

**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, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

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

For the Fiscal Year Ended June 30, 2023

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, 2023**

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INTRODUCTORY SECTION

Quinton Township School District

8 Robinson Street, P.O. Box 365

Quinton, NJ 08072

Karen Stoms
Business Administrator/Board Secretary
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Phone: (856) 935-2379
Fax: (856) 935-1978

December 5, 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 annual comprehensive financial report of the Quinton Township School District for the fiscal year ending June 30, 2023, 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 annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the 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 36% 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 64% 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, 2023, the District's outstanding debt issues included \$775,000 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,

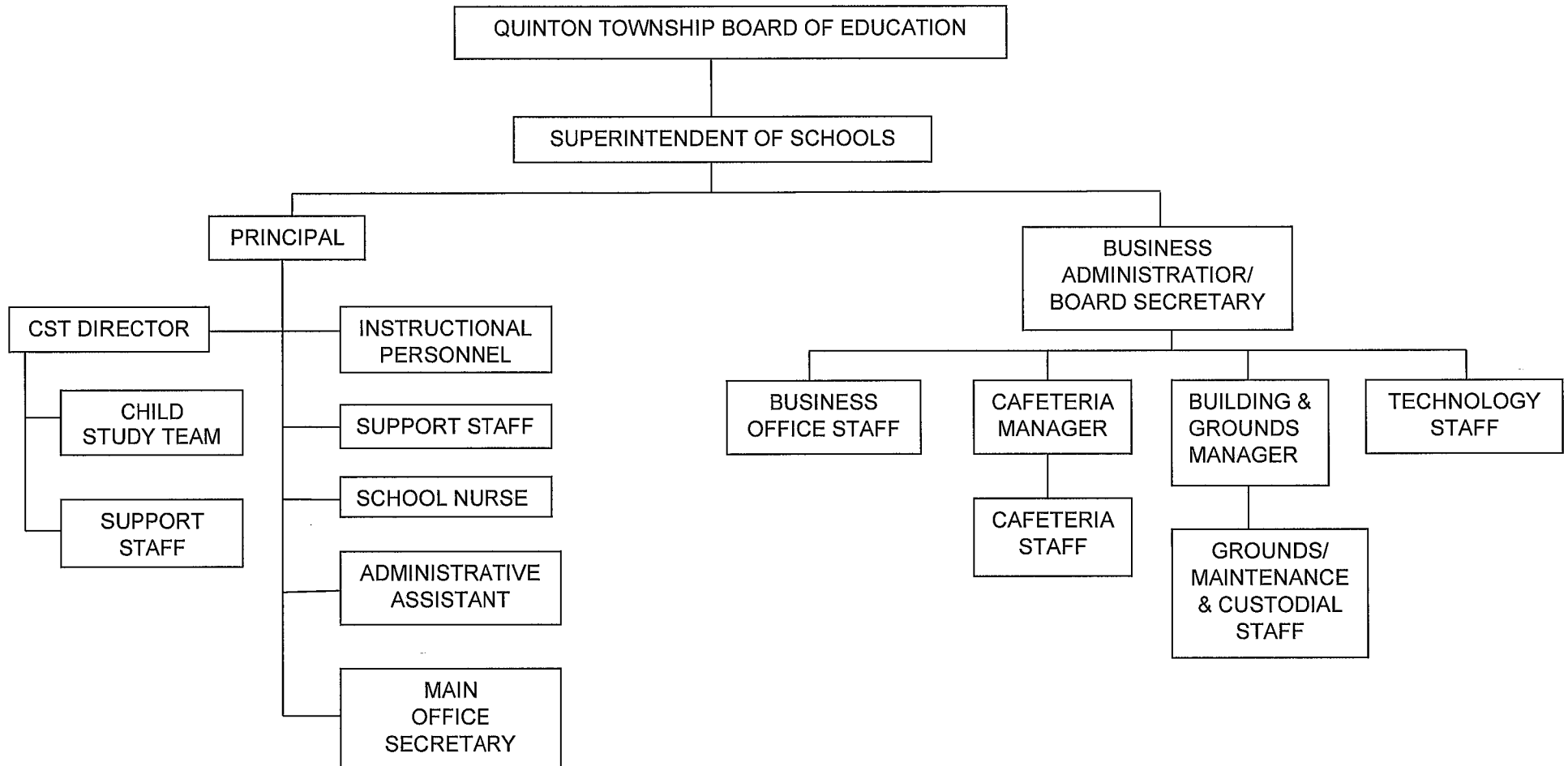
Stewart Potter

Karen Stoms

Stewart Potter
Superintendent

Karen Stoms
Business Administrator/Board Secretary

QUINTON TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL STRUCTURE



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

ROSTER OF OFFICIALS

JUNE 30, 2023

| <u>MEMBERS OF THE BOARD OF EDUCATION</u> | <u>TERM EXPIRES</u> |
|---|----------------------------|
| Amy Keen, President | 2023 |
| Jeanette Harrington, Vice President | 2024 |
| Joseph Longo III | 2023 |
| Lawrence Winkels | 2023 |
| Anthony Mott | 2025 |
| Joanne Nacucchio | 2023 |
| Abram Norman | 2025 |
| Tracy Scull | 2023 |
| Michael Sites | 2025 |
| <u>OTHER OFFICIALS</u> | |
| Stewart Potter, Superintendent | |
| Gwen Herman, Principal | |
| Karen Stoms, Business Administrator/Board Secretary | |
| Mindy Bacon, Early Childhood Coordinator | |

QUINTON TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, CPA, RMA
Nightlinger, Colavita and Volpa, P. A.
Certified Public Accountants
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P.O. Box 799
Williamstown, NJ 08094

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Comegno Law Group, PC
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Moorestown, New Jersey 08057

OFFICIAL DEPOSITORY

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Salem, NJ 08079

INSURANCE AGENCY

Conner Strong & Buckelew Companies, LLC
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401 Route 73 North
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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Quinton Township School District
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, 2023, 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 accompanying 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting statements and schedules, and schedules of expenditures of federal awards and state financial assistance 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 December 5, 2023 on our consideration of the Quinton Township School District'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 School District'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
December 5, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Quinton Township School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023
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, 2023. 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, 2023
Unaudited

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

| | District-wide Statements | Governmental Funds | Proprietary Funds | Fiduciary Funds |
|---|--|---|---|---|
| Scope | 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 |
| Required Financial Statements | <ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities | <ul style="list-style-type: none"> • Balance sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances | <ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses, and Changes in Fund Net Position • Statement of Cash Flows | <ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position |
| Accounting Basis and Measurement Focus | 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 |
| Type of Asset/Liability | 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 |
| Type of Inflow/Outflow Information | 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, 2023
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, 2023
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, 2023
Unaudited

Financial Analysis of the District as a Whole

Assets - The District's combined total assets are \$5,826,479 on June 30, 2023. Approximately 2.4% of the total assets are from Business-type Activities, while the balance of the total assets is 97.6%, attributable to Governmental Activities (see Exhibit A-1).

Table 1
Quinton Township School District's Net Position

| | FY 2023 | | FY 2022 | | Total | |
|---------------------------------------|--------------|---------------|--------------|---------------|--------------|--------------|
| | Governmental | Business-Type | Governmental | Business-Type | FY 2023 | FY 2022 |
| ASSETS | | | | | | |
| Current and other assets | \$ 2,368,313 | \$ 122,985 | \$ 1,800,728 | \$ 119,651 | \$ 2,491,298 | \$ 1,920,379 |
| Capital assets | 3,319,051 | 16,130 | 3,587,896 | 6,067 | 3,335,181 | 3,593,963 |
| Total assets | 5,687,364 | 139,115 | 5,388,624 | 125,718 | 5,826,479 | 5,514,342 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred outflows related to pension | 365,526 | | 242,810 | | 365,526 | 242,810 |
| LIABILITIES | | | | | | |
| Current liabilities | 204,360 | 2,137 | 124,127 | 1,883 | 206,497 | 126,010 |
| Noncurrent liabilities | 813,640 | | 1,424,174 | | 813,640 | 1,424,174 |
| Net pension liability | 768,638 | | | | 768,638 | |
| Total liabilities | 1,786,638 | 2,137 | 1,548,301 | 1,883 | 1,788,775 | 1,550,184 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred inflows related to pension | 193,865 | | 439,681 | | 193,865 | 439,681 |
| | 193,865 | | 439,681 | | 193,865 | 439,681 |
| NET POSITION | | | | | | |
| Invested in capital assets, | | | | | | |
| Net of related debt | 2,516,631 | 16,130 | 2,687,896 | 6,067 | 2,532,761 | 2,693,963 |
| Restricted | 1,890,783 | | 1,755,053 | | 1,890,783 | 1,755,053 |
| Unrestricted | (335,027) | 120,848 | (799,497) | 117,768 | (214,179) | (681,729) |
| Total net position | \$ 4,072,387 | \$ 136,978 | \$ 3,643,452 | \$ 123,835 | \$ 4,209,365 | \$ 3,767,287 |

The District's combined net position was \$4,209,365 on June 30, 2023. This was an increase of \$442,078.

Table 2 Shows changes in net position for fiscal year 2023.

Changes in Net Position - The District's total revenues are \$8,957,955 for the fiscal period ended June 30, 2023, (see Table 2). Property taxes accounted for 31.7%, Federal and state grants were 63.2% and charges for services were 3.7% of the District's revenue. 26.8% is derived from federal and state aid for specific programs, and the remainder, 1.4% 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, 2023
Unaudited

Financial Analysis of the District as a Whole (Continued)

Table 2
Quinton Township School District's Changes in Net Position

| | FY 2023 | | FY 2022 | | Total | |
|--------------------------------------|--------------|---------------|--------------|---------------|------------|------------|
| | Governmental | Business-Type | Governmental | Business-Type | FY 2023 | FY 2022 |
| REVENUES: | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 254,644 | \$ 77,483 | \$ 281,559 | \$ 29,715 | \$ 332,127 | \$ 311,274 |
| Federal & state categorical grants | 1,882,194 | 136,442 | 1,079,464 | 220,091 | 2,018,636 | 1,299,555 |
| General revenues | | | | | | |
| Property taxes | 2,841,065 | | 2,793,865 | | 2,841,065 | 2,793,865 |
| Grants and entitlements | 3,643,254 | | 4,753,780 | | 3,643,254 | 4,753,780 |
| Other | 122,873 | | 87,346 | 2,324 | 122,873 | 89,670 |
| Total revenues | 8,744,030 | 213,925 | 8,996,014 | 252,130 | 8,957,955 | 9,248,144 |
| EXPENSES: | | | | | | |
| Instruction-related | 2,557,105 | | 2,674,307 | | 2,557,105 | 2,674,307 |
| Tuition and student support services | 2,319,804 | | 2,344,916 | | 2,319,804 | 2,344,916 |
| General administration | 187,726 | | 182,393 | | 187,726 | 182,393 |
| School administration | 86,851 | | 103,786 | | 86,851 | 103,786 |
| Central services | 118,828 | | 142,649 | | 118,828 | 142,649 |
| Plant operations & maintenance | 562,710 | | 557,353 | | 562,710 | 557,353 |
| Pupil transportation | 534,667 | | 443,272 | | 534,667 | 443,272 |
| Employee benefits | 1,468,228 | | 1,762,377 | | 1,468,228 | 1,762,377 |
| Interest on debt | 51,717 | | 52,542 | | 51,717 | 52,542 |
| Food service and SACC | | 200,782 | | 191,732 | 200,782 | 191,732 |
| Transfer of funds to charter school | | | | | | |
| Depreciation | 427,459 | | 408,799 | | 427,459 | 408,799 |
| Total expenses | 8,315,095 | 200,782 | 8,672,394 | 191,732 | 8,515,877 | 8,864,126 |
| Increase (decrease) in net position | \$ 428,935 | \$ 13,143 | \$ 95,845 | \$ 20,509 | \$ 442,078 | \$ 384,018 |

The District's predominant expenses are related to instruction and student support services, which is approximately 57.3%. Employee benefits made up 17.2% of the District's expenses. Another 4.6% is related to Administrative and Business departments, 6.3% for transportation expenses, and 6.6% is related to Maintenance & Operations. Depreciation accounts for another 5.1% and food service 2.3% of the overall expenditures. The remaining .6% 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, 2023
Unaudited

Governmental Activities Funds

Revenues for Governmental Funds (Exhibit B-2) were \$9,042,189, while total expenses amounted to \$8,504,955. This resulted in an increase in Fund Balance in Governmental Funds of \$515,357, including a transfer to a Charter School of \$21,877 for FY 2023.

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 \$13,143 (Exhibit B-5).
- Charges for services represent \$77,483 of revenue. This represents amounts paid by patrons for daily food service of \$50,567 and SACC fees of \$26,916.
- Federal and state reimbursements for meals (which includes payments for free and local reduced lunches and breakfast) and donated commodities was \$136,442.

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 \$2,165,691 (See Exhibit B-2). The district tax levy increased \$47,200. The District's expenditures decreased \$184,549, of which \$117,202 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 \$541,341 in fund balance. Actual revenue less expenditure led to an increase of \$486,859 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, 2023, amounts to \$3,335,181 (net of accumulated depreciation and amortization). 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, 2023
Unaudited

Capital Assets (Continued)

Table 3
Quinton Township School District's Capital Assets

| | FY 2023 | | | FY 2022 | | | Total | |
|-----------------------|--------------|-----------|---------------|--------------|-----------|---------------|--------------|--------------|
| | Governmental | Fiduciary | Business-Type | Governmental | Fiduciary | Business-Type | FY 2023 | 2022 |
| Land | \$ 8,757 | | | \$ 8,757 | | | \$ 8,757 | \$ 8,757 |
| Site improvements | 87,756 | | | 66,030 | | | 87,756 | 66,030 |
| Buildings | 3,030,558 | | | 3,375,760 | | | 3,030,558 | 3,375,760 |
| Machinery & equipment | 191,980 | | \$ 16,130 | 137,349 | | \$ 6,067 | 208,110 | 143,416 |
| Total | \$ 3,319,051 | None | \$ 16,130 | \$ 3,587,896 | None | \$ 6,067 | \$ 3,335,181 | \$ 3,593,963 |

Long-Term Debt

At year-end, the District had \$1,582,278 of outstanding debt. Of this amount, \$775,000 was serial bonds outstanding, the Net Pension Liability is \$768,638, the ending balance for compensated absences is \$11,220 and the Right-to use lease payable is \$27,420. The total amount of allowable bonded debt is \$5,919,167, of which \$5,144,167 or 86.91% is available for future debt.

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 Stoms, 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, 2023

| | Governmental Activities | Business-type Activities | Total Governmental Funds FY 2023 |
|--|----------------------------|-----------------------------|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,175,335 | \$ 99,985 | \$ 1,275,320 |
| Receivables, Net | 1,192,978 | 19,494 | 1,212,472 |
| Inventory | | 3,506 | 3,506 |
| Capital Assets: | | | |
| Assets Net of Depreciation | 3,319,051 | 16,130 | 3,335,181 |
| Total Assets | 5,687,364 | 139,115 | 5,826,479 |
| DEFERRED OUTFLOW OF RESOURCES | | | |
| Deferred outflows related to pension | 327,768 | | 327,768 |
| Deferred cost on refunding | 37,758 | | 37,758 |
| Total Deferred Outflows of Resources | 365,526 | | 365,526 |
| LIABILITIES | | | |
| Accounts Payable | 43,832 | | 43,832 |
| Unearned Revenue | 156,456 | 2,137 | 158,593 |
| Accrued Interest | 4,072 | | 4,072 |
| Non-current liabilities: | | | |
| Due within one year | 136,314 | | 136,314 |
| Due beyond one year | 677,326 | | 677,326 |
| Net pension liability | 768,638 | | 768,638 |
| Total liabilities | 1,786,638 | 2,137 | 1,788,775 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to pension | 193,865 | | 193,865 |
| Total Deferred Inflows of Resources | 193,865 | | 193,865 |
| NET POSITION | | | |
| Invested in Capital Assets, Net of Related Debt | 2,516,631 | 16,130 | 2,532,761 |
| Restricted for: | | | |
| Unemployment Compensation | 28,904 | | 28,904 |
| Student Activities | 15,566 | | 15,566 |
| Capital projects | 308,872 | | 308,872 |
| Maintenance Reserves | 151,526 | | 151,526 |
| Debt service | 49,199 | | 49,199 |
| Other purposes | 1,336,716 | | 1,336,716 |
| Unrestricted (Deficit) | (335,027) | 120,848 | (214,179) |
| Total net position | \$ 4,072,387 | \$ 136,978 | \$ 4,209,365 |

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | | Total |
|---|---------------------|-------------------------|--|--|-----------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-type Activities | |
| Governmental activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 1,723,274 | | | \$ (1,723,274) | | \$ (1,723,274) |
| Special education | 793,679 | | \$ 552,904 | (240,775) | | (240,775) |
| Other special education | 27,207 | | | (27,207) | | (27,207) |
| Other instruction | 12,945 | | | (12,945) | | (12,945) |
| Support services: | | | | | | |
| Student & instructional related services | 2,319,804 | \$ 254,644 | 479,694 | (1,585,466) | | (1,585,466) |
| General administrative services | 187,726 | | | (187,726) | | (187,726) |
| School administrative services | 86,851 | | | (86,851) | | (86,851) |
| Central services | 118,828 | | | (118,828) | | (118,828) |
| Plant operations & maintenance | 562,710 | | | (562,710) | | (562,710) |
| Pupil transportation | 534,667 | | | (534,667) | | (534,667) |
| Employee benefits | 1,468,228 | | 849,596 | (618,632) | | (618,632) |
| Interest on long-term debt | 51,717 | | | (51,717) | | (51,717) |
| Unallocated depreciation and amortization | 427,459 | | | (427,459) | | (427,459) |
| Total governmental activities | 8,315,095 | 254,644 | 1,882,194 | (6,178,257) | | (6,178,257) |
| Business-type activities: | | | | | | |
| Food service | 177,428 | 50,567 | 136,442 | | \$ 9,581 | 9,581 |
| SACC | 23,354 | 26,916 | | | 3,562 | 3,562 |
| Total business-type activities | 200,782 | 77,483 | 136,442 | | 13,143 | 13,143 |
| Total primary government | <u>\$ 8,515,877</u> | <u>\$ 332,127</u> | <u>\$ 2,018,636</u> | <u>\$ (6,178,257)</u> | <u>\$ 13,143</u> | <u>\$ (6,165,114)</u> |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes, levied for general purpose | | | | \$ 2,730,612 | | \$ 2,730,612 |
| Taxes levied for debt service | | | | 110,453 | | 110,453 |
| Federal and state aid not restricted | | | | 3,643,254 | | 3,643,254 |
| Investment earnings | | | | 8,887 | | 8,887 |
| Miscellaneous income | | | | 135,863 | | 135,863 |
| Transfer to Charter School | | | | (21,877) | | (21,877) |
| Total general revenues, special items, extraordinary items, and transfers | | | | 6,607,192 | | 6,607,192 |
| Change in net position | | | | 428,935 | \$ 13,143 | 442,078 |
| Net position - beginning | | | | 3,643,452 | 123,835 | 3,767,287 |
| Net position - end | | | | <u>\$ 4,072,387</u> | <u>\$ 136,978</u> | <u>\$ 4,209,365</u> |

