continuum (NJQSAC) review and was designated as "high performing."

### **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.

## **5. INTERNAL ACCOUNTING CONTROLS (CONTINUED)**

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**

As of June 30, 2022, the District's outstanding debt issues included \$900,000 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, workers 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 Nightlinger, Colavita & Volpa 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,

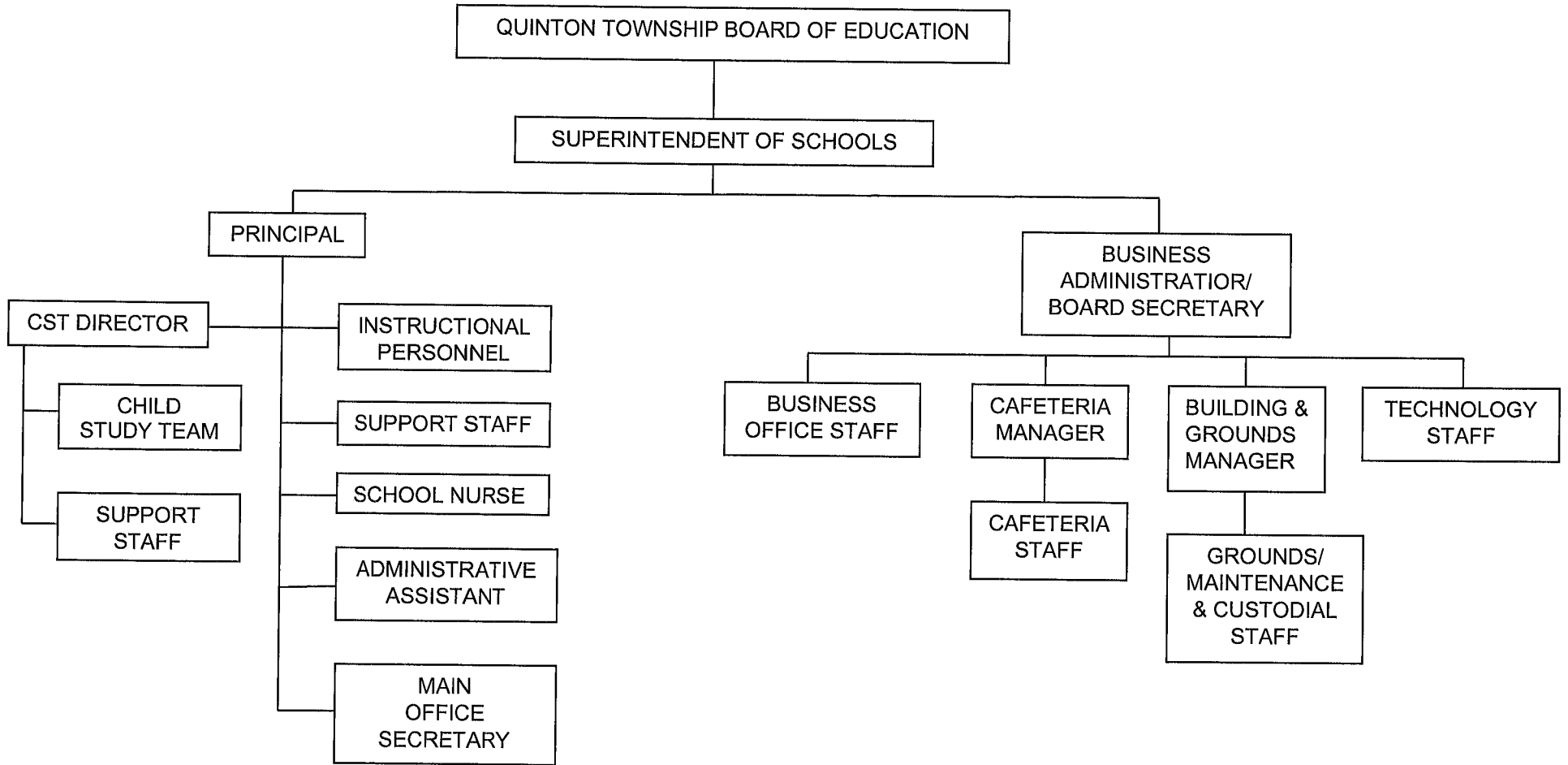
*Stewart Potter*

Stewart Potter  
Superintendent

*Karen Mathews*

Karen Mathews  
Business Administrator/Board Secretary

QUINTON TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL STRUCTURE



QUINTON TOWNSHIP BOARD OF EDUCATION  
QUINTON, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2022

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

Stacey B. Sickler, President

2021

Amy Keen, Vice President

2021

Joseph Longo III

2023

William McDonald

2021

Thomas McKee III

2022

Joanne Nacucchio

2023

Abram Norman

2022

Tracy Scull

2023

Michael Sites

2022

**OTHER OFFICIALS**

Stewart Potter, Superintendent

Mindy Bacon, Principal

Karen Mathews, Business Administrator/Board Secretary

**QUINTON TOWNSHIP SCHOOL DISTRICT**  
**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Raymond Colavita, CPA, RMA**  
**Nightlinger, Colavita and Volpa, P. A.**  
Certified Public Accountants  
991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

**ATTORNEY**

**Mr. Mark G. Toscano, Esq.**  
Comegno Law Group, PC  
521 Pleasant Valley Avenue  
Moorestown, New Jersey 08057

**OFFICIAL DEPOSITORY**

**Fulton Bank of New Jersey**  
125 Salem-Woodstown Road  
Salem, NJ 08079

**INSURANCE AGENCY**

**Conner Strong & Buckelew Companies, LLC**  
40 Lake Center Executive Park  
401 Route 73 North  
Marlton, NJ 08053



**FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Quinton Township School District in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education of the Quinton Township School District in the County of Salem, State of New Jersey's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Quinton Township School District in the County of Salem, State of New Jersey, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board of Education of the Quinton Township School District in the County of Salem, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

## **Required Supplementary Information**

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

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Quinton Township School District in the County of Salem, State of New Jersey's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Information

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

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

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2023 on our consideration of the Quinton Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 effectiveness of the Quinton Township Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Quinton Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
February 15, 2023

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Quinton Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2022  
Unaudited

This section of the Quinton Township School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2022. 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, 2022  
 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, 2022  
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).



Quinton Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2022  
Unaudited

**Fund Financial Statements (Continued)**

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.
- **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.

Quinton Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2022  
Unaudited

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

**Assets** - The District's combined total assets are \$5,514,342 on June 30, 2022. Approximately 2.3% of the total assets are from Business-type Activities, while the balance of the total assets is 97.7%, attributable to Governmental Activities (see Exhibit A-1).

Quinton Township School District's Net Position						
	FY 2022		FY 2021		Total	
	Governmental	Business- Type	Governmental	Business- Type	FY 2022	FY 2021
<b>ASSETS</b>						
Current and other assets	\$ 1,800,728	\$ 119,651	\$ 1,599,530	\$ 58,750	\$ 1,920,379	\$ 1,658,280
Capital assets	3,587,896	6,067	3,647,938	7,323	3,593,963	3,655,261
Total assets	<u>5,388,624</u>	<u>125,718</u>	<u>5,247,468</u>	<u>66,073</u>	<u>5,514,342</u>	<u>5,313,541</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to pension	242,810		103,425		242,810	103,425
<b>LIABILITIES</b>						
Current liabilities	124,127	1,883	60,303	2,636	126,010	62,939
Noncurrent liabilities	1,424,174		982,930		1,424,174	982,930
Net pension liability			575,227			575,227
Total liabilities	<u>1,548,301</u>	<u>1,883</u>	<u>1,618,460</u>	<u>2,636</u>	<u>1,550,184</u>	<u>1,621,096</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to pension	439,681		412,601		439,681	412,601
	<u>439,681</u>		<u>412,601</u>		<u>439,681</u>	<u>412,601</u>
<b>NET POSITION</b>						
Invested in capital assets, Net of related debt	2,687,896	6,067	2,677,938	7,323	2,693,963	2,685,261
Restricted	1,755,053		1,596,442		1,755,053	1,596,442
Unrestricted	(799,497)	117,768	(954,548)	56,114	(681,729)	(898,434)
Total net position	<u>\$ 3,643,452</u>	<u>\$ 123,835</u>	<u>\$ 3,319,832</u>	<u>\$ 63,437</u>	<u>\$ 3,767,287</u>	<u>\$ 3,383,269</u>

The District's combined net position was \$3,767,287 on June 30, 2022. This was an increase of \$384,018.

Table 3 Shows changes in net position for fiscal year 2022.

**Changes in Net Position** - The District's total revenues are \$9,248,144 for the fiscal period ended June 30, 2022, (see Table 3). Property taxes and state grants and entitlements accounted for 82% of the District's revenue, 14% is derived from federal and state aid for specific programs, and the remainder, 4% 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, 2022  
Unaudited

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

**Table 3**  
**Quinton Township School District's Changes in Net Position**

	FY 2022		FY 2021		Total	
	Governmental	Business-Type	Governmental	Business-Type	FY 2022	FY 2021
<b>REVENUES:</b>						
Program revenues						
Charges for services	\$ 281,559	\$ 29,715	\$ 14,873	\$ 3,235	\$ 311,274	\$ 18,108
Federal & state categorical grants	1,079,464	220,091	798,487	144,830	1,299,555	943,317
General revenues						
Property taxes	2,793,865		2,761,514		2,793,865	2,761,514
Grants and entitlements	4,753,780		6,176,060		4,753,780	6,176,060
Other	87,346	2,324	31,521		89,670	31,521
Total revenues	8,996,014	252,130	9,782,455	148,065	9,248,144	9,930,520
<b>EXPENSES:</b>						
Instruction-related	2,674,307		2,490,676		2,674,307	2,490,676
Tuition and student support services	2,344,916		2,408,706		2,344,916	2,408,706
General administration	182,393		180,558		182,393	180,558
School administration	103,786		104,687		103,786	104,687
Central services	142,649		132,511		142,649	132,511
Plant operations & maintenance	557,353		471,594		557,353	471,594
Pupil transportation	443,272		304,523		443,272	304,523
Employee benefits	1,762,377		3,090,313		1,762,377	3,090,313
Interest on debt	52,542		99,681		52,542	99,681
Food service and SACC		191,732		127,556	191,732	127,556
Transfer of funds to charter school			9,626			9,626
Depreciation	408,799		393,735		408,799	393,735
Total expenses	8,672,394	191,732	9,686,610	127,556	8,864,126	9,814,166
Increase (decrease) in net position	\$ 323,620	\$ 60,398	\$ 95,845	\$ 20,509	\$ 384,018	\$ 116,354

The District's predominant expenses are related to instruction and student support services, which is approximately 57%. Employee benefits made up 20% of the District's expenses. Another 5% is related to Administrative and Business departments, 5% for transportation expenses, and 6% is related to Maintenance & Operations. Depreciation accounts for another 4.5% and food service 2% of the overall expenditures. The remaining 5% is made up of interest on debt, capital outlay and transfer to charter school.

Quinton Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2022  
Unaudited

**Governmental Activities Funds**

Revenues for Governmental Funds (Exhibit B-2) were \$8,854,385, while total expenses amounted to \$8,755,504. This resulted in an increase in Fund Balance in Governmental Funds of \$96,557, including a transfer to Enterprise Fund of \$2,324 for FY 2022.

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.

**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 \$60,398 (Exhibit B-5).
- Charges for services represent \$29,715 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 \$220,091.

**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 \$1,650,334 (See Exhibit B-2). The district tax levy increased \$32,351. The District's expenditures increased \$601,760, of which \$183,631 is the result of instruction and related services.

**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 \$519,208 in fund balance. Actual revenue less expenditure led to an increase of \$195,174 in fund balance (see Exhibit C-1).

**Capital Assets**

The Quinton Township School District's investment in capital assets for its Governmental, Fiduciary, and Business-type Activities as of June 30, 2022, amounts to \$3,593,963 (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).

Quinton Township School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2022  
Unaudited

**Capital Assets (Continued)**

**Table 4**  
**Quinton Township School District's Capital Assets**

	FY 2022			FY 2021			Total	
	Governmental	Business-		Governmental	Business-		FY 2022	FY 2021
		Fiduciary	Type		Fiduciary	Type		
Land	\$ 8,757			\$ 8,757			\$ 8,757	\$ 8,757
Site improvements	66,030			19,018			66,030	19,018
Buildings	3,375,760			3,499,475			3,375,760	3,499,475
Machinery & equipment	137,349		\$ 6,067	120,688		\$ 7,323	143,416	128,011
<b>Total</b>	<b>\$ 3,587,896</b>	<b>None</b>	<b>\$ 6,067</b>	<b>\$ 3,647,938</b>	<b>None</b>	<b>\$ 7,323</b>	<b>\$ 3,593,963</b>	<b>\$ 3,655,261</b>

**Long-Term Debt**

At year-end, the District had \$1,424,174 of outstanding debt. Of this amount, \$900,000 is serial bonds outstanding. During fiscal year 2021-22, the District issued \$1,015,000 in general obligation bonds to refund facilities construction and improvements throughout the District. The ending balance for compensated absences is \$15,068. The total amount of allowable bonded debt is \$5,195,194, of which \$4,295,194 or 82.7% is available for future debt. The balance of Net Pension Liability was \$509,106.

**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 Karen Mathews, Business Administrator/Board Secretary, Quinton Township School District, 8 Robinson Street, Quinton, NJ 08072.

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities.

These statements distinguish between the governmental and business-type activities of the District.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Net Position  
June 30, 2022

	Governmental Activities	Business-type Activities	Total Governmental Funds FY 2022
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,241,775	\$ 86,019	\$ 1,327,794
Receivables, net	558,953	29,610	588,563
Interfunds Receivable			
Inventory		4,022	4,022
Restricted assets:			
Cash and cash equivalents			
Capital assets:			
Assets net of depreciation	3,587,896	6,067	3,593,963
<b>Total Assets</b>	<b>5,388,624</b>	<b>125,718</b>	<b>5,514,342</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflows related to pension	201,431		201,431
Deferred cost on refunding	41,379		41,379
<b>Total Deferred Outflows of Resources</b>	<b>242,810</b>		<b>242,810</b>
<b>LIABILITIES</b>			
Accounts Payable	39,720		39,720
Unearned Revenue	79,679	1,883	81,562
Accrued Interest	4,728		4,728
Non-current liabilities:			
Due within one year	125,000		125,000
Due beyond one year	790,068		790,068
Net pension liability	509,106		509,106
<b>Total liabilities</b>	<b>1,548,301</b>	<b>1,883</b>	<b>1,550,184</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pension	439,681		439,681
<b>Total Deferred Inflows of Resources</b>	<b>439,681</b>		<b>439,681</b>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	2,687,896	6,067	2,693,963
Restricted for:			
Unemployment Compensation	27,294		27,294
Student Activities	15,593		15,593
Capital projects	305,837		305,837
Maintenance Reserves	150,025		150,025
Debt service	52,820		52,820
Other purposes	1,203,484		1,203,484
Unrestricted (Deficit)	(799,497)	117,768	(681,729)
<b>Total net position</b>	<b>\$ 3,643,452</b>	<b>\$ 123,835</b>	<b>\$ 3,767,287</b>

See accompanying notes to the basic financial statements.



QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Activities  
For the Year Ended June 30, 2021

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	
<b>Governmental activities:</b>						
<b>Instruction:</b>						
Regular	\$ 1,769,827			\$ (1,769,827)		\$ (1,769,827)
Special education	874,164		\$ 576,904	(297,260)		(297,260)
Other special education	11,531			(11,531)		(11,531)
Other instruction	18,785			(18,785)		(18,785)
<b>Support services:</b>						
Student & instructional related services	2,344,916	\$ 281,559	382,796	(1,680,561)		(1,680,561)
General administrative services	182,393			(182,393)		(182,393)
School administrative services	103,786			(103,786)		(103,786)
Central services	142,649			(142,649)		(142,649)
Plant operations & maintenance	557,353			(557,353)		(557,353)
Pupil transportation	443,272			(443,272)		(443,272)
Employee benefits	1,762,377		119,764	(1,642,613)		(1,642,613)
Interest on long-term debt	52,542			(52,542)		(52,542)
Unallocated depreciation	408,799			(408,799)		(408,799)
<b>Total governmental activities</b>	<b>8,672,394</b>	<b>281,559</b>	<b>1,079,464</b>	<b>(7,311,371)</b>		<b>(7,311,371)</b>
<b>Business-type activities:</b>						
Food service	166,251	6,558	220,091		\$ 60,398	60,398
SACC	25,481	23,157			(2,324)	(2,324)
<b>Total business-type activities</b>	<b>191,732</b>	<b>29,715</b>	<b>220,091</b>		<b>58,074</b>	<b>58,074</b>
<b>Total primary government</b>	<b>\$ 8,864,126</b>	<b>\$ 311,274</b>	<b>\$ 1,299,555</b>	<b>\$ (7,311,371)</b>	<b>\$ 58,074</b>	<b>\$ (7,253,297)</b>
<b>General revenues:</b>						
<b>Taxes:</b>						
Property taxes, levied for general purpose				\$ 2,677,071		\$ 2,677,071
Taxes levied for debt service				116,794		116,794
Federal and state aid not restricted				4,753,780		4,753,780
Investment earnings				126		126
Miscellaneous income				83,463		83,463
Transfer				(2,324)	2,324	
Fixed Asset Adjustment				6,081		6,081
<b>Total general revenues, special items, extraordinary items, and transfers</b>				<b>7,634,991</b>	<b>2,324</b>	<b>7,637,315</b>
<b>Change in net position</b>				<b>323,620</b>	<b>\$ 60,398</b>	<b>384,018</b>
<b>Net position - beginning</b>				<b>3,319,832</b>	<b>63,437</b>	<b>3,383,269</b>
<b>Net position - end</b>				<b>\$ 3,643,452</b>	<b>\$ 123,835</b>	<b>\$ 3,767,287</b>

See accompanying notes to the basic financial statements.

