

**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
kstoms@quintonschool.info

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.

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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,

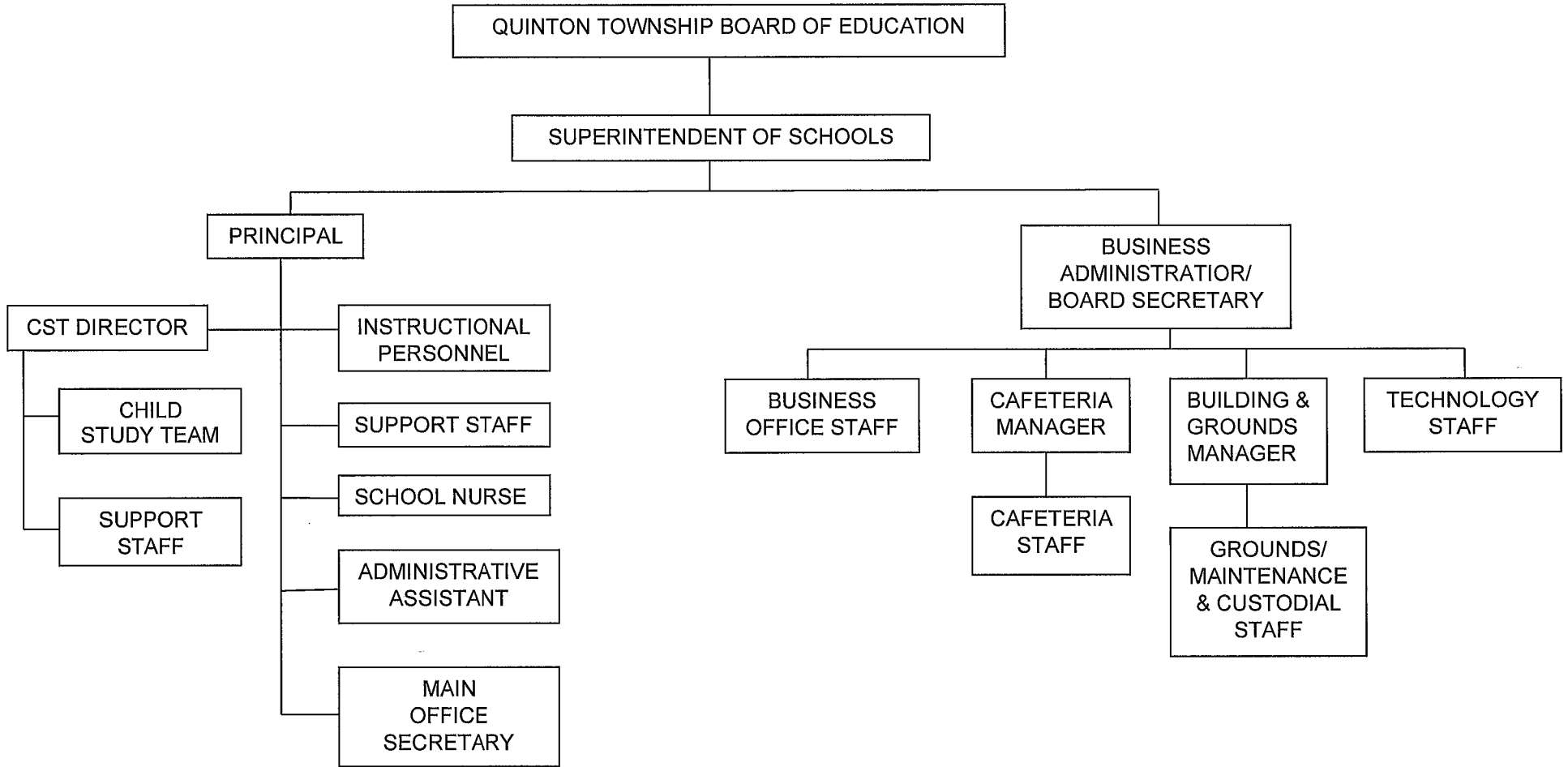
Stewart Potter

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

ATTORNEY

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

OFFICIAL DEPOSITORY

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

INSURANCE AGENCY

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

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Quinton Township School District in the County of Salem, State of New Jersey, as of and for the year ended June 30, 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 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board of Education of the Quinton Township School District in the County of Salem, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

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

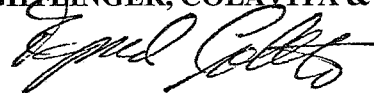
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023 on our consideration of the Quinton Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Quinton Township Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Quinton Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
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
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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
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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
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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 is .6% is made up of interest on debt, capital outlay and transfer to charter school.