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, 2023

| | Major Funds | | | | Total Governmental Funds FY 2023 |
|---|---------------------|----------------------------|-----------------------------|-------------------------|---|
| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | |
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 1,331,693 | \$ (174,508) | | \$ 11,441 | \$ 1,168,626 |
| Tax Levy Receivable | 473,510 | | | | 473,510 |
| Interfund Receivable | 16,822 | | | | 16,822 |
| Intergovernmental Receivables: | | | | | |
| Federal | | 314,530 | | | 314,530 |
| State | 350,239 | | 18,928 | | 369,167 |
| Other | 26,233 | 9,538 | | | 35,771 |
| Total assets | <u>\$ 2,198,497</u> | <u>\$ 149,560</u> | <u>\$ 18,928</u> | <u>\$ 11,441</u> | <u>\$ 2,378,426</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Unearned Revenue | | 156,456 | | | 156,456 |
| Interfund Payable | | 221 | 16,601 | | 16,822 |
| Payroll Deductions and Withholdings Payable | | | | | |
| Accounts Payable | 2,700 | 36,757 | | | 39,457 |
| Total liabilities | <u>2,700</u> | <u>193,434</u> | <u>16,601</u> | | <u>212,735</u> |
| Fund balances: | | | | | |
| Restricted for: | | | | | |
| Capital reserve account | 306,545 | | | | 306,545 |
| Maintenance reserve account | 151,526 | | | | 151,526 |
| Excess surplus - current year | 677,861 | | | | 677,861 |
| Excess surplus - Designated for subsequent year's expenditures | 656,521 | | | | 656,521 |
| Debt service fund | | | | 11,441 | 11,441 |
| Student | | 5,580 | | | 5,580 |
| Technology Trust | | 9,986 | | | 9,986 |
| Unemployment Compensation | 28,904 | | | | 28,904 |
| Capital Projects | | | 2,327 | | 2,327 |
| Assigned to: | | | | | |
| Designated by the BOE for subsequent year's expenditures | 78,268 | | | | 78,268 |
| Other purposes (Encumbrances) | 9,293 | | | | 9,293 |
| Unassigned: | | | | | |
| General fund | 286,879 | | | | 286,879 |
| Special revenue fund (Deficit) | | (59,440) | | | (59,440) |
| Total fund balances | <u>2,195,797</u> | <u>(43,874)</u> | <u>2,327</u> | <u>11,441</u> | <u>2,165,691</u> |
| Total liabilities and fund balances | <u>\$ 2,198,497</u> | <u>\$ 149,560</u> | <u>\$ 18,928</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 \$10,126,851 and the accumulated depreciation is \$6,807,800 (see Note 6). | 3,319,051 |
| Net pension liability adjustment for GASB Statement No. 68 and 71 | (768,638) |
| Deferred outflows of resources - debt financing | 37,758 |
| Deferred outflow of resources - pension actuarial gains | 327,768 |
| Deferred inflows of resources - employer pension | (193,865) |
| Internal service funds - net position | 2,334 |
| Accrued Interest | (4,072) |
| 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). | (813,640) |
| Net position of Governmental Activities | <u>\$ 4,072,387</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, 2023

| | Major Funds | | Non-Major Funds | | Total Governmental Funds |
|--|-----------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | FY 2023 |
| REVENUES: | | | | | |
| Local tax levy | \$ 2,730,612 | \$ - | \$ - | \$ 110,453 | \$ 2,841,065 |
| Interest earned on investments | 4,351 | | | | 4,351 |
| Interest earned on Capital Reserve | 3,035 | | | | 3,035 |
| Interest earned on Maintenance Reserve | 1,501 | | | | 1,501 |
| Miscellaneous | 30,176 | | | | 30,176 |
| State sources | 4,940,283 | 557,378 | | 27,156 | 5,524,817 |
| Federal sources | | 531,557 | | | 531,557 |
| Local Sources | | 105,687 | | | 105,687 |
| Total revenues | 7,709,958 | 1,194,622 | | 137,609 | 9,042,189 |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Regular instruction | 1,723,274 | | | | 1,723,274 |
| Special education instruction | 240,775 | 552,904 | | | 793,679 |
| Other special instruction | 27,207 | | | | 27,207 |
| Other instruction | 12,945 | | | | 12,945 |
| Support services & undistributed costs: | | | | | |
| Student & instruction related services | 1,699,923 | 336,549 | | | 2,036,472 |
| General administrative services | 187,726 | | | | 187,726 |
| School administrative services | 86,851 | | | | 86,851 |
| Central services | 118,828 | | | | 118,828 |
| Plant operations and maintenance | 531,327 | | | | 531,327 |
| P Excess surplus - Designated for | 534,667 | | | | 534,667 |
| E subsequent year's expenditures | 1,957,783 | 152,236 | | | 2,110,019 |
| Debt service: | | | | | |
| Principal | | | | 125,000 | 125,000 |
| Interest and other charges | | | | 12,609 | 12,609 |
| Capital outlay | 55,575 | 143,145 | | | 198,720 |
| Student Activity | | 5,631 | | | 5,631 |
| Total expenditures | 7,176,881 | 1,190,465 | | 137,609 | 8,504,955 |
| Excess (deficiency) of revenues over exp General fund | 533,077 | 4,157 | | | 537,234 |
| Other financing sources (uses): | | | | | |
| Transfer of Funds to Charter School | (21,877) | | | | (21,877) |
| Total other financing sources (uses) | (21,877) | | | | (21,877) |
| Net change in fund balances | 511,200 | 4,157 | | | 515,357 |
| Fund balance - July 1 (Deficit) | 1,684,597 | (48,031) | 2,327 | 11,441 | 1,650,334 |
| Fund balance - June 30 (Deficit) | \$ 2,195,797 | \$ (43,874) | \$ 2,327 | \$ 11,441 | \$ 2,165,691 |

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, 2023

| | |
|--|-----------------------|
| Total net change in fund balances - Governmental Funds (from B-2) | 515,357 |
| Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because: | |
| Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period. | |
| Capital Outlays | \$ 158,614 |
| Amortization Expense | (7,341) |
| Depreciation Expense | <u>(420,118)</u> |
| | (268,845) |
| 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. | |
| Bond principal payments | 125,000 |
| Right-to-Use Lease Liability | 3,528 |
| Amortization of the Loss on Debt Refunding is expensed in the Statement of Activities but not in the Fund statements | (3,621) |
| 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. (+) | 656 |
| Net Proceeds from Right-to-Use proceeds is not a revenue in the Statement of Activities | (30,948) |
| Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments. | 112,621 |
| 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. | 3,848 |
| Internal Service Fund - Increase in Net Position | <u>(28,661)</u> |
| Change in net position of Governmental Activities | <u><u>428,935</u></u> |

See accompanying notes to the basic financial statements.

PROPRIETARY FUNDS

QUINTON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2023

| | Business-type Activities - | | Governmental Activities - |
|--|-------------------------------|-----------------|------------------------------|
| | Food Service Fund | SACC Program | Internal Service Fund |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 107,295 | \$ (7,310) | \$ 6,709 |
| Accounts receivable | 8,622 | 10,872 | |
| Inventories | 3,506 | | |
| Total current assets | 119,423 | 3,562 | 6,709 |
| Noncurrent assets: | | | |
| Furniture, machinery & equipment | 94,398 | | |
| Less: accumulated depreciation | (78,268) | | |
| Total non-current assets | 16,130 | | |
| Total assets | \$ 135,553 | \$ 3,562 | \$ 6,709 |
| LIABILITIES AND FUND EQUITY | | | |
| Current liabilities: | | | |
| Unearned revenue | \$ 2,137 | \$ | \$ 4,375 |
| Accounts Payable | | | |
| Total current liabilities | 2,137 | | 4,375 |
| Invested in capital assets net of related debt | 16,130 | | |
| Unrestricted | 117,286 | 3,562 | 2,334 |
| Total net position | 133,416 | 3,562 | 2,334 |
| Total liabilities and net position | \$ 135,553 | \$ 3,562 | \$ 6,709 |

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, 2023

| | Business-type Activities - | | Governmental Activities - |
|---|-------------------------------|-----------------|------------------------------|
| | Food Service Fund | SACC Program | Internal Service Fund |
| OPERATING REVENUES: | | | |
| Local sources: | | | |
| Daily sales - reimbursable programs | \$ 45,451 | | |
| Daily sales - non-reimbursable programs | 5,116 | \$ 26,916 | |
| Shared Services | | | \$ 249,040 |
| Total operating revenue | 50,567 | 26,916 | 249,040 |
| OPERATING EXPENSES: | | | |
| Salaries | 66,206 | 19,251 | 209,209 |
| Employee benefits | 4,761 | 1,781 | 41,275 |
| Purchased professional technical services | 4,220 | | |
| Supplies and materials | 5,643 | 2,322 | 27,217 |
| Cost of sales - reimbursable | 93,132 | | |
| Cost of sales - non-reimbursable | 1,770 | | |
| Depreciation | 1,696 | | |
| Total operating expenses | 177,428 | 23,354 | 277,701 |
| Operating income (loss) | (126,861) | 3,562 | (28,661) |
| NON-OPERATING REVENUES: | | | |
| State sources: | | | |
| National school lunch program - state | 2,494 | | |
| National school breakfast program - state | 346 | | |
| Federal sources: | | | |
| National school lunch program | 79,045 | | |
| National school breakfast program | 26,273 | | |
| P-EBT Administrative Cost | 653 | | |
| Supply Chain Assistance Funding | 16,873 | | |
| Food distribution program | 10,758 | | |
| Total non-operating revenues (expenses) | 136,442 | | |
| Net income (loss) | 9,581 | 3,562 | (28,661) |
| Transfer from general fund | | | |
| Total net position - beginning | 123,835 | | 30,995 |
| Total net position - ending | \$ 133,416 | \$ 3,562 | \$ 2,334 |

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

| | Business-type Activities - | | Governmental Activities - |
|---|-------------------------------|-----------------|------------------------------|
| | Food Service Fund | SACC Program | Internal Service Fund |
| Cash flows from operating activities: | | | |
| Receipts from customers | \$ 50,567 | \$ 23,267 | \$ 249,040 |
| Payments to suppliers | (79,472) | (2,322) | (22,842) |
| Payments to employees | (66,206) | (19,251) | (209,209) |
| Payments for employee benefits | (4,761) | (1,781) | (41,275) |
| Net cash provided (used) by operating activities | (99,872) | (87) | (24,286) |
| Cash flows from non-capital financing activities: | | | |
| Cash received from state, federal & local reimbursements | 125,684 | | |
| Transfer from general fund | | | |
| Net cash provided by non-capital financing activities | 125,684 | | |
| Cash flows from capital and related financing activities: | | | |
| Purchase of capital assets | (11,759) | | |
| Net cash provided by capital and related financing activities | (11,759) | | |
| Net increase in cash and cash equivalents | 14,053 | (87) | (24,286) |
| Cash and cash equivalents - July 1 | 93,242 | (7,223) | 30,995 |
| Cash and cash equivalents - June 30 | \$ 107,295 | \$ (7,310) | \$ 6,709 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | \$ (126,861) | \$ 3,562 | \$ (28,661) |
| Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities: | | | |
| Depreciation | 1,696 | | |
| Food distribution program | 10,758 | | |
| Change in assets and liabilities: | | | |
| (Increase) decrease in accounts receivable | 13,765 | (3,649) | |
| (Increase) decrease in inventory | 516 | | |
| Increase (decrease) in unearned revenue | 254 | | |
| Increase (decrease) in accounts payable | | | 4,375 |
| | \$ (99,872) | \$ (87) | \$ (24,286) |

See accompanying notes to the basic financial statements.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023 of 283 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.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

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.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide Statements (Continued)

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.

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.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUNDS (CONTINUED)

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

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

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.

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

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:

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Internal Service Fund - The internal service fund is utilized to charge costs for certain activities to individual funds or other governmental entities.

The District's internal service fund is comprised of Shared Services for Early Childhood and Trauma Coordinator, School Psychologist, Nurse services, Mental Health counseling, Business Services, Ground Maintenance, Technology, and Library Media services.

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

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

| | |
|-----------|---------------|
| Equipment | 12 - 20 years |
|-----------|---------------|

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.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting and Measurement Focus:

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

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.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents (Continued)

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, 2023, consisted of the following:

| | |
|----------|-----------------|
| Food | \$ 2,865 |
| Supplies | 641 |
| | <u>\$ 3,506</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.

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.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Accrued Salaries and Wages

None of the School District's employees who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year.

M. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval and are approved as long as the District budget is within State mandated CAP's, there is no public vote on the budget. If the budget exceeds State mandated CAP's, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:23-2(g).

Budget amendments/transfers of appropriations must be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Encumbrances (Continued)

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

O. Deferred Revenue

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

P. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, Governmental Fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources, which are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from Governmental Funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Q. Allocation of Indirect Expenses

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

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.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. 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.

U. Tax Assessments and Property Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Tax Assessments and Property Taxes (Continued)

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

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

School taxes are guaranteed, as to amount of collection, by the municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the school district's Board of Education on an annual basis.

V. Recent Accounting Pronouncements Adopted

Accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement No. 96 – Subscription-Based Information Technology Arrangements was effective after June 15, 2022 and was considered by Management.
- GASB Statement No. 99 - *Omnibus 2022*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Management is evaluating the potential impact of the adoption of GASB 99 on the School District's financial statements.
- GASB Statement No. 100 - *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*: The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Management is evaluating the potential impact of the adoption of GASB 100 on the School District's financial statements.
- GASB Statement No. 101 - *Compensated Absences*: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Net position

Net position represents the difference between the sum of assets and deferred outflows of resources, and the sum of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - 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 credits, grantors, or laws or regulations of their governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The school district applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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, 2023, the School District's bank balance of \$1,700,644 was subject to custodial credit risk as follows:

| | |
|---------------------------------|---------------------|
| Insured by Depository Insurance | \$ 250,000 |
| Collateralized under GUDPA | <u>1,450,644</u> |
| Total | <u>\$ 1,700,644</u> |

The total amount of cash, as reported on the various balance sheets of the District is \$1,275,320

Unrestricted cash

| | | |
|---|-----|------------|
| Governmental funds, Balance Sheet | B-1 | \$ 681,651 |
| Enterprise funds, Statement of Net Position | B-4 | 99,985 |
| Internal service funds, Statement of Net Position | B-4 | 6,709 |

Restricted cash

| | | |
|-----------------------------------|-----|----------------|
| Governmental funds, Balance Sheet | B-1 | <u>486,975</u> |
|-----------------------------------|-----|----------------|

Total cash \$1,275,320

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3: INVESTMENTS

As of June 30, 2023 and 2022, the District did not have any investments.

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

Credit Risk - NJSA 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are: Bonds of the United States of America or of the District or

the local units in which the District is located; obligations of Federal agencies not exceeding 397 days; Government Money Market Mutual Funds; the State of New Jersey Cash Management Plan; local Government investment pools; or repurchase of fully collateralized securities.

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

NOTE 4: RECEIVABLES

Receivables as of June 30, 2023, (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:

| | General Fund | Special Revenue Fund | Capital Projects Fund | Business-type Activities |
|-------------|-------------------|----------------------------|-----------------------------|-----------------------------|
| State aid | \$ 350,239 | | \$ 18,928 | \$ 120 |
| Other | 26,233 | \$ 9,538 | | 14,337 |
| Federal aid | | 314,530 | | 5,037 |
| | <u>\$ 376,472</u> | <u>\$ 324,068</u> | <u>\$ 18,928</u> | <u>\$ 19,494</u> |

NOTE 5: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Quinton Board of Education 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) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. 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 561 or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5: CAPITAL RESERVE ACCOUNT (CONTINUED)

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District did not deposit any additional funds into their Capital Reserve Account by Board Resolution in June 2023.

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

| | | |
|-----------------------------------|----|----------------|
| Beginning Balance, July 1, 2022 | \$ | 303,510 |
| Interest Earnings | | 3,035 |
| Deposits - Approved by Resolution | | |
| Ending Balance, June 30, 2023 | \$ | <u>306,545</u> |

The balance in Capital Reserve at June 30, 2023 is to be within the LRFP maximum balance of local support costs of uncompleted capital projects of \$668,300.

NOTE 6. MAINTENANCE RESERVE

New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility. The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

| | | |
|--------------------------------|----|----------------|
| Beginning Balance July 1, 2022 | \$ | 150,025 |
| Withdrawn | | |
| Added by Interest Earnings | | 1,501 |
| Ending Balance June 30, 2023 | \$ | <u>151,526</u> |

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District did not deposit any additional funds into their Maintenance Reserve Account by Board Resolution in June 2023.

The balance in the Maintenance Reserve is within the maximum amount permitted by statute of \$335,981.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7: CAPITAL ASSETS

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2023.

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

| | Balance July 1, 2022 | Additions | Disposals/ Adjustments | Balance June 30, 2023 |
|---|-------------------------|---------------------|---------------------------|--------------------------|
| 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 | 257,362 | 26,400 | | 283,762 |
| Building & building improvements | 8,872,924 | 44,089 | | 8,917,013 |
| Machinery & equipment | 818,326 | 57,177 | | 875,503 |
| Right-to-Use Lease Assets | 10,868 | 30,948 | | 41,816 |
| Totals at historical cost | <u>9,959,480</u> | <u>158,614</u> | | <u>10,118,094</u> |
| Less accumulated depreciation and Amortization: | | | | |
| Site improvements | (191,332) | (4,674) | | (196,006) |
| Building & building improvements | (5,497,164) | (389,291) | | (5,886,455) |
| Machinery & equipment | (680,977) | (26,153) | | (707,130) |
| Right-to-Use Lease Assets | (10,868) | (7,341) | | (18,209) |
| Total accumulated depreciation and amortization | <u>(6,380,341)</u> | <u>(427,459)</u> | | <u>(6,807,800)</u> |
| Governmental activities capital assets, net | <u>\$ 3,587,896</u> | <u>\$ (268,845)</u> | <u>\$ -</u> | <u>\$ 3,319,051</u> |
| Business-type activities: | | | | |
| Machinery & equipment | \$ 88,139 | \$ 11,759 | \$ (5,500) | \$ 94,398 |
| Less: accumulated depreciation | (82,072) | (1,696) | 5,500 | (78,268) |
| Business-type capital assets, net | <u>\$ 6,067</u> | <u>\$ 10,063</u> | | <u>\$ 16,130</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> |

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8: 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.