## **FUND FINANCIAL STATEMENTS**

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

**GOVERNMENTAL FUNDS**

QUINTON TOWNSHIP SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2022

	Major Funds				Total
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Governmental Funds FY 2022
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,348,691	\$(132,751)	\$ (16,601)	\$ 11,441	\$ 1,210,780
Tax Levy Receivable	232,822				232,822
Intergovernmental Receivables:					
Federal		197,593			197,593
State	78,268		\$ 18,928		97,196
Other	28,106	3,236			31,342
Total assets	<u>\$ 1,687,887</u>	<u>\$ 68,078</u>	<u>\$ 2,327</u>	<u>\$ 11,441</u>	<u>\$ 1,769,733</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Unearned Revenue		79,679			79,679
Payroll Deductions and Withholdings Payable					
Accounts Payable	3,290	36,430			39,720
Total liabilities	<u>3,290</u>	<u>116,109</u>			<u>119,399</u>
Fund balances:					
Restricted for:					
Capital reserve account	303,510				303,510
Maintenance reserve account	150,025				150,025
Excess surplus - current year	656,521				656,521
Excess surplus - prior year designated for subsequent year's expenditures	515,968				515,968
Debt service fund			\$ 11,441		11,441
Student		5,607			5,607
Technology Trust		9,986			9,986
Unemployment Compensation	27,294				27,294
Capital Projects			\$ 2,327		2,327
Assigned to:					
Designated by the BOE for subsequent year's expenditures	25,373				25,373
Other purposes (Encumbrances)	300				300
Unassigned:					
General fund (Deficit)	5,606				5,606
Special revenue fund (Deficit)		(63,624)			(63,624)
Total fund balances	<u>1,684,597</u>	<u>(48,031)</u>	<u>2,327</u>	<u>11,441</u>	<u>1,650,334</u>
Total liabilities and fund balances	<u>\$ 1,687,887</u>	<u>\$ 68,078</u>	<u>\$ 2,327</u>	<u>\$ 11,441</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 \$9,968,237 and the accumulated depreciation is \$6,380,341 (see Note 6).	3,587,896
Net pension liability adjustment for GASB Statement No. 68 and 71	(747,356)
Deferred outflows of resources - debt financing	41,379
Internal service funds - net position	30,995
Accrued Interest	(4,728)
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).	(915,068)
Net position of Governmental Activities	<u>\$ 3,643,452</u>

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2022

	Major Funds		Non-Major Funds		Total Governmental Funds FY 2022
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>REVENUES:</b>					
Local tax levy	\$ 2,677,071	\$ -	\$ -	\$ 116,794	\$ 2,793,865
Interest earned on investments	101				101
Interest earned on Capital Reserve					
Interest earned on Maintenance Reserve	25				25
Miscellaneous	55,164			5,240	60,404
State sources	4,895,143	538,693	18,928	27,006	5,479,770
Federal sources		497,161			497,161
Local Sources		23,059			23,059
<b>Total revenues</b>	<b>7,627,504</b>	<b>1,058,913</b>	<b>18,928</b>	<b>149,040</b>	<b>8,854,385</b>
<b>EXPENDITURES:</b>					
Current:					
Regular instruction	1,769,827				1,769,827
Special education instruction	297,260	576,904			874,164
Other special instruction	11,531				11,531
Other instruction	18,785				18,785
Support services & undistributed costs:					
Student & instruction related services	1,860,694	253,009			2,113,703
General administrative services	182,393				182,393
School administrative services	103,786				103,786
Central services	142,649				142,649
Plant operations and maintenance	557,353				557,353
Pupil transportation	443,272				443,272
Employee benefits	1,898,150	119,764			2,017,914
Debt service:					
Principal				115,000	115,000
Interest and other charges				22,600	22,600
Capital outlay	71,077	129,787	177,955		378,819
Student Activity		3,708			3,708
<b>Total expenditures</b>	<b>7,356,777</b>	<b>1,083,172</b>	<b>177,955</b>	<b>137,600</b>	<b>8,755,504</b>
Excess (deficiency) of revenues over expenditures	270,727	(24,259)	(159,027)	11,440	98,881
Other financing sources (uses):					
Capital Reserve Transferred to Capital Project Fund	(36,866)		36,866		
Transfer to Enterprise Fund	(2,324)				(2,324)
<b>Total other financing sources (uses)</b>	<b>(39,190)</b>		<b>36,866</b>		<b>(2,324)</b>
<b>Net change in fund balances</b>	<b>231,537</b>	<b>(24,259)</b>	<b>(122,161)</b>	<b>11,440</b>	<b>96,557</b>
Fund balance - July 1 (Deficit)	1,453,060	(23,772)	124,488	1	1,553,777
<b>Fund balance - June 30 (Deficit)</b>	<b>\$ 1,684,597</b>	<b>\$ (48,031)</b>	<b>\$ 2,327</b>	<b>\$ 11,441</b>	<b>\$ 1,650,334</b>

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, 2022

Total net change in fund balances - Governmental Funds (from B-2)	\$	96,557
<p>Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p> <p>Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Capital outlays	\$	342,676
Fixed Asset Adjustment		6,081
Depreciation expense		<u>(408,799)</u>
		(60,042)
<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		115,000
<p>Amortization of the Loss on Debt Refunding is expensed in the Statement of Activities but not in the Fund statements</p>		
		(3,621)
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. (+)</p>		
		9,822
<p>In the Statement of Activities, only the loss on disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed.</p>		
<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>		
		137,047
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
		(2,138)
Internal Service Fund - Increase in Net Position		30,995
Change in net position of Governmental Activities	\$	<u><u>323,620</u></u>

See accompanying notes to the basic financial statements.

**PROPRIETARY FUNDS**

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Statement of Net Position  
 Proprietary Funds  
 June 30, 2022

	Business-type Activities -		Governmental Activities -
	Food Service Fund	SACC Program	Internal Service Fund
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 93,242	\$ (7,223)	\$ 30,995
Accounts receivable	22,387	7,223	
Inventories	4,022		
Total current assets	119,651		30,995
Noncurrent assets:			
Furniture, machinery & equipment	88,139		
Less: accumulated depreciation	(82,072)		
Total non-current assets	6,067		
Total assets	\$ 125,718		\$ 30,995
<b>LIABILITIES AND FUND EQUITY</b>			
Current liabilities:			
Unearned revenue	\$ 1,883		
Total current liabilities	1,883		
Invested in capital assets net of related debt	6,067		
Unrestricted	117,768		30,995
Total net position	123,835		30,995
Total liabilities and net position	\$ 125,718	\$ -	\$ 30,995

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, 2022

	Business-type Activities -		Governmental Activities -
	Food Service Fund	SACC Program	Internal Service Fund
<b>OPERATING REVENUES:</b>			
Local sources:			
Daily sales - reimbursable programs:			
Daily sales - non-reimbursable programs	\$ 6,558	\$ 23,157	
Shared Services			\$ 258,500
Total operating revenue	<u>6,558</u>	<u>23,157</u>	<u>258,500</u>
<b>OPERATING EXPENSES:</b>			
Salaries	58,678	22,382	197,743
Employee benefits	5,869	2,058	28,711
Purchased professional technical services	3,616		
Supplies and materials	4,474	1,041	1,051
Cost of sales - reimbursable	91,072		
Cost of sales - non-reimbursable	1,187		
Depreciation	1,256		
Total operating expenses	<u>166,251</u>	<u>25,481</u>	<u>227,505</u>
Operating income (loss)	<u>(159,693)</u>	<u>(2,324)</u>	<u>30,995</u>
<b>NON-OPERATING REVENUES:</b>			
State sources:			
National school lunch program - state	3,333		
Federal sources:			
National school lunch program	141,737		
National school breakfast program	53,210		
P-EBT Administrative Cost	1,242		
Emergency Operational Cost Program - Schools	3,302		
Supply Chain Assistance Funding	10,227		
Food distribution program	7,040		
Total non-operating revenues (expenses)	<u>220,091</u>		
Net income (loss)	<u>60,398</u>	<u>(2,324)</u>	<u>30,995</u>
Transfer from general fund		2,324	
Total net position - beginning	<u>63,437</u>		
Total net position - ending	<u>\$ 123,835</u>	<u>\$ -</u>	<u>\$ 30,995</u>

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Statement of Cash Flows  
 Proprietary Fund  
 For the Year Ended June 30, 2022

	Business-type Activities -		Governmental Activities -
	Food Service Fund	SACC Program	Internal Service Fund
Cash flows from operating activities:			
Receipts from customers	\$ 6,558	\$ 15,934	\$ 258,500
Payments to suppliers	(107,245)	(1,041)	(1,051)
Payments to employees	(58,678)	(22,382)	(197,743)
Payments for employee benefits	(5,869)	(2,058)	(28,711)
Net cash provided (used) by operating activities	(165,234)	(9,547)	30,995
Cash flows from non-capital financing activities:			
Cash received from state, federal & local reimbursements	213,051		
Transfer from general fund		2,324	
Net cash provided by non-capital financing activities	213,051	2,324	
Net increase in cash and cash equivalents	47,817	(7,223)	30,995
Cash and cash equivalents - July 1	45,425		
Cash and cash equivalents - June 30	\$ 93,242	\$ (7,223)	\$ 30,995
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (159,693)	\$ (2,324)	\$ 30,995
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	1,256		
Food distribution program	7,040		
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(11,957)	(7,223)	
(Increase) decrease in inventory	(1,127)		
Increase (decrease) in unearned revenue	(753)		
	\$ (165,234)	\$ (9,547)	\$ 30,995

See accompanying notes to the basic financial statements.

**FIDUCIARY FUNDS**

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2022

	Trust Funds		FY 2022
	Technology Trust	Unemployment Compensation Trust	
ADDITIONS:			
Contributions:			
Plan members	\$ -	\$ 7,324	\$ 7,324
Total contributions		7,324	7,324
Investment earnings:			
Interest	\$ 1	1	2
Total investment earnings	1	1	2
Total additions	1	7,325	7,326
DEDUCTIONS:			
General supplies	90		90
Total deductions	90		90
Change in net position	(89)	7,325	7,236
Net position - July 1	10,076	19,969	30,045
Net position - June 30	\$ 9,987	\$ 27,294	\$ 37,281

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Statement of Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2022

	Technology Trust	Unemployment Compensation Trust	Agency Funds	FY 2022
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 9,987	\$ 27,294	\$ 5,606	\$ 42,887
Total assets	<u>\$ 9,987</u>	<u>\$ 27,294</u>	<u>5,606</u>	<u>42,887</u>
Noncurrent assets:				
Furniture, machinery & equipment	\$ 10,394			10,394
Less: accumulated depreciation	(10,394)			(10,394)
Total noncurrent assets				
Total assets	<u>\$ 9,987</u>	<u>\$ 27,294</u>	<u>5,606</u>	<u>42,887</u>
<b>LIABILITIES</b>				
Current liabilities:				
Due to student groups			5,606	5,606
Total current liabilities			<u>5,606</u>	<u>5,606</u>
<b>NET POSITION</b>				
Held in trust for:				
Unemployment claims		\$ 27,294		27,294
Technology expenditures	\$ 9,987			9,987
Total net position	<u>\$ 9,987</u>	<u>\$ 27,294</u>	<u></u>	<u>\$ 37,281</u>

See accompanying notes to the basic financial statements.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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 Quinton Township School District had an approximate enrollment at June 30, 2022 of 273 students.

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

- 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, 2022**

**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, 2022**

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

**GOVERNMENTAL FUNDS (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 and the SACC Program.

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



**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**FIDUCIARY FUNDS**

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

The emphasis in fund financial statements is on the major funds in either the Governmental or Business-type Activities categories. Non-major funds by category are summarized into a single column. GASBS 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.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**E. Cash and Cash Equivalents**

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

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

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. 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 as of June 30, 2022, consisted of the following:

Food	\$ 2,927
Supplies	1,095
	<u>\$ 4,022</u>

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

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**G. Capital Assets**

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

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

GASBS 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 GASBS No. 33. In applying GASBS 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.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**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.

**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 Position, 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).

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

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

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.

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.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**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.

**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.

QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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

**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.

**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.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**V. Recent Accounting Pronouncements Adopted**

The School District has adopted the following GASB statements:

- GASB Statement No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. The adoption of GASB 87 will impact the financial statements of the School District.
- GASB Statement No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The adoption of GASB 89 did not impact the financial statements of the School District.
- GASB Statement No. 92 – *Omnibus 2020*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 92 did not impact the financial statements of the School District.
- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 93 did not impact the financial statements of the School District.
- GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 97 did not impact the financial statements of the School District.



**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**V. Recent Accounting Pronouncements Adopted**

- GASB Statement No. 98 – *The Annual Comprehensive Financial Report*: This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for reporting periods ending after December 15, 2021. The adoption of GASB 98 did not impact the financial statements of the School District.

**NOTE 2: CASH AND CASH EQUIVALENTS**

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2022, the School District's bank balance of \$1,421,515 was subject to custodial credit risk as follows:

Insured by Depository Insurance	\$ 250,000
Collateralized under GUDPA	<u>1,171,515</u>
Total	<u>\$ 1,421,515</u>

The total amount of cash, as reported on the various balance sheets of the District is \$1,296,799

**NOTE 3: INVESTMENTS**

As of June 30, 2022 and 2021, 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.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4: RECEIVABLES**

Receivables as of June 30, 2022, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	Governmental			
	General Fund	Special Revenue Fund	Capital Projects Fund	Business-type Activities
State aid	\$ 78,268			\$ 177
Township of Quinton	232,822		\$ 18,928	
Other	28,106	\$ 3,236		7,726
Federal aid		197,593		21,707
	<u>\$ 339,196</u>	<u>\$ 200,829</u>	<u>\$ 18,928</u>	<u>\$ 29,610</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, 2022, LRFP balance does not exceed the capital reserve balance.

Beginning balance, July 1, 2021	\$ 303,510
Interest earnings	
Withdraw	
Deposits	
Ending balance, June 30, 2022	<u>\$ 303,510</u>

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 6: CAPITAL ASSETS**

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2022.

	Balance July 1, 2021	Additions	Disposals/ Adjustments	Balance June 30, 2022
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>
Capital Assets being Depreciated and Amortized:				
Site improvements	206,183	51,179		257,362
Building & building improvements	8,599,565	225,028	48,331	8,872,924
Machinery & equipment	829,382	66,469	(77,525)	818,326
Right-to-Use Lease Assets			10,868	10,868
Totals at historical cost	<u>9,635,130</u>	<u>342,676</u>	<u>(18,326)</u>	<u>9,959,480</u>
Less accumulated depreciation and Amortization:				
Site improvements	(187,165)	(3,961)	(206)	(191,332)
Building & building improvements	(5,100,090)	(384,943)	(12,131)	(5,497,164)
Machinery & equipment	(708,694)	(19,895)	47,612	(680,977)
Right-to-Use Lease Assets			(10,868)	(10,868)
Total accumulated depreciation and amortization	<u>(5,995,949)</u>	<u>(408,799)</u>	<u>24,407</u>	<u>(6,380,341)</u>
Governmental activities capital assets, net	<u>\$ 3,647,938</u>	<u>\$ (66,123)</u>	<u>\$ 6,081</u>	<u>\$ 3,587,896</u>
Business-type activities:				
Machinery & equipment	\$ 88,139			\$ 88,139
Less: accumulated depreciation	(80,816)	(1,256)		(82,072)
Business-type capital assets, net	<u>\$ 7,323</u>	<u>\$ (1,256)</u>		<u>\$ 6,067</u>
Fiduciary-type activities:				
Machinery & equipment	\$ 10,394			\$ 10,394
Less: accumulated depreciation	(10,394)			(10,394)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation was charged as unallocated expense since it could not be specifically identified to one program/function for Governmental Activities.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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, 2022, consisted of the following:

\$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 at 4%. This issue was refunded during the year.

On November 24, 2021, the Quinton Township Board of Education refunded \$970,000 in Series Serial Bonds at a net savings of \$62,472. The amount of Refunding Bonds was \$1,015,000, of which the remaining balance as of June 30, 2022, was \$900,000.