Quinton Township School District
Management's Discussion and Analysis
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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
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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	\$ 8,515,877	\$ 332,127	\$ 2,018,636	\$ (6,178,257)	\$ 13,143	\$ (6,165,114)
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				\$ 4,072,387	\$ 136,978	\$ 4,209,365

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
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Governmental Funds FY 2023
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	\$ 2,198,497	\$ 149,560	\$ 18,928	\$ 11,441	\$ 2,378,426
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	2,700	193,434	16,601		212,735
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	2,195,797	(43,874)	2,327	11,441	2,165,691
Total liabilities and fund balances	\$ 2,198,497	\$ 149,560	\$ 18,928	\$ 11,441	

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	\$ 4,072,387

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 FY 2023
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
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 E subsequent year's expenditures	534,667 1,957,783	152,236			534,667 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
<p>Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p> <p>Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Capital Outlays	\$ 158,614	
Amortization Expense	(7,341)	
Depreciation Expense	<u>(420,118)</u>	(268,845)
<p>Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the Statement of Activities.</p>		
Bond principal payments		125,000
Right-to-Use Lease Liability		3,528
<p>Amortization of the Loss on Debt Refunding is expensed in the Statement of Activities but not in the Fund statements</p>		
		(3,621)
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. (+)</p>		
		656
<p>Net Proceeds from Right-to-Use proceeds is not a revenue in the Statement of Activities</p>		
		(30,948)
<p>Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>		
		112,621
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
		3,848
<p>Internal Service Fund - Increase in Net Position</p>		
		<u>(28,661)</u>
<p>Change in net position of Governmental Activities</p>		
		<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	<u>119,423</u>	<u>3,562</u>	<u>6,709</u>
Noncurrent assets:			
Furniture, machinery & equipment	94,398		
Less: accumulated depreciation	(78,268)		
Total non-current assets	<u>16,130</u>		
Total assets	<u>\$ 135,553</u>	<u>\$ 3,562</u>	<u>\$ 6,709</u>
LIABILITIES AND FUND EQUITY			
Current liabilities:			
Unearned revenue	\$ 2,137	\$	\$
Accounts Payable			4,375
Total current liabilities	<u>2,137</u>		<u>4,375</u>
Invested in capital assets net of related debt	16,130		
Unrestricted	117,286	3,562	2,334
Total net position	<u>133,416</u>	<u>3,562</u>	<u>2,334</u>
Total liabilities and net position	<u>\$ 135,553</u>	<u>\$ 3,562</u>	<u>\$ 6,709</u>

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	<u>50,567</u>	<u>26,916</u>	<u>249,040</u>
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	<u>177,428</u>	<u>23,354</u>	<u>277,701</u>
Operating income (loss)	<u>(126,861)</u>	<u>3,562</u>	<u>(28,661)</u>
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)	<u>136,442</u>		
Net income (loss)	<u>9,581</u>	<u>3,562</u>	<u>(28,661)</u>
Transfer from general fund			
Total net position - beginning	<u>123,835</u>		<u>30,995</u>
Total net position - ending	<u>\$ 133,416</u>	<u>\$ 3,562</u>	<u>\$ 2,334</u>

See accompanying notes to the basic financial statements.

QUINTON TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 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
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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	<u>641</u>
	<u><u>\$ 3,506</u></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:

Asset Class	Estimated Useful Lives
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		<u>\$1,275,320</u>

**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
	\$ 376,472	\$ 324,068	\$ 18,928	\$ 19,494

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	\$ <u>995,837</u>	\$ <u>768,638</u>	\$ <u>587,331</u>

Teachers' Pension and Annuity Fund

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

The following represents the membership tiers for TPAF:

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

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

Asset Class	TPAF 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 disables retirees. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table 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

	<u>Total OPEB Liability</u>
State of New Jersey	
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:

<u>June 30, 2022</u>		
<u>At 1.00% Decrease</u>	<u>At Discount Rate</u>	<u>At 1.00% Increase</u>
2.54%	3.54%	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 (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
	<u> </u>	<u> </u>
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.	<u>(298,321)</u>	<u>(59,440)</u>
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.		<u>(80,294)</u>
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*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.005093%	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*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 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*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.019386%	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*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
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	<u>(2,435,920)</u>	<u>(2,113,864)</u>	<u>6,715,824</u>	<u>(1,122,852)</u>	<u>(1,829,095)</u>	<u>(1,299,946)</u>
Total OPEB Liability - Beginning	<u>16,941,943</u>	<u>19,055,807</u>	<u>12,339,983</u>	<u>13,462,835</u>	<u>15,291,930</u>	<u>16,591,876</u>
Total OPEB Liability - Ending	<u>\$ 14,506,023</u>	<u>\$ 16,941,943</u>	<u>\$ 19,055,807</u>	<u>\$ 12,339,983</u>	<u>\$ 13,462,835</u>	<u>\$ 15,291,930</u>
Covered-Employee Payroll	<u>\$ 2,926,341</u>	<u>\$ 3,036,115</u>	<u>\$ 2,635,236</u>	<u>\$ 2,573,459</u>	<u>\$ 2,590,320</u>	<u>\$ 2,673,102</u>
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			ARP ESSER ACCEL	Total Carried Forward
		IDEA PART -B	IDEA Preschool Program	ARP IDEA		
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			Recreation Improvement Grant	BASF GRANT	SDA Emergent Need	Total Carried Forward
	Homeless II	Summer Learning	Beyond School				
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							
Noninstructional equipment				86,000			86,000
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><u>\$ 594,886</u></u>	<u><u>\$ 553,194</u></u>	<u><u>\$ 41,692</u></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	<u>669,389</u>
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><u>\$ 116,195</u></u>
2022-2023 Preschool Education Aid carryover budgeted for Preschool programs 2023-2024	<u><u>\$ 74,311</u></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	
			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

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources				
Securing Our Children;s Future Bond Act (Alyssa's Law)	\$ 18,928	\$ -	\$ 18,928	\$ 18,928
Transfer from Capital reserve .	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

	<u>2023</u>	<u>2022</u>
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

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

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)
	(24,286)	30,995
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
	\$ (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%	900,000				
			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%					
								\$ 125,000	\$ 775,000	
						\$ 900,000	\$ -	\$ -	\$ 125,000	\$ 775,000

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
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	<u>137,609</u>		<u>137,609</u>	<u>137,609</u>	
EXPENDITURES:					
Regular debt service:					
Interest	12,609		12,609	12,609	
Redemption of principal	125,000		125,000	125,000	
Total regular debt service	<u>137,609</u>		<u>137,609</u>	<u>137,609</u>	
Total expenditures	<u>137,609</u>		<u>137,609</u>	<u>137,609</u>	
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	<u>\$ 11,441</u>		<u>\$ 11,441</u>	<u>\$ 11,441</u>	<u>\$</u>

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	6,948,874	6,642,618	7,230,537	7,446,732	7,634,421	7,885,977	7,976,670	9,686,610	8,672,394	8,315,095
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	192,012	172,595	173,722	165,054	164,522	174,030	142,181	127,556	191,732	200,782
Total District expenses	\$ 7,140,886	\$ 6,815,213	\$ 7,404,259	\$ 7,611,786	\$ 7,798,943	\$ 8,060,007	\$ 8,118,851	\$ 9,814,166	\$ 8,864,126	\$ 8,515,877
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	316,595	317,662	352,924	340,440	352,718	324,037	293,518	813,360	1,361,023	2,136,838