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

Long-Term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2023, are as follows:

| | Balance July 1, 2022 | Additions | Deductions | Balance June 30, 2023 | Due Within One Year |
|------------------------------|-------------------------|-------------------|-------------------|--------------------------|------------------------|
| Compensated Absences | \$ 15,068 | | \$ 3,848 | \$ 11,220 | \$ 5,610 |
| Bonds Payable | 900,000 | | 125,000 | 775,000 | 125,000 |
| Net Pension Liability | 509,106 | 259,532 | | 768,638 | |
| Right-to-Use Lease Liability | - | 30,948 | 3,528 | 27,420 | 5,704 |
| | <u>\$ 1,424,174</u> | <u>\$ 290,480</u> | <u>\$ 132,376</u> | <u>\$ 1,582,278</u> | <u>\$ 136,314</u> |

Bonds Payable

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2023 is \$5,919,167. General obligation debt at June 30, 2023 is \$775,000, resulting in an available legal debt margin of \$5,144,167.

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

| Year Ended June 30, | Principal | Interest | Total |
|------------------------|-------------------|------------------|-------------------|
| 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>\$ 775,000</u> | <u>\$ 37,897</u> | <u>\$ 812,897</u> |

Bonds Authorized But Not Issued

As of June 30, 2023, the Board has \$0 of bonds authorized but not issued.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)

Other

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

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

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

For the year ended June 30, 2023, 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 9. 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.

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.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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, 2021 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2023 were \$23,866. 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 2023 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, 2023, and 2022, were \$64,228 and \$50,329 respectively.

The total payroll for the year ended June 30, 2023 was \$3,398,573. Payroll covered by PERS was \$318,214 for fiscal year 2023.

Components of Net Pension Liability - At June 30, 2023, the District's proportionate share of the PERS net pension liability was \$768,638. The net pension liability was measured as of June 30, 2022. 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, 2022. The District's proportion measured as of June 30, 2022 was 0.005093% which was an increase of 0.00080% from its proportion measured as of June 30, 2021.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2023 PERS pension expense, with respect to GASB 68, was \$(34,493). The District's 2023 deferred outflows of resources and deferred inflows of resources were from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 5,548 | \$ 4,892 |
| Changes of assumptions | 2,381 | 115,095 |
| Net difference between projected and actual earnings on pension plan investments | 31,813 | |
| Changes in proportion | 223,798 | 73,878 |
| Contributions subsequent to the measurement date | 64,228 | |
| Total | \$ 327,768 | \$ 193,865 |

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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

| Year | PERS |
|------------|------------|
| 2023 | \$ (6,100) |
| 2024 | 21,473 |
| 2025 | 44,935 |
| 2026 | 8,200 |
| 2027 | 1,167 |
| Thereafter | |
| Total | \$ 69,675 |

Additional Information - Collective Balances at June 30, 2023 and 2022 are as follows:

| Year | 2023 | 2022 |
|---|------------|------------|
| Collective deferred outflows of resources | \$ 327,768 | \$ 201,431 |
| Collective deferred inflows of resources | \$ 193,865 | \$ 439,681 |
| Collective Net Pension Liability | \$ 768,638 | \$ 509,106 |
| District's Proportion | 0.005093% | 0.004298% |

Actuarial Assumptions - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | PERS |
|------------------------------|--------------|
| Investment Rate of Return | 7.00% |
| Salary Increases: | |
| (Based on Years of Service): | 2.75 – 6.55% |
| 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9. 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, 2022) 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, 2022 are summarized in the following table:

| PERS | | |
|-----------------------------------|----------------------|--|
| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
| U.S. Equity | 27.00% | 8.12% |
| Non-U.S. Developed Markets Equity | 13.50% | 8.38% |
| Emerging Markets Equity | 5.50% | 10.33% |
| Private Equity | 13.00% | 11.80% |
| Real Estate | 8.00% | 11.19% |
| Real Assets | 3.00% | 7.60% |
| High Yield | 4.00% | 4.95% |
| Private Credit | 8.00% | 8.10% |
| Investment Grade Credit | 7.00% | 3.38% |
| Cash Equivalents | 4.00% | 1.75% |
| U.S. Treasuries | 4.00% | 1.75% |
| Risk Mitigation Strategies | 3.00% | 4.91% |
| Total | 100.00% | |

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2023**

NOTE 9. 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, 2022, 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 | \$ 995,837 | \$ 768,638 | \$ 587,331 |

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. 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.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

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, 2021. 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 2022, 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, 2023 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$872,605 to the TPAF for pension contributions, \$229,231 for post-retirement benefits on behalf of the School, and \$419 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$198,940 during the year ended June 30, 2023 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, 2023, 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, 2023, the District recognized pension expense of \$269,189 and revenue of \$269,189 for support provided by the State.

Actuarial Assumptions - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | <u>TPAF</u> |
|------------------------------|--------------|
| Investment Rate of Return | 7.00% |
| Salary Increases | |
| (Based on Years of Service): | 2.75 – 5.65% |
| Inflation Rate – Price | 2.75% |
| Inflation Rate – Wage | 3.25% |

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

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, 2022 are summarized in the following table:

| TPAF | | |
|-----------------------------------|-------------------|--|
| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
| U.S. Equity | 27.00% | 8.12% |
| Non-U.S. Developed Markets Equity | 13.50% | 8.38% |
| Emerging Markets Equity | 5.50% | 10.33% |
| Private Equity | 13.00% | 11.80% |
| Real Estate | 8.00% | 11.19% |
| Real Assets | 3.00% | 7.60% |
| High Yield | 4.00% | 4.95% |
| Private Credit | 8.00% | 8.10% |
| Investment Grade Credit | 7.00% | 3.38% |
| Cash Equivalents | 4.00% | 1.75% |
| U.S. Treasuries | 4.00% | 1.75% |
| Risk Mitigation Strategies | 3.00% | 4.91% |
| Total | 100.00% | |

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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.

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, 2022, 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 | \$ 11,746,569 | \$ 10,002,284 | \$ 8,562,292 |
| State's Share of the Net Pension Liability | \$ 60,591,896,759 | \$ 51,676,587,303 | \$ 44,166,559,329 |

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9. PENSION PLANS (CONTINUED)

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

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, 2023, employee contributions totaled \$5,952 and the District's employer contribution, recognized in pension expense, was \$4,382. 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 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit State Retired Employees Plan:

State Health Benefit State Retired Employees Plan Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

State Health Benefit State Retired Employees Plan (Continued)

The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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, 2023**

NOTE 10. 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, 2022, was \$50,646,462,966. Of this amount, the total OPEB liability attributable to the School District was \$14,506,023. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.02864%. The total OPEB liability for the School District measured as of June 30, 2022 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, 2022 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, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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:

| | TPAF/ABP | PERS | PFRS |
|-------------------|--|--|---|
| Salary Increases: | 2.75% to 4.25% based on years of service | 2.75% to 6.55% based on years of service | 3.25% to 16.25% based on years of service |

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

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

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate used to measure the total OPEB liability was 3.54%. 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 | Total OPEB Liability |
| Balance as of June 30, 2021 Measurement Date | \$ 60,007,650,971 |
| Changes for the year: | |
| Service Cost | 2,770,618,025 |
| Interest | 1,342,187,139 |
| Changes of Benefit Terms | 0 |
| Differences between Expected and Actual | 1,399,200,736 |
| Changes of Assumptions | (13,586,368,097) |
| Benefit Payments | (1,329,476,059) |
| Contributions from Members | 42,650,252 |
| Net Changes | (9,361,188,004) |
| Balance as of June 30, 2022 Measurement Date | \$ 50,646,462,967 |

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

The following presents the total nonemployer OPEB liability as of June 30, 2022, 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:

| June 30, 2022 | | | |
|----------------------|----------------------------|---------------------------|----------------------------|
| | At 1.00% Decrease 2.54% | At Discount Rate 3.54% | At 1.00% Increase 4.54% |
| \$ | 59,529,589,697 | 50,646,462,966 | 43,527,080,995 |

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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, 2022, 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:

| June 30, 2022 | | |
|----------------------|-------------------------------|----------------|
| | Healthcare Cost Trend Rate | |
| 1.00% Decrease | | 1.00% Increase |
| \$ 41,862,397,291 | 50,646,462,966 | 62,184,866,635 |

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$307,325. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences Between Expected and Actual Experience | \$ 2,589,901 | \$ (4,428,857) |
| Changes of Assumptions | 2,510,625 | (4,937,058) |
| Net difference Between Projected and Actual Earnings on OPEB Plan Investments | | |
| Changes in Proportion | 627,915 | (638,406) |
| Contributions Subsequent to the Measurement Date | | |
| Total | \$ 5,728,441 | \$ (10,004,321) |

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 |
|---------------------------------------|---------------|
| 2023 | \$ 1,738,940 |
| 2024 | 1,738,940 |
| 2025 | 1,738,940 |
| 2026 | 1,831,890 |
| 2027 | 2,085,233 |
| Thereafter | 6,598,819 |
| Total | \$ 15,732,762 |

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11: 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, 2023, is \$11,220.

NOTE 12: 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.

NOTE 13: 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 14: 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 15: 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.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 15: RISK MANAGEMENT (CONTINUED)

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 Annual Comprehensive 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:

- 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> |
|--------------------|-----------------------------------|-----------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2022-2023 | | \$ 3,986 | | \$ 2,376 | \$ 28,904 |
| 2021-2022 | 1 | 7,324 | | | 27,294 |
| 2020-2021 | 4 | 6,446 | | 716 | 19,969 |

NOTE 16: 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.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 16: OPERATING LEASES (CONTINUED)

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.

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, 2023, total future minimum lease payments under right-to-use lease agreements are as follows:

| Year Ended | |
|------------|------------------|
| June 30, | Amount |
| 2024 | \$ 6,977 |
| 2025 | 6,977 |
| 2026 | 6,977 |
| 2027 | 6,977 |
| 2028 | 5,234 |
| | <u>\$ 33,142</u> |

NOTE 17: 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:

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 17: FUND BALANCE APPROPRIATED (CONTINUED)

Non-Spendable Fund Balance - The District had no non-spendable fund balance as of June 30, 2023.

Restricted Fund Balance:

Capital Reserve Account - Of the \$306,545 balance in the Capital Reserve account at June 30, 2023, \$0 has been designated for utilization in the 2023-2024 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, 2023, there was \$151,526 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, 2023, excess surplus created in FY 2022 of \$656,521 will be utilized for expenditures in the 2023-2024 budget, while excess surplus created in FY 2023 of \$677,861 is restricted and will be utilized for budget expenditures in 2024-2025.

Debt Service Fund - As of June 30, 2023, there was \$11,441 in fund balance, of which none will be utilized for expenditures in the 2023-2024 budget.

Committed Fund Balance - The District had no fund balance as of June 30, 2023.

Assigned Fund Balance - As of June 30, 2023, the Board has assigned \$78,268 of General Fund balance to expenditures in the 2023-2024 budget. \$9,293 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, 2023, the District had \$286,879 in unassigned fund balance in the General Fund. The District has a deficit of (\$59,440) of unassigned fund balance in the Special Revenue Fund.

NOTE 18: 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, 2023, is \$1,334,382.

NOTE 19: DEFICIT FUND BALANCES

The District has a deficit fund balance (Exhibit B-1) in the Special Revenue Fund of \$59,440 in the Special Revenue Fund as of June 30, 2023, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event state school aid payments are not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 19: DEFICIT FUND BALANCES (CONTINUED)

Since the state is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payments on the GAAP financial statements until the year the state records the payable.

Due to the timing difference of recording the last state aid payment, the general fund balance deficit does not alone indicate that the District is facing financial difficulties.

NOTE 20: INTERFUND RECEIVABLES AND PAYABLES

There was an interfund of \$221 due from the Special Revenue fund and \$16,601 due from the Capital Projects fund due to the General Fund, at June 30, 2023.

NOTE 21: 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, 2023, all SREC's available were sold by year-end and there was no amount recorded as receivable.

NOTE 22: ECONOMIC DEPENDENCY

The District is heavily reliant on state aid and local tax levies to fund the District operations. State sources funded approximately 61% of the District's 2022-2023 governmental operations, excluding capital projects, while local tax levy accounted for approximately 31%.

NOTE 23: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 23: TAX ABATEMENTS (CONTINUED)

For a local school district Board of Education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth. The Township of Quinton did not have any tax abatements for the year ended December 31, 2023.

NOTE 24: 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, 2023 and December 5, 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.

BUDGETARY COMPARISON SCHEDULES

QUINTON TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2023

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|--------------|--------------------------------|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 2,730,612 | \$ - | \$ 2,730,612 | \$ 2,730,612 | \$ - |
| Interest on investments | | | | 4,351 | 4,351 |
| Interest on Maintenance Reserve | 25 | | 25 | 1,501 | 1,476 |
| Interest on Capital Reserve Funds | 150 | | 150 | 3,035 | 2,885 |
| Unrestricted Miscellaneous Revenues | 15,000 | | 15,000 | 30,176 | 15,176 |
| Total - local sources | 2,745,787 | | 2,745,787 | 2,769,675 | 23,888 |
| State sources: | | | | | |
| Equalization aid | 2,436,974 | | 2,436,974 | 2,436,974 | |
| Special education aid | 291,684 | | 291,684 | 291,684 | |
| Security aid | 80,638 | | 80,638 | 80,638 | |
| School choice | 259,257 | | 259,257 | 259,257 | |
| Transportation aid | 209,903 | | 209,903 | 209,903 | |
| Other States Aids | 3,000 | | 3,000 | | (3,000) |
| Non-Public Transportation Aid | | | | 936 | 936 |
| Extraordinary aid | | | | 42,566 | 42,566 |
| Maintenance of Equity Aid | | | | 287,056 | 287,056 |
| Supplemental Stabilization Aid | | | | 4,642 | 4,642 |
| Lead Water Testing | | | | 1,091 | 1,091 |
| TPAF post-retirement medical (on- behalf non-budgeted) | | | | 229,231 | 229,231 |
| TPAF - long term disability insurance (on-behalf non-budgeted) | | | | 419 | 419 |
| Teachers' Pension & Annuity Fund - (on-behalf non-budgeted) | | | | 872,605 | 872,605 |
| Reimbursed TPAF social security contributions (non-budgeted) | | | | 198,940 | 198,940 |
| Total - state sources | 3,281,456 | | 3,281,456 | 4,915,942 | 1,634,486 |
| Total revenues | \$ 6,027,243 | \$ - | \$ 6,027,243 | \$ 7,685,617 | \$ 1,658,374 |

QUINTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|-----------|--------------------------------|
| EXPENDITURES: | | | | | |
| Current expense: | | | | | |
| Regular programs - instruction: | | | | | |
| Salaries of teachers: | | | | | |
| Preschool | \$ 18,241 | \$ 8,909 | \$ 27,150 | \$ 23,117 | \$ 4,033 |
| Kindergarten | 187,000 | (70,000) | 117,000 | 115,557 | 1,443 |
| Grades 1-5 | 885,000 | 163,600 | 1,048,600 | 1,047,733 | 867 |
| Grades 6-8 | 493,000 | (89,000) | 404,000 | 396,764 | 7,236 |
| Regular programs - home instruction: | | | | | |
| Salaries of teachers | 1,500 | | 1,500 | | 1,500 |
| Purchased professional - education services | 5,000 | 4,000 | 9,000 | 8,961 | 39 |
| Regular programs - undistributed instruction: | | | | | |
| Other salaries for instruction | 41,000 | (1,500) | 39,500 | 36,923 | 2,577 |
| Purchased professional - education services | 2,000 | | 2,000 | | 2,000 |
| Purchased technical services | 5,000 | (5,000) | | | |
| Other purchased services (400-500 series) | 50,800 | 2,500 | 53,300 | 50,354 | 2,946 |
| General supplies | 65,927 | 3,177 | 69,104 | 37,764 | 31,340 |
| Other Objects | 5,400 | 1,600 | 7,000 | 6,101 | 899 |
| Total regular programs | 1,759,868 | 18,286 | 1,778,154 | 1,723,274 | 54,880 |
| Special Education: | | | | | |
| Resource room: | | | | | |
| Salaries of teachers | 213,000 | 24,878 | 237,878 | 237,101 | 777 |
| Other salaries for instruction | 18,100 | 1,372 | 19,472 | 1,832 | 17,640 |
| General supplies | 1,500 | 350 | 1,850 | 1,842 | 8 |
| Total resource room | 232,600 | 26,600 | 259,200 | 240,775 | 18,425 |
| Total special education | 232,600 | 26,600 | 259,200 | 240,775 | 18,425 |
| Basic skills/remedial: | | | | | |
| Salaries of teachers | 36,000 | | 36,000 | 26,997 | 9,003 |
| Other salaries for instruction | 9,600 | (4,500) | 5,100 | 210 | 4,890 |
| General supplies | 1,000 | | 1,000 | | 1,000 |
| Total basic skills/remedial | 46,600 | (4,500) | 42,100 | 27,207 | 14,893 |
| School sponsored co-curricular activities: | | | | | |
| Salaries | 10,000 | 1,625 | 11,625 | 11,625 | |
| Total school sponsored co-curricular activities | 10,000 | 1,625 | 11,625 | 11,625 | |
| Other instructional programs - instruction: | | | | | |
| Salaries | 2,500 | (1,100) | 1,400 | 1,320 | 80 |
| Total other instructional programs | 2,500 | (1,100) | 1,400 | 1,320 | 80 |
| Total other programs | 59,100 | (3,975) | 55,125 | 40,152 | 14,973 |
| Total - instruction | 2,051,568 | 40,911 | 2,092,479 | 2,004,201 | 88,278 |
| Undistributed expenditures: | | | | | |
| Instruction: | | | | | |
| Tuition to other LEAs within state - regular | 736,000 | | 736,000 | 686,000 | 50,000 |
| Tuition to other LEAs within state - special | 68,400 | | 68,400 | 38,100 | 30,300 |
| Tuition to County voc. school district - regular | 287,336 | | 287,336 | 287,336 | |
| Tuition to county special services district (CSSD)/ and Regular Day School | 428,604 | (84,877) | 343,727 | 252,057 | 91,670 |
| Tuition to private schools for the Disbl w/I State regional day schools | 140,940 | | 140,940 | 106,778 | 34,162 |
| Total undistributed expenditures - instruction | 1,661,280 | (84,877) | 1,576,403 | 1,370,271 | 206,132 |
| Attendance and social work services: | | | | | |
| Salaries | | | | | |
| Total attendance and social work services | | | | | |

QUINTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023

| | | | | | |
|---|-----------|----------|-----------|-----------|----------|
| Health services: | | | | | |
| Salaries | \$ 64,500 | \$ (525) | \$ 63,975 | \$ 59,663 | \$ 4,312 |
| Purchased professional - technical services | 4,000 | 525 | 4,525 | 4,525 | |
| Other purchased services (400-500 series) | 1,000 | | 1,000 | | 1,000 |
| Supplies and materials | 5,000 | | 5,000 | 3,310 | 1,690 |
| Total health services | 74,500 | | 74,500 | 67,498 | 7,002 |
| Related services: | | | | | |
| Salaries of teachers | 96,000 | (9,000) | 87,000 | 82,654 | 4,346 |
| Purchased professional - education services | 40,000 | 5,500 | 45,500 | 44,974 | 526 |
| Supplies and materials | 1,500 | | 1,500 | 38 | 1,462 |
| Total related services | 137,500 | (3,500) | 134,000 | 127,666 | 6,334 |
| Extraordinary services: | | | | | |
| Purchased professional - education services | 116,461 | (22,100) | 94,361 | 30,569 | 63,792 |
| Total extraordinary services | 116,461 | (22,100) | 94,361 | 30,569 | 63,792 |
| Guidance services: | | | | | |
| Salaries of other professional staff | 86,000 | (17,900) | 68,100 | 40,640 | 27,460 |
| Supplies and materials | 1,500 | | 1,500 | | 1,500 |
| Total guidance services | 87,500 | (17,900) | 69,600 | 40,640 | 28,960 |
| Child study team: | | | | | |
| Salaries of other professional staff | 25,500 | (1,015) | 24,485 | 17,604 | 6,881 |
| Purchased professional - education services | | 22,260 | 22,260 | 22,259 | 1 |
| Other purchased professional - technical services | 5,000 | 955 | 5,955 | 5,955 | |
| Supplies and materials | 3,000 | (800) | 2,200 | 1,630 | 570 |
| Other Objects | 500 | | 500 | | 500 |
| Total child study team | 34,000 | 21,400 | 55,400 | 47,448 | 7,952 |
| Improvement of instruction services: | | | | | |
| Salaries of other professional staff | 5,000 | | 5,000 | | 5,000 |
| Total improvement of instruction services | 5,000 | | 5,000 | | 5,000 |
| Educational media services/school library: | | | | | |
| Salaries | 12,100 | | 12,100 | 11,296 | 804 |
| Purchased professional-technical services | 1,000 | | 1,000 | 1,000 | |
| Other purchased services (400-500 series) | 1,200 | | 1,200 | 1,070 | 130 |
| Supplies and materials | 2,500 | | 2,500 | 2,465 | 35 |
| Total educational media services/school library | 16,800 | | 16,800 | 15,831 | 969 |
| Instructional staff training: | | | | | |
| Purchased professional - education services | 5,500 | | 5,500 | | 5,500 |
| Other purchased services (400-500 series) | 5,500 | | 5,500 | | 5,500 |
| Total instructional staff training | 11,000 | | 11,000 | | 11,000 |
| Support services general administration: | | | | | |
| Salaries | 109,500 | 1,499 | 110,999 | 110,432 | 567 |
| Legal services | 7,500 | 1,075 | 8,575 | 8,568 | 7 |
| Audit fees | 14,000 | 1,300 | 15,300 | 15,280 | 20 |
| Architectural/engineering services | 3,000 | (3,000) | | | |
| Other purchased professional services | 12,200 | 7,350 | 19,550 | 19,544 | 6 |
| Communications/telephone | 12,000 | (919) | 11,081 | 10,410 | 671 |
| BOE other purchased services | 1,000 | (1,000) | | | |
| Other purchased services (400-500 series) | 22,200 | (5,105) | 17,095 | 16,811 | 284 |
| General Supplies | 2,500 | (1,450) | 1,050 | 1,048 | 2 |
| BOE in house training/meeting supplies | 1,000 | (1,000) | | | |
| Miscellaneous expenditures | 2,300 | | 2,300 | 2,177 | 123 |
| BOE membership dues and fees | 4,250 | (250) | 4,000 | 3,456 | 544 |
| Total support services general administration | 191,450 | (1,500) | 189,950 | 187,726 | 2,224 |

QUINTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023

| | | | | | |
|--|-----------|----------|-----------|-----------|-----------|
| Support services school administration: | | | | | |
| Salaries of principals/assistant principals | \$ 83,000 | | \$ 83,000 | \$ 69,099 | \$ 13,901 |
| Salaries of secretarial and clerical assistants | 14,500 | | 14,500 | 9,609 | 4,891 |
| Other purchased services (400-500 series) | 2,500 | | 2,500 | 1,356 | 1,144 |
| Supplies and materials | 3,500 | \$ 1,800 | 5,300 | 5,097 | 203 |
| Other Objects | 2,000 | (300) | 1,700 | 1,690 | 10 |
| Total support services school administration | 105,500 | 1,500 | 107,000 | 86,851 | 20,149 |
| Central services: | | | | | |
| Salaries | 9,500 | (350) | 9,150 | 7,377 | 1,773 |
| Purchased professional services | 90,000 | (700) | 89,300 | 87,828 | 1,472 |
| Purchased technical services | 20,900 | 1,265 | 22,165 | 22,161 | 4 |
| Supplies and materials | 2,500 | (215) | 2,285 | 1,362 | 923 |
| Miscellaneous Expenditures | 100 | | 100 | 100 | |
| Total central services | 123,000 | | 123,000 | 118,828 | 4,172 |
| Required maintenance for school facilities: | | | | | |
| Salaries | 89,000 | (16,105) | 72,895 | 70,740 | 2,155 |
| Cleaning, repair, and maintenance services | 40,500 | 3,605 | 44,105 | 44,105 | |
| Supplies and materials | 20,000 | 6,000 | 26,000 | 25,804 | 196 |
| Total required maintenance for school facilities | 149,500 | (6,500) | 143,000 | 140,649 | 2,351 |
| Other operation & maintenance of plant services: | | | | | |
| Salaries | 123,000 | (1,500) | 121,500 | 117,783 | 3,717 |
| Salaries of Non-Instructional Aides | 27,500 | | 27,500 | 21,872 | 5,628 |
| Purchased professional and technical services | 6,000 | | 6,000 | 4,338 | 1,662 |
| Cleaning, repair, and maintenance services | 35,892 | (17,982) | 17,910 | 14,801 | 3,109 |
| Other purchased property services | 35,000 | (6,000) | 29,000 | 28,928 | 72 |
| Insurance | 30,000 | (200) | 29,800 | 27,893 | 1,907 |
| Miscellaneous purchased services (400-500 series) | 3,500 | | 3,500 | 1,901 | 1,599 |
| General supplies | 20,000 | (8,350) | 11,650 | 11,649 | 1 |
| Energy (electricity) | 85,000 | 11,200 | 96,200 | 96,189 | 11 |
| Energy (oil) | 45,000 | 9,900 | 54,900 | 54,864 | 36 |
| Total other operation & maintenance of plant services | 410,892 | (12,932) | 397,960 | 380,218 | 17,742 |
| Security: | | | | | |
| Salaries | 12,000 | | 12,000 | 10,460 | 1,540 |
| Total security | 12,000 | | 12,000 | 10,460 | 1,540 |
| Total operation & maintenance of plant services | 572,392 | (19,432) | 552,960 | 531,327 | 21,633 |
| Student transportation services: | | | | | |
| Salaries - regular | 5,000 | | 5,000 | 5,000 | |
| Aid in lieu - nonpublic | 5,025 | | 5,025 | 2,568 | 2,457 |
| Aid in lieu - charter school | 1,025 | | 1,025 | 511 | 514 |
| Aid in lieu - choice | 10,050 | (5,386) | 4,664 | 4,109 | 555 |
| Contracted services (between home and school) - vendors | 202,084 | 4,140 | 206,224 | 205,488 | 736 |
| Contracted services (other than between home and school) - vendors | 13,000 | (8,710) | 4,290 | 4,286 | 4 |
| Contracted services (regular students) - ESC & CTSA | 100,000 | 25,000 | 125,000 | 124,835 | 165 |
| Contracted services (special education students) - ESC & CTSA | 120,000 | 67,956 | 187,956 | 187,870 | 86 |
| Total student transportation services | 456,184 | 83,000 | 539,184 | 534,667 | 4,517 |
| Unallocated benefits: | | | | | |
| Social security contributions | 50,000 | | 50,000 | 38,432 | 11,568 |
| Other retirement contributions - regular | 70,000 | | 70,000 | 68,776 | 1,224 |
| Unemployment compensation | 3,000 | | 3,000 | 248 | 2,752 |
| Workers' compensation | 33,500 | 3,355 | 36,855 | 34,401 | 2,454 |
| Health benefits | 660,622 | (23,205) | 637,417 | 483,231 | 154,186 |
| Tuition reimbursement | 12,000 | | 12,000 | | 12,000 |
| Other Employee Benefits | 35,500 | | 35,500 | 31,500 | 4,000 |
| Unused sick payment to terminated/retired staff | 10,000 | | 10,000 | | 10,000 |
| Total unallocated benefits | 874,622 | (19,850) | 854,772 | 656,588 | 198,184 |

QUINTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023

| | | | | | |
|--|--------------|-------------|--------------|--------------|--------------|
| TPAF post-retirement medical (on-behalf non-budgeted) | \$ - | \$ - | \$ - | \$ 229,231 | \$ (229,231) |
| TPAF - long term disability insurance (on-behalf non-budgeted) | | | | 419 | (419) |
| Teachers' Pension & Annuity Fund (on-behalf non-budgeted) | | | | 872,605 | (872,605) |
| Reimbursed TPAF social security contributions (non-budgeted) | | | | 198,940 | (198,940) |
| Total non-budgeted | | | | 1,301,195 | (1,301,195) |
| Total undistributed expenditures | 4,467,189 | (63,259) | 4,403,930 | 5,117,105 | (713,175) |
| Interest Earned on Maintenance Reserve | 25 | | 25 | | 25 |
| Total expenditures - current expense | 6,518,782 | (22,348) | 6,496,434 | 7,121,306 | (624,872) |
| CAPITAL OUTLAY: | | | | | |
| Equipment: | | | | | |
| Undistributed expenditures: | | | | | |
| Required Maintenance for School Fac. | | 19,432 | 19,432 | 19,432 | |
| Total equipment | | 19,432 | 19,432 | 19,432 | |
| 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 | 36,293 | 19,432 | 55,725 | 55,575 | 150 |
| Total expenditures | 6,555,075 | (2,916) | 6,552,159 | 7,176,881 | (624,722) |
| Excess (deficiency) of revenues & other financing sources over (under) expenditures and other financing uses | (527,832) | 2,916 | (524,916) | 508,736 | 1,033,652 |
| Other financing sources Sources (uses) | | | | | |
| Capital Reserve Transferred to Capital Project Fund | | | | | |
| Transfer of Funds to Charter School | | (21,877) | (21,877) | (21,877) | |
| Local Contrib. - Trans to Special Rev- Regular | (13,509) | | (13,509) | | 13,509 |
| Transfer of funds to Enterprise Fund | | | | | |
| Total Other financing sources (uses) | (13,509) | (21,877) | (35,386) | (21,877) | 13,509 |
| Net changes in fund balance | (541,341) | (18,961) | (560,302) | 486,859 | 1,047,161 |
| Fund balances - July 1 | 2,007,259 | | 2,007,259 | 2,007,259 | |
| Fund balances - June 30 | \$ 1,465,918 | \$ (18,961) | \$ 1,446,957 | \$ 2,494,118 | \$ 1,047,161 |
| Recapitulation: | | | | | |
| Restricted Fund Balance: | | | | | |
| Capital reserve | | | | \$ 306,545 | |
| Maintenance reserve | | | | 151,526 | |
| Excess surplus - current year | | | | 677,861 | |
| Excess surplus - designated for subsequent year's expenditures | | | | 656,521 | |
| Reserve for Unemployment Compensation | | | | 28,904 | |
| Assigned Fund Balance: | | | | | |
| Year-end encumbrances | | | | 9,293 | |
| Designated for subsequent year's expenditures | | | | 78,268 | |
| Unassigned Fund Balance | | | | 585,200 | |
| | | | | 2,494,118 | |
| Reconciliation to Governmental Fund Statements (GAAP): | | | | | |
| June state aid payments not recognized on GAAP Basis | | | | (298,321) | |
| Fund balance per Governmental Funds (GAAP) | | | | \$ 2,195,797 | |

QUINTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2023

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| REVENUES: | | | | | |
| Federal sources | \$ 1,371,875 | (4,801) | \$ 1,367,074 | \$ 611,851 | \$ 755,223 |
| State sources | 594,396 | 2,247 | 596,643 | 553,194 | 43,449 |
| Local sources | 3,000 | 117,296 | 120,296 | 105,687 | 14,609 |
| Total revenues | <u>1,969,271</u> | <u>114,742</u> | <u>2,084,013</u> | <u>1,270,732</u> | <u>813,281</u> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of teachers | 369,967 | (3,845) | 366,122 | 268,675 | 97,447 |
| Other salaries for instruction | 75,740 | 14,220 | 89,960 | 84,401 | 5,559 |
| Purchased professional and technical services | 0 | 553 | 553 | 553 | |
| Purchased professional Ed. services | | | 6,706 | 3,348 | 3,358 |
| Other purchased services (400-500 series) | 49,934 | 7,486 | 57,420 | 30,018 | 27,402 |
| Tuition | 86,312 | | 86,312 | 86,312 | |
| General supplies | 136,333 | 8,975 | 145,308 | 88,741 | 56,567 |
| Other objects | 12,000 | | 15,960 | 5,150 | 10,810 |
| Total instruction | <u>730,286</u> | <u>27,389</u> | <u>768,341</u> | <u>567,198</u> | <u>201,143</u> |
| Support Services: | | | | | |
| Salaries Supervisors | 16,667 | 12,343 | 29,010 | 29,010 | |
| Salaries Other Professionals | 167,596 | (9,270) | 158,326 | 60,606 | 97,720 |
| Salaries Secretarial Staff | 7,426 | | 7,426 | 7,426 | |
| Other salaries | 39,603 | (11,757) | 27,846 | 27,290 | 556 |
| Preschool Liasion | 13,420 | 14,512 | 27,932 | 27,583 | 349 |
| Personal services - employee benefits | 259,466 | (18,129) | 241,337 | 152,236 | 89,101 |
| Purchased professional and technical services | 170,856 | | 170,856 | 49,435 | 121,421 |
| Purchased professional Ed. services | 59,305 | (13,889) | 45,416 | 37,282 | 8,134 |
| Purchased property services | 41,556 | 91,949 | 133,505 | 35,746 | 97,759 |
| Other purchased services (400-500 series) | 16,767 | | 16,767 | 3,477 | 13,290 |
| Contracted Field Trips | 4,043 | | 8,578 | 3,307 | 5,271 |
| Supplies and materials | 87,840 | (13,861) | 73,979 | 52,595 | 21,384 |
| Student Activities | | | | 5,631 | (5,631) |
| Other Objects | 20,000 | (16,825) | 3,175 | 2,792 | 383 |
| Total support services | <u>904,545</u> | <u>35,073</u> | <u>944,153</u> | <u>494,416</u> | <u>449,737</u> |
| Facilities acquisition and construction services: | | | | | |
| Instructional Equipment | 20,000 | 26,825 | 46,825 | 40,925 | 5,900 |
| Noninstructional equipment | 15,000 | 13,254 | 28,254 | 113,311 | (85,057) |
| Facilities | 299,440 | | 296,440 | 54,909 | 241,531 |
| Total facilities acquisition and construction services | <u>334,440</u> | <u>40,079</u> | <u>371,519</u> | <u>209,145</u> | <u>162,374</u> |
| Total expenditures | <u>\$ 1,969,271</u> | <u>\$ 102,541</u> | <u>\$ 2,084,013</u> | <u>\$ 1,270,759</u> | <u>\$ 813,254</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | \$ (27) | 27 |
| Fund Balance, July 1 | | | | 15,593 | |
| Fund Balance, June 30 | | | | <u>\$ 15,566</u> | |

NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION - PART II

QUINTON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to RSI
For the Fiscal Year Ended June 30, 2023

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

| | General Fund C-1 | Special Revenue Fund |
|--|---------------------------|----------------------------|
| Sources/inflows of resources: | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule. | [C-1] \$ 7,685,617 | [E-1] \$ 1,270,732 |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| Prior Year | | 25,967 |
| Current Year | | (106,261) |
| State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes. | 322,662 | 63,624 |
| State aid payments recognized for budgetary purposes, not recognized for GAAP statements. | (298,321) | (59,440) |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds. | [B-2] <u>\$ 7,709,958</u> | [E-1] <u>\$ 1,194,622</u> |
| Uses/outflows of resources: | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. | [C-1] \$ 7,176,881 | \$ 1,270,759 |
| Difference - budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the supplies are received for financial reporting purposes. | | (80,294) |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds. | [B-2] <u>\$ 7,176,881</u> | [B-2] <u>\$ 1,190,465</u> |

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*

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|-----------|------------|------------|------------|------------|--------------|--------------|------------|------------|------------|
| District's Proportion of the Net Pension Liability | 0.005093% | 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 \$ | 768,638 | \$ 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 \$ | 318,214 | \$ 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 | 241.55% | 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 | 62.91% | 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*

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Contractually Required Contribution | \$ 64,228 | \$ 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 | (64,228) | (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 | \$ 318,214 | \$ 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 | 20.18% | 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*

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| District's Proportion of the Net Pension Liability | 0.019386% | 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 | \$ 10,002,284 | \$ 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 | \$ 2,608,127 | \$ 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 | 383.50% | 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 | 32.29% | 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*