**Long-Term Obligation Activity**

Changes in long-term obligations for the fiscal year ended June 30, 2022, are as follows:

	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022	Due Within One Year
Compensated Absences	\$ 12,930	\$ 2,138		\$ 15,068	
Bonds Payable	970,000	1,015,000	1,085,000	900,000	\$ 125,000
Net Pension Liability	575,227		66,121	509,106	
Right-to-Use Lease Liability		2,039	2,039		
	<u>\$ 1,558,157</u>	<u>\$ 1,019,177</u>	<u>\$ 1,153,160</u>	<u>\$ 1,424,174</u>	<u>\$ 125,000</u>

**Bonds Payable**

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

Year Ended June 30,	Principal	Interest	Total
2023	\$ 125,000	\$ 12,609	\$ 137,609
2024	125,000	10,858	135,858
2025	135,000	9,106	144,106
2026	130,000	7,215	137,215
2027	130,000	5,394	135,394
2028	130,000	3,573	133,573
2029	125,000	1,751	126,751
	<u>\$ 900,000</u>	<u>\$ 50,506</u>	<u>\$ 950,506</u>

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Bonds Authorized But Not Issued**

As of June 30, 2022, 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.

For the year ended June 30, 2022, 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 PLANS**

**Description of Plans** - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**Public Employees' Retirement System**

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 8. PENSION PLANS (CONTINUED)**

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

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

The following represents the membership tiers for PERS:

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

**Contributions** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2020 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2022 were 27,381. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2022 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2022, and 2021, were \$50,329 and \$38,588 respectively.

The total payroll for the year ended June 30, 2022 was \$3,645,880. Payroll covered by PERS was \$365,074 for fiscal year 2022.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

**Components of Net Pension Liability** - At June 30, 2022, the District's proportionate share of the PERS net pension liability was \$509,106. The net pension liability was measured as of June 30, 2021. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The District's proportion measured as of June 30, 2021 was 0.004298% which was an increase of 0.00077% from its proportion measured as of June 30, 2020.

**Pension Expense and Deferred Outflows/Inflows of Resources** - The District's 2022 PERS pension expense, with respect to GASB 68, was \$(74,979). The District's 2022 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 8,029	\$ 3,645
Changes of assumptions	2,651	181,245
Net difference between projected and actual earnings on pension plan investments		134,112
Changes in proportion	140,422	120,679
Contributions subsequent to the measurement date	50,329	
<b>Total</b>	<b>\$ 201,431</b>	<b>\$ 439,681</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>PERS</u>
2022	\$ (108,699)
2023	(68,197)
2024	(40,624)
2025	(17,162)
2026	(53,897)
Thereafter	
<b>Total</b>	<b>\$ (288,579)</b>

QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 8. PENSION PLANS (CONTINUED)**

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

**Additional Information** - Collective Balances at June 30, 2022 and 2021 are as follows:

Year	2022	2021
Collective deferred outflows of resources	\$ 201,431	\$ 103,425
Collective deferred inflows of resources	\$ 439,681	\$ 412,601
Collective Net Pension Liability	\$ 509,106	\$ 575,227
District's Proportion	0.004298%	0.003527%

**Actuarial Assumptions** - The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b>PERS</b>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.



**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

**Long-Term Expected Rate of Return** – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

	PERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>700,690</u>	\$ <u>509,106</u>	\$ <u>356,553</u>

**Teachers' Pension and Annuity Fund**

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. 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.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

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

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8. PENSION PLANS (CONTINUED)**

**Teachers' Pension and Annuity Fund (Continued)**

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

**Contributions** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2020. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2022 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$809,330 to the TPAF for pension contributions, \$189,092 for post-retirement benefits on behalf of the School, and \$393 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$221,220 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Components of Net Pension Liability** - At June 30, 2022, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

**Pension Expense** - For the year ended June 30, 2022, the District recognized pension expense of \$225,375 and revenue of \$225,375 for support provided by the State.

**Actuarial Assumptions** - The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8. PENSION PLANS (CONTINUED)**

**Teachers' Pension and Annuity Fund (Continued)**

	<b>TPAF</b>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.45%
Thereafter	2.75% - 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

**Long-Term Expected Rate of Return** - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

	<b>TPAF</b>	
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
<b>Total</b>	<b>100.00%</b>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8. PENSION PLANS (CONTINUED)**

**Teachers' Pension and Annuity Fund (Continued)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	\$ 15,443,746	\$ 9,578,030	\$ 11,241,582
State's Share of the Net Pension Liability	\$ <u>56,988,413,045</u>	\$ <u>48,165,991,182</u>	\$ <u>40,755,711,186</u>

**Defined Contribution Retirement Program (DCRP)**

The **Defined Contribution Retirement Program (DCRP)** is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility

1. State or Local Officials who are elected or appointed on or after July 1, 2007
2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8. PENSION PLANS (CONTINUED)**

**Defined Contribution Retirement Program (DCRP) (CONTINUED)**

**Contributions** – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2022, employee contributions totaled \$14,870 and the District's employer contribution, recognized in pension expense, was \$8,111. There were no forfeitures during the fiscal year.

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

**NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**General Information about the OPEB Plan**

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

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

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

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Special Funding Situation**

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer’s participants.

**Total OPEB Liability**

The State of New Jersey’s total OPEB liability, as of the measurement date of June 30, 2021, was \$60,007,650,970. Of this amount, the total OPEB liability attributable to the School District was \$16,941,943. The State of New Jersey’s proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.02823%. The total OPEB liability for the School District measured as of June 30, 2021 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District’s proportionate share of the total OPEB liability measured as of June 30, 2021 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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:

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Service Years	Service Years
Through 2026	1.55% - 4.45%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	2.75% - 5.65%	3.00% - 7.00%	N/A

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

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Total Nonemployer OPEB Liability (Continued)**

with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount rate**

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total OPEB Liability**

State of New Jersey	<b><u>Total OPEB Liability</u></b>
<b>Balance as of June 30, 2020 Measurement Date</b>	\$ <u>67,809,962,609</u>
Changes for the year:	
Service Cost	3,217,184,264
Interest	1,556,661,679
Changes of Benefit Terms	(63,870,842)
Differences between Expected and Actual	(11,385,071,658)
Changes of Assumptions	59,202,105
Benefit Payments	(1,226,213,382)
Contributions from Members	39,796,196
<b>Net Changes</b>	<u>(7,802,311,638)</u>
<b>Balance as of June 30, 2021 Measurement Date</b>	\$ <u>60,007,650,971</u>



**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2021, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<b>June 30, 2021</b>		
At 1.00% Decrease 1.16%	At Discount Rate 2.16%	At 1.00% Increase 3.16%
\$ 71,879,745,555	60,007,650,970	50,659,089,138

**Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2021, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

<b>June 30, 2021</b>		
1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$ 48,576,388,417	60,007,650,970	75,358,991,782

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

For the year ended June 30, 2022, the School District recognized OPEB expense of \$784,039. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 2,553,923	\$ 5,084,578
Changes of Assumptions	2,873,986	1,817,713
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	467,411	744,145
Contributions Subsequent to the Measurement Date		
Total	\$ 5,895,320	\$ 7,646,436

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Measurement Period Ending June 30,	OPEB
2022	\$ (366,517)
2023	(366,517)
2024	(366,517)
2025	(366,517)
2026	(273,567)
Thereafter	(11,481)
Total	\$ (1,751,116)

**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 as of June 30, 2022, is \$15,068.

**NOTE 11: LABOR CONTRACTS**

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 had expired on June 30, 2019. A new contract was settled in August of 2020 and expires in 2023.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12: 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., and MetLife.

**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 any 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:

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Property and Liability Insurance (Continued):**

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

**New Jersey Unemployment Compensation Insurance:**

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

<u>Fiscal Year</u>	<u>Interest Contributions</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$ 1	\$ 7,324			\$ 27,294
2020-2021	4	6,446		716	19,969
2019-2020	32	5,627			14,235

**NOTE 15: OPERATING LEASES**

The School is a lessee for various copiers. The District recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right to use and an intangible right-to use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87 – Leases.

At the commencement of a lease, the School determines based on the criteria dictated in GASB Statement No. 87 – Leases, if the lease is a finance purchase or a right to use lease liability. Then the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the School capital assets as land, land improvements, buildings and improvements or furniture and equipment.

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 15: OPERATING LEASES - Continued**

The intangible right-to use lease asset is reported with the School's capital assets in its own category called Right-to-Use Lease Assets.

Key estimates and judgements related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation along with other risk factors to determine the discount interest rate for leases.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The District has determined all of their copier lease agreements qualify as right-to-use assets. As of June 30, 2022, total future minimum lease payments under right-to-use lease agreements are as follows:

Year Ended June 30,	Amount
2023	\$ 1,921
	<u>\$ 1,921</u>

**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 4% 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 as of June 30, 2022.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**Restricted Fund Balance:**

**Capital Reserve Account** - Of the \$303,510 balance in the Capital Reserve account at June 30, 2022, \$0 has been designated for utilization in the 2022-2023 budget. These funds are restricted for future capital outlay expenditures for projects in the School District's long-range facilities plan.

**Maintenance Reserve Account** - As of June 30, 2022, there was \$150,025 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** - As of June 30, 2022, excess surplus created in FY 2021 of \$515,968 will be utilized for expenditures in the 2022-2023 budget, while excess surplus created in FY 2022 of \$656,521 is restricted and will be utilized for budget expenditures in 2023-2024.

**Debt Service Fund** - As of June 30, 2022, there was \$11,441 in fund balance, of which none will be utilized for expenditures in the 2022-2023 budget.

**Committed Fund Balance** - The District had no fund balance as of June 30, 2022.

**Assigned Fund Balance** - As of June 30, 2022, the Board has assigned \$25,373 of General Fund balance to expenditures in the 2022-2023 budget. \$300 was assigned for Encumbrances as of the year-end. This represents encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by District officials.

**Unassigned Fund Balance** - As of June 30, 2022, the District had \$5,606 in unassigned fund balance in the General Fund. The District has a deficit of (\$63,624) 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 total excess fund balance as of June 30, 2022, is \$1,172,489.

**NOTE 18: DEFICIT FUND BALANCES**

The District has a deficit fund balance (Exhibit B-1) in the Special Revenue Fund of \$63,624 in the Special Revenue Fund as of June 30, 2022, 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.

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.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 18: DEFICIT FUND BALANCES - Continued**

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, 2022.

**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, 2022, all SREC's available were sold by year-end and there was no amount recorded as receivable.

**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 62% of the District's 2021-2022 governmental operations, excluding capital projects, while local tax levy accounted for approximately 32%.

**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.

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, 2021.

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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 25: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 and February 15, 2023 the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the collection of certain anticipated revenues, such as interest, food service revenues, and child-care fees. Other financial impact could occur though such potential impact is unknown at this time.



**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 2,677,071		\$ 2,677,071	\$ 2,677,071	\$ -
Interest on investments				101	101
Interest on Maintenance Reserve	25		25	25	
Interest on Capital Reserve Funds	150		150		(150)
Unrestricted Miscellaneous Revenues	12,000		12,000	55,164	43,164
<b>Total - local sources</b>	<b>2,689,246</b>		<b>2,689,246</b>	<b>2,732,361</b>	<b>43,115</b>
State sources:					
Equalization aid	2,715,920		2,715,920	2,715,920	
Special education aid	291,684		291,684	291,684	
Security aid	80,638		80,638	80,638	
School choice	262,332		262,332	262,332	
Transportation aid	209,903		209,903	209,903	
Non-Public Transportation Aid				870	870
Extraordinary aid				77,398	77,398
TPAF post-retirement medical (on-behalf non-budgeted)				189,092	189,092
TPAF - long term disability insurance (on-behalf non-budgeted)				393	393
Teachers' Pension & Annuity Fund - (on-behalf non-budgeted)				809,330	809,330
Reimbursed TPAF social security contributions (non-budgeted)				221,220	221,220
<b>Total - state sources</b>	<b>3,560,477</b>		<b>3,560,477</b>	<b>4,858,780</b>	<b>1,298,303</b>
<b>Total revenues</b>	<b>\$ 6,249,723</b>	<b>\$ -</b>	<b>\$ 6,249,723</b>	<b>\$ 7,591,141</b>	<b>\$ 1,341,418</b>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current expense:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool	\$ 16,000	\$ -	\$ 16,000	\$ 13,884	\$ 2,116
Kindergarten	177,000	4,668	181,668	181,224	444
Grades 1-5	946,000	8,429	954,429	954,428	1
Grades 6-8	484,000	(22,450)	461,550	461,549	1
Regular programs - home instruction:					
Salaries of teachers	1,500	(265)	1,235	960	275
Purchased professional - education services	5,000	265	5,265	5,265	
Regular programs - undistributed instruction:					
Other salaries for instruction	54,000	6,700	60,700	60,086	614
Purchased professional - education services	38,000	(5,015)	32,985	299	32,686
Purchased technical services	5,000	(4,000)	1,000	135	865
Other purchased services (400-500 series)	60,000	(2,406)	57,594	29,620	27,974
General supplies	72,043	(1,281)	70,762	56,715	14,047
Textbooks	1,000	4,955	5,955	1,340	4,615
Miscellaneous expenditures	5,500		5,500	4,322	1,178
<b>Total regular programs</b>	<b>1,865,043</b>	<b>(10,400)</b>	<b>1,854,643</b>	<b>1,769,827</b>	<b>84,816</b>
Special Education:					
Resource room:					
Salaries of teachers	267,000		267,000	265,080	1,920
Other salaries for instruction	36,000		36,000	30,367	5,633
General supplies	3,000		3,000	1,813	1,187
<b>Total resource room</b>	<b>306,000</b>		<b>306,000</b>	<b>297,260</b>	<b>8,740</b>
<b>Total special education</b>	<b>306,000</b>		<b>306,000</b>	<b>297,260</b>	<b>8,740</b>
Basic skills/remedial:					
Salaries of teachers	70,000		70,000	1,997	68,003
Other salaries for instruction	26,000		26,000	9,389	16,611
General supplies	2,000		2,000	145	1,855
<b>Total basic skills/remedial</b>	<b>98,000</b>		<b>98,000</b>	<b>11,531</b>	<b>86,469</b>
School sponsored co-curricular activities:					
Salaries	23,280		23,280	18,785	4,495
<b>Total school sponsored co-curricular activities</b>	<b>23,280</b>		<b>23,280</b>	<b>18,785</b>	<b>4,495</b>
Other instructional programs - instruction:					
Salaries	2,300		2,300		2,300
<b>Total other instructional programs</b>	<b>2,300</b>		<b>2,300</b>		<b>2,300</b>
<b>Total other programs</b>	<b>123,580</b>		<b>123,580</b>	<b>30,316</b>	<b>93,264</b>
<b>Total - instruction</b>	<b>2,294,623</b>	<b>(10,400)</b>	<b>2,284,223</b>	<b>2,097,403</b>	<b>186,820</b>
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within state - regular	732,752		732,752	691,562	41,190
Tuition to other LEAs within state - special	123,100		123,100	108,290	14,810
Tuition to County voc. school district - regular	268,153		268,153	268,153	
Tuition to county special services district/ Tuition to private schools for the Disbl w/l State regional day schools	335,725	(49,682)	286,043	211,503	74,540
	90,000	49,682	139,682	129,527	10,155
<b>Total undistributed expenditures - instruction</b>	<b>1,549,730</b>		<b>1,549,730</b>	<b>1,409,035</b>	<b>140,695</b>
Attendance and social work services:					
Salaries	17,000	(1,049)	15,951	15,928	23
<b>Total attendance and social work services</b>	<b>17,000</b>	<b>(1,049)</b>	<b>15,951</b>	<b>15,928</b>	<b>23</b>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2022