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	<u>\$ 500,389</u>	<u>\$ 499,943</u>	<u>\$ 533,467</u>	<u>\$ 499,075</u>	<u>\$ 520,020</u>	<u>\$ 485,543</u>	<u>\$ 428,431</u>	<u>\$ 961,425</u>	<u>\$ 1,610,829</u>	<u>\$ 2,350,763</u>
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	<u>\$ (6,640,497)</u>	<u>\$ (6,315,270)</u>	<u>\$ (6,870,792)</u>	<u>\$ (7,112,711)</u>	<u>\$ (7,278,923)</u>	<u>\$ (7,574,464)</u>	<u>\$ (7,690,420)</u>	<u>\$ (8,852,741)</u>	<u>\$ (7,253,297)</u>	<u>\$ (6,165,114)</u>
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	<u>6,546,070</u>	<u>6,622,078</u>	<u>6,621,179</u>	<u>6,955,762</u>	<u>7,136,810</u>	<u>7,668,348</u>	<u>7,570,211</u>	<u>8,969,095</u>	<u>7,634,991</u>	<u>6,607,192</u>
Business-type Activities:										
Transfers									2,324	
Total Business-type Activities									2,324	
Total District-wide	<u>\$ 6,546,070</u>	<u>\$ 6,622,078</u>	<u>\$ 6,621,179</u>	<u>\$ 6,955,762</u>	<u>\$ 7,136,810</u>	<u>\$ 7,668,348</u>	<u>\$ 7,570,211</u>	<u>\$ 8,969,095</u>	<u>\$ 7,637,315</u>	<u>\$ 6,607,192</u>
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	<u>\$ (94,427)</u>	<u>\$ 306,808</u>	<u>\$ (249,613)</u>	<u>\$ (156,949)</u>	<u>\$ (142,113)</u>	<u>\$ 93,884</u>	<u>\$ (120,209)</u>	<u>\$ 116,354</u>	<u>\$ 384,018</u>	<u>\$ 442,078</u>

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	Total District	Percentage of Personal Income
	General Obligation Bonds	Certificate of Participation	Capital Leases	Activities 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			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Quinton	\$ 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

	Year		Equalized Valuation Basis							
	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			<u>775,000</u>							
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

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
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%		
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%		Not Available
Inspira Health Network	400	1.32%		
Ardagh Group (Anchor Glass)	376	1.24%		
Larchmont Farms	275	0.91%		
Walmart	250	0.82%		
	<u>5,807</u>	<u>19.11%</u>	<u>0</u>	<u>0.00%</u>

Source: District officials

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

Function/Program	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

<u>Elementary</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Quinton Elementary										
Square feet	58,738	58,738	58,738	58,738	58,738	58,738	58,738	58,738	58,738	58,738
Capacity (students)	526	526	526	526	526	526	526	526	526	526
Enrollment	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	<u>\$ 25,475</u>	<u>\$ 126,561</u>	<u>\$ 73,142</u>	<u>\$ 54,608</u>	<u>\$ 85,391</u>	<u>\$ 64,020</u>	<u>\$ 74,726</u>	<u>\$ 126,853</u>	<u>\$ 145,740</u>	<u>\$ 140,649</u>

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

QUINTON TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2023
Unaudited

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

	<u>Coverage</u>	<u>Deductible</u>	
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

A Professional Association

Certified Public Accountants

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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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Quinton Township School District, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance, or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully Submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
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	11,611	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			43,166	(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	84.425D	S425D200027	CARES428020	82,947	3/13/20-9/30/22			-						
CRSSA														
CR ESSER II	84.425D	S425D210027	CRRSA-4280-23	339,878	3/13/20-9/30/23	(104,037)		178,006	(117,356)			(43,387)		(117,356)
CR Learning	84.425D	S425D210027	CRRSA-4280-23	25,000	3/13/20-9/30/23			12,500	(12,500)					(12,500)
CR Mental Health	84.425D	S425D210027	CRRSA-4280-23	45,000	3/13/20-9/30/23	(16,221)		30,893	(24,124)			(9,452)		(24,124)
ARP														
ARP ESSER	84.425U	S425U210027	ARP-4280-24	763,855	3/13/20-9/30/24			90,966	(199,839)			(108,873)		(199,839)
ARP Accel. Learning	84.425U	S425U210027	ARP-4280-24	50,000	3/13/20-9/30/24				(3,000)			(3,000)		(3,000)
ARP Mental Health	84.425U	S425U210027	ARP-4280-24	88,501	3/13/20-9/30/24				(22,239)			(22,239)		(22,239)
ARP Summer	84.425U	S425U210027	ARP-4280-24	40,000	3/13/20-9/30/24				(2,935)			(2,935)		(2,935)
ARP Homeless	84.425U	S425U210027	ARP-4280-24	6,300	3/13/20-9/30/24				(3,214)			(3,214)		(3,214)
ARP Beyond	84.425U	S425U210027	ARP-4280-24	40,000	3/13/20-9/30/24				(7,912)			(7,912)		(7,912)
SDA Emergent Grant	84.425U	S425U210027	ARP-4280-24	6,871	7/1/22-6/30/23			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						(196,887)		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						
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)

**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):

	<u>Federal</u>	<u>State</u>	<u>Total</u>
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

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