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | | | | |
| Service Cost | \$ 643,465 | \$ 755,070 | \$ 442,287 | \$ 399,793 | \$ 467,026 | \$ 565,643 |
| Interest Cost | 384,426 | 439,492 | 441,798 | 529,439 | 558,004 | 484,162 |
| Changes of Benefit Terms | | (18,033) | | | | |
| Differences Between Expected and Actual Experiences | 796,129 | (2,972,148) | 2,672,589 | (1,868,502) | (961,648) | |
| Changes of Assumptions | (3,891,371) | 16,715 | 3,480,841 | 183,990 | (1,544,928) | (2,008,599) |
| Member Contributions | 12,216 | 11,236 | 10,055 | 11,229 | 12,442 | 13,042 |
| Gross Benefit Payments | (380,785) | (346,196) | (331,746) | (378,801) | (359,991) | (354,194) |
| Net Change in Total OPEB Liability | (2,435,920) | (2,113,864) | 6,715,824 | (1,122,852) | (1,829,095) | (1,299,946) |
| Total OPEB Liability - Beginning | 16,941,943 | 19,055,807 | 12,339,983 | 13,462,835 | 15,291,930 | 16,591,876 |
| Total OPEB Liability - Ending | \$ 14,506,023 | \$ 16,941,943 | \$ 19,055,807 | \$ 12,339,983 | \$ 13,462,835 | \$ 15,291,930 |
| Covered-Employee Payroll | \$ 2,926,341 | \$ 3,036,115 | \$ 2,635,236 | \$ 2,573,459 | \$ 2,590,320 | \$ 2,673,102 |
| Total OPEB Liability as a Percentage of Covered-Employee Payroll | 495.71% | 558.01% | 723.12% | 479.51% | 519.74% | 572.07% |

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, 2023

| | Total Brought Forward Ex. E-1(2) | Title I Part A | Title II, Part A Teacher & Principal Training & Recruiting | Title IV | Totals | |
|--|---|-------------------|--|----------|-----------|-----------|
| | | | | | FY 2023 | FY 2022 |
| REVENUES: | | | | | | |
| Local sources | 105,687 | | | | 105,687 | 23,059 |
| Federal sources | 514,202 | 82,081 | 6,678 | 8,890 | 611,851 | 497,161 |
| State sources | 553,194 | | | | 553,194 | 561,909 |
| Total revenues | 1,173,083 | 82,081 | 6,678 | 8,890 | 1,270,732 | 1,082,129 |
| EXPENDITURES: | | | | | | |
| Instruction: | | | | | | |
| Salaries of teachers | 241,364 | 27,311 | | | 268,675 | 326,195 |
| Other salaries for instruction | 52,721 | 31,680 | | | 84,401 | 65,356 |
| Purchased professional and technical services | 553 | | | | 553 | 9,390 |
| Purchased professional ED. services | 3,348 | | | | 3,348 | |
| Other purchased services (400-500 series) | 30,018 | | | | 30,018 | 41,607 |
| Tuition | 86,312 | | | | 86,312 | 102,191 |
| General supplies | 88,741 | | | | 88,741 | 27,884 |
| Other objects | 2,300 | | | 2,850 | 5,150 | 4,281 |
| Total instruction | 505,357 | 58,991 | | 2,850 | 567,198 | 576,904 |
| Support services: | | | | | | |
| Salaries Supervisors | 29,010 | | | | 29,010 | 16,343 |
| Salaries Other Professionals | 56,656 | | | 3,950 | 60,606 | 16,054 |
| Salaries Secretarial Staff | 7,426 | | | | 7,426 | 15,592 |
| Other Salaries | 27,290 | | | | 27,290 | 43,380 |
| Preschool Liasion | 27,583 | | | | 27,583 | 13,029 |
| Personal services - employee benefits | 133,266 | 16,880 | | 2,090 | 152,236 | 119,764 |
| Purchased professional and technical services | 49,435 | | | | 49,435 | |
| Purchased professional ED. services | 25,072 | 6,210 | 6,000 | | 37,282 | 76,268 |
| Purchased property Services | 35,746 | | | | 35,746 | 16,702 |
| Other purchased services (400-500 series) | 2,799 | | 678 | | 3,477 | 9,056 |
| Contracted Field Trips | 3,307 | | | | 3,307 | 9,056 |
| Supplies and materials | 52,595 | | | | 52,595 | 53,223 |
| Student Activities | 5,631 | | | | 5,631 | 3,708 |
| Other Objects | 2,792 | | | | 2,792 | |
| Total support services | 458,608 | 23,090 | 6,678 | 6,040 | 494,416 | 383,119 |
| Facilities acquisition and construction services: | | | | | | |
| Instructional equipment | 40,925 | | | | 40,925 | 9,956 |
| Noninstructional equipment | 113,311 | | | | 113,311 | 110,703 |
| Facilities | 54,909 | | | | 54,909 | 2,490 |
| Total facilities acquisition and construction services | 209,145 | | | | 209,145 | 123,149 |
| Total expenditures | 1,173,110 | 82,081 | 6,678 | 8,890 | 1,270,759 | 1,083,172 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (27) | | | | (27) | (1,043) |
| Fund Balance, July 1 | 15,593 | | | | 15,593 | 16,636 |
| Fund Balance, June 30 | 15,566 | | | | 15,566 | 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, 2023

| | Total Brought Forward Ex. E-1(3) | IDEA PART -B | IDEA Preschool Program | ARP IDEA | ARP ESSER ACCEL | Total Carried Forward |
|--|---|-----------------|------------------------------|-------------|-----------------------|-----------------------------|
| REVENUES: | | | | | | |
| Local sources | 105,687 | | | | | 105,687 |
| Federal sources | 422,282 | 86,312 | 2,608 | | 3,000 | 514,202 |
| State sources | 553,194 | | | | | 553,194 |
| Total revenues | 1,081,163 | 86,312 | 2,608 | | 3,000 | 1,173,083 |
| EXPENDITURES: | | | | | | |
| Instruction: | | | | | | |
| Salaries of teachers | 241,364 | | | | | 241,364 |
| Other salaries for instruction | 52,721 | | | | | 52,721 |
| Purchased professional and technical services | 553 | | | | | 553 |
| Purchased professional ED. services | 3,348 | | | | | 3,348 |
| Other Purchased Services (400-500 series) | 30,018 | | | | | 30,018 |
| Tuition | | 86,312 | | | | 86,312 |
| General supplies | 88,741 | | | | | 88,741 |
| Other objects | 2,300 | | | | | 2,300 |
| Total instruction | 419,045 | 86,312 | | | | 505,357 |
| Support services: | | | | | | |
| Salaries Supervisors | 29,010 | | | | | 29,010 |
| Salaries other professionals | 56,656 | | | | | 56,656 |
| Salaries secretarial staff | 7,426 | | | | | 7,426 |
| Other salaries | 27,290 | | | | | 27,290 |
| Preschool liaison | 27,583 | | | | | 27,583 |
| Personal services - employee benefits | 133,266 | | | | | 133,266 |
| Purchased professional ED. services | 25,072 | | | | | 25,072 |
| Purchased professional and technical services | 43,827 | | 2,608 | | 3,000 | 49,435 |
| Purchased Property Services | 35,746 | | | | | 35,746 |
| Other purchased services (400-500 series) | 2,799 | | | | | 2,799 |
| Contracted Field Trips | 3,307 | | | | | 3,307 |
| Supplies and materials | 52,595 | | | | | 52,595 |
| Student Activities | 5,631 | | | | | 5,631 |
| Other objects | 2,792 | | | | | 2,792 |
| Total support services | 453,000 | | 2,608 | | 3,000 | 458,608 |
| Facilities acquisition and construction services: | | | | | | |
| Instructional equipment | 40,925 | | | | | 40,925 |
| Noninstructional equipment | 113,311 | | | | | 113,311 |
| Facilities | 54,909 | | | | | 54,909 |
| Total facilities acquisition and construction services | 209,145 | | | | | 209,145 |
| Total expenditures | 1,081,190 | 86,312 | 2,608 | | 3,000 | 1,173,110 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (27) | | | | | (27) |
| Fund Balance, July 1 | 15,593 | | | | | 15,593 |
| Fund Balance, June 30 | 15,566 | | | | | 15,566 |

QUINTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2023

| | Total Brought Forward Ex. E-1(4) | Safety Grant | (See E-2) Preschool Education | Rural Education Achievement Program | Student Activities | Technology Trust | Total Carried Forward |
|--|---|-----------------|-------------------------------------|--|-----------------------|---------------------|-----------------------------|
| REVENUES: | | | | | | | |
| Local sources | 87,651 | 12,432 | | | 5,604 | | 105,687 |
| Federal sources | 396,990 | | | 25,292 | | | 422,282 |
| State sources | | | 553,194 | | | | 553,194 |
| Total Revenues | 484,641 | 12,432 | 553,194 | 25,292 | 5,604 | | 1,081,163 |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | 42,166 | 1,638 | 197,560 | | | | 241,364 |
| Other salaries for instruction | | | 52,721 | | | | 52,721 |
| Purchased professional and technical services | 553 | | | | | | 553 |
| Purchased professional ED. services | | 3,348 | | | | | 3,348 |
| Other Purchased Services (400-500 series) | 21,355 | | 1,177 | 7,486 | | | 30,018 |
| Tuition | | | | | | | |
| General supplies | 75,754 | 1,451 | 11,536 | | | | 88,741 |
| Other objects | | | 2,300 | | | | 2,300 |
| Total Instruction | 139,828 | 6,437 | 265,294 | 7,486 | | | 419,045 |
| Support services: | | | | | | | |
| Salaries Supervisors | | | 29,010 | | | | 29,010 |
| Salaries other professionals | 40,106 | | 16,550 | | | | 56,656 |
| Salaries secretarial staff | | | 7,426 | | | | 7,426 |
| Other salaries | | | 27,290 | | | | 27,290 |
| Preschool liaison | | | 27,583 | | | | 27,583 |
| Personal services - employee benefits | 35,488 | | 97,778 | | | | 133,266 |
| Purchased professional ED. services | | | 25,072 | | | | 25,072 |
| Purchased professional and technical services | 43,827 | | | | | | 43,827 |
| Purchased property services | 34,466 | | 1,280 | | | | 35,746 |
| Other purchased services (400-500 series) | | 2,799 | | | | | 2,799 |
| Contracted Field Trips | | 3,196 | 111 | | | | 3,307 |
| Supplies and materials | 50,017 | | 1,025 | 1,553 | | | 52,595 |
| Student Activities | | | | | 5,631 | | 5,631 |
| Other objects | | | 2,792 | | | | 2,792 |
| Total Support Services | 203,904 | 5,995 | 235,917 | 1,553 | 5,631 | | 453,000 |
| Facilities acquisition and construction services: | | | | | | | |
| Instructional equipment | | | 40,925 | | | | 40,925 |
| Noninstructional equipment | 86,000 | | 11,058 | 16,253 | | | 113,311 |
| Facilities | 54,909 | | | | | | 54,909 |
| Total facilities acquisition and construction services | 140,909 | | 51,983 | 16,253 | | | 209,145 |
| Total Expenditures | 484,641 | 12,432 | 553,194 | 25,292 | 5,631 | | 1,081,190 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | | (27) | | (27) |
| Fund Balance, July 1 | | | | | 5,607 | 9,986 | 15,593 |
| Fund Balance, June 30 | | | | | 5,580 | 9,986 | 15,566 |

QUINTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2023

| | Total Brought Forward Ex. E-1(5) | CRRSA | | | ARP | | Total Carried Forward |
|--|---|----------|----------------|------------------|---------|------------------|-----------------------------|
| | | ESSER II | Learn Accel | Mental Health | ESSER | Mental Health | |
| REVENUES: | | | | | | | |
| Local sources | 87,651 | | | | | | 87,651 |
| Federal sources | 20,932 | 117,356 | 12,500 | 24,124 | 199,839 | 22,239 | 396,990 |
| State sources | | | | | | | |
| Total Revenues | 108,583 | 117,356 | 12,500 | 24,124 | 199,839 | 22,239 | 484,641 |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | 8,125 | 22,429 | 11,612 | | | | 42,166 |
| Other salaries for instruction | | | | | | | |
| Purchased professional and technical services | 553 | | | | | | 553 |
| Purchased professional ED. services | | | | | | | |
| Other Purchased Services (400-500 series) | | 6,934 | | | 14,421 | | 21,355 |
| Tuition | | | | | | | |
| General supplies | 2,455 | | | | 73,299 | | 75,754 |
| Other objects | | | | | | | |
| Total Instruction | 11,133 | 29,363 | 11,612 | | 87,720 | | 139,828 |
| Support services: | | | | | | | |
| Salaries Supervisors | | | | | | | |
| Salaries other professionals | 744 | 14,805 | | 12,577 | | 11,980 | 40,106 |
| Salaries secretarial staff | | | | | | | |
| Other salaries | | | | | | | |
| Preschool liaison | | | | | | | |
| Personal services - employee benefits | 621 | 21,310 | 888 | 6,657 | | 6,012 | 35,488 |
| Purchased professional and technical services | | 27,467 | | 4,308 | 9,000 | 3,052 | 43,827 |
| Purchased property services | 1,091 | 10,443 | | | 22,932 | | 34,466 |
| Other purchased services (400-500 series) | | | | | | | |
| Contracted Field Trips | | | | | | | |
| Supplies and materials | 8,994 | 13,968 | | 582 | 25,278 | 1,195 | 50,017 |
| Student Activities | | | | | | | |
| Other objects | | | | | | | |
| Total Support Services | 11,450 | 87,993 | 888 | 24,124 | 57,210 | 22,239 | 203,904 |
| Facilities acquisition and construction services: | | | | | | | |
| Instructional equipment | | | | | | | |
| Noninstructional equipment | 86,000 | | | | | | 86,000 |
| Facilities | | | | | 54,909 | | 54,909 |
| Total facilities acquisition and construction services | 86,000 | | | | 54,909 | | 140,909 |
| Total Expenditures | 108,583 | 117,356 | 12,500 | 24,124 | 199,839 | 22,239 | 484,641 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | | | | |
| Fund Balance, July 1 | | | | | | 9,986 | 9,986 |
| Fund Balance, June 30 | | | | | | 9,986 | 9,986 |

QUINTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2023

| | ARP | | | | | | |
|--|-------------|-----------------|---------------|------------------------------|------------|-------------------|-----------------------|
| | Homeless II | Summer Learning | Beyond School | Recreation Improvement Grant | BASF GRANT | SDA Emergent Need | Total Carried Forward |
| REVENUES: | | | | | | | |
| Local sources | | | | 86,000 | 1,651 | | 87,651 |
| Federal sources | 3,214 | 2,935 | 7,912 | | | 6,871 | 20,932 |
| State sources | | | | | | | |
| Total Revenues | 3,214 | 2,935 | 7,912 | 86,000 | 1,651 | 6,871 | 108,583 |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | | 775 | 7,350 | | | | 8,125 |
| Other salaries for instruction | | | | | | | |
| Purchased professional and technical services | | 553 | | | | | 553 |
| Purchased professional ED. services | | | | | | | |
| Other Purchased Services (400-500 series) | | | | | | | |
| Tuition | | | | | | | |
| General supplies | | 804 | | | 1,651 | | 2,455 |
| Other objects | | | | | | | |
| Total Instruction | | 2,132 | 7,350 | 0 | 1,651 | | 11,133 |
| Support services: | | | | | | | |
| Salaries Supervisors | | | | | | | |
| Salaries other professionals | | 744 | | | | | 744 |
| Salaries secretarial staff | | | | | | | |
| Other salaries | | | | | | | |
| Preschool liaison | | | | | | | |
| Personal services - employee benefits | | 59 | 562 | | | | 621 |
| Purchased professional and technical services | | | | | | | |
| Purchased property services | | | | | | 1,091 | 1,091 |
| Other purchased services (400-500 series) | | | | | | | |
| Contracted Field Trips | | | | | | | |
| Supplies and materials | 3,214 | | | | | 5,780 | 8,994 |
| Student Activities | | | | | | | |
| Other objects | | | | | | | |
| Total Support Services | 3,214 | 803 | 562 | | | 6,871 | 11,450 |
| Facilities acquisition and construction services: | | | | | | | |
| Instructional equipment | | | | 86,000 | | | 86,000 |
| Noninstructional equipment | | | | | | | |
| Facilities | | | | | | | |
| Total facilities acquisition and construction services | | | | 86,000 | | | 86,000 |
| Total Expenditures | 3,214 | 2,935 | 7,912 | 86,000 | 1,651 | 6,871 | 108,583 |
| Excess (Deficiency) of Revenues | | | | | | | |
| Over (Under) Expenditures | | | | | | | |
| Fund Balance, July 1 | | | | | | | |
| Fund Balance, June 30 | | | | | | | |

QUINTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid Schedule of Expenditures -
Budgetary Basis
For the Fiscal Year Ended June 30, 2023

| | Budgeted | Actual | Variance |
|---|-------------------|-------------------|------------------|
| Expenditures: | | | |
| Instruction: | | | |
| Salaries of teachers | \$ 199,060 | \$ 197,560 | \$ 1,500 |
| Other salaries for instruction | 58,280 | 52,721 | 5,559 |
| Other Purchased Services | 3,000 | 1,177 | 1,823 |
| General supplies | 12,050 | 11,536 | 514 |
| Other objects | 12,000 | 2,300 | 9,700 |
| | <u>284,390</u> | <u>265,294</u> | <u>19,096</u> |
| Support: | | | |
| Salaries Supervisors | 29,010 | 29,010 | |
| Salaries Other Professionals | 16,550 | 16,550 | |
| Salaries Secretarial Staff | 7,426 | 7,426 | |
| Other Salaries | 27,290 | 27,290 | |
| Preschool Liasion | 27,932 | 27,583 | 349 |
| Personal services - employee benefits | 98,671 | 97,778 | 893 |
| Purchased professional ED.services | 27,206 | 25,072 | 2,134 |
| Purchased Property Services | 5,971 | 1,280 | 4,691 |
| Other purchased services (400-500 series) | 950 | 111 | 839 |
| Supplies and materials | 1,026 | 1,025 | 1 |
| Other Objects | 3,175 | 2,792 | 383 |
| | <u>245,207</u> | <u>235,917</u> | <u>9,290</u> |
| Facilities acquisition and construction services: | | | |
| Instructional equipment | 50,929 | 40,925 | 10,004 |
| Noninstructional equipment | 14,360 | 11,058 | 3,302 |
| | <u>65,289</u> | <u>51,983</u> | <u>13,306</u> |
| Total expenditures | <u>\$ 594,886</u> | <u>\$ 553,194</u> | <u>\$ 41,692</u> |

CALCULATION OF BUDGET AND CARRYOVER

| | |
|---|-------------------|
| Total revised 2022-2023 Preschool Education Aid allocation | \$ 594,396 |
| Add: Actual ECPA Carryover (June 30, 2022) | 74,331 |
| Add: Budgeted transfer from the General Fund 2022-2023 | |
| Prior year order adjustment | 662 |
| Total Preschool Education Aid Funds available for 2022/2023 budget | 669,389 |
| Less: 2022-2023 budgeted Preschool Education Aid (including prior year budgeted carryover) | 594,886 |
| Available & unbudgeted Preschool Education Aid Funds as of June 30, 2023 | 74,503 |
| Add: June 30, 2023, unexpended Preschool Education Aid | 41,692 |
| 2022-2023 Carryover - Preschool Education Aid/Preschool | <u>\$ 116,195</u> |
| 2022-2023 Preschool Education Aid carryover budgeted for Preschool programs 2023-2024 | <u>\$ 74,311</u> |