Health services:					
Salaries	\$ 63,000	\$ 4,085	\$ 67,085	\$ 67,085	\$ -
Purchased professional - technical services	4,000	(1,466)	2,534	2,534	
Other purchased services (400-500 series)	1,000	(875)	125	125	
Supplies and materials	5,000	(695)	4,305	3,307	998
<b>Total health services</b>	<b>73,000</b>	<b>1,049</b>	<b>74,049</b>	<b>73,051</b>	<b>998</b>
Related services:					
Salaries of teachers	82,000	(328)	81,672	81,224	448
Purchased professional - education services	50,000	(513)	49,487	40,685	8,802
Supplies and materials	600	841	1,441	1,440	1
<b>Total related services</b>	<b>132,600</b>		<b>132,600</b>	<b>123,349</b>	<b>9,251</b>
Extraordinary services:					
Purchased professional - education services	115,500		115,500	65,818	49,682
<b>Total extraordinary services</b>	<b>115,500</b>		<b>115,500</b>	<b>65,818</b>	<b>49,682</b>
Guidance services:					
Salaries of other professional staff	83,000		83,000	82,407	593
Supplies and materials	6,000		6,000	4,363	1,637
<b>Total guidance services</b>	<b>89,000</b>		<b>89,000</b>	<b>86,770</b>	<b>2,230</b>
Child study team:					
Salaries of other professional staff	66,000		66,000	65,368	632
Sal. Secr. & Clerical Asst	8,000		8,000		8,000
Purchased professional - education services	8,000		8,000		8,000
Other purchased professional - technical services	5,000		5,000	1,662	3,338
Supplies and materials	3,000		3,000	1,424	1,576
Miscellaneous expenditures	500		500		500
<b>Total child study team</b>	<b>90,500</b>		<b>90,500</b>	<b>68,454</b>	<b>22,046</b>
Improvement of instruction services:					
Salaries of other professional staff	5,000		5,000	1,500	3,500
<b>Total improvement of instruction services</b>	<b>5,000</b>		<b>5,000</b>	<b>1,500</b>	<b>3,500</b>
Educational media services/school library:					
Salaries	32,000		32,000	14,044	17,956
Purchased professional-technical services	1,000		1,000	1,000	
Other purchased services (400-500 series)	1,200		1,200	1,047	153
Supplies and materials	2,500	12	2,512	188	2,324
<b>Total educational media services/school library</b>	<b>36,700</b>	<b>12</b>	<b>36,712</b>	<b>16,279</b>	<b>20,433</b>
Instructional staff training:					
Purchased professional - education services	4,633		4,633		4,633
Other purchased services (400-500 series)	5,500		5,500	510	4,990
<b>Total instructional staff training</b>	<b>10,133</b>		<b>10,133</b>	<b>510</b>	<b>9,623</b>
Support services general administration:					
Salaries	115,000	4,442	119,442	118,107	1,335
Legal services	7,500	6,314	13,814	13,936	(122)
Audit fees	13,000		13,000	13,000	
Architectural/engineering services	5,000	(4,406)	594	438	156
Other purchased professional services	11,700	(4,442)	7,258	5,045	2,213
Communications/telephone	12,000		12,000	8,970	3,030
BOE other purchased services	1,000		1,000		1,000
Other purchased services (400-500 series)	24,200	(2,035)	22,165	16,049	6,116
General Supplies	2,500		2,500	1,039	1,461
BOE in house training/meeting supplies	1,000		1,000	75	925
Miscellaneous expenditures	2,300		2,300	2,278	22
BOE membership dues and fees	4,250		4,250	3,456	794
<b>Total support services general administration</b>	<b>199,450</b>	<b>(127)</b>	<b>199,323</b>	<b>182,393</b>	<b>16,930</b>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2022

Support services school administration:					
Salaries of principals/assistant principals	\$ 80,500	\$ -	\$ 80,500	\$ 80,033	\$ 467
Salaries of secretarial and clerical assistants	25,000	(1,991)	23,009	20,022	2,987
Other purchased services (400-500 series)	2,500		2,500	395	2,105
Supplies and materials	3,500		3,500	2,466	1,034
Miscellaneous expenditures	2,000		2,000	870	1,130
<b>Total support services school administration</b>	<b>113,500</b>	<b>(1,991)</b>	<b>111,509</b>	<b>103,786</b>	<b>7,723</b>
Central services:					
Salaries	45,000	(1,549)	43,451	43,451	
Purchased professional services	54,180		54,180	54,180	
Purchased technical services	27,000	16,893	43,893	43,892	1
Supplies and materials	5,000	(3,974)	1,026	1,026	
Other Objects		100	100	100	
<b>Total central services</b>	<b>131,180</b>	<b>11,470</b>	<b>142,650</b>	<b>142,649</b>	<b>1</b>
Required maintenance for school facilities:					
Salaries	85,000		85,000	78,466	6,534
Cleaning, repair, and maintenance services	60,000	(16,092)	43,908	36,762	7,146
Supplies and materials	12,000	18,513	30,513	30,512	1
<b>Total required maintenance for school facilities</b>	<b>157,000</b>	<b>2,421</b>	<b>159,421</b>	<b>145,740</b>	<b>13,681</b>
Other operation & maintenance of plant services:					
Salaries	119,000		119,000	114,475	4,525
Salaries of Non-Instructional Aides	29,000		29,000	21,570	7,430
Purchased professional and technical services	6,000	350	6,350	5,948	402
Cleaning, repair, and maintenance services	50,000	(19,194)	30,806	16,961	13,845
Other purchased property services	35,000	(7,085)	27,915	27,915	
Insurance	30,000	(5,746)	24,254	24,254	
Miscellaneous purchased services (400-500 series)	2,000	973	2,973	1,889	1,084
General supplies	40,000	(21,013)	18,987	13,119	5,868
Energy (electricity)	90,000	653	90,653	90,652	1
Energy (oil)	35,000	49,433	84,433	84,432	1
<b>Total other operation &amp; maintenance of plant services</b>	<b>436,000</b>	<b>(1,629)</b>	<b>434,371</b>	<b>401,215</b>	<b>33,156</b>
Security:					
Salaries	13,000		13,000	10,398	2,602
<b>Total security</b>	<b>13,000</b>		<b>13,000</b>	<b>10,398</b>	<b>2,602</b>
<b>Total operation &amp; maintenance of plant services</b>	<b>606,000</b>	<b>792</b>	<b>606,792</b>	<b>557,353</b>	<b>49,439</b>
Student transportation services:					
Salaries - regular	5,000		5,000	4,623	377
Aid in lieu - nonpublic	10,050		10,050	3,016	7,034
Aid in lieu - charter school	2,025		2,025		2,025
Aid in lieu - choice	8,050		8,050	4,028	4,022
Contracted services (between home and school) - vendors	198,296		198,296	197,338	958
Contracted services (other than between home and school) - vendors	15,000	(7,041)	7,959	6,045	1,914
Contracted services (regular students) - ESC & CTSA	105,000	(11,699)	93,301	93,300	1
Contracted services (special education students) - ESC & CTSA	115,000	18,740	133,740	134,922	(1,182)
<b>Total student transportation services</b>	<b>458,421</b>		<b>458,421</b>	<b>443,272</b>	<b>15,149</b>
Unallocated benefits:					
Social security contributions	50,000	9,741	59,741	59,741	
Other retirement contributions - regular	55,000	4,553	59,553	59,552	1
Unemployment compensation	3,000	(2,764)	236	132	104
Workers' compensation	40,000	(3,799)	36,201	28,547	7,654
Health benefits	568,276	(7,732)	560,544	493,293	67,251
Tuition reimbursement	12,000		12,000	12,000	
Other Employee Benefits	25,000		25,000	24,850	150
Unused sick payment to terminated/retired staff	10,000		10,000		10,000
<b>Total unallocated benefits</b>	<b>763,276</b>	<b>(1)</b>	<b>763,275</b>	<b>678,115</b>	<b>85,160</b>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2022

TPAF post-retirement medical (on-behalf non-budgeted)	\$ -	\$ -	\$ -	\$ 189,092	\$ (189,092)
TPAF - long term disability insurance (on-behalf non-budgeted)				393	(393)
Teachers' Pension & Annuity Fund (on-behalf non-budgeted)				809,330	(809,330)
Reimbursed TPAF social security contributions (non-budgeted)				221,220	(221,220)
Total non-budgeted				1,220,035	(1,220,035)
Total undistributed expenditures	4,390,990	10,155	4,401,145	5,188,297	(787,152)
Interest Earned on Maintenance Reserve	25		25		25
Total expenditures - current expense	6,685,638	(245)	6,685,393	7,285,700	(600,307)
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Undistributed expenditures:					
Required Maintenance for School Fac.	47,000		47,000	32,369	14,631
General Administration		2,565	2,565	2,565	
Total equipment	47,000	2,565	49,565	34,934	14,631
Facilities acquisition and construction services:					
Assessment for debt service on SDA Funding	36,143		36,143	36,143	
Total facilities acquisition and construction services	36,143		36,143	36,143	
Interest Deposit to Capital Reserve	150		150		150
Total capital outlay	83,293	2,565	85,858	71,077	14,781
Total expenditures	6,768,931	2,320	6,771,251	7,356,777	(585,526)
Excess (deficiency) of revenues & other financing sources over (under) expenditures and other financing uses	(519,208)	(2,320)	(521,528)	234,364	755,892
Other financing sources (uses)					
Capital Reserve Transferred to Capital Project Fund		(36,866)	(36,866)	(36,866)	
Transfer of funds to Enterprise Fund				(2,324)	(2,324)
Total Other financing sources (uses)		(36,866)	(36,866)	(39,190)	(2,324)
Net changes in fund balance	(519,208)	(39,186)	(558,394)	195,174	753,568
Fund balances - July 1	1,812,085		1,812,085	1,812,085	
Fund balances - June 30	\$ 1,292,877	\$ (39,186)	\$ 1,253,691	\$ 2,007,259	\$ 753,568
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital reserve				\$ 303,510	
Maintenance reserve				150,025	
Excess surplus - current year				656,521	
Excess surplus - designated for subsequent year's expenditures				515,968	
Reserve for Unemployment Compensation				27,294	
<b>Assigned Fund Balance:</b>					
Year-end encumbrances				300	
Designated for subsequent year's expenditures				25,373	
<b>Unassigned Fund Balance</b>					
				328,268	
				2,007,259	
Reconciliation to Governmental Fund Statements (GAAP):					
June state aid payments not recognized on GAAP Basis				(322,662)	
Fund balance per Governmental Funds (GAAP)				\$ 1,684,597	

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal sources	\$ 653,927	3,192	\$ 657,119	\$ 497,161	\$ 159,958
State sources	635,240		635,240	561,909	73,331
Local sources	17,311	3,082	20,393	23,059	(2,666)
<b>Total revenues</b>	<b>1,306,478</b>	<b>6,274</b>	<b>1,312,752</b>	<b>1,082,129</b>	<b>230,623</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	349,571	(6,515)	343,056	326,195	16,861
Other salaries for instruction	68,078	(2,102)	65,976	65,356	620
Purchased professional and technical services	5,181	5,390	10,571	9,390	1,181
Other purchased services (400-500 series)	5,339	38,373	43,712	41,607	2,105
Tuition	102,191		102,191	102,191	
General supplies	14,890	12,994	27,884	27,884	
Other objects	5,956		5,956	4,281	1,675
<b>Total instruction</b>	<b>551,206</b>	<b>48,140</b>	<b>599,346</b>	<b>576,904</b>	<b>22,442</b>
Support Services:					
Salaries Supervisors	16,343		16,343	16,343	
Salaries Other Professionals	81,497	(16,702)	64,795	16,054	48,741
Salaries Secretarial Staff	15,592		15,592	15,592	
Other salaries	28,127	15,253	43,380	43,380	
Preschool Liasion	13,029		13,029	13,029	
Personal services - employee benefits	157,696	(868)	156,828	119,764	37,064
Purchased professional and technical services	130,042	1,504	131,546	76,268	55,278
Purchased property services	30,133	(13,431)	16,702	16,702	
Other purchased services (400-500 series)	73,512	(51,420)	22,092	9,056	13,036
Supplies and materials	84,801	(10,411)	74,390	53,223	21,167
Student Activities	9,000	(4,691)	4,309	3,708	601
Other Objects	20,000	(1,897)	18,103		18,103
<b>Total support services</b>	<b>659,772</b>	<b>(82,663)</b>	<b>577,109</b>	<b>383,119</b>	<b>193,990</b>
Facilities acquisition and construction services:					
Instructional Equipment		25,000	25,000	9,956	15,044
Noninstructional equipment	95,500	12,576	108,076	110,703	(2,627)
Facilities		3,221	3,221	2,490	731
<b>Total facilities acquisition and construction services</b>	<b>95,500</b>	<b>40,797</b>	<b>136,297</b>	<b>123,149</b>	<b>13,148</b>
<b>Total expenditures</b>	<b>\$1,306,478</b>	<b>\$ 6,274</b>	<b>\$ 1,312,752</b>	<b>\$ 1,083,172</b>	<b>\$ 229,580</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures				\$ (1,043)	1,043
Fund Balance, July 1				16,636	
Fund Balance, June 30				\$ 15,593	



**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, 2022

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

	General Fund C-1	Special Revenue Fund
<b>Sources/inflows of resources:</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	[C-1] \$ 7,591,141	[E-1] \$ 1,082,129
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		9,883
Current Year		(25,967)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	359,025	40,408
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.	(322,662)	(63,624)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	[B-2] \$ 7,627,504	[E-1] \$ 1,042,829
<b>Uses/outflows of resources:</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] \$ 7,356,777	\$ 1,083,172
<b>Difference - budget to GAAP:</b>		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the supplies are received for financial reporting purposes.		(16,084)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	[B-2] \$ 7,356,777	[B-2] \$ 1,067,088

**REQUIRED SUPPLEMENTARY INFORMATION PART III**

**QUINTON TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>
District's Proportion of the Net Pension Liability	0.004298%		0.003527%		0.004033%		0.004455%		0.004615%		0.004342%		0.004452%		0.005037%		0.005084%
District's Proportionate Share of the Net Pension Liability	\$ 509,106	\$	575,227	\$	726,644	\$	877,249	\$	1,074,197	\$	1,286,019	\$	999,378	\$	943,080	\$	974,656
District's Covered-Employee Payroll	\$ 365,074	\$	316,918	\$	298,741	\$	313,123	\$	314,887	\$	328,470	\$	318,249	\$	313,974	\$	346,108
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	139.45%		181.51%		243.24%		280.16%		341.14%		391.52%		314.02%		300.37%		281.60%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	70.33%		58.32%		56.27%		53.60%		48.10%		40.14%		47.93%		52.08%		48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**QUINTON TOWNSHIP SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 50,329	\$ 38,588	\$ 39,227	\$ 44,317	\$ 42,749	\$ 38,575	\$ 38,275	\$ 41,525	\$ 38,307
Contributions in relation to the Contractually Required Contribution	(50,329)	(38,588)	(39,227)	(44,317)	(42,749)	(38,575)	(38,275)	(41,525)	(38,307)
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$
District's Covered-Employee Payroll	\$ 365,074	\$ 316,918	\$ 298,741	\$ 313,123	\$ 314,887	\$ 328,470	\$ 318,249	\$ 313,974	\$ 346,108
Contributions as a Percentage of Covered-Employee Payroll	13.79%	12.18%	13.13%	14.15%	13.58%	11.74%	12.03%	13.23%	11.07%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**QUINTON TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund (TPAF)**  
**Last Ten Fiscal Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.019923%	0.021813%	0.021535%	0.021965%	0.021088%	0.021189%	0.024295%	0.021929%	0.021929%
District's Proportionate Share of the Net Pension Liability	\$ 9,578,030	\$ 14,363,555	\$ 13,216,189	\$ 13,973,578	\$ 14,218,018	\$ 16,668,236	\$ 15,355,166	\$ 11,720,097	\$ 11,285,602
District's Covered-Employee Payroll	\$ 2,671,041	\$ 2,318,318	\$ 2,274,718	\$ 2,277,197	\$ 2,358,215	\$ 2,361,334	\$ 2,274,968	\$ 1,991,320	\$ 2,329,433
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	358.59%	619.57%	581.00%	613.63%	602.91%	705.88%	674.96%	588.56%	484.48%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**QUINTON TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information - Part III**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**State Health Benefit Local Education Retired Employees Plan**  
**Last Ten Fiscal Years\***

	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>					
Service Cost	\$ 755,070	\$ 442,287	\$ 399,793	\$ 467,026	\$ 565,643
Interest Cost	439,492	441,798	529,439	558,004	484,162
Changes of Benefit Terms	(18,033)				
Differences Between Expected and Actual Experiences	(2,972,148)	2,672,589	(1,868,502)	(961,648)	
Changes of Assumptions	16,715	3,480,841	183,990	(1,544,928)	(2,008,599)
Member Contributions	11,236	10,055	11,229	12,442	13,042
Gross Benefit Payments	(346,196)	(331,746)	(378,801)	(359,991)	(354,194)
<b>Net Change in Total OPEB Liability</b>	<b>(2,113,864)</b>	<b>6,715,824</b>	<b>(1,122,852)</b>	<b>(1,829,095)</b>	<b>(1,299,946)</b>
<b>Total OPEB Liability - Beginning</b>	<b>19,055,807</b>	<b>12,339,983</b>	<b>13,462,835</b>	<b>15,291,930</b>	<b>16,591,876</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 16,941,943</b>	<b>\$ 19,055,807</b>	<b>\$ 12,339,983</b>	<b>\$ 13,462,835</b>	<b>\$ 15,291,930</b>
<b>Covered-Employee Payroll</b>	<b>\$ 3,036,115</b>	<b>\$ 2,635,236</b>	<b>\$ 2,573,459</b>	<b>\$ 2,590,320</b>	<b>\$ 2,673,102</b>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	<b>558.01%</b>	<b>723.12%</b>	<b>479.51%</b>	<b>519.74%</b>	<b>572.07%</b>

Notes to Schedule:

Changes of Benefit Terms: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2020 to June 30, 2021 is due to changes in the census.

Changes in Assumptions: The increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of Trend Updates, Mortality Projection Scale Updates, Discount Rate Changes, and Salary Scale changes.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**OTHER SUPPLEMENTARY INFORMATION**



## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis Includes Student Activity and Scholarship Funds  
For the Fiscal Year Ended June 30, 2022

	Total Brought Forward Ex. E-1(2)	Title I Part A	Title II, Part A Teacher & Principal Training & Recruiting	Title IV	Totals	
					FY 2022	FY 2021
<b>REVENUES:</b>						
Local sources	\$ 23,059				\$ 23,059	\$ 14,873
Federal sources	395,136	\$ 87,934	\$ 4,908	\$ 9,183	497,161	393,136
State sources	561,909				561,909	404,085
<b>Total revenues</b>	<b>980,104</b>	<b>87,934</b>	<b>4,908</b>	<b>9,183</b>	<b>1,082,129</b>	<b>812,094</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	255,559	64,922		5,714	326,195	205,486
Other salaries for instruction	57,315	8,041			65,356	50,589
Purchased professional and technical services		9,390			9,390	39,744
Other purchased services (400-500 series)	41,607				41,607	26,347
Tuition	102,191				102,191	86,612
General supplies	27,884				27,884	67,518
Other objects	4,281				4,281	11,479
<b>Total instruction</b>	<b>488,837</b>	<b>82,353</b>		<b>5,714</b>	<b>576,904</b>	<b>487,775</b>
Support services:						
Salaries Supervisors	16,343				16,343	23,416
Salaries Other Professionals	16,054				16,054	15,584
Salaries Secretarial Staff	15,592				15,592	4,140
Other Salaries	43,380				43,380	13,846
Preschool Liasion	13,029				13,029	12,649
Personal services - employee benefits	110,714	5,581		3,469	119,764	85,180
Purchased professional and technical services	72,168		4,100		76,268	24,896
Purchased property Services	16,702				16,702	
Other purchased services (400-500 series)	8,248		808		9,056	291
Supplies and materials	53,223				53,223	92,837
Student Activities	3,708				3,708	11,265
Other Objects						5,950
<b>Total support services</b>	<b>369,161</b>	<b>5,581</b>	<b>4,908</b>	<b>3,469</b>	<b>383,119</b>	<b>290,054</b>
Facilities acquisition and construction services:						
Instructional equipment	9,956				9,956	
Noninstructional equipment	110,703				110,703	33,669
Facilities	2,490				2,490	
<b>Total facilities acquisition and construction services</b>	<b>123,149</b>				<b>123,149</b>	<b>33,669</b>
<b>Total expenditures</b>	<b>\$ 981,147</b>	<b>\$ 87,934</b>	<b>\$ 4,908</b>	<b>\$ 9,183</b>	<b>\$ 1,083,172</b>	<b>\$ 811,498</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,043)				(1,043)	596
Fund Balance, July 1	16,636				16,636	16,040
Fund Balance, June 30	\$ 15,593	\$ -	\$ -	\$ -	\$ 15,593	\$ 16,636

QUINTON TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2022

	Total Brought Forward Ex. E-1(3)	IDEA			ARP IDEA Presch	Total Carried Forward
		IDEA PART -B	IDEA Preschool Program	ARP IDEA		
<b>REVENUES:</b>						
Local sources	\$ 23,059					\$ 23,059
Federal sources	289,373	\$ 88,301	\$ 2,391	\$ 13,890	\$ 1,181	395,136
State sources	561,909					561,909
<b>Total revenues</b>	<b>874,341</b>	<b>88,301</b>	<b>2,391</b>	<b>13,890</b>	<b>1,181</b>	<b>980,104</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	255,559					255,559
Other salaries for instruction	57,315					57,315
Purchased professional and technical services						
Other Purchased Services (400-500 series)	41,607					41,607
Tuition	0	88,301		13,890		102,191
General supplies	27,884					27,884
Other objects	4,281					4,281
<b>Total instruction</b>	<b>386,646</b>	<b>88,301</b>		<b>13,890</b>		<b>488,837</b>
Support services:						
Salaries Supervisors	16,343					16,343
Salaries other professionals	16,054					16,054
Salaries secretarial staff	15,592					15,592
Other salaries	43,380					43,380
Preschool liasion	13,029					13,029
Personal services - employee benefits	110,714					110,714
Purchased professional and technical services	68,596		2,391		1,181	72,168
Purchased Property Services	16,702					16,702
Other purchased services (400-500 series)	8,248					8,248
Supplies and materials	53,223					53,223
Student Activities	3,708					3,708
Other objects	0					-
<b>Total support services</b>	<b>365,589</b>		<b>2,391</b>		<b>1,181</b>	<b>369,161</b>
Facilities acquisition and construction services:						
Instructional equipment	9,956					9,956
Noninstructional equipment	110,703					110,703
Facilities	2,490					2,490
<b>Total facilities acquisition and construction services</b>	<b>123,149</b>					<b>123,149</b>
<b>Total expenditures</b>	<b>\$ 875,384</b>	<b>\$ 88,301</b>	<b>\$ 2,391</b>	<b>\$ 13,890</b>	<b>\$ 1,181</b>	<b>\$ 981,147</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,043)					(1,043)
Fund Balance, July 1	16,636					16,636
Fund Balance, June 30	\$ 15,593	\$ -	\$ -	\$ -	\$ -	\$ 15,593

QUINTON TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2022

	Total Brought Forward Ex. E-1(4)	Safety Grant	(See E-2) Preschool Education	Rural Education Achievement Program	Student Activities	Total Carried Forward
<b>REVENUES:</b>						
Local sources	\$ -	\$ 20,304			\$ 2,755	\$ 23,059
Federal sources	264,532			\$ 24,841		289,373
State sources			\$ 561,909			561,909
<b>Total Revenues</b>	<b>264,532</b>	<b>20,304</b>	<b>561,909</b>	<b>24,841</b>	<b>2,755</b>	<b>874,341</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	44,534	2,604	208,421			255,559
Other salaries for instruction			57,315			57,315
Purchased professional and technical services						
Other Purchased Services (400-500 series)	34,997	6,610				41,607
Tuition						
General supplies	217	3,559	24,108			27,884
Other objects			4,281			4,281
<b>Total Instruction</b>	<b>79,748</b>	<b>12,773</b>	<b>294,125</b>			<b>386,646</b>
Support services:						
Salaries Supervisors			16,343			16,343
Salaries other professionals			16,054			16,054
Salaries secretarial staff			15,592			15,592
Other salaries	15,253		28,127			43,380
Preschool liaison			13,029			13,029
Personal services - employee benefits	15,791	199	94,724			110,714
Purchased professional and technical services	40,192		28,404			68,596
Purchased property services	16,702					16,702
Other purchased services (400-500 series)		4,111	4,137			8,248
Supplies and materials	25,757	731	8,532	18,203		53,223
Student Activities	2,021				1,687	3,708
Other objects						
<b>Total Support Services</b>	<b>115,716</b>	<b>5,041</b>	<b>224,942</b>	<b>18,203</b>	<b>1,687</b>	<b>365,589</b>
Facilities acquisition and construction services:						
Instructional equipment			9,956			9,956
Noninstructional equipment	71,179		32,886	6,638		110,703
Facilities		2,490				2,490
<b>Total facilities acquisition and construction services</b>	<b>71,179</b>	<b>2,490</b>	<b>42,842</b>	<b>6,638</b>		<b>123,149</b>
<b>Total Expenditures</b>	<b>\$ 266,643</b>	<b>\$ 20,304</b>	<b>\$ 561,909</b>	<b>24,841</b>	<b>\$ 1,687</b>	<b>\$ 875,384</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,111)				1,068	(1,043)
Fund Balance, July 1	12,097				4,539	16,636
Fund Balance, June 30	\$ 9,986	\$ -	\$ -	\$ -	\$ 5,607	\$ 15,593

QUINTON TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2022

	Drama	SDA Emergent Need	CRRSA ESSER II	ARP Learning Acc	Mental Health	Technology Trust Private Contributions	Total Carried Forward
<b>REVENUES:</b>							
Local sources							\$ -
Federal sources		6,024	\$ 223,230	\$ 12,500	\$ 22,778		264,532
State sources							
<b>Total Revenues</b>		<b>6,024</b>	<b>223,230</b>	<b>12,500</b>	<b>22,778</b>		<b>264,532</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of teachers			18,458	11,612	14,464		44,534
Other salaries for instruction							
Purchased professional and technical services							
Other Purchased Services (400-500 series)			34,997				34,997
Tuition							
General supplies			127			90	217
Other objects							
<b>Total Instruction</b>			<b>53,582</b>	<b>11,612</b>	<b>14,464</b>	<b>90</b>	<b>79,748</b>
<b>Support services:</b>							
Salaries Supervisors							
Salaries other professionals							
Salaries secretarial staff							
Other salaries			15,253				15,253
Preschool liaison							
Personal services - employee benefits			8,229	888	6,674		15,791
Purchased professional and technical services			40,000		192		40,192
Purchased property services		6,024	10,678				16,702
Other purchased services (400-500 series)							
Supplies and materials			24,309		1,448		25,757
Student Activities	2,021						2,021
Other objects							
<b>Total Support Services</b>	<b>2,021</b>	<b>6,024</b>	<b>98,469</b>	<b>888</b>	<b>8,314</b>		<b>115,716</b>
<b>Facilities acquisition and construction services:</b>							
Instructional equipment							
Noninstructional equipment			71,179				71,179
Facilities							
<b>Total facilities acquisition and construction services</b>			<b>71,179</b>				<b>71,179</b>
<b>Total Expenditures</b>	<b>\$ 2,021</b>	<b>\$ 6,024</b>	<b>\$ 223,230</b>	<b>\$ 12,500</b>	<b>\$ 22,778</b>	<b>\$ 90</b>	<b>\$ 266,643</b>
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	(2,021)					(90)	(2,111)
Fund Balance, July 1	2,021					10,076	12,097
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,986	\$ 9,986

QUINTON TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Preschool Education Aid Schedule of Expenditures -  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2022

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	\$ 209,529	\$ 208,421	\$ 1,108
Other salaries for instruction	57,935	57,315	620
Field Trips	1,231		1,231
General supplies	24,108	24,108	
Other objects	5,956	4,281	1,675
	<u>298,759</u>	<u>294,125</u>	<u>4,634</u>
<b>Support:</b>			
Salaries Supervisors	16,343	16,343	
Salaries Other Professionals	16,054	16,054	
Salaries Secretarial Staff	15,592	15,592	
Other Salaries	28,127	28,127	
Preschool Liasion	13,029	13,029	
Personal services - employee benefits	94,724	94,724	
Purchased professional and technical services	43,951	28,404	15,547
Busing	15,000		15,000
Field Trips	4,000		4,000
Travel	1,000		1,000
Other purchased services (400-500 series)	18,104	4,137	13,967
Supplies and materials	24,010	8,532	15,478
	<u>289,934</u>	<u>224,942</u>	<u>64,992</u>
<b>Facilities acquisition and construction services:</b>			
Instructional equipment	14,661	9,956	4,705
Noninstructional equipment	32,886	32,886	
	<u>47,547</u>	<u>42,842</u>	<u>4,705</u>
<b>Total expenditures</b>	<u><u>\$ 636,240</u></u>	<u><u>\$ 561,909</u></u>	<u><u>\$ 74,331</u></u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total revised 2021-2022 Preschool Education Aid allocation	\$ 636,240
Add: Actual ECPA Carryover (June 30, 2021)	
Add: Budgeted transfer from the General Fund 2021-2022	
Total Preschool Education Aid Funds available for 2021/2022 budget	<u>636,240</u>
Less: 2021-2022 budgeted Preschool Education Aid (including prior year budgeted carryover)	<u>636,240</u>
Available & unbudgeted Preschool Education Aid Funds as of June 30, 2022	-
Add: June 30, 2022, unexpended Preschool Education Aid	<u>74,331</u>
2021-2022 Carryover - Preschool Education Aid/Preschool	<u><u>\$ 74,331</u></u>
2021-2022 Preschool Education Aid carryover budgeted for Preschool programs 2022-2023	<u><u>\$ 74,331</u></u>

## **CAPITAL PROJECTS FUND DETAIL STATEMENT**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 June 30, 2022

Project Title/Issue	Original Date	Revised Budgetary Appropriation	GAAP Expenditures to Date		Unexpended Balance June 30, 2022	
			Prior Years	Current Year	Encumbrances	Unexpended
Garage, Storage Building, Electric Sign, Exterior Doors and Horseshoe Driveway	7/13/05	\$ 172,074	\$10,720	\$ 159,027	\$ 2,327	\$ -
Securing Our Children;s Future Bond Act (Alyssa's Law)	9/1/21	18,928		18,928		
		<u>\$ 191,002</u>	<u>\$10,720</u>	<u>\$ 177,955</u>	<u>\$ 2,327</u>	<u>\$ -</u>



QUINTON TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund  
Summary Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budgetary Basis  
For the Fiscal Year Ended June 30, 2022

Revenue and Other financing sources (uses):	
Securing Our Children;s Future Bond Act (Alyssa's Law)	\$ 18,928
Transfer from Capital Reserve	36,866
	<hr/>
	55,794
Expenditures and other financing uses	
Construction services	177,955
	<hr/>
Excess (deficiency) or revenues over (under) expenditures	(122,161)
Fund balance - Beginning	124,488
	<hr/>
Fund balance - Ending	\$ 2,327
	<hr/> <hr/>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
Garage, Storage Building, Electric Sign, Exterior Doors and Horseshoe Driveway  
from Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources				
Securing Our Children;s Future Bond Act (Alyssa's Law)		\$ 18,928	\$ 18,928	\$ 18,928
Transfer from Capital reserve	\$ 135,208	36,866	172,074	172,074
	<u>135,208</u>	<u>55,794</u>	<u>191,002</u>	<u>191,002</u>
Expenditures and other financing uses				
Construction services	10,720	177,955	188,675	191,002
	<u>10,720</u>	<u>177,955</u>	<u>188,675</u>	<u>\$ 191,002</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 124,488</u>	<u>\$ (122,161)</u>	<u>\$ 2,327</u>	

## **PROPRIETARY FUND DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** – This fund provides for the operation of food services for the schools within the school district.

**Internal Service Funds** – This fund is used to serve organizational units within the district or to serve other governmental units.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5  
AND B-6.**

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Enterprise Funds  
 Combining Schedule of Net Position  
 For the Fiscal Year Ended June 30, 2022

	Business-type Activities			
	Food Service Fund	SACC Program	Total FY 2022	Total FY 2021
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 93,242	\$ (7,223)	\$ 86,019	\$ 45,425
Accounts receivable:				
State	177		177	917
Federal	21,707		21,707	8,608
Other	503	7,223	7,726	905
Inventory	4,022		4,022	2,895
Total current assets	<u>119,651</u>		<u>119,651</u>	<u>58,750</u>
Noncurrent assets				
Furniture, machinery & equipment	88,139		88,139	88,139
Less: accumulated depreciation	(82,072)		(82,072)	(80,816)
Total noncurrent assets	<u>6,067</u>		<u>6,067</u>	<u>7,323</u>
Total assets	<u>125,718</u>		<u>125,718</u>	<u>66,073</u>
<b>LIABILITIES</b>				
Liabilities				
Current liabilities:				
Unearned revenue	1,883		1,883	2,636
Total liabilities	<u>1,883</u>		<u>1,883</u>	<u>2,636</u>
Net position				
Invested in capital assets net of related debt	6,067		6,067	7,323
Unrestricted	117,768		117,768	56,114
Total net position	<u>123,835</u>		<u>123,835</u>	<u>63,437</u>
Total liabilities and net position	<u>\$ 125,718</u>	<u>\$ -</u>	<u>\$ 125,718</u>	<u>\$ 66,073</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, 2022

	Business-type Activities			Total FY 2021
	Food Service Fund	SACC Program	Total FY 2022	
<b>OPERATING REVENUES:</b>				
Local sources:				
Daily sales - reimbursable programs				
Daily sales - non-reimbursable programs	\$ 6,558	\$ 23,157	\$ 29,715	\$ 3,235
Total operating revenue	6,558	23,157	29,715	3,235
<b>OPERATING EXPENSES:</b>				
Salaries	58,678	22,382	81,060	47,541
Employee benefits	5,869	2,058	7,927	4,691
Purchased professional/technical services	3,616		3,616	1,599
Other purchased services (400-500 series)	99		99	388
Supplies and materials	4,474	1,041	5,515	4,613
Cost of sales - reimbursable	91,072		91,072	66,324
Cost of sales - non-reimbursable	1,187		1,187	1,144
Depreciation	1,256		1,256	1,256
Total operating expenses	166,251	25,481	191,732	127,556
Operating income (loss)	(159,693)	(2,324)	(162,017)	(124,321)
<b>NON-OPERATING REVENUES:</b>				
State sources:				
National school lunch program - state	3,333		3,333	4,473
Federal sources:			0	
National school lunch program	141,737		141,737	91,952
National school breakfast program	53,210		53,210	42,140
P-EBT Administrative Cost	1,242		1,242	
Emergency Operational Cost Program - Schools	3,302		3,302	
Supply Chain Assistance Funding	10,227		10,227	
Food distribution program	7,040		7,040	6,265
Total non-operating revenues (expenses)	220,091		220,091	144,830
Income (loss) before operating transfers	60,398	(2,324)	58,074	20,509
Net income (loss)	60,398	(2,324)	58,074	20,509
Transfer from General Fund		2,324	2,324	
Total net position - July 1	63,437		63,437	42,928
Total net position - June 30	\$ 123,835	\$ -	\$ 123,835	\$ 63,437