The District should consider amending the 2023-24 Preschool Budget for the remaining \$41,884 in available carryover funds

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, 2023

| Project Title/Issue | Original Date | Revised Budgetary Appropriation | GAAP | | Unexpended Balance | |
|---|------------------|---------------------------------------|----------------------|-----------------|--------------------|------------|
| | | | Expenditures to Date | | June 30, 2023 | |
| | | | Prior Years | Current Year | Encumbrances | Unexpended |
| Garage, Storage Building, Electric Sign, Exterior Doors and Horseshoe Driveway | 7/13/05 | \$ 172,074 | \$ 169,747 | | | \$ 2,327 |
| | | \$ 172,074 | \$ 169,747 | \$ - | \$ - | \$ 2,327 |

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, 2023

Revenue and Other financing sources (uses):

Securing Our Children;s Future Bond Act
(Alyssa's Law)

\$ -

Expenditures and other financing uses

Construction services

Excess (deficiency) or revenues
over (under) expenditures

Fund balance - Beginning

2,327

Fund balance - Ending

\$ 2,327

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, 2023

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|--|------------------|-----------------|-----------------|-------------------------------|
| 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 . | 172,074 | | 172,074 | 172,074 |
| | <u>191,002</u> | | <u>191,002</u> | <u>191,002</u> |
| Expenditures and other financing uses | | | | |
| Construction services | 188,675 | | 188,675 | 191,002 |
| | <u>188,675</u> | | <u>188,675</u> | <u>\$ 191,002</u> |
| Excess (deficiency) or revenues over (under) expenditures | <u>\$ 2,327</u> | <u>\$ -</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, 2023

| | Business-type Activities | | | |
|--|--------------------------|-----------------|------------------|------------------|
| | Food Service Fund | SACC Program | Total FY 2023 | Total FY 2022 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 107,295 | \$ (7,310) | \$ 99,985 | \$ 86,019 |
| Accounts receivable: | | | | |
| State | 120 | | 120 | 177 |
| Federal | 5,037 | | 5,037 | 21,707 |
| Other | 3,465 | 10,872 | 14,337 | 7,726 |
| Inventory | 3,506 | | 3,506 | 4,022 |
| Total current assets | 119,423 | 3,562 | 122,985 | 119,651 |
| Noncurrent assets | | | | |
| Furniture, machinery & equipment | 94,398 | | 94,398 | 88,139 |
| Less: accumulated depreciation | (78,268) | | (78,268) | (82,072) |
| Total noncurrent assets | 16,130 | | 16,130 | 6,067 |
| Total assets | 135,553 | 3,562 | 139,115 | 125,718 |
| LIABILITIES | | | | |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Unearned revenue | 2,137 | | 2,137 | 1,883 |
| Total liabilities | 2,137 | | 2,137 | 1,883 |
| Net position | | | | |
| Invested in capital assets net of related debt | 16,130 | | 16,130 | 6,067 |
| Unrestricted | 117,286 | 3,562 | 120,848 | 117,768 |
| Total net position | 133,416 | 3,562 | 136,978 | 123,835 |
| Total liabilities and net position | \$ 135,553 | \$ 3,562 | \$ 139,115 | \$ 125,718 |

QUINTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2023

| | Business-type Activities | | | |
|--|--------------------------|-----------------|------------------|------------------|
| | Food Service Fund | SACC Program | Total FY 2023 | Total FY 2022 |
| OPERATING REVENUES: | | | | |
| Local sources: | | | | |
| Daily sales - reimbursable programs | \$ 45,451 | | \$ 45,451 | |
| Daily sales - non-reimbursable programs | 5,116 | \$ 26,916 | 32,032 | \$ 29,715 |
| Total operating revenue | 50,567 | 26,916 | 77,483 | 29,715 |
| OPERATING EXPENSES: | | | | |
| Salaries | 66,206 | 19,251 | 85,457 | 81,060 |
| Employee benefits | 4,761 | 1,781 | 6,542 | 7,927 |
| Purchased professional/technical services | 4,220 | | 4,220 | 3,616 |
| Other purchased services (400-500 series) | | | | 99 |
| Supplies and materials | 5,643 | 2,322 | 7,965 | 5,515 |
| Cost of sales - reimbursable | 93,132 | | 93,132 | 91,072 |
| Cost of sales - non-reimbursable | 1,770 | | 1,770 | 1,187 |
| Depreciation | 1,696 | | 1,696 | 1,256 |
| Total operating expenses | 177,428 | 23,354 | 200,782 | 191,732 |
| Operating income (loss) | (126,861) | 3,562 | (123,299) | (162,017) |
| NON-OPERATING REVENUES: | | | | |
| State sources: | | | | |
| National school lunch program - state | 2,494 | | 2,494 | 3,333 |
| National school breakfast program - state | 346 | | 346 | |
| Federal sources: | | | | |
| National school lunch program | 79,045 | | 79,045 | 141,737 |
| National school breakfast program | 26,273 | | 26,273 | 53,210 |
| P-EBT Administrative Cost | 653 | | 653 | 1,242 |
| Emergency Operational Cost Program - Schools | | | | 3,302 |
| Supply Chain Assistance Funding | 16,873 | | 16,873 | 10,227 |
| Food distribution program | 10,758 | | 10,758 | 7,040 |
| Total non-operating revenues (expenses) | 136,442 | | 136,442 | 220,091 |
| Income (loss) before operating transfers | 9,581 | 3,562 | 13,143 | 58,074 |
| Net income (loss) | 9,581 | 3,562 | 13,143 | 58,074 |
| Transfer from General Fund | | | | 2,324 |
| Total net position - July 1 | 123,835 | | 123,835 | 63,437 |
| Total net position - June 30 | \$ 133,416 | \$ 3,562 | \$ 136,978 | \$ 123,835 |

QUINTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2023

| | Business-type Activities | | | |
|---|--------------------------|-----------------|------------------|------------------|
| | Food Service Fund | SACC Program | Total FY 2023 | Total FY 2022 |
| Cash flows from operating activities: | | | | |
| Receipts from customers | \$ 50,567 | \$ 23,267 | \$ 73,834 | \$ 22,492 |
| Payments to suppliers | (79,472) | (2,322) | (81,794) | (108,286) |
| Payments to employees | (66,206) | (19,251) | (85,457) | (81,060) |
| Payments for employee benefits | (4,761) | (1,781) | (6,542) | (7,927) |
| Net cash provided (used) by operating activities | (99,872) | (87) | (99,959) | (174,781) |
| Cash flows from non-capital financing activities: | | | | |
| Cash received from state, federal, and local reimbursements | 125,684 | | 125,684 | 213,051 |
| Transfer from general fund | | | | 2,324 |
| Net cash provided by non-capital financing activities | 125,684 | | | 215,375 |
| Cash flows from capital and related financing activities: | | | | |
| Purchases of capital assets | (11,759) | | | |
| Net cash provided by capital and related financing activities | (11,759) | | | |
| Net increase in cash and cash equivalents | 14,053 | (87) | 13,966 | 40,594 |
| Cash and cash equivalents - July 1 | 93,242 | (7,223) | 86,019 | 45,425 |
| Cash and cash equivalents - June 30 | \$ 107,295 | \$ (7,310) | \$ 99,985 | \$ 86,019 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Operating income (loss) | \$ (126,861) | \$ 3,562 | \$ (123,299) | \$ (162,017) |
| Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities: | | | | |
| Depreciation | 1,696 | | 1,696 | 1,256 |
| Food distribution program | 10,758 | | 10,758 | 7,040 |
| Change in assets and liabilities: | | | | |
| (Increase)/Decrease in Accounts Receivable | 13,765 | (3,649) | 10,116 | (19,180) |
| (Increase)/Decrease in Inventory | 516 | | 516 | (1,127) |
| Increase/(Decrease) in Unearned Revenue | 254 | | 254 | (753) |
| | \$ (99,872) | \$ (87) | \$ (99,959) | \$ (174,781) |

QUINTON TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2023

| | 2023 | 2022 |
|------------------------------------|-----------------|------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 6,709 | \$ 30,995 |
| Accounts receivable | | |
| Total assets | <u>6,709</u> | <u>30,995</u> |
| LIABILITIES | | |
| Liabilities | | |
| Unearned revenues | | |
| Accounts payable | 4,375 | |
| Total liabilities | <u>4,375</u> | |
| Net position | | |
| Net position | <u>2,334</u> | <u>30,995</u> |
| Total net position | <u>2,334</u> | <u>30,995</u> |
| Total liabilities and net position | <u>\$ 6,709</u> | <u>\$ 30,995</u> |

QUINTON TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
2023

| | 2023 | 2022 |
|------------------------------|------------|------------|
| OPERATING REVENUES: | | |
| Shared Services | \$ 249,040 | \$ 258,500 |
| Total operating revenue | 249,040 | 258,500 |
| OPERATING EXPENSES: | | |
| Salaries | 209,209 | 197,743 |
| Employee benefits | 41,275 | 28,711 |
| Other | 27,217 | 1,051 |
| Total operating expenses | 277,701 | 227,505 |
| Operating income (loss) | (28,661) | 30,995 |
| Net income (loss) | (28,661) | 30,995 |
| Total net position - July 1 | 30,995 | |
| Total net position - June 30 | \$ 2,334 | \$ 30,995 |

QUINTON TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2023

| | 2023 | 2022 |
|---|-------------|------------|
| Cash flows from operating activities: | | |
| Receipts from customers | \$ 249,040 | \$ 258,500 |
| Payments to employees | (209,209) | (197,743) |
| Payments for employee benefits | (41,275) | (28,711) |
| Payments to suppliers | (22,842) | (1,051) |
| Net cash provided (used) by operating activities | (24,286) | 30,995 |
| Net increase in cash and cash equivalents | (24,286) | 30,995 |
| Cash and cash equivalents - July 1 | 30,995 | |
| Cash and cash equivalents - June 30 | \$ 6,709 | \$ 30,995 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ (28,661) | \$ 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 Accounts Payable | 4,375 | |
| | \$ (24,286) | \$ 30,995 |

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, 2023

| Issue | Date of Issue | Amount of Issue | Annual Maturities | | Interest Rate | Balance July 1, 2022 | Issued | Refunded | Retired | Balance June 30, 2023 |
|-------------------------------|---------------|-----------------|-------------------|------------|---------------|----------------------|-------------|-------------|-------------------|-----------------------|
| | | | Date | Amount | | | | | | |
| Refunding Bonds - Series 2021 | 11/24/21 | 1,015,000 | 2/15/24 | \$ 125,000 | 1.401% | | | | | |
| | | | 2/15/25 | 135,000 | 1.401% | | | | | |
| | | | 2/15/26 | 130,000 | 1.401% | | | | | |
| | | | 2/15/27 | 130,000 | 1.401% | | | | | |
| | | | 2/15/28 | 130,000 | 1.401% | | | | | |
| | | | 2/15/29 | 125,000 | 1.401% | | | | | |
| | | | | | | 900,000 | | | \$ 125,000 | \$ 775,000 |
| | | | | | | <u>\$ 900,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 125,000</u> | <u>\$ 775,000</u> |

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 |
|--------------------------------------|--------------------|---------------------|-----------------|------------|---|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 110,453 | | \$ 110,453 | \$ 110,453 | \$ - |
| State sources: | | | | | |
| Debt service aid type II | 27,156 | | 27,156 | 27,156 | |
| Total revenues | 137,609 | | 137,609 | 137,609 | |
| EXPENDITURES: | | | | | |
| Regular debt service: | | | | | |
| Interest | 12,609 | | 12,609 | 12,609 | |
| Redemption of principal | 125,000 | | 125,000 | 125,000 | |
| Total regular debt service | 137,609 | | 137,609 | 137,609 | |
| Total expenditures | 137,609 | | 137,609 | 137,609 | |
| Excess of revenues over expenditures | | | | | |
| Other financing sources (uses) | | | | | |
| Transfers from capital projects fund | | | | | |
| Net change in fund balance | | | | | |
| Fund balance - July 1, | 11,441 | | 11,441 | 11,441 | |
| Fund balance - June 30 | \$ 11,441 | | \$ 11,441 | \$ 11,441 | \$ |

STATISTICAL SECTION

QUINTON TOWNSHIP SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2023
Unaudited

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Governmental activities: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 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 | \$ 2,516,631 |
| Restricted | 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 | 1,890,783 |
| Unrestricted (Deficit) | (74,980) | (1,012,414) | (1,015,045) | (1,045,484) | (1,106,217) | (1,075,182) | (1,020,727) | (954,548) | (799,497) | (335,027) |
| Total governmental activities net position | \$ 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 | \$ 4,072,387 |
| Business-type activities: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 11,227 | \$ 9,777 | \$ 8,431 | \$ 7,189 | \$ 5,946 | \$ 9,835 | \$ 8,579 | \$ 7,323 | \$ 6,067 | \$ 16,130 |
| Restricted | | | | | | | | | | |
| Unrestricted | 38,625 | 49,761 | 57,928 | 52,751 | 56,774 | 40,361 | 34,349 | 56,114 | 117,768 | 120,848 |
| Total business-type activities net position | \$ 49,852 | \$ 59,538 | \$ 66,359 | \$ 59,940 | \$ 62,720 | \$ 50,196 | \$ 42,928 | \$ 63,437 | \$ 123,835 | \$ 136,978 |
| District-wide: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 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 | \$ 2,532,761 |
| Restricted | 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 | 1,890,783 |
| Unrestricted (Deficit) | (36,355) | (962,653) | (957,117) | (992,733) | (1,049,443) | (1,034,821) | (986,378) | (898,434) | (681,729) | (214,179) |
| Total District-wide | \$ 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 | \$ 4,209,365 |

QUINTON TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets/Net Position
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2023
Unaudited

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| EXPENSES: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 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 | \$ 1,723,274 |
| Special education | 426,283 | 392,601 | 461,616 | 479,693 | 507,691 | 502,786 | 463,883 | 704,493 | 874,164 | 793,679 |
| Other special education | 64,566 | 78,913 | 86,077 | 24,101 | 55,790 | 31,326 | 56,841 | 56 | 11,531 | 27,207 |
| Other instruction | 19,658 | 24,509 | 34,193 | 31,773 | 38,423 | 44,113 | 29,567 | 13,915 | 18,785 | 12,945 |
| Support services | | | | | | | | | | |
| Student instruction and related services | 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 | 2,319,804 |
| General administration | 157,218 | 195,980 | 213,251 | 208,805 | 230,237 | 208,353 | 203,552 | 180,558 | 182,393 | 187,726 |
| School administrative services | 109,228 | 109,080 | 112,818 | 113,085 | 111,937 | 111,436 | 110,494 | 104,687 | 103,786 | 86,851 |
| Central services | 138,704 | 150,056 | 154,717 | 156,122 | 159,498 | 167,658 | 136,875 | 132,511 | 142,649 | 118,828 |
| Administrative information technology | 1,153 | 3,945 | | | | | | | | |
| Plant operations and maintenance | 892,364 | 936,742 | 895,351 | 872,054 | 967,588 | 456,644 | 462,744 | 471,594 | 557,353 | 562,710 |
| Pupil transportation | 518,502 | 406,084 | 411,077 | 367,124 | 373,826 | 448,786 | 415,828 | 304,523 | 443,272 | 534,667 |
| Unallocated benefits | 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 | 1,468,228 |
| Interest on long-term debt | 106,713 | 99,813 | 92,612 | 85,143 | 76,643 | 67,725 | 58,481 | | 52,542 | |
| Capital outlay | 36,143 | 38,513 | 87,986 | 37,017 | 36,143 | 36,143 | 36,143 | | | |
| Unallocated depreciation | | | | | | 388,320 | 391,751 | 393,735 | 408,799 | 427,459 |
| Transfer of funds to charter school | | | | | | | 8,988 | 9,626 | | |
| Total governmental activities expenses | <u>6,948,874</u> | <u>6,642,618</u> | <u>7,230,537</u> | <u>7,446,732</u> | <u>7,634,421</u> | <u>7,885,977</u> | <u>7,976,670</u> | <u>9,686,610</u> | <u>8,672,394</u> | <u>8,315,095</u> |
| Business-type activities | | | | | | | | | | |
| Food service | 192,012 | 172,595 | 173,722 | 165,054 | 164,522 | 174,030 | 142,181 | 127,556 | 166,251 | 177,428 |
| SACC | | | | | | | | | 25,481 | 23,354 |
| Total business-type activities expense | <u>192,012</u> | <u>172,595</u> | <u>173,722</u> | <u>165,054</u> | <u>164,522</u> | <u>174,030</u> | <u>142,181</u> | <u>127,556</u> | <u>191,732</u> | <u>200,782</u> |
| Total District expenses | <u>\$ 7,140,886</u> | <u>\$ 6,815,213</u> | <u>\$ 7,404,259</u> | <u>\$ 7,611,786</u> | <u>\$ 7,798,943</u> | <u>\$ 8,060,007</u> | <u>\$ 8,118,851</u> | <u>\$ 9,814,166</u> | <u>\$ 8,864,126</u> | <u>\$ 8,515,877</u> |
| PROGRAM REVENUES: | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Student Activity | | | | | | | | \$ 14,873 | \$ 281,559 | \$ 254,644 |
| Operating grants and contributions | \$ 316,595 | \$ 317,662 | \$ 352,924 | \$ 340,440 | \$ 352,718 | \$ 324,037 | \$ 293,518 | 798,487 | 1,079,464 | 1,882,194 |
| Total governmental activities program revenue | <u>316,595</u> | <u>317,662</u> | <u>352,924</u> | <u>340,440</u> | <u>352,718</u> | <u>324,037</u> | <u>293,518</u> | <u>813,360</u> | <u>1,361,023</u> | <u>2,136,838</u> |

QUINTON TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets/Net Position
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2023
Unaudited