QUINTON TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2022

	Business-type Activities			
	Food Service Fund	SACC Program	Total FY 2022	Total FY 2021
Cash flows from operating activities:				
Receipts from customers	\$ 6,558	\$ 15,934	\$ 22,492	\$ 3,235
Payments to suppliers	(107,245)	(1,041)	(108,286)	(65,260)
Payments to employees	(58,678)	(22,382)	(81,060)	(47,541)
Payments for employee benefits	(5,869)	(2,058)	(7,927)	(4,691)
Net cash provided (used) by operating activities	(165,234)	(9,547)	(174,781)	(114,257)
Cash flows from non-capital financing activities:				
Cash received from state, federal, and local reimbursements	213,051		213,051	138,565
Transfer from general fund		2,324		
Net cash provided by non-capital financing activities	213,051	2,324		138,565
Cash flows from capital and related financing activities:				
Purchases of capital assets				
Net cash provided by capital and related financing activities				
Net increase in cash and cash equivalents	47,817	(7,223)	40,594	24,308
Cash and cash equivalents - July 1	45,425		45,425	21,117
Cash and cash equivalents - June 30	\$ 93,242	\$ (7,223)	\$ 86,019	\$ 45,425
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (159,693)	\$ (2,324)	\$ (162,017)	\$ (124,321)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	1,256		1,256	1,256
Food distribution program	7,040		7,040	6,265
Change in assets and liabilities:			0	
(Increase)/Decrease in Accounts Receivable	(11,957)	(7,223)	(19,180)	(284)
(Increase)/Decrease in Inventory	(1,127)		(1,127)	191
Increase/(Decrease) in Unearned Revenue	(753)		(753)	2,636
	\$ (165,234)	\$ (9,547)	\$ (174,781)	\$ (114,257)

QUINTON TOWNSHIP SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Net Position  
For the Fiscal Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 30,995	
Accounts receivable		
Total assets	<u>30,995</u>	
<b>LIABILITIES</b>		
Liabilities		
Unearned revenues		
Accounts payable		
Total liabilities		
Net position		
Net position	30,995	
Total net position	<u>30,995</u>	
Total liabilities and net position	<u>\$ 30,995</u>	

QUINTON TOWNSHIP SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES:		
Shared Services	\$ 258,500	
Total operating revenue	<u>258,500</u>	
OPERATING EXPENSES:		
Salaries	197,743	
Employee benefits	28,711	
Supplies	1,051	
Total operating expenses	<u>227,505</u>	
Operating income (loss)	<u>30,995</u>	
Net income (loss)	30,995	
Total net position - July 1		
Total net position - June 30	<u><u>\$ 30,995</u></u>	



QUINTON TOWNSHIP SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Receipts from customers	\$ 258,500	
Payments to employees	(197,743)	
Payments for employee benefits	(28,711)	
Payments to suppliers	(1,051)	
Net cash provided (used) by operating activities	<u>30,995</u>	
Net increase in cash and cash equivalents	<u>30,995</u>	
Cash and cash equivalents - July 1		
Cash and cash equivalents - June 30	<u>\$ 30,995</u>	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 30,995	
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Change in assets and liabilities:		
(Increase)/Decrease in Accounts Receivable		
Increase/(Decrease) in Unearned Revenue		
	<u>\$ 30,995</u>	

## FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

**Student Activity Fund** – This agency fund is used to account for student funds held at the schools.

**Payroll Fund** – This agency fund is used to account for the payroll transactions of the school district.

QUINTON TOWNSHIP SCHOOL DISTRICT  
Combining Statement of Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2022

	Trust Funds		Agency Funds		Total	
	Technology Trust	Unemployment Compensation Trust	Student Activity	Payroll & Payroll Agency	FY 2022	FY 2021
<b>ASSETS</b>						
Cash and cash equivalents	\$ 9,987	\$ 27,294	\$ 5,606		\$ 42,887	\$ 42,901
Capital assets						
Machinery and equipment	10,394				10,394	10,394
Less: Accumulated depreciation	(10,394)				(10,394)	(10,394)
Total assets	<u>\$ 9,987</u>	<u>\$ 27,294</u>	<u>\$ 5,606</u>	<u>\$ -</u>	<u>42,887</u>	<u>42,901</u>
<b>LIABILITIES</b>						
Due to student groups			\$ 5,606		\$ 5,606	\$ 6,559
Payroll deductions and withholdings				\$ -	-	6,297
Total liabilities			<u>\$ 5,606</u>	<u>\$ -</u>	<u>\$ 5,606</u>	<u>\$ 12,856</u>
<b>NET POSITION</b>						
Invested in capital assets net of related debt						
Held in trust for:						
Unemployment claims		\$ 27,294			27,294	\$ 19,969
Technology expenditures	\$ 9,987				9,987	10,076
Total net position	<u>\$ 9,987</u>	<u>\$ 27,294</u>			<u>\$ 37,281</u>	<u>\$ 30,045</u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2022

	Trust Funds		Total	
	Technology Trust	Unemployment Compensation Trust	FY 2022	FY 2021
ADDITIONS:				
Contributions:				
Plan members		\$ 7,324	\$ 7,324	\$ 6,446
Total contributions		7,324	7,324	6,446
Investment earnings:				
Interest	\$ 1	1	2	7
Total investment earnings	1	1	2	7
Total additions	1	7,325	7,326	6,453
DEDUCTIONS:				
Salaries			0	0
Purchased professional- educational services			0	0
General supplies	90		90	0
Unemployment claims			0	716
Total deductions	90	0	90	716
Change in net position	(89)	7,325	7,236	5,737
Net position July 1	10,076	19,969	30,045	24,308
Net position June 30	\$ 9,987	\$ 27,294	\$ 37,281	\$ 30,045

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Schedule of Serial Bonds  
 June 30, 2022

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2021	Issued	Refunded	Retired	Balance June 30, 2022
			Date	Amount						
School Bonds - Series 2010	7/29/10	\$ 1,821,000			4.000%	\$ 970,000		#####		\$
Refunding Bonds - Series 2021	11/24/21	1,015,000	02/15/23	\$ 125,000	1.401%					
			02/15/24	125,000	1.401%					
			02/15/25	135,000	1.401%					
			02/15/26	130,000	1.401%					
			02/15/27	130,000	1.401%					
			02/15/28	130,000	1.401%					
			02/15/29	125,000	1.401%					
							#####	\$ 115,000	\$ 900,000	
						\$ 970,000	#####	#####	\$ 115,000	\$ 900,000

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Debt Service Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 116,794		\$ 116,794	\$ 116,794	\$ -
State sources:					
Debt service aid type II	27,006		27,006	27,006	
Other Financing Sources				5,240	(5,240)
<b>Total revenues</b>	<b>143,800</b>		<b>143,800</b>	<b>149,040</b>	<b>(5,240)</b>
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	28,800		28,800	22,600	6,200
Redemption of principal	115,000		115,000	115,000	
<b>Total regular debt service</b>	<b>143,800</b>		<b>143,800</b>	<b>137,600</b>	<b>6,200</b>
<b>Total expenditures</b>	<b>143,800</b>		<b>143,800</b>	<b>137,600</b>	<b>6,200</b>
<b>Excess of revenues over expenditures</b>				<b>11,440</b>	<b>(11,440)</b>
Other financing sources (uses)					
Transfers from capital projects fund					
<b>Net change in fund balance</b>				<b>11,440</b>	
Fund balance - July 1,	1		1	1	
<b>Fund balance - June 30</b>	<b>\$ 1</b>		<b>\$ 1</b>	<b>\$ 11,441</b>	<b>\$ (11,440)</b>

**STATISTICAL SECTION**



QUINTON TOWNSHIP SCHOOL DISTRICT  
 Net Position by Component  
 Last Ten Fiscal Years  
 For the Fiscal Year Ended June 30, 2022  
 Unaudited

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Invested in capital assets, net of related debt	\$ 3,683,403	\$ 3,478,707	\$ 3,422,983	\$ 3,180,213	\$ 3,029,898	\$ 2,923,937	\$ 2,847,911	\$ 2,730,134	\$ 2,677,938	\$ 2,687,896
Restricted	894,040	984,602	1,341,533	1,330,500	1,360,724	1,382,525	1,533,924	1,484,305	1,596,442	1,755,053
Unrestricted (Deficit)	(102,905)	(74,980)	(1,012,414)	(1,015,045)	(1,045,484)	(1,106,217)	(1,075,182)	(1,020,727)	(954,548)	(799,497)
Total governmental activities net position	\$ 4,474,538	\$ 4,388,329	\$ 3,752,102	\$ 3,495,668	\$ 3,345,138	\$ 3,200,245	\$ 3,306,653	\$ 3,193,712	\$ 3,319,832	\$ 3,643,452
Business-type activities:										
Invested in capital assets, net of related debt	\$ 12,839	\$ 11,227	\$ 9,777	\$ 8,431	\$ 7,189	\$ 5,946	\$ 9,835	\$ 8,579	\$ 7,323	\$ 6,067
Restricted										
Unrestricted	45,231	38,625	49,761	57,928	52,751	56,774	40,361	34,349	56,114	117,768
Total business-type activities net position	\$ 58,070	\$ 49,852	\$ 59,538	\$ 66,359	\$ 59,940	\$ 62,720	\$ 50,196	\$ 42,928	\$ 63,437	\$ 123,835
District-wide:										
Invested in capital assets, net of related debt	\$ 3,696,242	\$ 3,489,934	\$ 3,432,760	\$ 3,188,644	\$ 3,037,087	\$ 2,929,883	\$ 2,857,746	\$ 2,738,713	\$ 2,685,261	\$ 2,693,963
Restricted	894,040	984,602	1,341,533	1,330,500	1,360,724	1,382,525	1,533,924	1,484,305	1,596,442	1,755,053
Unrestricted (Deficit)	(57,674)	(36,355)	(962,653)	(957,117)	(992,733)	(1,049,443)	(1,034,821)	(986,378)	(898,434)	(681,729)
Total District-wide	\$ 4,532,608	\$ 4,438,181	\$ 3,811,640	\$ 3,562,027	\$ 3,405,078	\$ 3,262,965	\$ 3,356,849	\$ 3,236,640	\$ 3,383,269	\$ 3,767,287

QUINTON TOWNSHIP SCHOOL DISTRICT  
 Changes in Net Assets/Net Position  
 Last Ten Fiscal Years  
 For the Fiscal Year Ended June 30, 2022  
 Unaudited

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>EXPENSES:</b>										
Governmental activities:										
Instruction										
Regular	\$ 1,678,354	\$ 1,643,917	\$ 1,726,312	\$ 1,774,170	\$ 1,718,573	\$ 1,750,352	\$ 1,731,754	\$ 1,802,070	\$ 1,772,212	\$ 1,769,827
Special education	383,088	426,283	392,601	461,616	479,693	507,691	502,786	463,883	704,493	874,164
Other special education	60,951	64,566	78,913	86,077	24,101	55,790	31,326	56,841	56	11,531
Other instruction	15,907	19,658	24,509	34,193	31,773	38,423	44,113	29,567	13,915	18,785
Support services										
Student instruction and related services	1,698,319	1,735,227	1,350,822	1,705,277	1,987,795	1,777,246	1,679,334	2,111,759	2,408,706	2,344,916
General administration	220,975	157,218	195,980	213,251	208,805	230,237	208,353	203,552	180,558	182,393
School administrative services	108,290	109,228	109,080	112,818	113,085	111,937	111,436	110,494	104,687	103,786
Central services	134,101	138,704	150,056	154,717	156,122	159,498	167,658	136,875	132,511	142,649
Administrative information technology	877	1,153	3,945							
Plant operations and maintenance	857,647	892,364	936,742	895,351	872,054	967,588	456,644	462,744	471,594	557,353
Pupil transportation	433,606	518,502	406,084	411,077	367,124	373,826	448,786	415,828	304,523	443,272
Unallocated benefits	1,122,520	1,099,198	1,129,248	1,201,392	1,365,447	1,549,047	2,011,599	1,687,694	3,090,313	1,762,377
Interest on long-term debt	113,313	106,713	99,813	92,612	85,143	76,643	67,725	58,481		
Capital outlay	2,897	36,143	38,513	87,986	37,017	36,143	36,143	36,143		
Unallocated depreciation							388,320	391,751	393,735	408,799
Transfer of funds to charter school								8,988	9,626	
<b>Total governmental activities expenses</b>	<b>6,830,845</b>	<b>6,948,874</b>	<b>6,642,618</b>	<b>7,230,537</b>	<b>7,446,732</b>	<b>7,634,421</b>	<b>7,885,977</b>	<b>7,976,670</b>	<b>9,686,610</b>	<b>8,672,394</b>
Business-type activities										
Food service	177,446	192,012	172,595	173,722	165,054	164,522	174,030	142,181	127,556	166,251
SACC										25,481
<b>Total business-type activities expense</b>	<b>177,446</b>	<b>192,012</b>	<b>172,595</b>	<b>173,722</b>	<b>165,054</b>	<b>164,522</b>	<b>174,030</b>	<b>142,181</b>	<b>127,556</b>	<b>191,732</b>
<b>Total District expenses</b>	<b>\$ 7,008,291</b>	<b>\$ 7,140,886</b>	<b>\$ 6,815,213</b>	<b>\$ 7,404,259</b>	<b>\$ 7,611,786</b>	<b>\$ 7,798,943</b>	<b>\$ 8,060,007</b>	<b>\$ 8,118,851</b>	<b>\$ 9,814,166</b>	<b>\$ 8,864,126</b>
<b>PROGRAM REVENUES:</b>										
Governmental activities										
Charges for services										
Student Activity									\$ 14,873	\$ 281,559
Operating grants and contributions	\$ 290,779	\$ 316,595	\$ 317,662	\$ 352,924	\$ 340,440	\$ 352,718	\$ 324,037	\$ 293,518	798,487	1,079,464
<b>Total governmental activities program revenues</b>	<b>290,779</b>	<b>316,595</b>	<b>317,662</b>	<b>352,924</b>	<b>340,440</b>	<b>352,718</b>	<b>324,037</b>	<b>293,518</b>	<b>813,360</b>	<b>1,361,023</b>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Changes in Net Assets/Net Position  
Last Ten Fiscal Years  
For the Fiscal Year Ended June 30, 2022  
Unaudited

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Business-type activities:</b>										
Charges for services										
Food service	\$ 62,890	\$ 65,200	\$ 63,026	\$ 64,071	\$ 59,529	\$ 66,284	\$ 69,227	\$ 42,997	\$ 3,235	\$ 6,558
SACC										23,157
Operating grants and contributions	108,940	118,594	119,255	116,472	99,106	101,018	92,279	91,916	144,830	220,091
Total business-type activities program revenues	171,830	183,794	182,281	180,543	158,635	167,302	161,506	134,913	148,065	249,806
Total District program revenue	<u>\$ 462,609</u>	<u>\$ 500,389</u>	<u>\$ 499,943</u>	<u>\$ 533,467</u>	<u>\$ 499,075</u>	<u>\$ 520,020</u>	<u>\$ 485,543</u>	<u>\$ 428,431</u>	<u>\$ 961,425</u>	<u>\$ 1,610,829</u>
<b>Net (expense) revenue:</b>										
Governmental activities	\$(6,540,066)	\$(6,632,279)	\$(6,324,956)	\$(6,877,613)	\$(7,106,292)	\$(7,281,703)	\$(7,561,940)	\$(7,683,152)	\$(8,873,250)	\$(7,311,371)
Business-type activities	(5,616)	(8,218)	9,686	6,821	(6,419)	2,780	(12,524)	(7,268)	20,509	58,074
Total District-wide net expense	<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>\$(7,278,923)</u>	<u>\$(7,574,464)</u>	<u>\$(7,690,420)</u>	<u>\$(8,852,741)</u>	<u>\$(7,253,297)</u>
<b>General revenues and other changes in net position:</b>										
Governmental activities:										
Property taxes levied for government purposes (net)	\$ 2,191,097	\$ 2,307,609	\$ 2,307,609	\$ 2,307,609	\$ 2,440,557	\$ 2,489,368	\$ 2,474,558	\$ 2,524,049	\$ 2,624,580	\$ 2,677,071
Taxes levied for debt service	214,935	217,738	220,343	219,768	221,953	220,093	220,418	218,356	136,934	116,794
Unrestricted grants and contributions	3,845,541	3,887,996	4,018,067	4,054,278	4,213,975	4,329,301	4,936,713	4,755,550	6,176,060	4,753,780
Restricted grants										
Tuition charges	52,580	86,591	69,749	69,963	32,944	14,939	3,346	12,954		
Investment earnings	2,846	1,620	1,664	2,136	2,100	2,169	7,711	5,689	427	126
Miscellaneous income	9,193	44,516	5,681	44,724	44,233	80,940	23,913	59,445	35,968	83,463
Fixed Asset Adjustment	0		(529)	(77,299)				(5,832)	(4,874)	6,081
Prior year receivables canceled			(506)				1,689			
Transfers										(2,324)
Total governmental activities	<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>	<u>7,668,348</u>	<u>7,570,211</u>	<u>8,969,095</u>	<u>7,634,991</u>
Business-type Activities:										
Transfers										2,324
Total Business-type Activities										2,324
Total District-wide	<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>	<u>\$ 7,668,348</u>	<u>\$ 7,570,211</u>	<u>\$ 8,969,095</u>	<u>\$ 7,637,315</u>
<b>Change in net position:</b>										
Governmental activities	\$(223,874)	\$(86,209)	\$ 297,122	\$(256,434)	\$(150,530)	\$(144,893)	\$ 106,408	\$(112,941)	\$ 95,845	\$ 323,620
Business-type activities	(5,616)	(8,218)	9,686	6,821	(6,419)	2,780	(12,524)	(7,268)	20,509	60,398
Total District	<u>\$(229,490)</u>	<u>\$(94,427)</u>	<u>\$ 306,808</u>	<u>\$(249,613)</u>	<u>\$(156,949)</u>	<u>\$(142,113)</u>	<u>\$ 93,884</u>	<u>\$(120,209)</u>	<u>\$ 116,354</u>	<u>\$ 384,018</u>