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Food service | \$ 65,200 | \$ 63,026 | \$ 64,071 | \$ 59,529 | \$ 66,284 | \$ 69,227 | \$ 42,997 | \$ 3,235 | \$ 6,558 | \$ 50,567 |
| SACC | | | | | | | | | 23,157 | 26,916 |
| Operating grants and contributions | 118,594 | 119,255 | 116,472 | 99,106 | 101,018 | 92,279 | 91,916 | 144,830 | 220,091 | 136,442 |
| Total business-type activities program revenue | 183,794 | 182,281 | 180,543 | 158,635 | 167,302 | 161,506 | 134,913 | 148,065 | 249,806 | 213,925 |
| Total District program revenue | \$ 500,389 | \$ 499,943 | \$ 533,467 | \$ 499,075 | \$ 520,020 | \$ 485,543 | \$ 428,431 | \$ 961,425 | \$ 1,610,829 | \$ 2,350,763 |
| Net (expense) revenue: | | | | | | | | | | |
| Governmental activities | \$ (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) | \$ (6,178,257) |
| Business-type activities | (8,218) | 9,686 | 6,821 | (6,419) | 2,780 | (12,524) | (7,268) | 20,509 | 58,074 | 13,143 |
| Total District-wide net expense | \$ (6,640,497) | \$ (6,315,270) | \$ (6,870,792) | \$ (7,112,711) | \$ (7,278,923) | \$ (7,574,464) | \$ (7,690,420) | \$ (8,852,741) | \$ (7,253,297) | \$ (6,165,114) |
| General revenues and other changes in net position: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for government purposes (net) | \$ 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 | \$ 2,730,612 |
| Taxes levied for debt service | 217,738 | 220,343 | 219,768 | 221,953 | 220,093 | 220,418 | 218,356 | 136,934 | 116,794 | 110,453 |
| Unrestricted grants and contributions | 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 | 3,643,254 |
| Restricted grants | | | | | | | | | | |
| Tuition charges | 86,591 | 69,749 | 69,963 | 32,944 | 14,939 | 3,346 | 12,954 | | | |
| Investment earnings | 1,620 | 1,664 | 2,136 | 2,100 | 2,169 | 7,711 | 5,689 | 427 | 126 | 8,887 |
| Miscellaneous income | 44,516 | 5,681 | 44,724 | 44,233 | 80,940 | 23,913 | 59,445 | 35,968 | 83,463 | 135,863 |
| Fixed Asset Adjustment | | (529) | (77,299) | | | | (5,832) | (4,874) | 6,081 | |
| Prior year receivables canceled | | (506) | | | | 1,689 | | | | |
| Transfers | | | | | | | | | (2,324) | (21,877) |
| Total governmental activities | 6,546,070 | 6,622,078 | 6,621,179 | 6,955,762 | 7,136,810 | 7,668,348 | 7,570,211 | 8,969,095 | 7,634,991 | 6,607,192 |
| Business-type Activities: | | | | | | | | | | |
| Transfers | | | | | | | | | 2,324 | |
| Total Business-type Activities | | | | | | | | | 2,324 | |
| Total District-wide | \$ 6,546,070 | \$ 6,622,078 | \$ 6,621,179 | \$ 6,955,762 | \$ 7,136,810 | \$ 7,668,348 | \$ 7,570,211 | \$ 8,969,095 | \$ 7,637,315 | \$ 6,607,192 |
| Change in net position: | | | | | | | | | | |
| Governmental activities | \$ (86,209) | \$ 297,122 | \$ (256,434) | \$ (150,530) | \$ (144,893) | \$ 106,408 | \$ (112,941) | \$ 95,845 | \$ 323,620 | \$ 428,935 |
| Business-type activities | (8,218) | 9,686 | 6,821 | (6,419) | 2,780 | (12,524) | (7,268) | 20,509 | 60,398 | 13,143 |
| Total District | \$ (94,427) | \$ 306,808 | \$ (249,613) | \$ (156,949) | \$ (142,113) | \$ 93,884 | \$ (120,209) | \$ 116,354 | \$ 384,018 | \$ 442,078 |

QUINTON TOWNSHIP SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2023
Unaudited

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General fund: | | | | | | | | | | |
| Restricted | \$ 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 | \$ 1,821,357 |
| Assigned | 21,574 | 97,590 | 53,926 | 87,781 | 52,400 | 43,766 | 53,288 | 55,658 | 25,673 | 87,561 |
| Unassigned (Deficit) | (33,704) | (32,554) | (41,862) | (15,003) | (17,391) | (2,165) | (16,136) | (57,915) | 5,606 | 286,879 |
| Total general fund | <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> | <u>\$ 2,195,797</u> |
| All other governmental funds: | | | | | | | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Debt service fund | | \$ 1 | \$ 2 | | | | \$ 72,115 | \$ 1 | \$ 1 | \$ 11,441 |
| Capital projects fund | \$ 237,844 | 159,117 | 107,274 | \$ 107,614 | \$ 72,114 | \$ 72,114 | | 124,488 | 124,488 | 2,327 |
| Special revenue fund (Deficit) | (5,665) | (4,759) | (6,571) | (5,438) | (4,758) | (4,830) | (4,199) | (23,772) | (23,772) | (43,874) |
| Total all other governmental funds | <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>\$ 100,717</u> | <u>\$ (30,106)</u> |

From B-1

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------------------|-------------------|--------------------|------------------|------------------|-------------------|--------------------|------------------|------------------|-------------------|
| REVENUES: | | | | | | | | | | |
| Tax Levy | \$ 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 | \$ 2,841,065 |
| Tuition charges | 86,591 | 69,749 | 69,963 | 32,944 | 14,939 | 3,346 | 12,954 | | | |
| Interest earnings | 1,620 | 1,664 | 2,137 | 2,100 | 2,169 | 7,711 | 5,689 | 25 | 126 | 4,536 |
| Miscellaneous | 44,516 | 9,702 | 58,211 | 63,286 | 95,841 | 40,429 | 75,492 | 35,968 | 83,463 | 135,863 |
| State sources | 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 | 5,524,817 |
| Federal sources | 260,532 | 265,149 | 275,535 | 264,655 | 289,551 | 259,293 | 234,846 | 394,004 | 497,161 | 531,557 |
| Total revenue | 6,862,665 | 6,940,775 | 7,051,403 | 7,296,202 | 7,489,528 | 7,532,552 | 7,624,021 | 8,221,485 | 8,854,385 | 9,042,189 |
| EXPENDITURES: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | 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 | 1,723,274 |
| Special | 430,123 | 392,601 | 461,616 | 479,693 | 507,691 | 502,786 | 463,883 | 704,493 | 874,164 | 793,679 |
| Other | 64,566 | 78,913 | 86,077 | 24,101 | 55,790 | 31,326 | 56,841 | 56 | 11,531 | 27,207 |
| School sponsored/other instructional | 19,658 | 24,509 | 34,193 | 31,773 | 38,423 | 44,113 | 29,567 | 13,915 | 18,785 | 12,945 |
| Undistributed: | | | | | | | | | | |
| Student & Instruction related services | 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 | 2,036,472 |
| General administration | 203,091 | 195,980 | 213,251 | 208,805 | 230,237 | 208,353 | 203,552 | 180,558 | 182,393 | 187,726 |
| School administration | 109,228 | 109,080 | 112,818 | 113,085 | 111,937 | 111,436 | 110,494 | 104,687 | 103,786 | 86,851 |
| Central administration | 138,704 | 150,056 | 154,717 | 156,122 | 159,498 | 167,658 | 136,875 | 132,511 | 142,649 | 118,828 |
| Administration information technology | 1,153 | 3,945 | | | | | | | | |
| Operations & maintenance of plant services | 496,773 | 556,729 | 515,590 | 495,153 | 593,549 | 497,028 | 462,744 | 471,594 | 557,353 | 531,327 |
| Student transportation | 518,502 | 406,084 | 411,077 | 367,124 | 373,826 | 448,786 | 415,828 | 304,523 | 443,272 | 534,667 |
| Unallocated benefits | 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 | 2,110,019 |
| Debt service expenditures | | | | | | | | | | |
| Principal | 210,000 | 220,000 | 225,000 | 235,000 | 241,000 | 250,000 | 255,000 | 250,000 | 115,000 | 125,000 |
| Interest | 106,713 | 99,813 | 92,612 | 85,143 | 76,643 | 67,725 | 58,481 | 48,988 | 22,600 | 12,609 |
| Capital outlay | 36,143 | 155,801 | 87,986 | 37,017 | 71,643 | 54,737 | 46,574 | 132,556 | 378,819 | 198,720 |
| Student Activity | | | | | | | | 11,265 | 3,708 | 5,631 |
| Transfer of funds to charter schools | | | | | | | 8,988 | 9,626 | | |
| Total expenditures | 6,810,359 | 6,581,283 | 7,073,555 | 7,237,985 | 7,469,435 | 7,367,688 | 7,685,563 | 8,163,370 | 8,755,504 | 8,504,955 |
| Excess deficiency of revenues over (under) expenditures | 52,306 | 359,492 | (22,152) | 58,217 | 20,093 | 164,864 | (61,542) | 58,115 | 98,881 | 537,234 |
| Other financing sources (uses): | | | | | | | | | | |
| Transfer of funds to Charter School | | | | | | | | | | (21,877) |
| Prior year receivables canceled | | (506) | | | | 1,689 | | | | |
| Transfer to Enterprise Fund | | | | | | | | | (2,324) | |
| Transfers in - internal service fund | 11,583 | | | | | | | | | |
| Total other financing sources (uses) | 11,583 | (506) | | | | 1,689 | | | (2,324) | (21,877) |
| Net change in fund balance | \$ 63,889 | \$ 358,986 | \$ (22,152) | \$ 58,217 | \$ 20,093 | \$ 166,553 | \$ (61,542) | \$ 58,115 | \$ 96,557 | \$ 515,357 |
| Debt service as a percentage of noncapital expenditures | 4.68% | 4.98% | 4.55% | 4.45% | 4.29% | 4.34% | 4.10% | 3.68% | 1.58% | 1.62% |

Source: District records

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

| Fiscal Year Ended June 30, | Miscellaneous | Prior Year Refunds | Clean Energy/ SREC | E-Rate | AVA Closeout | Annual Totals |
|----------------------------------|------------------|-----------------------|--------------------------|------------------|------------------|-------------------|
| 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 |
| 2023 | 12,830 | | 16,363 | 9,870 | | 39,063 |
| | <u>\$ 89,853</u> | <u>\$ 112,812</u> | <u>\$ 175,785</u> | <u>\$ 28,833</u> | <u>\$ 12,044</u> | <u>\$ 419,327</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 |
|----------------------------------|----------------|----------------|---------------|--------------|---------------|------------|------------|----------------------------|-------------------|-----------------------------|---|---------------------------------------|
| 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 | 1.562 |
| 2023 | 4,223,700 | 131,159,600 | 20,268,150 | 3,211,800 | 20,809,000 | | 461,400 | 180,133,650 | 738,715 | 180,872,365 | 218,053,081 | 1.619 |

Source: Municipal Tax Assessor

N/A = Not available at completion of ACFR

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 | |
| 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 |
| 2023 | 1.556 | 0.063 | 1.619 | 0.437 | 0.025 | 1.445 | 3.526 |

Source: Municipal Tax Collector

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

| Taxpayer | 2023 | | 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% |
| Quiton United Methodist Church | 932,600 | | | |
| Quiton Baptist Church | 1,829,600 | | | |
| Faith Farm Inc | 2,032,100 | | | |
| Morningstar Fellowship Church | 1,011,800 | | | |
| Taxpayer #5 | | | 663,600 | 0.35% |
| | <u>22,148,100</u> | <u>12.23%</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 | |
| 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 |
| 2023 | 2,841,065 | 2,367,555 | 83.33% | 473,510 |

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

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

| Fiscal Year Ended June 30, | Governmental Activities | | | | Business-type Activities | Total District | Percentage of Personal Income |
|----------------------------------|--------------------------------|------------------------------------|-------------------|-------------------------------|-----------------------------|-------------------|-------------------------------------|
| | General Obligation Bonds | Certificate of Participation | Capital Leases | Bond Anticipation Notes | Capital Leases | | |
| 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 | 0.65% |
| 2022 | 900,000 | | | | | 900,000 | 0.60% |
| 2023 | 775,000 | | | | | 775,000 | 0.51% |

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 ACFR.

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

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding | | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value of Property | Per Capita |
|----------------------------------|---------------------------------|------------|---|---|------------|
| | General Obligation Bonds | Deductions | | | |
| 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 |
| 2023 | 775,000 | | 775,000 | 0.43% | 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, 2023
Unaudited

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|--------------------------------------|---------------------|---------------------------------------|--|
| Debt repaid with property taxes | | | |
| Township of Quinton | \$ 432,000 | 100.00% | \$ 432,000 |
| Salem County General Obligation Debt | 77,900,052 | 3.71% | 2,912,356 |
| Subtotal, overlapping debt | | | 3,344,356 |
| Township of Quinton School District | | | 775,000 |
| Total direct and overlapping debt | | | <u>\$ 4,119,356</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

| | | | | | | | Equalized Valuation Basis | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---|-----------------------|---------------------|---------------------|
| | | | | | | | Year | | | |
| | | | | | | | 2022 | \$ 222,653,129 | | |
| | | | | | | | 2021 | 194,683,088 | | |
| | | | | | | | 2020 | 174,580,486 | | |
| | | | | | | | | <u>\$ 591,916,703</u> | | |
| | | | | | | | Average equalized valuation of taxable property | \$ 197,305,568 | | |
| | | | | | | | Debt limit (3% of average equalized value) | 5,919,167 | | |
| | | | | | | | Total net debt applicable to limit | 775,000 | | |
| | | | | | | | Legal debt margin | <u>\$ 5,144,167</u> | | |
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Debt limit | \$ 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 | \$ 5,919,167 |
| Total net debt applicable to limit | 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 | 775,000 |
| Legal debt margin | <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> | <u>\$ 5,144,167</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 47.13% | 41.71% | 38.48% | 33.92% | 30.14% | 26.56% | 22.94% | 18.65% | 17.32% | 13.09% |

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

| Fiscal Year Ended June 30, | Population | Personal Income | Per Capita Personal Income | Unemployment Rate |
|----------------------------------|------------|--------------------|----------------------------------|----------------------|
| 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 | 148,643,901 | 57,547 | 9.30% |
| 2022 | 2,609 | 150,280,470 | 57,605 | 8.10% |
| 2023 | * 2,635 | 153,301,108 | 58,181 | 4.80% |

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 | 2023 | | 2014 | |
|-----------------------------------|-----------|---|---------------|---|
| | Employees | Percentage of Total Municipal Employment | Employees | Percentage of Total Municipal Employment |
| PSE&G | 1500 | 4.94% | Not Available | |
| 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% | | |
| Inspira Health Network | 400 | 1.32% | | |
| Ardagh Group (Anchor Glass) | 376 | 1.24% | | |
| Larchmont Farms | 275 | 0.91% | | |
| Walmart | 250 | 0.82% | | |
| | 5,807 | 19.11% | 0 | 0.00% |

Source: District officials

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

| Function/Program | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-----------|-----------|-------------|-----------|-------------|-----------|-------------|-------------|-------------|-------------|
| Instruction: | | | | | | | | | | |
| Regular | 28 | 28 | 30 | 29 | 31 | 31.60 | 27.80 | 30.00 | 25.0 | 25.0 |
| Special education | 4.5 | 4.5 | 5 | 4.5 | 5.0 | 4.75 | 6.43 | 6.10 | 5.0 | 5.0 |
| Other special education | 1 | 1 | 2 | 1 | | | | | | |
| Other instruction | 3.5 | 3 | 3.5 | 3.5 | 3.5 | 3.20 | 3.27 | 3.52 | 5.0 | 4.0 |
| Support services: | | | | | | | | | | |
| Student & instruction related services | 3.0 | 3.5 | 3.5 | 3.5 | 4.5 | 4.40 | 4.50 | 4.70 | 5.0 | 6.0 |
| General administration | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.50 | 1.50 | 1.50 | 2.0 | 2.0 |
| School administration | 2 | 2 | 2 | 2 | 2 | 1.90 | 2.00 | 2.00 | 2.0 | 2.0 |
| Business administrative services | 2 | 2 | 2.5 | 2.5 | 2.5 | 2.50 | 1.50 | 1.50 | 1.0 | 0.0 |
| Plants operations and maintenance | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.60 | 3.60 | 5.00 | 5.0 | 5.0 |
| Food service | 3 | 3 | 2 | 2 | 3 | 3.50 | 4.60 | 3.78 | 4.5 | 5.5 |
| Total | <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>54.5</u> | <u>54.5</u> |

Source: District personnel records

QUINTON TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | Enrollment | Operating Expenditures | Cost per Pupil | Percentage Change | Pupil/Teacher Ratio | | | Average Daily Enrollment (ADE) | Average Daily Attendance (ADA) | % Change Average Daily Enrollment | Student Attendance Percentage |
|----------------------------------|------------|---------------------------|-------------------|----------------------|---------------------|------------|------------------|---|---|--|-------------------------------------|
| | | | | | Teaching Staff | Elementary | Middle School | | | | |
| 2014 | 344 | 6,457,503 | 18,772 | 10.07% | 32.5 | 13.3 | 1:24 | 344.0 | 327.1 | -2.37% | 95.09% |
| 2015 | 357 | 6,105,669 | 17,103 | -8.89% | 32.5 | 13.6 | 1:24 | 356.8 | 337.4 | 3.73% | 94.56% |
| 2016 | 349 | 6,667,957 | 19,106 | 11.71% | 35.0 | 12.5 | 1:24 | 354.0 | 336.8 | -0.80% | 95.16% |
| 2017 | 349 | 6,880,825 | 19,716 | 3.19% | 33.5 | 12.5 | 1:24 | 342.3 | 324.4 | -3.29% | 94.77% |
| 2018 | 326 | 7,080,149 | 21,718 | 10.16% | 33.5 | 11.7 | 1:24 | 322.1 | 307.0 | -5.92% | 95.32% |
| 2019 | 306 | 6,995,226 | 22,860 | 5.26% | 32.9 | 10.7 | 1:24 | 305.6 | 289.7 | -5.12% | 94.80% |
| 2020 | 294 | 7,325,508 | 24,917 | 9.00% | 33.7 | 8.7 | 1:24 | 291.2 | 280.7 | -4.69% | 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 | 9.58% | 35.0 | 7.2 | 1:10 | 273.0 | 246.0 | -1.80% | 90.11% |
| 2023 | 283 | 8,367,346 | 29,567 | -6.34% | 34.0 | 7.6 | 1:10 | 283.0 | 272.0 | 3.66% | 96.11% |

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

Note: Enrollment based on annual October district count.