QUINTON TOWNSHIP SCHOOL DISTRICT  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
For the Fiscal Year Ended June 30, 2022  
Unaudited

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund:										
Restricted	\$ 615,703	\$ 725,184	\$ 1,084,825	\$ 1,169,298	\$ 1,165,329	\$ 1,258,011	\$ 1,418,044	\$ 1,360,319	\$ 1,455,317	\$ 1,653,318
Assigned	49,633	21,574	97,590	53,926	87,781	52,400	43,766	53,288	55,658	25,673
Unassigned (Deficit)	(16,759)	(33,704)	(32,554)	(41,862)	(15,003)	(17,391)	(2,165)	(16,136)	(57,915)	5,606
Total general fund	<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>	<u>\$ 1,459,645</u>	<u>\$ 1,397,471</u>	<u>\$ 1,453,060</u>	<u>\$ 1,684,597</u>
All other governmental funds:										
Unreserved, reported in:										
Debt service fund	\$ 1		\$ 1	\$ 2				\$ 72,115	\$ 1	\$ 11,441
Capital projects fund	237,844	\$ 237,844	159,117	107,274	\$ 107,614	\$ 72,114	\$ 72,114		124,488	2,327
Special revenue fund (Deficit)	(5,078)	(5,665)	(4,759)	(6,571)	(5,438)	(4,758)	(4,830)	(4,199)	(23,772)	(48,031)
Total all other governmental funds	<u>\$ 232,767</u>	<u>\$ 232,179</u>	<u>\$ 154,359</u>	<u>\$ 100,705</u>	<u>\$ 102,176</u>	<u>\$ 67,356</u>	<u>\$ 67,284</u>	<u>\$ 67,916</u>	<u>\$ 100,717</u>	<u>\$ (34,263)</u>

From B-1

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>REVENUES:</b>										
Tax Levy	\$ 2,406,032	\$ 2,525,347	\$ 2,527,952	\$ 2,527,377	\$ 2,662,510	\$ 2,709,461	\$ 2,694,976	\$ 2,742,405	\$ 2,761,514	\$ 2,793,865
Tuition charges	52,580	86,591	69,749	69,963	32,944	14,939	3,346	12,954		
Interest earnings	2,846	1,620	1,664	2,137	2,100	2,169	7,711	5,689	25	25
Miscellaneous	12,833	44,516	9,702	58,211	63,286	95,841	40,429	75,492	35,968	83,463
State sources	3,896,455	3,944,059	4,066,559	4,118,180	4,270,707	4,377,567	4,526,797	4,552,635	5,029,572	5,479,770
Federal sources	236,225	260,532	265,149	275,535	264,655	289,551	259,293	234,846	394,004	497,161
<b>Total revenue</b>	<b>6,606,971</b>	<b>6,862,665</b>	<b>6,940,775</b>	<b>7,051,403</b>	<b>7,296,202</b>	<b>7,489,528</b>	<b>7,532,552</b>	<b>7,624,021</b>	<b>8,221,485</b>	<b>8,854,385</b>
<b>EXPENDITURES:</b>										
Instruction:										
Regular	1,667,073	1,641,649	1,731,387	1,779,285	1,714,316	1,770,197	1,725,394	1,799,970	1,772,212	1,769,827
Special	382,893	430,123	392,601	461,616	479,693	507,691	502,786	463,883	704,493	874,164
Other	60,951	64,566	78,913	86,077	24,101	55,790	31,326	56,841	56	11,531
School sponsored/other instructional	15,907	19,658	24,509	34,193	31,773	38,423	44,113	29,567	13,915	18,785
Undistributed:										
Student & instruction related services	1,696,431	1,734,858	1,335,466	1,694,402	1,983,265	1,768,824	1,682,650	2,126,134	2,397,441	2,113,703
General administration	219,645	203,091	195,980	213,251	208,805	230,237	208,353	203,552	180,558	182,393
School administration	108,290	109,228	109,080	112,818	113,085	111,937	111,436	110,494	104,687	103,786
Central administration	134,101	138,704	150,056	154,717	156,122	159,498	167,658	136,875	132,511	142,649
Administration information technology	877	1,153	3,945							
Operations & maintenance of plant services	467,628	496,773	556,729	515,590	495,153	593,549	497,028	462,744	471,594	557,353
Student transportation	433,606	518,502	406,084	411,077	367,124	373,826	448,786	415,828	304,523	443,272
Unallocated benefits	1,122,520	1,099,198	1,120,919	1,204,931	1,307,388	1,470,177	1,575,696	1,510,632	1,628,945	2,017,914
Debt service expenditures										
Principal	200,000	210,000	220,000	225,000	235,000	241,000	250,000	255,000	250,000	115,000
Interest	113,313	106,713	99,813	92,612	85,143	76,643	67,725	58,481	48,988	22,600
Capital outlay	2,897	36,143	155,801	87,986	37,017	71,643	54,737	46,574	132,556	378,819
Student Activity									11,265	3,708
Transfer of funds to charter schools								8,988	9,626	
<b>Total expenditures</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>	<b>7,367,688</b>	<b>7,685,563</b>	<b>8,163,370</b>	<b>8,755,504</b>
Excess deficiency of revenues over (under) expenditures	(19,161)	52,306	359,492	(22,152)	58,217	20,093	164,864	(61,542)	58,115	98,881
Other financing sources (uses):										
Proceeds from borrowing										
Prior year receivables canceled			(506)				1,689			
Transfer to Enterprise Fund										(2,324)
Transfers in - internal service fund		11,583								
<b>Total other financing sources (uses)</b>		<b>11,583</b>	<b>(506)</b>				<b>1,689</b>			<b>(2,324)</b>
<b>Net change in fund balance</b>	<b>\$ (19,161)</b>	<b>\$ 63,889</b>	<b>\$ 358,986</b>	<b>\$ (22,152)</b>	<b>\$ 58,217</b>	<b>\$ 20,093</b>	<b>\$ 166,553</b>	<b>\$ (61,542)</b>	<b>\$ 58,115</b>	<b>\$ 96,557</b>
Debt service as a percentage of noncapital expenditures	4.73%	4.68%	4.98%	4.55%	4.45%	4.29%	4.34%	4.10%	3.68%	1.58%

Source: District records

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

<u>Fiscal Year Ended June 30,</u>	<u>Miscellaneous</u>	<u>Prior Year Refunds</u>	<u>Clean Energy/ SREC</u>	<u>E-Rate</u>	<u>AVA Closeout</u>	<u>Annual Totals</u>
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
2019	11,620	2,369	9,924			23,913
2020	12,948	26,695	19,802			59,445
2021	3,026		18,496			21,522
2022	39,066		16,224			55,290
	<u>\$ 82,430</u>	<u>\$ 116,598</u>	<u>\$ 159,422</u>	<u>\$ 18,963</u>	<u>\$ 12,044</u>	<u>\$ 389,457</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
2013	\$ 6,621,900	\$ 139,077,400	\$ 23,327,600	\$ 3,049,300	\$ 15,625,200		\$ 519,000	\$ 188,220,400	\$ 689,715	\$188,910,115	\$ 205,798,052	1.302
2014	6,646,300	138,997,900	23,921,500	3,067,300	15,512,800		519,000	188,664,800	705,781	189,370,581	189,793,640	1.328
2015	6,324,500	141,458,200	22,327,500	3,109,800	15,843,200		519,000	189,582,200	674,941	190,257,141	195,320,224	1.334
2016	6,268,500	141,702,200	22,042,900	3,157,900	15,243,600		519,000	188,934,100	651,835	189,585,935	182,708,281	1.367
2017	6,212,300	142,345,400	21,347,900	3,152,100	15,572,100		519,000	189,148,800	611,174	189,759,974	196,976,381	1.404
2018	6,012,500	141,162,500	24,371,300	3,195,000	15,429,900		519,000	190,690,200	609,244	191,299,444	188,463,979	1.409
2019	6,347,900	143,145,000	22,287,900	3,156,900	15,650,400		519,000	191,107,100	637,414	191,744,514	177,312,729	1.421
2020	7,378,500	142,621,600	21,467,200	3,112,800	15,605,200		519,000	190,704,300	659,202	191,363,502	172,649,194	1.519
2021	4,037,400	131,633,300	20,788,000	3,083,800	19,805,400		461,400	179,809,300	858,922	180,668,222	174,048,301	1.562
2022	4,236,700	131,213,100	20,869,950	3,094,200	24,058,400		461,400	183,933,750	812,242	184,745,992	199,148,712	1.538

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	
2013	\$ 1.186	\$ 0.116	\$ 1.302	\$ 0.175	\$ 0.023	\$ 0.994	\$ 2.494
2014	1.213	0.115	1.328	0.175	0.023	0.994	2.520
2015	1.218	0.116	1.334	0.241	0.021	0.971	2.567
2016	1.248	0.119	1.367	0.276	0.021	0.999	2.663
2017	1.287	0.117	1.404	0.285	0.022	1.106	2.817
2018	1.295	0.114	1.409	0.300	0.020	1.123	2.852
2019	1.305	0.116	1.421	0.320	0.019	1.076	2.836
2020	1.483	0.077	1.560	0.370	0.020	1.180	3.130
2021	1.485	0.077	1.562	0.409	0.020	1.171	3.162
2022	1.474	0.064	1.538	0.418	0.000	1.336	3.292

Source: Municipal Tax Collector



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

Taxpayer	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
Eastern Concrete Materials Inc.	\$ 3,366,600	1.86%	\$ 2,674,200	1.43%
I.S. Smick Lumber Company Inc.	2,980,200	1.65%		
Taxpayer #1	2,423,600	1.34%	2,374,800	1.27%
4 C's Rental	1,990,000	1.10%	1,696,000	0.91%
Rams Golf LLC	1,168,300	0.65%	1,272,800	0.68%
Third Garden Ltd Partnership	1,037,500	0.57%	882,500	0.47%
337 Washington Street LLC	903,000	0.50%		
Taxpayer #2	857,800	0.47%	827,400	0.44%
Taxpayer #3	845,900	0.47%		
American Tower Corp	769,100	0.42%		
Glendon Elmer Investment Properties			771,700	0.41%
Verizon-New Jersey			742,093	0.40%
Taxpayer #4			696,300	0.37%
Taxpayer #5			663,600	0.35%
	<u>16,342,000</u>	<u>9.02%</u>	<u>12,601,393</u>	<u>6.73%</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	
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
2019	2,694,976	2,245,815	83.33%	449,161
2020	2,761,514	2,285,335	82.76%	476,179
2021	2,761,514	2,282,765	82.66%	478,749
2022	2,793,865	2,561,043	91.67%	232,822

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		
2013	\$ 2,856,000					\$ 2,856,000	2.65%
2014	2,646,000					2,646,000	2.42%
2015	2,426,000					2,426,000	2.14%
2016	2,201,000					2,201,000	1.92%
2017	1,966,000					1,966,000	1.70%
2018	1,725,000					1,725,000	1.45%
2019	1,475,000					1,475,000	1.20%
2020	1,220,000					1,220,000	0.99%
2021	970,000					970,000	0.78%
2022	900,000					900,000	0.78%

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		Percentage of Actual Taxable Value of Property	Per Capita	
	General Obligation Bonds	Deductions			Net General Bonded Debt Outstanding
2013	\$ 2,856,000		\$ 2,856,000	1.52%	1,120
2014	2,646,000		2,646,000	1.40%	1,045
2015	2,426,000		2,426,000	1.28%	967
2016	2,201,000		2,201,000	1.16%	884
2017	1,966,000		1,966,000	1.04%	794
2018	1,725,000		1,725,000	0.90%	700
2019	1,475,000		1,475,000	0.77%	603
2020	1,220,000		1,220,000	0.64%	496
2021	970,000		970,000	0.54%	394
2022	900,000		900,000	0.49%	394

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, 2022  
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Quinton	\$ 444,000	100.00%	\$ 444,000
Salem County General Obligation Debt	78,474,542	3.71%	2,912,356
Subtotal, overlapping debt			3,356,356
Township of Quinton School District			900,000
Total direct and overlapping debt			<u>\$ 4,256,356</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						
			2021	\$ 194,683,088						
			2020	174,580,486						
			2019	173,588,476						
				<u>\$ 542,852,050</u>						
				<u><u>\$ 180,950,683</u></u>						
				5,428,521						
				900,000						
				<u>\$ 4,528,521</u>						
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 6,060,461	\$ 5,995,996	\$ 5,816,938	\$ 5,719,550	\$ 5,796,107	\$ 5,723,389	\$ 5,553,968	\$ 5,317,889	\$ 5,201,734	\$ 5,195,194
Total net debt applicable to limit	2,856,000	2,646,000	2,426,000	2,201,000	1,966,000	1,725,000	1,475,000	1,220,000	970,000	900,000
Legal debt margin	<u>\$ 3,204,461</u>	<u>\$ 3,349,996</u>	<u>\$ 3,390,938</u>	<u>\$ 3,518,550</u>	<u>\$ 3,830,107</u>	<u>\$ 3,998,389</u>	<u>\$ 4,078,968</u>	<u>\$ 4,097,889</u>	<u>\$ 4,231,734</u>	<u>\$ 4,295,194</u>
Total net debt applicable to the limit as a percentage of debt limit	47.13%	44.13%	41.71%	38.48%	33.92%	30.14%	26.56%	22.94%	18.65%	17.32%

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

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	2,550	106,059,600	41,592	11.70%
2014	2,533	107,429,596	42,412	6.20%
2015	2,509	111,841,184	44,576	9.20%
2016	2,490	112,363,740	45,126	7.80%
2017	2,477	113,751,271	45,923	6.90%
2018	2,466	117,098,010	47,485	6.60%
2019	2,446	123,760,262	50,597	5.40%
2020	2,459	134,207,302	54,578	10.50%
2021	2,583	129,933,827	50,303	9.30%
2022	* 2,609	142,527,108	54,633	8.10%

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

\* Estimate

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

Employer	2022		2013	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
PSE&G	1500	4.94%		
Mannington Mills	800	2.63%		
Memorial Hospital of Salem County	720	2.37%		
E.I DuPont	685	2.25%		
McLane NJ	401	1.32%		
R.E Pierson Construction	400	1.32%		<b>Not Available</b>
Inspira Health Network	400	1.32%		
Ardagh Group (Anchor Glass)	376	1.24%		
Larchmont Farms	275	0.91%		
Walmart	250	0.82%		
	<u>5,807</u>	<u>19.11%</u>	<u>0</u>	<u>0.00%</u>

Source: District officials



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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction:										
Regular	28	28	28	30	29	31	31.60	27.80	30.00	
Special education	4	4.5	4.5	5	4.5	5.0	4.75	6.43	6.10	
Other special education	1	1	1	2	1					
Other instruction	4	3.5	3	3.5	3.5	3.5	3.20	3.27	3.52	
Support services:										
Student & instruction related services	3	3.0	3.5	3.5	3.5	4.5	4.40	4.50	4.70	
General administration	2	1.5	1.5	1.5	1.5	1.5	1.50	1.50	1.50	
School administration	2	2	2	2	2	2	1.90	2.00	2.00	
Business administrative services	2	2	2	2.5	2.5	2.5	2.50	1.50	1.50	
Plants operations and maintenance	5	4.5	4.5	4.5	4.5	4.5	4.60	3.60	5.00	
Food service	3	3	3	2	2	3	3.50	4.60	3.78	
Total	<u>54</u>	<u>53</u>	<u>53</u>	<u>56.5</u>	<u>54</u>	<u>57.5</u>	<u>58</u>	<u>55.2</u>	<u>58.1</u>	<u>0.00</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 30 6	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School				
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	470.00%	95.09%
2015	357	6,105,669	17,103	-8.89%	32.5	13.6	1:24	356.8	337.4	150.00%	94.56%
2016	349	6,667,957	19,106	11.71%	35.0	12.5	1:24	354.0	336.8	200.00%	95.16%
2017	349	6,880,825	19,716	3.19%	33.5	12.5	1:24	342.3	324.4	150.00%	94.77%
2018	326	7,080,149	21,718	10.16%	33.5	11.7	1:24	322.1	307.0	500.00%	95.32%
2019	306	6,995,226	22,860	5.26%	32.9	10.7	1:24	305.6	289.7	378.00%	94.80%
2020	294	7,325,508	24,917	9.00%	33.7	8.7	1:24	291.2	280.7	5811.35%	96.38%
2021	273	7,864,382	28,807	15.61%	30.6	8.5	1:24	278.0	269.0	-4.55%	96.76%
2022	273	8,617,904	31,567	26.69%						-100.00%	#DIV/0!