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

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

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

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

| Elementary | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 344 | 357 | 349 | 342 | 326 | 306 | 294 | 273 | 273 | 283 |

Number of Schools at June 30, 2023

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, 2023

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

| School Facilities | Gross Square Footage | 2014 | 2015 | 2016 | 2017 | 2018 | 2,019 | 2020 | 2021 | 2022 | 2023 |
|----------------------|----------------------------|-----------|------------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| Quinton | 58,738 | \$ 25,475 | \$ 126,561 | \$ 73,142 | \$ 54,608 | \$ 85,391 | \$ 64,020 | \$ 74,726 | \$ 126,853 | \$ 145,740 | \$ 140,649 |

* 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, 2023
Unaudited

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

| | Coverage | Deductible | |
|--|---------------|------------|---------------------------------|
| Article I - Property | | | |
| Blanket buildings & contents | \$ 13,715,620 | \$ 1,000 | per occurrence |
| Article II - Electronic Data Processing | | | |
| Blanket - hardware/software | 260,000 | 1,000 | per occurrence |
| Article III - Equipment Breakdown | | | |
| Combined single limit | 100,000,000 | 1,000 | |
| Article IV - Crime | | | |
| <i>Insuring Agreement 1 - Public employee dishonesty w/faithful performance</i> | 100,000 | 1,000 | per occurrence |
| <i>Insuring Agreement 2 - Theft, disappearance & destruction - loss of money & securities on or off premises</i> | 25,000 | 500 | per occurrence |
| <i>Insuring Agreement 3 - Theft, disappearance & destruction - money orders & 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 |
| Article V - Comprehensive General Liability | | | |
| 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 |
| Article VI - Automobile | | | |
| 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 |
| Public Employee Surety Bonds | | | |
| Liberty Mutual | | | |
| Employee bond - Karen Mathews, Business Administrator/ Board Secretary | 175,000 | None | |

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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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 08349

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the 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, 2023, 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 December 5, 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.

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

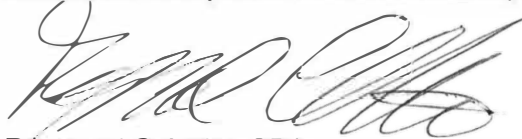
As part of obtaining reasonable assurance about whether the Quinton Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance 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.

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

A handwritten signature in dark ink, appearing to read 'Raymond Colavita', is written over a light blue horizontal line.

Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 5, 2023

NIGHTLINGER, COLAVITA & VOLPA

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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, 2023. 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, 2023.

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
December 5, 2023

**SCHEDULE A
EXHIBIT K-3**

**QUINTON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023**

| 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 7/1/22 | Carryover/ (Walkover) Amount | Cash Received | Budgetary Expenditures | Adjustment/ Repayment of Prior Years' Balances | 6/30/23 | | Memo Cumulative Total Expenditures |
|--|---------------------|---------------------|-------------------------------|-------------------------|-----------------|----|-------------------|------------------------------|---------------|------------------------|--|-----------------------|------------------|------------------------------------|
| | | | | | From | To | | | | | | (Accounts Receivable) | Unearned Revenue | |
| U.S. Department of Education | | | | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | | |
| Title I - Part A Improving Basic Programs | 84.010A | S010A210030 | ESEA428023 | \$ 82,081 | 7/1/22-9/30/23 | | | | \$ 26,077 | \$ (82,081) | | \$ (56,004) | | \$ (82,081) |
| Title I - Part A Improving Basic Programs | 84.010A | S010A210030 | ESEA428022 | 87,934 | 7/1/21-9/30/22 | | \$ (48,749) | | 48,749 | | | | | |
| Subtotal | | | | | | | (48,749) | | 74,826 | (82,081) | | (56,004) | | (82,081) |
| | | | | | | | | | | | | | | |
| Title II-A Teacher & Principal Training & Recruiting | 84.367A | S367A220029 | ESEA428023 | 11,811 | 7/1/22-9/30/23 | | | | 3,000 | (6,678) | | (3,678) | | (6,678) |
| Title II-A Teacher & Principal Training & Recruiting | 84.367A | S367A210029 | ESEA428022 | 7,761 | 7/1/21-9/30/22 | | (4,908) | | 4,908 | | | | | |
| Subtotal | | | | | | | (4,908) | | 7,908 | (6,678) | | (3,678) | | (6,678) |
| | | | | | | | | | | | | | | |
| Title IV - Student Support & Academic Enrichment | 84.424A | S424A200031 | ESEA428021 | 10,000 | 7/1/20-6/30/21 | | 1 | | | | \$ (1) | | | |
| Title IV - Student Support & Academic Enrichment | 84.424A | S424A220031 | ESEA428023 | 10,000 | 7/1/22-9/30/23 | | | | 818 | (8,890) | | (8,072) | | (8,890) |
| Title IV - Student Support & Academic Enrichment | 84.424A | S424A210031 | ESEA428022 | 10,000 | 7/1/21-9/30/22 | | (6,217) | | 6,217 | | | | | |
| Subtotal | | | | | | | (6,216) | | 7,035 | (8,890) | (1) | (8,072) | | (8,890) |
| | | | | | | | | | | | | | | |
| Special Education Cluster | | | | | | | | | | | | | | |
| IDEA Part B, Basic Regular | 84.027A | H027A220100 | IDEA428023 | 86,312 | 7/1/22-9/30/23 | | | | 43,156 | (86,312) | | (43,166) | | (86,312) |
| ARP IDEA Part B-Basic | 84.027X | H027X210100 | IDEA428022 | 13,890 | 7/1/21-9/30/22 | | (13,890) | | 13,890 | | | | | |
| IDEA Preschool | 84.173 | H173A220114 | IDEA428023 | 2,608 | 7/1/22-9/30/23 | | | | | (2,608) | | (2,608) | | (2,608) |
| IDEA Preschool | 84.173 | H173A210114 | IDEA428022 | 2,391 | 7/1/21-9/30/22 | | (2,391) | | 2,391 | | | | | |
| ARP IDEA Preschool | 84.173X | H173X210114 | IDEA428022 | 1,181 | 7/1/21-9/30/22 | | (1,181) | | 1,181 | | | | | |
| Total Special Education Cluster | | | | | | | (17,462) | | 60,618 | (88,920) | | (45,764) | | (88,920) |
| | | | | | | | | | | | | | | |
| Education Stabilization Fund: | | | | | | | | | | | | | | |
| Cares Emergency Relief Grant | | | | | | | | | | | | | | |
| CRSSA | 84.426D | S426D200027 | CARES428020 | 82,947 | 3/13/20-9/30/22 | | | | - | | | | | |
| CR ESSER II | 84.426D | S426D210027 | CRRSA-4280-23 | 339,878 | 3/13/20-9/30/23 | | (104,037) | | 178,006 | (117,356) | | (43,387) | | (117,356) |
| CR Learning | 84.426D | S426D210027 | CRRSA-4280-23 | 25,000 | 3/13/20-9/30/23 | | | | 12,500 | (12,500) | | | | (12,500) |
| CR Mental Health | 84.426D | S426D210027 | CRRSA-4280-23 | 45,000 | 3/13/20-9/30/23 | | (16,221) | | 30,893 | (24,124) | | (9,452) | | (24,124) |
| ARP | | | | | | | | | | | | | | |
| ARP ESSER | 84.426U | S426U210027 | ARP-4280-24 | 763,855 | 3/13/20-9/30/24 | | | | 90,966 | (199,839) | | (108,873) | | (199,839) |
| ARP Accel. Learning | 84.426U | S426U210027 | ARP-4280-24 | 50,000 | 3/13/20-9/30/24 | | | | | (3,000) | | (3,000) | | (3,000) |
| ARP Mental Health | 84.426U | S426U210027 | ARP-4280-24 | 88,501 | 3/13/20-9/30/24 | | | | | (22,239) | | (22,239) | | (22,239) |
| ARP Summer | 84.426U | S426U210027 | ARP-4280-24 | 40,000 | 3/13/20-9/30/24 | | | | | (2,935) | | (2,935) | | (2,935) |
| ARP Homeless | 84.426U | S426U210027 | ARP-4280-24 | 6,300 | 3/13/20-9/30/24 | | | | | (3,214) | | (3,214) | | (3,214) |
| ARP Beyond | 84.426U | S426U210027 | ARP-4280-24 | 40,000 | 3/13/20-9/30/24 | | | | | (7,912) | | (7,912) | | (7,912) |
| SDA Emergent Grant | 84.426U | S426U210027 | ARP-4280-24 | 6,871 | 7/1/22-6/30/23 | | | | 6,871 | (6,871) | | | | (6,871) |
| Rural Education Achievement Program | 84.358 | S358B210030 | S358A210192 | 25,292 | 7/1/22-6/30/23 | | 726 | | 25,292 | (25,292) | | \$ 726 | | (25,292) |
| Subtotal | | | | | | | (119,532) | | 344,528 | (425,282) | | (201,012) | 726 | (425,282) |
| Total Special Revenue Fund | | | | | | | (196,867) | | 494,915 | (611,851) | (1) | (314,530) | 726 | (611,851) |
| | | | | | | | | | | | | | | |
| U.S. Department of Agriculture | | | | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | |
| Child Nutrition Cluster | | | | | | | | | | | | | | |
| National School Lunch Program | 10.555 | 221NJ304N1099 | N/A | 79,045 | 7/1/22-6/30/23 | | | | 76,086 | (79,045) | | (2,959) | | (79,045) |
| National School Lunch Program | 10.555 | 221NJ304N1099 | N/A | 141,737 | 7/1/21-6/30/22 | | (7,692) | | 7,692 | | | | | |
| National School Breakfast Program | 10.553 | 221NJ304N1099 | N/A | 26,273 | 7/1/22-6/30/23 | | | | 24,848 | (26,273) | | (1,425) | | (26,273) |
| National School Breakfast Program | 10.553 | 211NJ304N1099 | N/A | 42,140 | 7/1/21-6/30/22 | | (3,788) | | 3,788 | | | | | |
| P-EBT Administrative Cost Reimbursement | 10.649 | 202322S900941 | N/A | 653 | 7/1/22-6/30/23 | | | | | (653) | | (653) | | (653) |
| Supply Chain Assistance Funding - RND 1 | 10.555 | 221NJ344N8903 | N/A | 10,227 | 1/1/22-9/30/23 | | (10,227) | | 10,227 | | | | | |
| Supply Chain Assistance Funding - RND 2 | 10.555 | 221NJ344N8903 | N/A | 9,736 | 1/1/22-9/30/23 | | | | 9,736 | (9,736) | | | | |
| Supply Chain Assistance Funding - RND 3 | 10.555 | 231NJ344N8903 | N/A | 7,137 | 10/1/22-9/30/24 | | | | 7,137 | (7,137) | | | | |
| Food Distribution Program | 10.555 | 221NJ304N1099 | N/A | 10,758 | 7/1/22-6/30/23 | | | | 10,758 | (10,758) | | | | (10,758) |
| Total Enterprise Fund/Child Nutrition Cluster | | | | | | | (21,707) | | 150,272 | (133,602) | | (5,037) | | (116,729) |
| Total Federal Financial Awards | | | | | | | \$ (218,574) | | \$ 645,187 | \$ (745,453) | \$ (1) | \$ (319,567) | \$ 726 | \$ (728,580) |

| State Grantor/Program Title | Grant or State Project Number | Program or Award Amount | Grant Period | | July 1, 2022 | | | | Adjustments/ Repayment of Prior Year's Expenditures | June 30, 2023 | | MEMO | | |
|---|-------------------------------|-------------------------|----------------|--------------|---------------------|------------------|------------------------------|---------------|---|------------------------|-----------------------|------------------|----------------------|-------------------------------|
| | | | From | To | Accounts Receivable | Deferred Revenue | Carryover/ (Walkover) Amount | Cash Received | | Budgetary Expenditures | (Accounts Receivable) | Unearned Revenue | Budgetary Receivable | Cumulative Total Expenditures |
| | | | | | | | | | | | | | | |
| State Department of Education | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | |
| State Aid Public: | | | | | | | | | | | | | | |
| Equalization Aid | 23-495-034-5120-078 | \$ 2,436,974 | 7/1/22-6/30/23 | | | | | \$ 2,215,223 | \$ (2,436,974) | | \$ (221,751) | \$ (221,751) | \$ (2,436,974) | |
| Special Education Categorical Aid | 23-495-034-5120-089 | 291,684 | 7/1/22-6/30/23 | | | | | 265,142 | (291,684) | | (26,542) | (26,542) | (291,684) | |
| Security Aid | 23-495-034-5120-084 | 80,638 | 7/1/22-6/30/23 | | | | | 73,300 | (80,638) | | (7,338) | (7,338) | (80,638) | |
| School Choice Aid | 23-495-034-5120-068 | 259,257 | 7/1/22-6/30/23 | | | | | 235,666 | (259,257) | | (23,591) | (23,591) | (259,257) | |
| Transportation Aid | 23-495-034-5120-014 | 209,903 | 7/1/22-6/30/23 | | | | | 190,803 | (209,903) | | (19,100) | (19,100) | (209,903) | |
| Extraordinary Aid | 23-495-034-5120-044 | 42,566 | 7/1/22-6/30/23 | | | | | (42,566) | | | (42,566) | | (42,566) | |
| Extraordinary Aid | 22-495-034-5120-044 | 49,370 | 7/1/21-6/30/22 | (77,398) | | | | 77,398 | | | | | | |
| Supplemental Stabilization Aid | 23-495-034-5120-128 | 4,642 | 7/1/22-6/30/23 | | | | | 4,642 | (4,642) | | | | (4,642) | |
| Maintenance of Equity Aid | 23-495-034-5120-128 | 287,056 | 7/1/22-6/30/23 | | | | | | (287,056) | | (287,056) | | (287,056) | |
| Lead Testing for School's Aid | 23-495-034-5120-104 | 1,091 | 7/1/22-6/30/23 | | | | | 1,091 | (1,091) | | | | (1,091) | |
| Reimbursed Nonpublic Transportation Costs | N/A | 936 | 7/1/22-6/30/23 | | | | | | (936) | | (936) | | (936) | |
| Reimbursed Nonpublic Transportation Costs | N/A | 1,740 | 7/1/21-6/30/22 | (870) | | | | 870 | | | | | | |
| On-Behalf TPAF Post Retirement Medical | 23-495-034-5094-001 | 229,231 | 7/1/22-6/30/23 | | | | | 229,231 | (229,231) | | | | (229,231) | |
| On-Behalf TPAF Long Term Disability Insurance | 23-495-034-5094-004 | 419 | 7/1/22-6/30/23 | | | | | 419 | (419) | | | | (419) | |
| On-Behalf TPAF Pension Contribution | 23-495-034-5094-002 | 872,605 | 7/1/22-6/30/23 | | | | | 872,605 | (872,605) | | | | (872,605) | |
| Reimbursed TPAF Social Security Contrib. | 23-495-034-5094-003 | 198,940 | 7/1/22-6/30/23 | | | | | 179,259 | (198,940) | | (19,681) | | (198,940) | |
| Total General Fund | | | | (78,268) | | | | 4,345,650 | (4,915,942) | | (648,560) | | (298,321) | (4,915,942) |
| | | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | | |
| Preschool Education Aid | 23-495-034-5120-086 | 594,396 | 7/1/22-6/30/23 | | | 74,331 | | 534,956 | (553,194) | 662 | (59,440) | 116,195 | (59,440) | (553,194) |
| Preschool Education Aid | 22-495-034-5120-086 | 636,240 | 7/1/21-6/30/22 | (63,624) | | 74,331 | (74,331) | 63,624 | | | | | | |
| Total Special Revenue Fund | | | | (63,624) | | 74,331 | | 598,580 | (553,194) | 662 | (59,440) | 116,195 | (59,440) | (553,194) |
| | | | | | | | | | | | | | | |
| Capital Projects Fund: | | | | | | | | | | | | | | |
| Securing Our Children's Future Bond Act | N/A | 18,928 | 7/1/21-6/30/22 | (18,928) | | | | | | | (18,928) | | | |
| | | | | | | | | | | | | | | |
| Debt Service Fund: | | | | | | | | | | | | | | |
| Debt Service Aid Type II | 23-495-034-5120-075 | 27,156 | 7/1/22-6/30/23 | | | | | 27,156 | (27,156) | | | | | (27,156) |
| | | | | | | | | | | | | | | |
| State Department of Agriculture | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | |
| National School Lunch Program (State Share) | 23-100-010-3350-023 | 2,494 | 7/1/22-6/30/23 | | | | | 2,397 | (2,494) | | (97) | | | (2,494) |
| National School Lunch Program (State Share) | 22-100-010-3350-023 | 4,473 | 7/1/21-6/30/22 | (177) | | | | 177 | | | | | | |
| National School Breakfast Program (State Share) | | 346 | 7/1/22-6/30/23 | | | | | 323 | (346) | | (23) | | | (346) |
| Total Enterprise Fund | | | | (177) | | | | 2,897 | (2,840) | | (120) | | | (2,840) |
| Total State Financial Assistance | | | | \$ (160,997) | | \$ 74,331 | | \$ 4,974,283 | \$ (5,499,132) | \$ 662 | \$ (727,048) | \$ 116,195 | \$ (357,761) | \$ (5,499,132) |
| | | | | | | | | | | | | | | |
| Less: On-Behalf TPAF Pension System Contributions | | | | | | | | | | | | | | |
| On-Behalf TPAF Post Retirement Medical | 23-495-034-5094-001 | 229,231 | 7/1/22-6/30/23 | | | | | \$ 229,231 | \$ (229,231) | | | | | |

**QUINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2023**

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, 2023**

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$24,341 for the General Fund and (\$76,110) 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):

| | Federal | State | Total |
|----------------------------|-------------------|---------------------|---------------------|
| General Fund | | \$ 4,940,283 | \$ 4,940,283 |
| Special Revenue Fund | \$ 531,557 | 557,378 | 1,088,935 |
| Debt Service Fund | | 27,156 | 27,156 |
| Food Service Fund | 133,602 | 2,840 | 2,840 |
| Total Financial Assistance | <u>\$ 665,159</u> | <u>\$ 5,527,657</u> | <u>\$ 6,192,816</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, 2023, Quinton Township School District has no food commodities in ending 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, 2023. 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, 2023.

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, 2023**

**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, 2023

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? _____ yes X 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): \$750,000

Auditee qualified as low-risk auditee? _____ yes _____ no

| <u>GMIS Number(s)</u> | <u>Name of State Program</u> |
|-----------------------|-----------------------------------|
| 23-495-034-5120-078 | Equalization Aid |
| 23-495-034-5120-089 | Special Education Categorical Aid |
| 23-595-034-5120-084 | Security Aid |
| 23-495-034-5120-068 | School Choice Aid |
| 23-495-034-5120-086 | Preschool Education Aid |

QUINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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: *NONE*

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

QUINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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, 2023

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 2022-1 (AMR 2022-1):

Condition:

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

Status: Resolved

Finding: 2022-2 (AMR 2022-3)

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: Resolved