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

<u>Elementary</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Quinton Elementary										
Square feet	58,738	58,738	58,738	58,738	58,738	58,738	58,738	58,738	58,738	58,738
Capacity (students)	526	526	526	526	526	526	526	526	526	526
Enrollment	370	344	357	349	342	326	306	294	273	273

Number of Schools at June 30, 2022

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, 2022

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

School Facilities	Gross Square Footage	2013	2014	2015	2016	2017	2018	2,019	2020	2021	2022
Quinton	58,738	<u>\$ 24,326</u>	<u>\$ 25,475</u>	<u>\$ 126,561</u>	<u>\$ 73,142</u>	<u>\$ 54,608</u>	<u>\$ 85,391</u>	<u>\$ 64,020</u>	<u>\$ 74,726</u>	<u>\$ 126,853</u>	<u>\$ 145,740</u>

\* 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, 2022  
Unaudited

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

	<u>Coverage</u>	<u>Deductible</u>	
<b>Article I - Property</b>			
Blanket buildings & contents	\$ 13,715,620	\$ 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
	27,000,000		annual NJSIG aggregate
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	3,000,000	None	each accident
Bodily injury - by disease	3,000,000	None	each employee/aggregate limit
<b>Public Employee Surety Bonds</b>			
Liberty Mutual			
Employee bond - Karen Mathews, Business Administrator/ Board Secretary	175,000	None	

**SINGLE AUDIT SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education of the Quinton Township School District's basic financial statements, and have issued our report thereon dated February 15, 2023.

### **Report on Internal Control Over Financial Reporting**

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. We considered the deficiency described in the accompanying schedule of findings and questioned costs to be significant, labeled 2022-1 and 2022-2.

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Quinton Township Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two 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.

**Board of Education Response to Findings**

Quinton Township Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Their response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

Respectfully Submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
February 15, 2023



# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE NEW JERSEY OMB CIRCULAR 15-08

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

### Report on Compliance for Each Major State Program

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

We have audited The Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit 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 Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey's major state programs for the year ended June 30, 2022. The Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey 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, 2022.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of The Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and New Jersey OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and New Jersey OMB 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
February 15, 2023

QUINTON TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2022

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 7/1/21	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	6/30/22			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	S010A210030	ESEA428021	\$ 87,934	7/1/21-6/30/22				\$ 39,185	\$ (87,934)		\$ (48,749)			\$ (87,934)
Subtotal									39,185	(87,934)		(48,749)			(87,934)
Title II-A Teacher & Principal Training & Recruiting	84.367A	S367A210029	ESEA428021	9,265	7/1/20-9/30/21					(4,908)		(4,908)			(4,908)
Subtotal										(4,908)		(4,908)			(4,908)
Title IV - Student Support & Academic Enrichment	84.424A	S424A200031	ESEA428020	10,000	7/1/20-6/30/21		\$ 1					1			
Title IV - Student Support & Academic Enrichment	84.424A	S424A200031	ESEA428020	10,000	7/1/21- 6/30/22				2,966	(9,183)		(6,217)			(9,183)
Subtotal							1		2,966	(9,183)		(6,216)			(9,183)
Special Education Cluster															
IDEA Part B, Basic Regular	84.027A	H027A210100	IDEA428021	88,301	7/1/21-6/30/22				88,301	(88,301)					(88,301)
ARP IDEA Part B-Basic	84.027X	H027X210100	IDEA428021	13,890	7/1/21-6/30/22				-	(13,890)		(13,890)			(13,890)
IDEA Preschool	84.173	H173A200114	IDEA428021	2,391	7/1/21-6/30/22					(2,391)		(2,391)			(2,391)
ARP IDEA Preschool	84.173X	H173X200114	IDEA428021	1,181	7/1/21-6/30/22					(1,181)		(1,181)			(1,181)
Total Special Education Cluster									88,301	(105,763)		(17,462)			(105,763)
Cares Emergency Relief Grant CRSSA	84.425D	S425D200027	CARES428020	87,478	3/13/20-9/30/22		(40,922)		40,922						
Cares ESSER II ARP	84.425D	S425D210027	ESSER 4280-20	339,878	3/13/20-9/30/23				119,193	(223,230)		(104,037)			(223,230)
ARP Learning	84.425U	S425U210027		50,000	3/13/20-9/30/24				12,500	(12,500)					(12,500)
ARP Mental	84.425U	S425U210027		88,501	3/13/20-9/30/24				6,557	(22,778)		(16,221)			(22,778)
SDA Emergent Grant									6,750	(6,024)			\$ 726		(6,024)
Rural Education Achievement Program	84.358	S358B210030	S358A210192	24,841	07/1/21- 06/30/22				24,841	(24,841)					(24,841)
Rural Education Achievement Program	84.358	S358B200030	S358A200192	25,616	07/1/20- 06/30/21		(1,198)		1,198						
Rural Education Achievement Program	84.358	S358B190030	S358A191500	34,497	07/1/19- 06/30/20		(426)		426						
Subtotal							(42,546)		212,387	(289,373)		(120,258)	726		(289,373)
Total Special Revenue Fund							(42,545)		342,839	(497,161)		(197,593)	726		(497,161)
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Child Nutrition Cluster															
Food Distribution Program	10.555	221NJ304N1099	N/A	7,040	07/1/21- 06/30/22				7,040	(7,040)					(7,040)
National School Lunch Program	10.555	211NJ304N1099	N/A	91,952	07/1/20- 06/30/21		(6,357)		6,357						
National School Lunch Program	10.555	221NJ304N1099	N/A	141,737	07/1/21- 06/30/22				134,045	(141,737)		(7,692)			(141,737)
National School Breakfast Program	10.553	211NJ304N1099	N/A	42,140	07/1/20- 06/30/21		(2,251)		2,251						
National School Breakfast Program	10.553	221NJ304N1099	N/A	53,210	07/1/21- 06/30/22				49,422	(53,210)		(3,788)			(53,210)
P-EBT Administrative Cost Reimbursement	10.649	202122S900941	N/A	614	07/1/20- 06/30/21				614	(614)					(614)
P-EBT Administrative Cost Reimbursement	10.649	202222S900941	N/A	628	07/1/21- 06/30/22				628	(628)					(628)
Emergency Operational Cost Program - Schools	10.555	202121H170341	N/A	3,302	07/1/21- 06/30/22				3,302	(3,302)					(3,302)
Supply Chain Assistance Funding	10.555	221NJ344N8903	N/A	10,227	07/1/21- 06/30/22					(10,227)		(10,227)			(10,227)
Total Enterprise Fund/Child Nutrition Cluster							(8,608)		203,659	(216,758)		(21,707)			(216,758)
Total Federal Financial Awards							\$ (51,153)		\$ 546,498	\$ (713,919)		\$ (219,300)	\$ 726		\$ (713,919)

QUINTON TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		July 1, 2021		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Expenditures	June 30, 2022			MEMO	
			From	To	Deferred Revenue (Accts. Rec.)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
State Aid Public:															
Equalization Aid	22-495-034-5120-078	\$ 2,715,920	7/1/21-6/30/22					\$ 2,469,795	\$ (2,715,920)			\$ (246,125)		\$ (246,125)	\$ (2,715,920)
Equalization Aid	21-495-034-5120-078	2,741,091	7/1/20-6/30/21			\$ (272,948)		272,948							
Special Education Categorical Aid	22-495-034-5120-089	291,684	7/1/21-6/30/22					265,251	(291,684)			(26,433)		(26,433)	(291,684)
Special Education Categorical Aid	21-495-034-5120-089	291,684	7/1/20-6/30/21			(29,045)		29,045							
Security Aid	22-495-034-5120-084	80,638	7/1/21-6/30/22					73,330	(80,638)			(7,308)		(7,308)	(80,638)
Security Aid	21-495-034-5120-084	80,638	7/1/20-6/30/21			(8,030)		8,030							
School Choice Aid	22-495-034-5120-068	262,332	7/1/21-6/30/22					238,559	(262,332)			(23,773)		(23,773)	(262,332)
School Choice Aid	21-495-034-5120-068	282,204	7/1/20-6/30/21			(28,101)		28,101							
Transportation Aid	22-495-034-5120-014	209,903	7/1/21-6/30/22					190,881	(209,903)			(19,022)		(19,022)	(209,903)
Transportation Aid	21-495-034-5120-014	209,903	7/1/20-6/30/21			(20,901)		20,901							
Extraordinary Aid	22-495-034-5120-044	77,398	7/1/21-6/30/22						(77,398)			(77,398)			(77,398)
Extraordinary Aid	21-495-034-5120-044	49,370	7/1/20-6/30/21			\$ (49,370)		49,370							
Reimbursed Nonpublic Transportation Costs	N/A	870	7/1/21-6/30/22						(870)			(870)			(870)
Reimbursed Nonpublic Transportation Costs	N/A	1,740	7/1/20-6/30/21			(1,740)		1,740							
On-Behalf TPAF Post Retirement Medical	22-495-034-5094-001	189,092	7/1/21-6/30/22					189,092	(189,092)						(189,092)
On-Behalf TPAF Long Term Disability Insurance	22-495-034-5094-004	393	7/1/21-6/30/22					393	(393)						(393)
On-Behalf TPAF Pension Contribution	22-495-034-5094-002	809,330	7/1/21-6/30/22					809,330	(809,330)						(809,330)
Reimbursed TPAF Social Security Contrib.	21-495-034-5094-003	221,220	7/1/20-6/30/21					221,220	(221,220)						(221,220)
<b>Total General Fund</b>						<b>(410,135)</b>		<b>4,867,985</b>	<b>(4,858,780)</b>			<b>(400,930)</b>		<b>(322,662)</b>	<b>(4,858,780)</b>
Special Revenue Fund:															
Preschool Education Aid	22-495-034-5120-086	636,240	7/1/21-6/30/22					572,616	(561,909)			(63,624)	74,331	(63,624)	(561,909)
Preschool Education Aid	21-495-034-5120-086	404,085	7/1/20-6/30/21			(40,408)		40,408							
<b>Total Special Revenue Fund</b>						<b>(40,408)</b>		<b>613,024</b>	<b>(561,909)</b>			<b>(63,624)</b>	<b>74,331</b>	<b>(63,624)</b>	<b>(561,909)</b>
Capital Projects Fund:															
Securing Our Children's Future Bond Act	N/A	18,928	7/1/21-6/30/22						(18,928)			(18,928)			(18,928)
Debt Service Fund:															
Debt Service Aid Type II	22-495-034-5120-075	27,006	7/1/21-6/30/22					27,006	(27,006)						(27,006)
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	22-100-010-3350-023	3,333	7/1/21-6/30/22					3,156	(3,333)			(177)			(3,333)
National School Lunch Program (State Share)	21-100-010-3350-023	4,473	7/1/20-6/30/21			(917)		917							
<b>Total Enterprise Fund</b>						<b>(917)</b>		<b>4,073</b>	<b>(3,333)</b>			<b>(177)</b>			<b>(3,333)</b>
<b>Total State Financial Assistance</b>						<b>\$ (451,460)</b>		<b>\$ 5,512,088</b>	<b>\$ (5,469,956)</b>			<b>\$ (483,659)</b>	<b>\$ 74,331</b>	<b>\$ (386,286)</b>	<b>\$ (5,469,956)</b>
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf TPAF Post Retirement Medical	22-495-034-5094-001	189,092	7/1/21-6/30/22					\$ 189,092	\$ (189,092)						
On-Behalf TPAF Long Term Disability Insurance	22-495-034-5094-004	393	7/1/21-6/30/22					393	(393)						
On-Behalf TPAF Pension Contribution	22-495-034-5094-002	809,330	7/1/21-6/30/22					809,330	(809,330)						
								<b>\$ 4,513,273</b>	<b>\$ (4,471,141)</b>						
<b>Total for State Financial Assistance - Major Program Determination</b>															

**QUINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2022**

**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, 2022**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$36,363 for the General Fund and (\$39,300) 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		\$ 4,895,143	\$ 4,895,143
Special Revenue Fund	\$ 497,161	538,693	1,035,854
Capital Projects Fund		18,928	18,928
Debt Service Fund		27,006	27,006
Food Service Fund	216,758	3,333	220,091
Total Financial Assistance	<u>\$ 713,919</u>	<u>\$ 5,483,103</u>	<u>\$ 6,197,022</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, 2022, Quinton Township School District has food commodities totaling \$0 in inventory.

**NOTE 6: OTHER**

The amount reported as the TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2022. The TPAF Social Security Contributions represents the amount reimbursed by the State for the employer’s share of Social Security contributions for the TPAF members for the year ended June 30, 2022.

**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, 2022**

**NOTE 8: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT MAJOR PROGRAM DETERMINATION**

On-behalf State Programs for the 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, 2022**

**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?  X  yes \_\_\_\_\_ none reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes  X  no

**Federal Awards**      **N/A**

Internal control over major programs:

- 1) Material weakness (es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no
- 2) Significant deficiencies identified? \_\_\_\_\_ yes \_\_\_\_\_ none reported

Type of auditor's report issued on compliance for major programs: **N/A**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)? \_\_\_\_\_ yes \_\_\_\_\_ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-----------------------	-----------------------	---

N/A

Dollar threshold used to distinguish between type A and type B programs (section .518): **N/A**

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no



**QUINTON TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

(continued)

**Section II - Financial Statement Findings**

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

**Finding 2022-1 (AMR 2022-1):**

**Criteria or specific requirement:**

It is considered necessary, as well as required, to record adjusting journal entries into the General Ledger and other journals within the accounting software, prior to the year-end financial close. In addition, the year end closed out financial reports should be presented for audit in a timely manner.

**Condition:**

Numerous adjustments to the District General Ledger were presented as part of the audit, including the timely processing of year end financial reports.

**Context:**

There were numerous adjusting journal entries required to be identified and recorded subsequent to the year-end financial close out. In addition, the year end closed out financial reports were not presented for audit in a timely manner.

**Effect:**

As a result of the above condition, adjusting journal entries were submitted to the Board Office, as of June 30, 2022.

**Cause:**

A necessary step to analyze the General Ledger account balances was omitted. In addition, financial reports were not available in a timely manner due to a change in accounting software programs.

**Recommendation:**

Prior to the year-end close out of the accounting system, various adjustments should be identified and recorded in the General Ledger, in order to ensure accurate and timely financial records are made available for audit.

**Management's response:**

Management is aware of the finding and agrees with the recommendation.

**QUINTON TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
**(continued)**

**Section II - Financial Statement Findings (Continued)**

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

**Finding: 2022-2 (AMR 2022-3)**

**Criteria or specific requirement:**

The State Department of Education requires that school districts maintain a capital assets record that accounts for all assets whose historical value or estimated historical value is at least \$2,000.

**Condition:**

Adjustments to the fixed asset record were required to be reflected as part of the audit, in order to provide updated information for inclusion in the financial statements.

**Context:**

The June 30, 2022 fixed assets accounting report did not reflect current year additions.

**Effect:**

It was necessary, as part of the audit, to adjust the fixed asset amounts for inclusion in the financial statements.

**Cause:**

Inadvertent oversight

**Recommendation:**

Procedures to update the fixed asset records need to be reviewed and revised, in order to assure that all appropriate additions and deletions are reflected in the report supporting the financial statements.

**Management's response:**

Management is aware of the necessary procedures to be updated and followed.

**QUINTON TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
(Continued)

**Section III - Federal Awards and State Financial Assistance**  
**Findings and Questioned Costs**

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

**FEDERAL AWARDS: N/A**

**Finding:**

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

**STATE AWARDS**

**Finding:**            *NONE*

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

**QUINTON TOWNSHIP SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a) (b) and New Jersey OMB's Treasury Circular 15-08.

**STATUS OF PRIOR - YEAR FINDINGS**

**Finding: 2021-1**

**Condition:** Adjustments to the fixed asset record were required to be reflected as part of the audit, in order to provide updated information for inclusion in the financial statements.

**Status:** Unresolved. See Finding 2022-2